

THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE

Friday, 20 May 2016 at 09:30

**Ashfield District Council, Urban Road, Kirkby-in-Ashfield,
NG17 8DA**

AGENDA

- | | | |
|----------|---|----------------|
| 1 | Apologies for Absence | |
| 2 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 3 | Minutes of the Economic Prosperity Committee meeting held on 18 March 2016 | 3 - 6 |
| 4 | Nottinghamshire Business Investment Zones - Employment Land Review | 7 - 10 |
| 5 | N2 Growth Strategy | 11 - 42 |
| 6 | N2 Business Rates Pool | 43 - 48 |
| 7 | Devolution and Combined Authority | |
| 8 | Work Programme | 49 - 52 |

Notes

- (a) Members of the public are welcome to attend to observe meetings of the Economic Prosperity. Please note that there is no opportunity for the public to speak at these meetings.
- (b) Declarations of Interests – Persons making a declaration of interest should have regard to their own Council's Code of Conduct and the Committee's Procedural Rules.

Members or Officers requiring clarification on whether to make a declaration of interest are invited to contact Sara Allmond (Tel. 0115 9773794) or a colleague in Democratic Services at Nottinghamshire County Council prior to the meeting.

- (c) Members of the public wishing to inspect 'Background Papers' referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE

MINUTES OF THE MEETING HELD ON FRIDAY 18th MARCH 2016 AT 9.30AM AT RUSHCLIFFE BOROUGH COUNCIL

MEMBERS PRESENT

(A denotes absent)

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(A denotes absent)

Chairman – Councillor Alan Rhodes – Nottinghamshire County Council

Vice- Chairman – Councillor Neil Clarke MBE – Rushcliffe Borough Council

Mayor Kate Allsop – Mansfield District Council

Councillor Roger Blaney – Newark and Sherwood District Council

Councillor Cheryl Butler – Ashfield District Council

Councillor John Clarke – Gedling Borough Council - A

Councillor Jon Collins – Nottingham City Council – A

Councillor Richard Jackson – Broxtowe Borough Council

Councillor Jo White – Bassetlaw District Council – A

Councillor Simon Greaves – Bassetlaw District Council – substitute for Councillor White

Councillor Michael Payne – Gedling Borough Council – substitute for Councillor John Clarke

OFFICERS PRESENT

Sara Allmond – Nottinghamshire County Council

Verna Bayliss – Derby City Council

Allen Graham – Chief Executive, Rushcliffe Borough Council

Tim Gregory – Nottinghamshire County Council

Chris Henning – Nottingham City Council

Matt Lockley – Nottinghamshire County Council

Robert Mitchell – Chief Executive, Ashfield District Council

Andrew Muter – Chief Executive, Newark & Sherwood District Council

Glen O’Connell – Nottingham City Council

David Ralph – D2N2 LEP

John Robinson – Chief Executive, Gedling Borough Council

James Schrodel – Nottingham City Council

Bev Smith – Managing Director, Mansfield District Council

Neil Taylor – Chief Executive, Bassetlaw District Council

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors John Clarke, Jon Collins and Jo White. Councillor Michael Payne substituted for Councillor John Clarke and Councillor Simon Greaves substituted for Councillor Jo White.

2. DECLARATIONS OF INTEREST

None

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 19th February 2016, having been previously circulated, were agreed as a true and correct record and were confirmed and signed by the Chair of the meeting.

4. BETTER BROADBAND FOR NOTTINGHAMSHIRE - UPDATE

Matt Lockley introduced the report which provided an update on the Better Broadband for Nottinghamshire (BBfN) programme. The coverage target was 62,000 homes and over 63,000 had been covered by March 2016, with over £17 million invested. The target was for 98% coverage across Nottinghamshire by the end of Contract Two, however there were discrepancies in terms of coverage across the county. Further funding was coming through as the contract gave back additional funding if targets were hit, so there was likely to be £2.2 million additional plus £300,000 in efficiency savings giving £2.5 million to reinvest. A more targeted approach was proposed for this funding, targeting the areas with lower coverage – Bassetlaw, Newark and Sherwood and Rushcliffe to bring the percentage coverage up in these areas. The funding would enable an additional 1,500 houses to be covered, this was due to these houses being the most difficult to reach and therefore the most expensive to cover.

There would be approximately 2,500 houses that would not get coverage through the programme and did not receive the minimum 2 Mbps internet speed. Vouchers of up to £350 would be offered to these households for satellite broadband services. Whilst satellite broadband was less resilient than fixed, fibre broadband the technology to deliver satellite solutions was constantly improving and speeds of approximately 20 Mbps could be achieved. The satellite scheme was launched in February in Nottinghamshire. Take up had initially been slow, however it was now increasing.

RESOLVED 2016/005

- 1) That the progress of the Better Broadband for Nottinghamshire (BBfN) programme be noted and in particular the prospect of achieving 98% superfast coverage by 2018.
- 2) That the additional investment of approximately £2.5 million that has been secured through the gainshare mechanism and contract efficiencies be noted.
- 3) That the additional coverage priorities highlighted at paragraphs 8 and 9 of the report be noted.

5. EUROPEAN STRUCTURAL AND INVESTMENT FUND (ESIF) TECHNICAL ASSISTANCE - UPDATE

Chris Henning introduced the report which provided an update on the D2N2 European Structural and Investment Fund (ESIF) programme. The programme was moving from solely commissioning to delivering, from April. The ESIF programme for 2014-16 was worth £173 million (subject to exchange rates). The report provided information on the projects approved and the bids which had been put forward for approval. The report also provided information on the future calls programme.

RESOLVED 2016/006

- 1) That the current status of European Union (EU) funding bids and work underway to secure these funds be noted;
- 2) That the Sustainable Urban Development strategy for the Nottingham Urban area which has been submitted to the Department for Communities and Local Government (DCLG) for negotiation, be noted.

6. DEVOLUTION AND COMBINED AUTHORITY – VERBAL UPDATE

Andrew Muter provided an update on the Devolution and Combined Authority. Following the last meeting of the 19 Leaders, the position was clarified regarding geography. Four Derbyshire areas would not be part of the devolution bid, plus Chesterfield and Bassetlaw had asked to be considered as non-constituent members of the bid as they had requested to become constituent members of another bid. Clarity from the Government was required regarding the implications of these requests.

The recruitment of the three roles agreed at the previous meeting were currently on hold, in light of the changes to the bid.

Concern was raised regarding those voicing in the media that a unitary deal should now be considered. This was not a viable alternative as it would not result in the transfer of powers on offer through the Devolution or Combined Authority deals.

RESOLVED 2016/007

That the update be noted.

7. WORK PROGRAMME

The proposed June date would be moved due to the Referendum vote taking place the day before.

RESOLVED 2016/008

That the report be noted.

The meeting closed at 10.10am

CHAIRMAN

20th May 2016

Agenda Item: 4

REPORT OF THE CHIEF EXECUTIVE, NOTTINGHAMSHIRE COUNTY COUNCIL

NOTTINGHAMSHIRE BUSINESS INVESTMENT ZONES – EMPLOYMENT LAND REVIEW

Purpose of the Report

1. To share with the Economic Prosperity Committee the conclusions of a review of employment sites undertaken for the Nottinghamshire Business Investment Zones (NBIZ) initiative, noting the contents of this report and the suggested way forward. Rod Griffin (Arup) will be attending the EPC to present the principle findings of the review.

Information and Advice

2. In March 2015, Nottinghamshire County Council commissioned Arup (with support from Jones LangLaSalle) to undertake a review of employment development sites across the County area. This market-led review would underpin a proposed wider approach under the Nottinghamshire Business Investment Zones (NBIZ) heading which would allow the County Council and its partners to identify which employment sites appeared to have the best potential for employment and growth, to be complemented by:
 - inward investment activity to be undertaken in tandem with the Place Marketing Organisation and other partners;
 - further dialogue with developers to review how the advantages of key sites might be exploited and how the barriers to the sites' development may potentially be addressed;
 - discussions with the Local Enterprise Partnership(s) to influence future funding decisions on bringing forward employment land across the County.
3. Nottinghamshire County Council committed £20,000 towards the total costs of undertaking the review. Each of the Nottinghamshire District and Borough Councils contributed £2,000, making a combined budget of £34,000. The County and District Councils offered support to the framing of the review by putting forward the sites to be included in the assessment.

The Review

4. The Councils have endeavoured to work closely with the appointed consultants to conclude the review. A final draft has been shared with the Councils and was the subject of detailed discussions in late April, largely to review any factual errors or changes that would impact radically on each site's individual assessment.

5. A final version of the review will be circulated following the presentation at the EPC Committee meeting. In order to support the discussion, the following explains how the sites put forward were each the subject of a criteria based approach, which comprised a review of the following core elements:
 - Physical characteristics – including ground conditions, contamination, flood risk and access;
 - Scale of job yield – based on planning permissions / proposals and set against published standard methodologies;
 - Marketability / Market Achievability– set against historical approvals and length of time vacant, owner issues and investment potential as judged by the commercial sector;
 - Deliverability – taking account of costs of servicing and remediation and of scale and costs per job created.
6. Each site has been scored against the above criteria. In order to offer a stronger commercial perspective on the review, Arup adopted a weighting which places the following emphasis (in order) on each of the elements:
 - Market Achievability – 40% - given sites are more likely to take off where the market is the driver;
 - Scale of job yield – 25% - being a primary outcome for employment sites;
 - Deliverability – 20% - given a need to look at sites with manageable cost barriers;
 - Physical characteristics – 15% - given that such issues can usually be overcome with strong market drivers
7. Of the sites incorporated into the review, the groupings of sites following the above assessment will be referenced in the presentation to the meeting. In considering the conclusions, the following points merit reference:
 - The review cannot be considered as offering a definitive perspective. An as objective a perspective as possible has been taken, but views on key aspects – and especially the local market conditions which have a significant weighting – may be open to debate;
 - A change in circumstances as may relate to any of the elements reviewed for each site could of course result in a different outcome; hence the importance of regular reviews over time;
 - New sites may come forward to be reviewed against all the others included here;
 - Some aspects reviewed here have been limited by the costs of the study. Site surveys for example on any one site may be expensive and have yet to be undertaken in all cases;
 - The performance of the wider economy and trends within it will impact on all the elements considered in the review.
8. The above specification for the review provides a framework for assessing sites, which could be used to continue to monitor and review sites in the future in a consistent manner, allowing the partners to review trends, changes and developments over time. It should be stressed however that elements of this might best be undertaken again in tandem with the private commercial market, especially on the market achievability factor and this should usefully be built in to any future process.

Next Steps

9. In addition to any considerations raised at the Economic Prosperity Committee meeting, Arup's review recommends some suggested next steps which will help drive the wider NBIZ work forward, including:
- Collaborative work on joint priorities requires agreement on which sites have the best potential for growth – and hence which sites might best benefit from external resources
 - Creative joint approaches may be explored to see how sites could be financed;
 - Business rates devolution will present a challenge in maximising the rates to the area through good quality employment development;
 - The importance of continued monitoring of employment land but in parallel with the local planning process, bringing an overt commercial perspective with developers and reflecting private sector needs;
 - Support should be given to the key developers to bring forward the sites with the best opportunities for growth;
 - This should not be done in isolation, factoring in skills, inward investment and small, and medium sized business requirements

Reason/s for Recommendation/s

10. To support the Committee in addressing its priorities regarding place shaping and place marketing activities and to support its consideration of future development priorities in tandem with Local Enterprise Partnerships when considering future Growth Deal and related resource planning.

Statutory and Policy Implications

11. 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 within the text of the report.

RECOMMENDATION

It is recommended that the Economic Prosperity Committee notes the contents of this report and the proposed next steps as part of the on-going NBIZ approach as referenced in the report.

Report of the Corporate Director, Place

For any enquiries about this report please contact Geoff George, Tel: 0115 9772146

Background Papers and Published Documents

None

Electoral Division(s) and Member(s) Affected

All

20th May 2016**Agenda Item: 5****REPORT OF THE CHIEF EXECUTIVE, NOTTINGHAMSHIRE COUNTY
COUNCIL****N2 ECONOMIC GROWTH STRATEGY****Purpose of the Report**

1. This report introduces the draft Nottingham and Nottinghamshire Economic Growth Strategy (N2 EGS), an overview of which will be presented to Committee by the Directors of Economic Development for the City and County Councils. Feedback from the Economic Prosperity Committee (EPC) on the draft strategy that will inform its finalisation is requested.
2. In addition, the report seeks approval for delegated authority for the N2 Chief Executives to finalise the strategy, subject to the successful conclusion of a business and stakeholder consultation process.

Background

3. At its July 2015 meeting, the EPC considered and agreed to the development of an Economic Growth Strategy (and implementation plan to detail how the strategy will be delivered) to outline a robust approach to ensuring the economy of the area grows in future years. Lead officers from the City, County and Districts subsequently worked together to develop the Strategy.

The N2 Economic Growth Strategy (N2 EGS)

4. The N2 EGS aims to deliver against the three headline priorities of:
 - Enterprise and Innovation
 - People and skills
 - Infrastructure and Connectivity
5. This is our first combined EGS and as such sets out the framework based on N2 local authorities' intelligence, evidence base and knowledge. This is a living strategy as we move forward into the next decade and will continue to evolve following continued conversation with partners, businesses and residents.

6. The EGS will be supported by a separate *Implementation Plan* which will be developed to provide details of how key initiatives will be progressed, as well as setting out clear targets.

Next steps

7. The next steps are:

- Subject to Committee approval, to consult with local business and stakeholders on the N2 EGS
- Amend/enhance the N2 EGS following the consultation with a view to subsequent official launch at a Business Summit, which will be the subject of a separate report to the EPC
- To create a short marketing summary that provides the reader with the key visions, priorities and ambitions for N2
- To develop and agree a detailed delivery plan taking into account delivery plans of other key stakeholders and outlining quantifiable deliverables (i.e. new businesses created, business supported, jobs created, new affordable housing units) and timescales
- To monitor the delivery plan annually reporting to the key stakeholders and to undertake a mid-term review of the EGS in 2019 to ensure its continued relevance against changing economic circumstances (to include taking account of any changing national or local policies)
- To continue to engage with key stakeholders to take forward joint actions

Statutory and Policy implications

8. 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.

Reasons for recommendation(s)

9. The N2 EGS contributes to the strategic objective of supporting growth and will provide a strategic framework to help develop funding bids and take forward the actions as set out in its accompanying *Implementation Plan*.

RECOMMENDATIONS

10. It is recommended that N2 EPC provides feedback on the draft strategy and delegates authority to the N2 Chief Executives to finalise the strategy, subject to the successful conclusion of a business and stakeholder consultation process.

Report of the Chief Executive, Nottinghamshire County Council, Anthony May

For any enquiries about this report please contact: Peter Davies-Bright, Growth Plan Programme Manager, Nottingham City Council Tel: 0115 87 63413

Background Papers

Nottinghamshire Growth Plan

Nottingham Growth Plan

Nottingham and Nottinghamshire Local Economic Assessment

N2 Labour Market Assessment 2014-2022

N2 Skills and Employment Framework 2015-2020

D2N2 Local Enterprise Partnership Strategic Economic Plan

D2N2 Devolution Prospectus

Midlands Engine for Growth Prospectus

Delivery of an East Midlands HS2 Growth Strategy

Electoral Division(s) and Member(s) Affected

All

N2 ECONOMIC GROWTH STRATEGY

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Foreword

<to follow>

1. Introduction

The Nottingham Growth Plan was launched in July 2012 alongside the announcement of the Nottingham City Deal which, taken together, outlined an economic growth strategy setting out an ambitious plan to rebalance and grow the City's economy, and strengthen its resilience. The Nottinghamshire Growth Plan was launched in the following year, setting out a strategy to improve economic performance across the County that would build on its strengths to stimulate growth and create more and better quality jobs.

These Growth Plans set out a programme of economic development priorities and actions focusing on the key strategic aims of supporting enterprise, innovation and business growth; improving the skills of local citizens and increasing access to employment; and improving infrastructure (including critical site development) to support the local economy.

Together, the Growth Plans have often been described as 'two chapters of the same book.' Within a changing national policy context, centred on Local Growth Deals and Devolution (and with much of the initial City Deal funding drawing to a close in 2015) the Economic Growth Board¹ proposed that we should take stock of the existing Nottingham and Nottinghamshire Growth Plans, bringing them together in a single economic growth strategy for the Nottingham and Nottinghamshire area, building on the successes of the original Growth Plans and strengthening our approach where this is needed. The City of Nottingham and Nottinghamshire Economic Prosperity Committee² subsequently commissioned the development of this combined strategy for 'N2' – Nottingham, Nottinghamshire and its constituent Boroughs and Districts of Ashfield, Bassetlaw, Broxtowe, Gedling Mansfield, Newark and Sherwood, and Rushcliffe.

STRATEGIC CONTEXT

Since the launch of the City and County Growth Plans the economic development landscape has evolved both nationally and locally. With economic growth concentrated in London and the South-East, the need to rebalance the national economy has become more widely recognised. The Government has sought to promote local growth through Local Enterprise Partnerships (LEPs) and its devolution agenda. It is against this background that the Government launched its flagship programmes, the Northern Powerhouse and the Manchester devolution deal.

This presents a challenge to both Nottingham and Nottinghamshire, and the wider Midlands. In order to not get 'squeezed out' between the traditionally strong economy of London and the South-East and the emerging Northern Powerhouse, we

¹ The Economic Growth Board (originally convened as the Economic Resilience Forum in 2009) was comprised of senior private and public sector leaders from the Nottingham area who advised the City and County Councils on strategic economic development issues until its dissolution in 2015.

² The Economic Prosperity Committee is a joint committee of City, County and District Councils in Nottinghamshire. It acts as a decision making body on local economic development issues

need to develop – and deliver – a compelling strategic offer that will support sustainable economic growth at the local, regional and pan-regional levels.

At the pan-regional level, the Midlands Engine brings together 11 LEP areas across the East and West Midlands, and is emerging as a counter-balance to the Northern Powerhouse. Its [prospectus](#) (published December 2015) focuses on the five strategic themes of innovation, skills, business finance, transport and promotion, and the ambition is to create 300,000 jobs by 2020 and grow the economy by £34 billion by 2030.

At the regional level, the D2N2 LEP published its [Strategic Economic Plan](#) in 2013, setting out a vision for the Derby, Derbyshire, Nottingham and Nottinghamshire – based on innovation – to create a more prosperous, better connected, and increasingly competitive and resilient economy. It identified a set of priority actions to underpin Local Growth Fund ‘asks’, alongside eight key growth sectors.

At the lower spatial level, there are a number of local and sub-local plans and strategies that enable communities to tackle issues specific to their location, such as Rebalancing the Outer Estates which aims to tackle high levels of unemployment, low educational attainment and social deprivation on the outer estates of the north of Nottingham.

The N2 Economic Growth Strategy is positioned within this context. Collectively, the strategies listed here can be viewed as a set of ‘Russian Dolls’ – the strategic themes and key growth sectors within the strategies are aligned, but it is recognised that issues should be tackled at the most appropriate level. Some challenges will be best addressed at the neighbourhood level, some at the pan-regional level – this Economic Growth Strategy sets out to articulate the issues most relevant to the N2, and proposes a series of actions designed to address these.

DELIVERING GROWTH FOR NOTTINGHAM AND NOTTINGHAMSHIRE

There is much success on which we can build further. A range of projects and programmes have been successfully delivered over the past four years, and as a result the N2 area has seen significant business growth and increases in employment. For example:

- The £10m N'Tech Grant Fund that supported 90 companies in key sectors, leveraging £47m private sector finance and unlocking over 2,000 jobs
- The £5m Nottinghamshire Economic Development Capital Fund, assisting 198 businesses, leveraging £17.3m private sector finance, unlocking over 700 jobs and creating 27 Apprenticeships
- The launch of two LEADER programmes (total value £3.4m) promoting rural economic growth in the North and South of the County
- Business support programmes for:
 - over 300 start-ups through NBV's Ready For Business programme
 - 39 early stage high growth businesses through Next Business Generation
 - 72 growth businesses through Growth 100
 - 122 student entrepreneurs through Inspired in Nottingham

- The launch of the £40m Foresight Investment Fund that has invested over £10m equity into 7 companies to date
- A year-on-year increase in Inward Investment activity, with 9 Foreign Direct Investment 'landings' across N2 in 2015/16, creating 455 new jobs.
- A dedicated conference and events bidding unit that has generated 75,000 hotel bed nights and an economic impact of £14m
- The Jobs Hub has supported over 3,500 into jobs, and now offers a fully integrated (with DWP) service across the area
- The Apprenticeship Hub has supported over 1,500 Apprenticeship starts
- The Say YES to an Apprentice programme has seen over 150 Apprenticeship starts, with 136 SMEs take on their first Apprentice
- The establishment of the Creative Quarter, which has received national and European awards for *Improving the Business Environment*
- The success of the Nottinghamshire Innovation Centres in Mansfield, Newark and Worksop, hosting 100 new businesses with the creation of 570 jobs

In addition, there has been major investment in the area's infrastructure delivering significant improvements, including:

- The £570m extension of the City's tram network, with lines 2 and 3 (to Clifton and Chiwell) opening in 2015
- The £362m upgrade of the A46 from Widmerpool to Newark
- The £150m upgrade of the A453 between Nottingham and the M1, expected to unlock £540m for the regional economy
- The £70m redevelopment of Nottingham Station
- The £31m Better Broadband for Nottinghamshire programme to upgrade digital infrastructure across N2 and increase superfast broadband connectivity, resulting in 98% coverage
- The ring road improvement scheme in Nottingham (£16m), and the planned new Hucknall inner relief road (£12m)
- The new £9m development of the new Mansfield Transport Interchange
- The development of plans to establish Enterprise Zone sites (Boots Campus, Nottingham Science Park and Beeston Business Park), and a Business Investment Zone (Rolls Royce, Hucknall)

We have also established the organisations that will support the N2 economy to continue to grow:

- **Growth Hub** – launched in April 2015 to act as a single point of contact for business support services, with a team of sector specialists acting as account managers for growth businesses, enabling local businesses to easily access the most appropriate support for their needs. The Growth Hub also works with business service providers to help them shape their offer to better match the evolving needs of businesses.
- **Marketing Nottingham and Nottinghamshire** – a new, integrated place marketing organisation that has been established to build the reputation of the City and County, nationally and internationally, and put N2 firmly on the map as a top UK destination for inward investment, tourism and graduate

employment. Bringing together Invest in Nottingham, Experience Nottinghamshire and Nottingham Means Business, it will set out a compelling narrative of what N2 has to offer to investor, business visitor and tourist audiences.

- The **Jobs Hub** – originally launched in 2011 by the City Council as an employer recruitment service for the construction sector, the Jobs Hub has expanded and is working with Jobcentre Plus and Futures to offer an integrated skills and employment offer to both jobseekers and employers. The Jobs Hub's multidisciplinary team now offers a comprehensive job matching and recruitment service to local jobseekers and employers, with a commitment to expand its operations across the N2 area.
- **Futures** operates across the N2 area, providing jobs and skills advice, training, apprenticeships and support to young people and adults who need help preparing for work or training. They are a key delivery partner in the Jobs Hub and also operate the National Careers Service locally.
- The **N2 Skills and Employment Board** was established in 2014 to provide private sector leadership on the skills and employment priorities for N2. It has strategic responsibility for making sure the skills and employment support landscape across N2 best supports business growth and job creation, to create and grow the highly skilled workforce required to support the economy now and in the future.

DELIVERING FUTURE GROWTH

Whilst N2 has seen significant job growth over the past few years – 12,000 new jobs were created between 2009 and 2014, an increase of 2.4% – there is more still to do. There is a growing need to create better jobs. To do this we need to focus on the next big challenge of improving productivity in the local economy.

The N2 economy continues to have an over-reliance on the public sector, professional services and retail for employment and its economic wellbeing. The Growth Plans set out a strategy to rebalance the local economy, increasing its diversity and thereby increasing its resilience to future economic shock.

This Economic Growth Strategy aims to continue this long-term structural realignment of the local economy. It sets out a clear and cohesive economic development strategy for N2, building on existing plans and actions, and providing an underpinning rationale that will enable us to secure resources and deploy capacity to deliver our economic growth ambitions.

In this document we set out:

- Our analysis of the drivers of economic growth
- N2's economic context
- Our vision, mission and strategic themes
- Proposed actions
- A plan for implementation

2. Drivers of Economic Growth

Over the long term there are four key pillars or determinants of economic growth: productivity; labour force participation; sectoral mix of the economy; and infrastructure. These determinants don't exist or operate in isolation from one another but each pillar is underpinned by a number of key drivers and the N2 Economic Growth Strategy is designed to increase economic growth by targeting each of the key drivers.

PRODUCTIVITY

Over the long-term, improvements in productivity performance will increase the competitiveness of the N2 economy and make the largest contribution to increases in economic growth. Key drivers of productivity are: enterprise; skills; exporting; innovation; investment; and competition.

LABOUR FORCE PARTICIPATION

Labour force (market) participation includes all those who are employed or unemployed and actively seeking work. The participation rate therefore shows the percentage of a given population that are engaging with the labour market. Increasing the number of people in employment adds to the productive capacity of the economy and makes better use of our human capital potential. It also improves the standard of living of those moving into employment and supports a more equitable distribution of the benefits of growth.

Key drivers of labour force participation include:

- Demographic factors such as the birth rate, age, gender, ethnicity and net migration as well as disability and health
- Education, skills and aspirations; and work incentives and social attitudes to work.
- Labour market demand, especially the availability and accessibility of employment and wages/salaries.

KEY SECTORS AND INDUSTRIES

The sectoral structure of the local economy is an important factor in its ability to respond effectively to economic shocks and to capture and capitalise on economic growth opportunities. The structure of a local economy – its key sectors and agglomeration effects in particular – can also have an important impact on productivity growth. Certain sectors offer particular opportunities for growth –in all or part of that sector – due to existing comparative advantages or through the potential to capitalise on N2's economic assets.

Previous economic research has identified a set of economic sectors which are of particular significance to the N2 local economy and which offer good prospects for further growth in GVA and/or employment. We refer to these later in this document.

Concentrations of economic activity in particular geographic locations can come about via what are termed agglomeration economies (or externalities) which refer to a variety of possible linkages, interactions and spill-overs between enterprises in a similar location and, quite often, a sector as well. Agglomeration effects can facilitate improved productivity growth both directly and indirectly (e.g. by increased infrastructure investment and improved labour force engagement).

INFRASTRUCTURE

To grow, the N2 economy depends on:

- Efficient movement of people, goods and information, via effective and reliable transport and communications networks at competitive prices, to provide access to markets and suppliers;
- A sufficient supply of high quality and affordable housing to support a growing population, as the local economy and employment opportunities expand; and
- Readily available water, electricity and gas supplies, again at competitive prices.

Infrastructure is therefore a key underpinning driver of growth and has significant implications for the productive capacity and competitiveness of the economy.

The institutional infrastructure of the local economy also plays a vital role, especially universities and colleges, business support providers; and a wide array of intermediaries and specialist facilities. And, of course, local authorities.

3. N2 in Context

NATIONAL ECONOMIC CONTEXT

The UK economy slowed a little in 2015 but domestic demand growth remains relatively strong, helped by lower oil prices. The global outlook remains mixed with a gradual pickup during the year in the US and the Eurozone, but a slowdown in China, recessions in Russia and Brazil, and increased volatility in emerging markets more generally.

The much sought after rebalancing, from consumption to investment and exports, remains elusive. The strength of Sterling coupled with a weak global economy are largely responsible for the lack of export growth. With investment not having increased substantially, this means that much of the growth impetus has come from consumer spending on services. Consumer spending has grown relatively strongly over the past three years due to strong employment growth, low mortgage interest rates and higher personal income tax allowances. All of these have boosted household disposable incomes, although real cuts in working age benefits have partly offset these factors. In addition, increased confidence and borrowing since mid-2012 have been reflected in a declining savings ratio, giving a significant additional boost to real consumer spending growth.

Looking ahead, the UK recovery is still exposed to downside global risks related to possible problems in China and some other large emerging economies spreading to a more general loss of confidence in international financial markets. However, there are also upsides include the continued feed through to consumers of the benefits of low oil prices as well as falling unemployment and recent signs of stronger earnings growth in the UK.

The Office for Budget Responsibility (OBR) recently trimmed its UK growth forecast for 2015 to 2.4%, reflecting the weaker than expected start to the year and a small drag from the in-year public spending cuts. It left growth unchanged at 2.3pc in 2016 but raised its growth forecasts to 2.4pc for 2017 through to 2020, with the UK economy expected to receive a boost from the slower pace of fiscal tightening. These OBR forecasts are consistent with those recently made by the International Monetary Fund.

STATE OF THE N2 ECONOMY

The N2 economy has undergone major structural changes in the past 30 years. The area is comprised of the City of Nottingham in the south, and the former coalfield towns and villages in the north of the County. Nottingham – and the surrounding urban and suburban areas – was traditionally a manufacturing centre, the home to world renowned companies like Raleigh and Player's. Since the decline of the manufacturing industries in the 1980s, the strength of the City's economy was increasingly based on the services sector – business and professional services, public services, and retail. The County's traditional strengths, centred around the dominance of the mining industry, lay in manufacturing and agriculture as well as coalmining. Since the decline of the mining industry, the area has seen a rise in food and drink manufacturing, as well as engineering, logistics and the rural visitor

economy. The rural areas are home to a predominance of privately owned small businesses, with one third employing fewer than four people and having a turnover in the region of £250k. Manufacturing businesses are proportionately more highly represented in rural areas, and there is a significant opportunity to support the growth of rural areas in traditional and non-traditional sectors.

More recently, the N2 economy has shown signs of a steady recovery, with an increase in the employment rate and significant fall in the number of people claiming out of work benefits, and whilst these continue to lag behind the national average the gap is narrowing. However, improvements are uneven and there remain pockets of significant deprivation across N2.

KEY ECONOMIC CHALLENGES FOR N2

Our assessment of the economic context and performance of the N2 economy (see Table 1) has enabled us to identify the following key strategic challenges to be addressed:

Weak Economic Growth

The N2 economy was worth £21.7bn in 2014, accounting for 1.6% of England's GVA. The local economy grew by 38% between 2004 and 2014, below the England average of 45%.

Low Productivity

GVA per hour worked is the most widely used productivity indicator. There remains a persistent and significant gap in productivity levels between England and N2. In 2014, N2's GVA per hour (£26.5) was far lower than the England average (£31.5).

Insufficient Business Start-Ups

The rate of new enterprise formation is below average – the business birth rate in N2 was 12.9% in 2014 compared to the England average of 14%, although the 3 year survival rate of start-ups in N2 is on a par with the national average (60%).

Under-Performing Labour Market

There are three key labour market indicators where N2 performs consistently below the national average: the Employment Rate, Job Seekers Allowance (JSA) Claimant rate and Out of Work Benefits rate.

Worklessness remains a significant problem for many N2 residents and households: N2 has an above average proportion of workless households – households in which no one is in work. In 2014, 42,000 (16.8%) of N2 households had no adult in work compared with 15.8% for England. While the number of people in England claiming JSA for over 6 months was 11.6% higher in October 2015 compared to 2008, the number was 33.8% higher for N2.

Table 1: N2 Economic Scorecard

INDICATOR	KEY INDICATOR	N2's ECONOMIC PERFORMANCE
GVA	Total GVA £	N2's GVA (overall economic activity/performance) was worth £21.7bn in 2014. This had increased by 13% since the outset of the recession in 2008, lower than that for England as a whole (20%).
GVA per capita	GVA per capita £	GVA per capita in N2 in 2014 (£19,800) was 22% lower than the national average (£25,400). N2's GVA per head has risen by 7% since 2008 compared with 14% nationally.
Productivity	GVA per hour £	GVA per hour was £26.5 in N2 in 2014, significantly below the national average (£31.5).
Employment	Employment Rate: people in paid work as a % of 16-64 yr olds	N2's employment rate in 2015 (71%) is significantly below the England average (73.3%). Since 2008, N2's employment has increased by 3.7%, slightly above the England average of 3.5%.
Unemployment and Worklessness	JSA claimant rate % Out of Work Benefits rate %	In October 2015, N2's JSA claimant count (unemployment) rate was 2.0% compared with the England average of 1.5%. The rate at which JSA unemployment fell between 2008-2015 was higher for England(-35%) compared to N2 (-19%). The incidence of long term (over 6 months) unemployment is higher in N2 (0.9%) compared to England (0.7%). The proportion of N2 residents claiming Out of Work Benefits (10.5%) exceeds the national average (9.1%). The rate at which people claiming OOWBs has fallen was quicker for England (-13%) compared to N2 (-10.5%) between May 2008-2015.
Earnings	FT average annual (mean) earnings (residence based) £	At £28,980, average annual earnings in N2 are £5,280 (15.4%) below those for England (in 2014).
Household Disposable Income	Gross Disposable Household Income per head £	Household Disposable Income per head (a good indicator of economic welfare) in N2 (£14,600) was 18% below the national average (£17,800) in 2013. Although GHDl per head increased by 7% in N2 between 2008-2013; this was significantly below that achieved for England as a whole (13%).
Business Stock	No. of active enterprises per 10,000 population aged 16+	N2 (376) is significantly below the England average (508); 2014 figures.
Business Start-Ups	No. of businesses registering for VAT as a % of the active business stock (start-up rate)	The business birth rate in N2 was 12.9% in 2014 compared to the England average of 14%.
Business Survival rates (after 3yrs)	3 year survival rate for start-ups founded in 2011	The N2 3 year survival rate was 59.9% compared to an England average of 60.4%; but the City's survival rate is significantly worse at 56.7%.
Skills	% 16-64 yr olds without qualifications	The percentage of 16-64 year olds in N2 with no qualifications was 11% in 2014 compared with 8.6% for England.
	% 16-64 yr olds with NVQ2 or above	The proportion of 16-64 year olds with NVQ4+ qualifications in N2 (31%) is on a par with the national average (36%).

Earnings and Income Levels

Lack of local spending power is a key constraint to the local economy and a significant factor in explaining relatively high levels of multiple disadvantage. Average workplace based earnings in N2 (£28,920 in 2015) are significantly below the average for England (£34,200).

Between 2008 and 2015, the rate of increase in average earnings was 6.8% in N2 compared with a rise of 5.7% for England. N2 disposable household income per head is significantly below the England average, by around £3,000. The rate of growth in N2 household income (7% over 2008-13) was below the England average (12.9%).

Shortage of Qualifications and High Level Skills

Although N2 has seen a rise in the percentage of 16-64 year olds with NVQ4+ qualifications since 2008, both the City and the rest of Nottinghamshire remain below the average for England. Conversely, although the percentage of adults without qualifications in N2 has fallen steadily in recent years, it remains above the England average.

Acute Multiple Deprivation

Many individuals and families in N2 continue to face multiple disadvantages. The Index of Multiple Deprivation 2015 showed Nottingham City as being the 8th most deprived Local Authority in England out of 326 Districts, a fall of 12 places from its position as the 20th most deprived LA in 2010, and there are significant pockets of multiple deprivation in some town centres and rural areas across the County.

GROWTH SECTORS AND CLUSTERS

A key aim of the N2 Economic Growth Strategy is to increase the number of well-paid and secure job opportunities across N2 as a whole, and to increase the number of people who are active in the labour market. The focus will be on stimulating private sector job growth as against this backdrop we expect there will be further reductions in public sector employment over the next several years.

Certain industrial sectors offer particular opportunities for growth (in all or part of that sector) due to existing comparative advantages or through the potential to capitalise on N2's economic strengths. These sectors have the potential to drive sustainable growth in the long-term through the development of N2's assets and comparative advantages, and through their potential to be successful in global markets. The following sectors have the potential to deliver a scale of growth in GVA and/or employment over the long term which will have a transformative impact on the N2 local economy.

At the local level, the existing Growth Plans have identified sectors where the local area has a competitive advantage and sought to build and strengthen these in order to rebalance the local economy and increase its resilience against future economic shocks. The Economic Growth Strategy for N2 will also do so. The D2N2 Strategic Economic Plan (SEP) identified eight priority sectors of strategic importance to the

local economy, and in addition Health and Social Care has been identified as a priority sector for N2. This strategy will continue and strengthen the focus on supporting and strengthening the identified key sectors (see Table 2).

Business clusters are geographic concentrations of industries related by knowledge, skills, inputs, demand, and/or other linkages. Clusters develop in particular locations as a result of supply chain linkages which bring closer together the producers of raw materials, the manufacturers, distributors and specialist retailers backed by the education sector and specialist service providers. Examples include: the Enterprise Zone sites at Boots Campus, Nottingham Science Park and Beeston Business Park; BioCity; Southglade Food Park; the Creative Quarter; and Worksoop Creative Village.

Table 2: Key Growth Sectors

Sector	Overview	Key Drivers of Change
Agri. Food and Drink Manufacturing	The food and drink supply chain consists of farmers, primary processors through to manufacture, wholesale, foodservice and retail. A key sector with a workforce of almost 10,000 and a GVA of around £450m. N2's locational strength and access to raw materials are key advantages. Self evidently important to the rural economy and communities.	Increase investment in R&D and capital equipment/ technology; boost exports; address skill shortages; and sustainable production and climate change.
High Value Manufacturing	A sector with a strong export orientation which is also exposed to global competition and which covers knowledge intensive engineering, engineering, automotive, aerospace, electronics, defence and ICT, which tend to result in high value products which contribute to growth and increased competitiveness. This also includes medical technologies. N2 employment of 18,000 and GVA of £1,160m.	Continuing driver for higher productivity; product/ process diversification and innovation; skills attraction and retention.
Transport and Logistics	A lynchpin of the economy, especially for manufactured goods and retail. The sector comprises both freight and passenger transport and specifically: land transport and transport via pipelines; warehousing and support activities for transportation; other postal and courier activities; and water and air transport. N2 is ideally located for transport, logistics and storage operations. Accounts for 14,600 jobs and has a GVA of £660m.	Introduction of new technologies; skills gaps and shortfalls (e.g. LGV drivers); HS2 and Toton; shifts in consumer demand and purchasing; energy costs; environmental challenges.
Digital Technology and Creative Media	A sector which has had significant growth in recent years and which comprises digital technology, and creative activities. Employment in N2 of 16,700 and GVA of over £2,000m. Skill shortages have emerged as a key growth barrier. Retaining successful creative businesses in N2 could become a challenge.	Skills; advances in digital technology and the Internet of Things; exploiting export opportunities; prone to cyclical conditions in the macro economy; shortages in suitable workspace for start-ups and small enterprises.

Visitor Economy	This sector depends a great deal on the performance of the economy as a whole as well as factors that affect visitor numbers from within and outside the UK. It's also a very dynamic sector which is subject to constant change and it supports a great many micro and small firms as well as some major employers. Employing over 40,000 people in N2 and with a GVA of over £500m this is a significant employment sector. Important to the rural economy and communities.	Macro economic conditions; exploiting developments in new technology/social media; addressing skill shortages; image of some parts of the sector needs to be improved; investment in infrastructure; linkages with retail and town centre vitality as well as the City.
Life Sciences	A dynamic sector which covers activities such as medical technology, medical biotechnology, industrial biotechnology and healthcare products and services. Employing 3,500 in N2 and with a GVA of £250m.	Digital, communications and other technological developments; increasingly global outlook; access to investment finance and small business advice; pressures on healthcare budgets coupled with rising costs; skills retention; mergers and acquisitions leading to shifts in investment elsewhere.
Health and Social Care	The health sector in N2 is already a very major employer with activities ranging from high level research and medical product manufacture, through to employment in the NHS, and in a significant and growing health and social care workforce which is increasingly migrating from the public to private sector. The sector employs 45,000 in N2 and has a GVA of £320m. There is no doubt that the social care and health economy will grow, driven by the increase in the proportion of older people in the population. There are clearly synergies with the Advanced Manufacturing and Technology sector, for example developing mutual benefit from partnering with medical technologies and ICT industries.	Funding of healthcare; public/private healthcare; demographic changes; political developments; developments in bioscience, pharmaceuticals and technology; the choice agenda; and societal trends.
Construction	Construction encompasses all business activities related to the planning, design, construction, operation, and maintenance of the built environment. The industry has always had a tendency to be national and local in its focus but is strongly affected by macro economic trends and policy developments. Employing 24,000 with a GVA of £1,200m in N2. It has a high degree of interdependence with other sectors and professions.	People and skills retention; access to finance; and innovation and supply chain capability; and Government policy and legislation.
Low Carbon	This 'sector' includes technologies and services that control and prevent environmental damage, including reducing carbon emissions, renewable energy and materials collection and treatment. There is demand for low carbon and environmental goods and services to meet the UK's carbon reduction target of 80% by 2050. Estimated GVA of £975m and employment of 22,000 in N2.	Policy and legislative change; investment in Grid connection and renewable energy technologies; wider technological advances affecting businesses and households; exporting and trade; growth in recycling; addressing skill shortages; and infrastructure and housing investment.

N2 Economy: S.W.O.T. Analysis

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Location and connectivity to the rest of the UK, Europe and beyond • Strengths in high value growth sectors: digital content, life sciences and clean technology • Major transport investments e.g. Tram Network and Station Hub; HS2 • Energy Strategy – including development of Robin Hood energy company – one of the most ambitious programmes in UK • Research capacity and talent emerging from our Universities and colleges • Private sector commitment to N2 – e.g. Nottingham Means Business, Nottinghamshire Business Engagement Group • BioCity – largest BioPharma Incubator in Europe • A gradual increase in the size of the N2 labour force with high level qualifications/skills • Very high coverage rates for superfast fibre broadband within N2, with most areas reaching in excess of 98% by 2018 • Diverse community with many attractive places to live scoring consistently highly on national measures. • Affordable living costs and good quality of life opportunities. 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Development of high growth sectors • European Structural and Investment Funds allocation • Enterprise Zone status and bids for further sites • Devolution • Strong partnership working with the establishment of a D2N2 Combined authority • Young workforce and high student numbers • Role of Universities in helping to build on local economic strengths • Improvements to road networks – A453, A46 and major investment in employment and housing along the A46 corridor • Major capital schemes on the horizon including the Gedling Access Road and Hucknall Inner Relief Road • HS2 – high speed rail link and station at Toton • Visitor economy assets and the development of a new Place Marketing Organisation for N2
<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Low productivity and relatively high incidence of skill shortages and gaps. • Enterprise birth (start-up) rate and survival rates relatively low • High levels of welfare dependency and youth unemployment • Employment base heavily skewed towards the public sector • Employment Rate well below average for England and the East Midlands • Workplace (average) earnings are significantly below the England average • Lack of office space & other key employment sites 	<p>THREATS</p> <ul style="list-style-type: none"> • Demographic change – an increasing and more diverse but ageing population • Anticipating skills needs and addressing skill shortages within key growth sectors • Stimulating demand for jobs and skills within priority sectors which offer the greatest potential for wealth creation. • Changing role of high streets and level of vacant premises • Public sector spending cuts until at least 2018 • Inconsistent national energy policies • Disengagement of peripheral outer City estates and rural communities • Sustainability of some town centres over the long term

4. Vision, Mission and Strategic Priorities

Our **Strategic Vision**³ is to ensure that N2 becomes the major driver of economic growth and prosperity in the regional economy. By realising this Strategic Vision we will harness the resources and assets we have at our disposal, develop them further and use them in ways that achieve sustainable economic growth to the benefit of all our citizens and employers.

Our **Mission** is therefore to increase the productive capacity of the N2 economy over the longer term and we recognise that the overriding strategic priority in that regard is to boost productivity. Over the long-term, improvements in productivity performance increase the competitiveness of the economy and make the largest contribution to increases in economic growth and living standards.

Our Economic Growth Strategy is based on three strategic generators of economic growth each of which is underpinned by cross-cutting strategic enablers which contain within them the keys to achieving our Vision for N2. The three generators do not operate in isolation but interact and reinforce one another. We should also remember that longer term megatrends will also play their part in shaping the future of the N2 economy.

The **Strategic Priorities (or Themes)** within three main elements of the NGS are specified below:

Enterprise and Innovation

More enterprises, more resilient enterprises, and more enterprises realising their growth ambitions

- We want to embed a culture of entrepreneurship, leadership, creativity and international ambition, especially amongst young people.
- We want more business to start-up and survive.
- We want to help SMEs with growth potential to overcome barriers and achieve that potential.
- We want to see more businesses – especially SMEs – engaged in international trade.

³We wholly endorse and support the Vision of the D2N2 Strategic Economic Plan:

*“Our Vision is that D2N2 will become a **more prosperous, better connected, and increasingly competitive and resilient economy**, at the heart of the UK economy, making a leading contribution to the UK’s advanced manufacturing and life sciences sectors and generating significant export earnings for UK plc. We will create a D2N2 which provides a great place to live, work and invest.”*

- We want a research and business base that supports innovation in products, processes, systems, services, technologies and structures within key growth sectors and, more broadly, across the private, public and education and training sectors.
- We want to support enterprises in sectors which underpin long term prosperity by adding economic value and employment opportunities.
- We want to diversify and rejuvenate our small business base by supporting sustainable social enterprises and trading Third Sector organisations.
- We want to attract more high quality investment projects and companies from elsewhere in the UK and overseas which help to diversify and strengthen the economic base.
- We need to ensure we have an accessible and high quality infrastructure for business support, reflective of the diversity of our business base and population, and relevant to local challenges, sectors and opportunities.
- We want to see more businesses successfully make the transition to a low carbon 'footprint' and, more broadly, to become 'smarter' businesses and entrepreneurs.

People and Skills

Greater employability, more flexibility, higher level skills leading to higher productivity and incomes

- We want to increase labour market participation by helping more people to overcome barriers (including health and disability) which affect their capacity to work and remain in employment.
- We want to expand the knowledge economy and develop and retain the talent on which it crucially depends.
- We want to stimulate the take up and efficient application of business investment, especially in relation to the take up and adaptation of new technologies and investment in workforce development.
- We want to encourage schools, colleges and universities to work together more collaboratively, and with employers and communities, to help inspire success.
- We want to see more young people and adults gaining access to higher level technical and employability skills which are so important to achieving improvements in productivity and higher standards of living.
- We want to improve the alignment of education and skills provision with employer needs to create a sustainable demand led system.

- We want to maximise the benefits of the Apprenticeship Levy.
- We want to see more employment and learning opportunities created to promote inclusion and reduce inequality.

Infrastructure and Connectivity

More investment, improved communication and mobility, stronger and safer, more reliable

- We want to secure long term improvements in N2 infrastructure that serves economic and social needs while preserving and enhancing the environment.
- We want to significantly improve the quality, reliability and accessibility of connectivity across N2, especially with regard to road, rail and digital connectivity.
- We want to realise our collective ambition for 100% coverage of superfast broadband across N2.
- We want to maximise the benefits of HS2, including opportunities for employment and skills development associated with HS2, housing and regeneration sites in the Toton area, and connectivity to the HS2 Hub.
- We want to deliver key strategic sites to meet likely and existing demand from new start-ups, SMEs with growth potential, major companies and potential inward investors.
- We need to cut congestion and uncertainty over travel times, and reduce delays which increase travel to work or to places of leisure and recreation across N2.
- We need to promote transport and pedestrian safety and to reduce injuries and fatalities associated with transportation in all its forms.
- We want to ensure the development high quality and affordable housing to support a growing population, as the local economy and employment opportunities expand.⁴
- We need to work collectively and sustainably to optimise the development and deployment of our physical, cultural and environmental assets.
- We need to continue to invest in the learning environment – ensuring our school, college and university buildings are modern learning facilities that

⁴ Whilst closely aligned to economic development, housing is not directly included within the scope of this Economic Growth Strategy.

meet the needs of education in the 21st Century, benefiting pupils, teachers, researchers and the local economy.

5. Proposed Actions

Under the three themes of Enterprise and Innovation, People and Skills, and Infrastructure and Connectivity we are setting out a series of ambitious, yet achievable, programmes of action that will enable us to deliver our vision. These programmes will build on the existing Growth Plans, by continuing to deliver and also by extending and/or enhancing existing programmes, projects and schemes. These programmes will also include new activities and proposals to address new challenges and gaps in existing provision that have been identified.

1. ENTERPRISE AND INNOVATION

We aim to foster a culture of entrepreneurship, creativity and ambition, making N2 the best place in the country to start or grow a business.

Programme 1.1 Access to Finance

The **Foresight Nottingham Fund** is a £40m equity investment fund, established in 2013 to invest in high growth businesses with a focus on Nottinghamshire and Nottingham. The Fund has been set up to provide investment and support to businesses in the Nottinghamshire region, to stimulate enterprise, to create jobs and to attract inward investment to the region, and is actively looking to invest up to £2m in high-growth businesses.

The **N2 Business Growth Fund** was launched in September 2015 as a successor programme to the N'Tech Grant Fund. The £6m grant fund is open to businesses in all sectors – but with a focus on key sectors of life sciences, digital content, clean technologies and advanced manufacturing and offers grants of between £20k and £250k for businesses seeking to grow via capital investment in equipment or infrastructure, exploitation of intellectual property and new technologies.

The **Midlands Engine Investment Fund** is a £250m pan-regional 'fund of funds' that is being set up to invest in SMEs across the East and West Midlands. A range of **grant and loan finance** for start-ups and existing businesses is also available through **First Enterprise Business Agency, Nottingham Business Venture** and **local authorities**.

Programme 1.2 Business Support

The **Growth Hub** was launched in April 2015 to act as a single point of contact for business support services, with a team of sector specialists acting as account managers for growth businesses, enabling local businesses to easily access the most appropriate support for their needs. The Growth Hub also works with business service providers to help them shape their offer to better match the evolving needs of businesses.

A further £34m of business support provision is currently being developed through the European Structural Investment Fund (ESIF) framework. These funds will provide a range of bespoke business support programmes focused on the **Creative Industries, Low Carbon and Life Sciences** sectors. Further business support will

be funded through the **Sustainable Urban Development** (SUD) fund, and targeted support for **Innovation**. The **ICT** programme will help small and medium-sized firms and social enterprises grow through smarter use of ICT. Collectively, these funds will support businesses to achieve their growth potential – from start-ups through to early-stage and more established businesses.

We will also seek to strengthen the role of SMEs in the local economy by continuing to open up the **public procurement** process to support an increased spend with local suppliers, and by facilitating **supply chain** collaborations to enable SMEs access to larger markets. Manufacturing is reshoring and N2 will push this along through access to finance and skills and an industrial policy committed to ‘bringing it home’. We will work in partnership with businesses to develop an understanding of manufacturing location choice drivers, align them with N2’s location ‘benefits’ and communicate the resulting location value propositions to investing businesses.

Programme 1.3 Investment and Reputation

A new, integrated **Place Marketing Organisation (PMO)** is being established to build the reputation of the City and County, nationally and internationally, and put N2 firmly on the map as a top UK destination for inward investment, tourism and graduate employment. Bringing together Invest in Nottingham, Experience Nottinghamshire and Nottingham Means Business, the PMO will set out a compelling narrative of what N2 has to offer to investor, business visitor and tourist audiences. It will seek to maximise private investment and optimise other public sector funding in order to deliver an ambitious marketing strategy.

The PMO will help to shape the N2 ‘offer’ to address gaps in office and hotel accommodation and visitor attractions. Key landmark projects that have been identified include the redevelopment of the **Sherwood Forest Visitor Centre** and **Nottingham Castle**, and the development of a **Conference Centre** to enable Nottingham to establish itself as a major UK conference destination.

International trade and investment opportunities have been identified and are being vigorously pursued through the **International Strategy** which focuses on promoting export growth and attracting foreign direct investment. N2 is already seeing the benefits of the strong links it has forged through developing relationships with Punjab (India), Ningbo (China) and Karlsruhe (Germany), and is exploring the possibility of working more closely with the USA.

2. PEOPLE AND SKILLS

We aim to create and grow the highly skilled workforce required to support the economy now and in the future, while significantly reducing overall worklessness. To realise this vision the N2 Skills and Employment Board has set out four priorities⁵:

- Making the skills and employment delivery landscape simpler and more accessible

⁵ see <http://www.n2skillsandemployment.co.uk/reports/n2-skills-employment-framework-2015-2020/>

- Developing an ‘early years to employment’ approach to prepare our young people for the world of work
- Delivering pathways to employment to prepare and reintroduce unemployed and disengaged people into the labour market
- Ensuring local people develop higher level skills to support business productivity and competitiveness and fulfil their own potential

Programme 2.1 Employment

The **Nottingham Jobs Hub’s** integrated (City Council, Futures and Jobcentre Plus) multidisciplinary team offers a comprehensive job matching and recruitment service to local employers, and maximises job opportunities for local people, as well as operating an Apprenticeship Hub service and directly supporting (part-subsidised) employment through the **Nottingham Jobs Fund**. The Jobs Hub is seeking to expand its operations across the N2 area, through the support of ESIF funding (Employ Local).

Across Nottinghamshire local authorities and partners provide a range of employment and skills support for residents, including Apprenticeships, work experience, jobs and apprenticeship fairs, and job clubs in more rural locations.

Pathways to employment focusing on re-engaging unemployed and disengaged people through pathways that prepare and reintroduce them to the labour market will be funded through the current **ESIF** programmes such as **Inspire Local** and **Building Better Opportunities**. These will include, for example, a programme intensive support and personalised mentoring and coaching for people who are currently not progressing towards work, designed to keep them engaged and help them overcome barriers to progression; and incentives for employers to provide jobs and training for people who have been out of work for over 6 months.

Programme 2.2 Skills

We are working with Government to ensure that the **Apprenticeship Levy** is maximised locally, and local public sector bodies will work together to ensure that they meet targets. Employer incentives and support are provided through Jobs Hub, with simple pathways with support at each stage ensuring local businesses can make the most of opportunities to engage with Apprenticeships. We are also working with key sectors to ensure that Apprenticeships are tailored to meet sectoral needs and standards.

New College Nottingham and Central College are working in partnership to establish a new **FE Skills Hub** in the City. The two colleges will deliver a joint curriculum offer from this Hub which will be aligned to demand from local employers. This joint approach to the local FE offer has the potential to create a more cohesive and efficient curriculum, improve progression rates and facilitate further collaborative working arrangements, and we are working with Government to gain greater local control over **Adult Skills Commissioning** so that local skills provision can better meet the needs of local employers and the local economy.

Vision West Nottinghamshire College works with the University of Derby, Birmingham City University and Edexcel, offering a range of HNCs, HNDs, foundation degrees and full honours degrees, giving individuals the opportunity to gain a university-level qualification a little closer to home.

It is established that training not only improves the prospects of individuals, but also that businesses that train their staff experience stronger growth than those that don't. We will therefore encourage employers to provide a range of work related training and support for their workers, with support and incentivisation through the ESIF **Skills Local** programme.

Programme 2.3 Youth Employment

We are aiming to ensure that every young person develops the vital skills and competencies needed to succeed in the world of work through an **integrated employability programme for schools**, through the Aspire programme in Nottingham and the Careers and Enterprise Company programme across the County. We will encourage more local employers to engage with schools through targeted employer engagement campaigns, particularly targeting priority sectors, and work with providers to ensure that careers guidance and employability skills development prepares learners for the local labour market.

Further support for young people aged 15 to 19 who are at risk of becoming NEET (not in education, employment or training) to develop enterprise and employability skills will be available through the ESIF **Careers Local** Enterprise Grant.

The **Youth Engagement Initiative** will support young people aged 16 to 24 who are NEET to re-engage with education, employment and training by providing personalised support and mentoring that will help them develop employability skills and connect them to job opportunities created through the incentive programmes

Young people who are currently NEET will be supported into work and Apprenticeships through training pathways, including work experience and traineeships, delivered through the ESIF **Employ Local** programme.

Programme 2.4 Graduate Retention

The City and County Councils will continue to work with the University of Nottingham and NTU to increase **graduate retention**, and will create further opportunities for internships, work placements and graduate employment. Employers will be supported to offer graduate placements and bespoke training pathways to graduate level jobs will be offered through ESIF-funded programmes,

3. INFRASTRUCTURE AND CONNECTIVITY

We aim to provide the physical and digital connectivity and built infrastructure that will enable businesses across N2 to thrive and prosper.

Programme 3.1 Digital

The **Better Broadband for Nottinghamshire** programme is working towards the provision of N2-wide access to superfast broadband (download speeds above 24Mbps) with the targets of achieving 98% coverage of N2 premises (business and residential) by 2018, making N2 one of the best digitally connected areas in the country.

A **SMART City Board** has been set up and is developing a vision and action plan to support Nottingham's ambition. The aim is to make use of technology that links all aspects of infrastructure – energy, transport, etc – to increase business efficiency and improve the quality of life for local citizens, realising significant environmental, social and economic benefits.

Programme 3.2 Sector Growth Hubs

The development of an HS2 Station Hub at Toton has huge economic potential, with an estimated economic benefit of up to £2.2bn GVA per year, the greatest proportionate uplift of any of the proposed HS2 stations. We will develop a **HS2 Growth Strategy** to maximise the economic potential of the development.

We will continue to develop the **Enterprise Zone** sites (Boots Campus, Nottingham Science Park, Medipark, Beeston Business Park) to create incentivised opportunities for growth businesses, especially in the key sectors of healthcare, life sciences, low carbon technologies and ICT.

The **University Enterprise Zone** will see the development of a Technology Entrepreneurship Centre at The University of Nottingham's Innovation Park, which will provide accommodation and intensive incubation support for non-university business start-ups and early stage.

We will continue to strengthen and grow the **Creative Quarter**, with the refurbished Sneinton Market creative industries business hub and renovated Dakeyne Street due to open in 2016, and we will complete the £20m expansion of **BioCity**.

The **Nottinghamshire Innovation Centres'** are a network of three centres creating a critical mass for business and research innovation. The contractor managing the network works with SMEs to explore ways of identifying and supporting existing innovation and encouraging further innovative activity.

Programme 3.3 Strategic Regeneration Sites

The regeneration of town centres is prioritised through a £36m **Unlocking Growth in N2 Town Centres** programme. This programme is designed to enhance the viability and accessibility of town centres across the N2 area, creating new retail and office space and jobs.

[NB The Nottinghamshire Business Investment Zones review of regeneration and employment sites across the County is currently being finalised, and will be discussed at the EPC meeting of 20th May. Consequently, this section will include the priorities identified and agreed through this process, focussing on key sites that

can realistically be brought forward for the greatest economic benefit but that require some public finance to 'unlock' them.]

Nottingham is accelerating its regeneration and growth programme with major investment opportunities becoming available in some of the city's key regeneration areas. Major investments by partners including Boots, intu and Blueprint have kick-started redevelopment plans in the City. Further sites will become available offering a range of investment opportunities including mixed use, commercial, research and development, leisure and residential. Regeneration priorities include:

Boots Enterprise Zone. The masterplan, with outline planning consent, covers 35 hectares for up to 82,000 m² of developable commercial space for the health well-being and beauty sector and a canal-side residential development of up to 675 homes set in 11 hectares of new and improved green space.

Science Park Enterprise Zone offers research and development business space opportunities, due to the expansion of the Science Park onto 2 hectares of adjoining land adjacent to an existing science park. The site benefits from outline planning permission and is ready for immediate development.

City Centre. In addition to intu's investment of over £200m in the Broadmarsh and Victoria shopping centres, there are opportunities to complement the office and hotel development at Unity Square, provide an office/residential development on Angel Row and develop a new 25,000m² Further Education Skills Hub.

Waterside development area provides a new low energy residential neighbourhood of up to 1,650 homes close to the City Centre. A range of investment opportunities will become available with the expansion of the residential development at Trent Basin. The Island Site provides a unique opportunity on a 10 hectare site to create a new city centre urban business and residential community.

<to add – map of key regeneration sites>

Programme 3.4 Transport

The Nottingham and Nottinghamshire Local Transport Plans 2011-2026 set out in detail how transport will be improved and sit alongside the Growth Strategy. Transport is a key element within the development of employment sites, and road and public transport links should be developed to ensure local people can access jobs.

Key schemes to enhance network capacity and reduce congestion include improvements to the **A57**, the new **Gedling Access Road** and the **Dukeries railway** line between Ollerton and Shirebrook. The **real time bus information** network – already the largest in England outside London – will be expanded, and a feasibility study is being commissioned to look at the options for a **fourth Trent crossing**.

6. Implementation

Governance Arrangements

The delivery of the Growth Strategy will be overseen by the N2 Economic Prosperity Committee. It is proposed that operational programme management is delegated to nominated Programme Management Officer(s) who will report to the N2 Economic Development Officers meeting. The N2 Economic Development Officers will produce an annual progress report for the N2 Economic Prosperity Committee.

Operations and Delivery

An identified named lead has been (or will be) identified for each project. The named lead will be responsible for ensuring the successful delivery of the assigned project, or identifying mitigating or alternative action to achieve project outcomes.

Monitoring and Review

The programme will be managed by nominated officer(s).

Project leads will report progress to the nominated programme management officer(s) a regular basis, either quarterly, six-monthly or annually as agreed for each project.

Nominated programme management officers will be responsible for collecting and collating monitoring information and reporting progress to the N2 Economic Development Officers meeting on a six-monthly cycle.

The N2 Officers will provide an annual progress report for the N2 Economic Prosperity Committee. This annual report will include agreed headline economic indicators (e.g. GVA, employment rate) and key performance indicators (e.g. number of business start-ups, number of jobs created).

20th May 2016**Agenda Item: 6****REPORT OF THE CHIEF EXECUTIVE, NEWARK AND SHERWOOD
DISTRICT COUNCIL****N2 BUSINESS RATES POOL****Purpose of the Report**

1. This report seeks the Economic Prosperity Committee's consideration of proposals to utilise the N2 Business Rates Pool to fund specific activity relating to place marketing and a mechanism by which feasibility and business case development can be supported.
2. It should be noted that as far as decisions relating to the use of the Business Rates Pool are concerned, Nottingham City Council does not have a vote as it does not participate in the pooling arrangement (although the City Council has to date committed up to £150,000 to match the 13-14 pooled business rates based on population figures).

Background

3. The current pooled budget for the district/county area is approximately £2,892,000. This has accumulated over the 13-14 to 15-16 financial years. The estimated pooled surplus for 2015-16, which forms part of the total, is £1,000,000. This should be confirmed by the end of May.
4. In February 2016, the EPC agreed proposals to allocate up to £135,000 to support the costs associated with increased capacity for the Devolution Deal and proposed North Midlands Combined Authority. Whilst there has been limited progress with this since February 2016 and proposals to establish and recruit to posts related to devolution have stalled, it is recommended that the allocation of £135,000 be retained at the current time pending further discussions about the future of devolution and associated governance and delivery arrangements.

Feasibility and business case development

5. Leaders, through the EPC, agreed in July 2015 that the pooled resources would be allocated to encourage economic growth in the area. Following this in principle decision, each of the Councils that contribute to the pool was responsible for ratifying the decision. After the allocation for Combined Authority and devolution work has been accounted for (paragraph 4), the remaining pool for the county area is approximately £2,794,000.
6. To reiterate, the proposals that follow currently only relate to the pool created by the contributing authorities and therefore Nottingham City Council would need to give separate consideration to any contribution it may be able to make to support these arrangements and any activity in the city area.
7. Chief Executives have given further consideration to how these pooled resources should be used and propose the following framework for investments:
 - Funds from the pool will be invested in activity that aligns with the priority themes of:
 - Skills and employment (including apprenticeships)
 - Transport (including transport infrastructure)
 - Business support, trade and investment
 - SMART infrastructure (energy and digital)
 - Physical regeneration(including town centres)
 - Place marketing
 - Site development / investment zones (including housing)
 - The focus of the pooled resources will be on enabling parties to the pool to access development funds for feasibility work (<£30,000) and the drawing up of business cases (>£30,000) for schemes which will have a strategic impact for the local area and which will lever in significant investment and / or deliver tangible future benefits to the local authorities through Council Tax or NNDR receipts
 - Partner authorities to the pool will develop and bring forward proposals for feasibility work to the N2 Chief Executives' group, which will have the delegated authority to approve expenditure of up to £30,000 for individual feasibility studies. Decisions on support for feasibility work will be reported back to the next available meeting of the N2 EPC
 - For expenditure on formal business case development that is in excess of £30,000, proposals will be tabled at the N2 EPC for decision by the Committee
 - Templates for feasibility and business case applications will be devised and a simple scoring framework will be created to enable informed decisions on proposals to be made. This part of the process will be managed by the accountable body, Nottinghamshire County Council. The N2 Chief Executives' group and the EPC will remain the final decision makers

- It is proposed that an initial ceiling of £1,000,000 be set for expenditure on feasibility study and business case development. This will be reviewed after 12 months or when the ceiling has been reached, whichever occurs sooner

Place marketing

8. Currently both Nottinghamshire County Council and Newark and Sherwood District Council contribute revenue funding to Marketing Nottingham and Nottinghamshire, with a combined investment of £250,000 per year. The whole county area benefits from the inward investment and visitor economy work of Marketing Nottingham and Nottinghamshire (MN&N), which generated over £1.05billion of return across Nottingham and Nottinghamshire in 2014-15.
9. It is proposed that the N2 EPC takes a more active role in commissioning MN&N in return for a financial commitment. This will enable more strategic, collective ownership of the priorities of MN&N and direction setting for the future work of the organisation. If agreed, it is recommended that a maximum of £300,000 be committed from the N2 Business Rates Pool to MN&N from the 2017-18 financial year for three years, with suitable break provisions.
10. If agreed, this would require £900,000 to be allocated from the N2 Business Rates Pool over the financial years 2017-18 to 2019-20. Subject to agreement by the EPC, an agreement would be put in place with MN&N setting out our expectations of outcomes for inward investment and marketing work across Nottinghamshire and regular monitoring and review reports would be made to the EPC.
11. Nottingham City Council has a separate funding agreement and commitment to MN&N which is not affected by this proposal. However, the City Council may wish to consider whether a more effective, consolidated commissioning arrangement across all N2 partners could be achieved through participating in this proposal with the N2 EPC.

Other priorities and projects

12. N2 authorities have submitted a Local Growth Fund proposal to the D2N2 LEP for revitalising town and service centres across the area. A decision on this proposal is not expected until the autumn of 2016 at the earliest, with activity due to start in 2017. The N2 EPC may wish to consider allocating an amount of £500,000 towards development work specifically related to the town centre programme and for matching contributions towards capital elements of the programme.
13. Work on the One Public Estate theme continues across N2 authorities and as part of this a Joint Assets Board will be established in the coming months. The EPC could consider allocating up to £30,000 from the Business Rates Pool to exploring the business case for a joint development company to be considered by the EPC at a future meeting. It should also be recognised that internal

resource from across the EPC would need to be committed to developing the initial stages of this work.

14. Finally, it is recommended that a small proportion of the budget is retained as a reserve for future allocation.

15. Summary of proposed budget allocations:

Budget available	£2,892,000
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Allocations

Combined Authority development	£ 135,000
Feasibility studies & business case preparation	£1,000,000
Marketing Nottm & Notts (3 years)	£ 900,000
Town Centre scheme contributions	£ 500,000
One Public Estate / development company	£ 30,000
Reserve	£ 327,000

Other options considered

16. The Economic Prosperity Committee considered a report on the Business Rates Pool at its meeting in February 2016. This report updates the proposals contained within the February report and recommends a course of action for investment in stimulating economic growth across Nottinghamshire. No further options have been considered.

Reasons for recommendation(s)

17. The pool members of Economic Prosperity Committee have approximately £2.89 million at their disposal to invest in activities which will support the economic growth of the county. Agreeing an approach to the use of these funds is considered essential to enable initiatives in Nottinghamshire to be developed and to benefit from investment that may be secured through future growth and devolution deals.

Statutory and Policy implications

18. 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.

Financial implications

19. None at this stage.

RECOMMENDATIONS

20. It is recommended that the Economic Prosperity Committee (excluding Nottingham City Council):

- a) Agrees the parameters for investing up to £1million of the Business Rates Pool in feasibility studies and business case development as outlined at paragraph 7;
- b) Agrees to contribute up to £300,000 per year for three years (commencing 2017-18) to Marketing Nottingham and Nottinghamshire under a new commissioned arrangement;
- c) Considers the proposed allocation of up to £30,000 to enable the drawing up of a business case for a joint development company to support the work of One Public Estate and the anticipated Joint Assets Board;
- d) Agrees to retain remaining unallocated funds as a reserve

Andrew Muter

Chief Executive, Newark and Sherwood District Council

For any enquiries about this report please contact: Matt Lockley, 0115 977 2446

20 May 2016

Agenda Item: 8

REPORT OF CHIEF EXECUTIVE, NOTTINGHAMSHIRE COUNTY COUNCIL

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2016.

Information and Advice

2. The Economic Prosperity Committee maintains a rolling work programme which assists the management of the Committee's agenda, the scheduling of business and forward planning. The work programme will be updated and reviewed at each Committee meeting. Any member of the Committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chairman and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. The work programme already includes a number of reports on items suggested by the Committee.

Other Options Considered

5. None.

Reason for Recommendation

6. To assist the Committee in preparing its work programme.

Statutory and Policy Implications

7. 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 below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

- 1) That the Committee's work programme be noted, and consideration be given to any changes which the Committee wishes to make.

Anthony May
Chief Executive, Nottinghamshire County Council

For any enquiries about this report please contact: Sara Allmond (0115) 977 3794

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE - WORK PROGRAMME

Note: all meetings start at 09:30 and are followed by the N2 Leaders' meeting.

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information?</u>	<u>Lead Officer</u>	<u>Report Author</u>
22 June 2016				
Skills and employment governance and infrastructure	To agree an approach to co-ordinating strategic skills and employment issues for N2 and to co-ordinating the delivery of skills and employment activity through local, D2N2 and EU resources	Decision	Allen Graham	Owen Harvey?
Graduate retention and employment	To consider the strategic context for graduate employment and ongoing work with the two local universities to support this	Information	Allen Graham	Fiona Anderson
The future of apprenticeships	To receive an update on changes to the funding and delivery models for apprenticeships and the implications for public sector partners and apprentices in Nottinghamshire	Information	Allen Graham	Catherine Evans?
Local Growth Deal submission	To secure the EPC's support for the proposed D2N2 Local Growth Deal submission	Decision	David Ralph	David Ralph
D2N2 Growth Hub	To consider the work of the D2N2 Growth Hub with a specific focus on future proposals	Information	Chris Henning	Chris Henning
22 July 2016				
HS2 Growth Strategy	To inform Committee about the developing Growth Strategy related to the proposed East Midlands Hub station at Toton	Information	David Ralph?	Andrew Pritchard?
Nottinghamshire Innovation Centres – review and future plans	To update Committee on progress with the Nottinghamshire Innovation Centre Network and to advise on future plans for their development	Information	Mandy Ramm	Mandy Ramm
23rd September 2016				

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information?</u>	<u>Lead Officer</u>	<u>Report Author</u>
25th November 2016				
23rd December 2016				
24th February 2017				
24th March 2017				
23rd June 2017				
21st July 2017				

Last updated 10 May 2016