

Economic Development Committee

Tuesday, 28 March 2017 at 10:30

County Hall, County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
|---|--|---------|
| 1 | Minutes of the last meeting held on 7 March 2017 | 3 - 6 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Graduate Retention in Nottingham and Nottinghamshire | 7 - 12 |
| 5 | Supporting Youth Employment Provision | 13 - 18 |
| 6 | Building Our Industrial Strategy - Green Paper | 19 - 32 |
| 7 | Work Programme | 33 - 36 |

Notes

- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) 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:-

- (3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Martin Gately (Tel. 0115 977 2826) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.
- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

minutes

Meeting	ECONOMIC DEVELOPMENT COMMITTEE
Date	7 th March 2017 (commencing at 2.00 pm)

Membership

Persons absent are marked with `A`

COUNCILLORS

Diana Meale (Chair)
Roy Allan (Vice-Chair)

Andrew Brown
Stan Heptinstall
John Knight
John Ogle

Michael Payne
Gordon Wheeler
John Wilmott

CO-OPTED MEMBERS

- A Mr M Chivers – (Alliance Boots)
A Ms N Gasson - (Federation of Small Businesses)

OFFICERS IN ATTENDANCE

Adrian Smith - Place Department
Nicola McCoy-Brown - Place Department
Geoff George - Place Department
Phil Berill - Place Department
Martin Gately - Resources Department

APOLOGIES

Apologies had been received from Mr Mark Chivers and Ms Natalie Gasson.

MINUTES

The minutes of the last meeting held on 7 February 2017 were confirmed and signed by the Chair.

DECLARATIONS OF INTEREST

None.

ECONOMIC DEVELOPMENT 2017-18 BUDGET

RESOLVED: 2017/006

That:

- a) The 2017-18 Economic Development Service budget allocations be noted
- b) Further reports on specific project proposals/activities for the remaining unallocated budget be received
- c) A six month update be received as part of the committee cycle
- d) An in-year temporary budget adjustment of £62,500 (funded from contingency) towards the D2N2 LEP core costs be noted

THE D2N2 GROWTH HUB

Geoff George made a short presentation on the D2N2 Growth Hub. He stated that research by the Business Engagement and Innovation Service indicated that businesses that take advice out-perform those that don't by a factor of two. The position is that 33% of businesses use advice, with 52% saying they would use it if it was easier to access, and 15% rejecting advice. Mr George said that in terms of outcomes, 80% rated the service as excellent or good, with 90% saying that they would recommend it to another business. Positive action has been taken by 60% of businesses following their interaction with the Growth Hub.

A business advisor has now been appointed and a co-ordinator post will be filled shortly. There has been strong uptake and increasing referral levels as new programmes mature. A significant marketing push took place in January 2017, which was a record month.

RESOLVED 2017/007

That the report be noted and a further D2N2 Growth Hub update be received in 6 months' time.

NOTTINGHAMSHIRE LEADER PROGRAMMES – STAFFING RESOURCE

RESOLVED 2017/008

That:

- a) It be noted that recruitment to the two part-time business support posts is underway
- b) The extension of the two Nottinghamshire LEADER officer posts until 31st March 2019 be approved

RESOLVED 2017/009

That the work programme be noted.

The meeting closed at 14.58

CHAIR

28 March 2017**Agenda Item: 4****REPORT OF THE CORPORATE DIRECTOR PLACE****GRADUATE RETENTION IN NOTTINGHAM AND NOTTINGHAMSHIRE (N2)****Purpose of the Report**

1. The purpose of this report is to:
 - a) update Members on the partnership activities to increase graduate retention in Nottingham and Nottinghamshire (N2), and;
 - b) provide feedback on how the £15,000, allocated by Economic Development Committee, has been used to support graduate retention in N2.
2. Members will receive a presentation from the Chief Executive of Gradcore Ltd. Supported by a short video, Martin Edmondson will introduce an overview of Gradcore's work (involving more than 30 different universities across the UK) in delivering national and global graduate schemes for employers and his plans for advancing this business model across the UK.

Background

3. N2 is home to over 60,000 students across two major universities. The University of Nottingham is placed =75th in the world and in the top 1% of Universities internationally by the latest (2016) QS World University Rankings¹. In UK league tables, the University has maintained its position in the top 30 UK Universities for 2016/17. Nottingham Trent University is one of the largest and most popular universities in the UK and recognised as a modern university with an outstanding reputation for graduate employability. While both universities have strong track records for student employability, those that choose to work in N2 after graduating is lower than average of the core cities.
4. Graduate retention in Nottingham City and Nottinghamshire, according to the latest data available (2014/15) was 29.0%. This is the second lowest for all the core cities in England and is influenced by several factors including (but not limited to): (a) the number of students at both universities who originate from London and the south east and (b) the relatively low number of students from Nottingham and Nottinghamshire who go to the local universities.

¹ <https://www.topuniversities.com/university-rankings/world-university-rankings/2016>

5. Forecasts² point to a rise in jobs which require intermediate to higher level qualifications, with a net increase in jobs requiring Level 4 and above of 246,000 jobs (i.e. 34%) to 2022. In contrast, jobs requiring Level 1 or no qualifications are forecasted to decrease sharply.
6. According to the Office of National Statistics 2015 UK Business: Activity, Size and Location data (update due September 2017), 99.6% of Nottinghamshire's economy is made up of Small to Medium Sized Enterprises (SME's), of which a subset of 83% are defined as Micro businesses i.e. employing less than ten people. These smaller, typically well-established, organisations tend to recruit for one-off jobs rather than graduate programmes. Nevertheless, they are where a lot of the action is and, increasingly, they are where talented graduates could be looking for their first role.
7. A key challenge is to support smaller business who want to grow their skills base and productivity. Locally commissioned research has confirmed that there is a market failure in which SME's either lack the understanding and/or resources of how to recruit and retain graduates, coupled with generally low graduate awareness of the opportunities available within local SME's.

Graduate Retention Partnership

8. The Nottingham and Nottinghamshire Economic Prosperity Committee have recognised the importance of graduates to the N2 economy and made it one of their priorities.
9. In order to ensure that future employer skills needs are met, a partnership has been established to develop and steer initiatives aimed at increasing graduate retention in N2. The partnership members are: Nottingham Trent University, the University of Nottingham, Nottinghamshire County Council, Nottingham City Council and the N2 Skills and Employment Board Champion for Graduates, Boots UK.
10. The Steering Group has developed an action plan which has three main priorities:
 - To secure commitment from N2 employers to create additional graduate level employment opportunities and to increase the proportion of Nottingham and Nottinghamshire's workforce that have higher skills.
 - To increase the graduate retention rate by influencing students and graduates to consider Nottingham and Nottinghamshire as a destination for post graduate employment opportunities.
 - To create a single campaign to reflect the commitment of the partnership to increase graduate retention rate and to be able to assess the impact of the Partnerships efforts.

The FUSE Pilot

11. The Graduate Steering Group commissioned Gradcore, a social enterprise who have a proven methodology for developing graduate jobs in SME's, to deliver a pilot project. The pilot, called FUSE, was co-funded by Nottingham City Council

² N2 Labour Market Assessment Learning, Skills and Employment 2015 – 2022, May 2015

Nottinghamshire County Council, The University of Nottingham and Nottingham Trent University Further details are available online at: www.fusegraduates.com

12. The FUSE model is based on a successful programme Gradcore adopted in Sheffield. Aimed at levelling the playing field for SME's and pitched to match the offer made to graduates by corporate graduate recruiters, the service is free of charge to employers. Gradcore source the vacancies, attract the graduates, undertake rigorous assessments as part of the selection process and develop both the business and graduate when in post. The intention is to ensure the right graduate is placed in the right business, to increase the likelihood they will stay in the business and N2 in the long term.
13. The first phase of the pilot ran from June to October 2016, 225 graduates applied for positions and were taken through a recruitment process of a video interview and assessment centre, culminating in an interview with the employer. Graduates who did not progress to a given stage of the recruitment process received invaluable and personalised feedback to benefit them going forward.
14. This first phase resulted in 12 graduates being placed in SME's, of these 5 are employed in Nottinghamshire based SME's. The graduates are working in a range of sectors including manufacturing, medical services the digital industry; their starting salaries range from £18k to £22k.
15. The second phase of the pilot has recently been launched with the target of attracting and improving the employability skills of 200 graduates and placing 20 of them in N2 SME's. This phase will focus on SME's who have not previously recruited a graduate, or not recruited a graduate in the last two years or need additional support i.e. attraction, selection and development services not available via the two Nottingham Universities.
16. The FUSE project works in close collaboration with both universities to ensure employer engagement is managed in a coherent manner and employers already working with either university are not targeted by FUSE.
17. The added value the FUSE recruitment process gives is the employability feedback graduates get at each stage of the process. This will help them to increase their understanding of what employers are looking for when recruiting graduates. There is also an element of development for SME's, as Gradcore provides business owners with basic coaching in best practice recruitment techniques.
18. The FUSE programme will be evaluated and the learning disseminated amongst partners for future learning.

Wider Activities

19. It is worthy of note that there are further activities to recruit and retain graduates within Nottinghamshire. Many of the major private sector employers have their own graduate recruitment programmes, as does the public sector (including the NHS, Local Authorities and Education). The two universities also offer a range of opportunities for the undergraduates to gain work experience locally.

20. The D2N2 European Social Fund Programme has also identified unemployed graduates as one of the groups they wish to support. The recently approved EMPLOY Local programme has financial incentives available for SME's who recruit unemployed graduates. Further details available online at: <http://www.d2n2skills.co.uk/home/21/employ-local>

Reason for Recommendation

21. To update Members on how the funds allocated to graduate retention have been deployed in 2016/17.

Statutory and Policy Implications

22. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the 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 body of the report.

Finance implications

23. Members allocated £15,000 from the Economic Development Service budget in 2016/17 to support graduate retention. These funds were pooled with similar amounts from Nottingham City Council, Nottingham Trent University and the University of Nottingham to pilot the Fuse approach across N2.

RECOMMENDATIONS

24. It is recommended that Committee note the content of this report and the accompanying presentation by Gradcore.

Adrian Smith
Corporate Director Place

For any enquiries about this report please contact:
Kevin Bartlett ext. 73051

Constitutional Comments

Constitutional Comments are not required since the report is for noting only.

Financial Comments (SES 14/03/17)

The financial implications are set out in the report.

Background Papers

- [Graduate Retention in N2](#) - Report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee, 22nd June 2016

- [Graduate Retention in N2](#) – Report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee, 23rd September 2016
- *Economic Development Strategy – Delivery Plan and Budget 2016–17* – Report to Economic Development Committee 22nd March 2016

Electoral Division(s) and Member(s) Affected

All

28th March 2017

Agenda Item: 5

**REPORT OF THE CORPORATE DIRECTOR, PLACE
SUPPORTING YOUTH EMPLOYMENT PROVISION**

Purpose of the Report

1. To provide an update on the progress of four projects funded from the Supporting Youth Employment reserve, including further detail on the additional provision delivered from the budget.

Background

2. £500,000 from the County Council Reserves was allocated to Supporting Youth Employment projects, to be delivered from April 2014 to March 2017. The funds were allocated as follows:
 - £342,000 to increasing SME take-up of apprenticeships, and;
 - £158,000 to supporting the employability of young people who are LLDD (Learners with Learning Difficulties & Disabilities) or NEET (Not in Education, Employment or Training)
3. In January 2015 and July 2016, Committee agreed to allow more flexible use of the allocated funding to support youth employment, and the development of two targeted initiatives to support specific skills gaps areas in the creative and digital sectors.
4. The contracted delivery partners are Futures advice, Skills and Employment for the apprenticeship provision, and Skills for Employment (now part of Inspire - Culture Learning and Libraries) for the LLDD and NEET employability provision. Negotiation with these partners has enabled delivery of broader provision without additional procurement costs or loss of contract value.

Information and Advice

5. In Nottinghamshire and Nottingham we have a very strong employer-led Skills and Employment Board (N2 SEB). Companies in sector groups come together to work with public sector partners on resolving specific skill shortage issues.
6. There has been a particularly strong partnership response to skills gaps in two sectors: the creative and digital sector and the health and social care sector. Partners in these two sectors have worked together to develop a number of initiatives which will raise awareness and

interest amongst young people, but which require funding. Flexibility and efficiency in the original projects has enabled further provision to be delivered.

7. The updated budget allocation for all Supporting Youth Employment provision is as follows;

Contracted with Futures Advice, Skills and Employment Company:

Activity	Budget
Say Yes to an Apprentice Grant programme	£294,670.00
Creative Apprenticeship Grant programme	£27,000.00
County Skills Shows (£10,000 per show)	£20,000.00
HSC employer handbook	£330.00
Total	£342,000.00

Contracted with Inspire Skills for Employment:

Activity	Budget
Engage2Employ employment support programme (LLDD and NEET young people)	£128,000.00
Digital Traineeships programme	£30,000.00
Total	£158,000.00

Update on progress

Project 1: Say Yes to an Apprentice Grant Programme

8. The Say Yes to an Apprentice project has raised the awareness amongst SMEs of the benefits of apprenticeships to their business, and provided an incentive grant (payable in 3 stages) to SMEs who have taken on their first apprentice.

8.1. The original target was 166 new apprenticeships (later revised to 176). In detail the numbers of young people and businesses supported are;

Number of young people supported to take up an apprenticeship	176
Number of SMEs taking on their first apprentice under the scheme	149
Number of SMEs taking on a second apprentice under the scheme	27
Percentage of apprentices retained after completing their apprenticeship (confirmed by employer to February 2017)	83%
Number of apprentices reported left the programme before completing their apprenticeship	44
Percentage of completed apprenticeships (58) where employer paid the Living Wage or above (Living Wage Foundation; £8.45)	36.2%

8.2. Of the young people leaving their apprenticeship early, most have left within the first 6 months, with a smaller number leaving between 6 and 12 months.

- 8.3. Where young people have left their apprenticeship before all 3 grant payments have been made, the remaining grant funding has been used to create additional apprenticeship places, either with the same employer or a new one.
- 8.4. Any outstanding grants will continue to be paid by Futures into the next financial year, for those apprenticeships which started after September 2015.
- 8.5. Futures have also estimated that at least a further 30 new apprenticeship places can be supported from the original grant funding allocation, which will create a new total of 206 young people supported to take up an apprenticeship. For those new places, a more streamlined grant process has been agreed with Futures, so that all outstanding payments will have been made by September 2017.
- 8.6. An evaluation of Nottinghamshire County Council’s approach to apprenticeships, and the Say Yes to an Apprentice project, was carried out in the summer of 2016. It concluded that “Overall the employers that applied for a ‘Say Yes’ grant and went on to recruit an apprentice were satisfied with the scheme, believed it worked well and were very positive about recommending apprenticeships to other employers. Overall the scheme was therefore well delivered, well received and offered strong value for money, given that the majority of employers intend to sustain their apprentices in employment”.
- 8.7. The evaluation also highlighted the need for sector specific responses, which has been followed through within the newer provision detailed in paragraph 10.

Project 2: Engage2Employ LLDD programme

9. The Engage2Employ (E2E) employment support programme has provided work placements with the potential to lead to employment, supported through job coaching, for young people who are LLDD (learners with learning difficulties and/or disabilities) and/or NEET (not in education, employment or training).

9.1. The original targets were 45 supported work placements, potentially leading to 30 supported internships and 15 employment starts. Additional targets were around the engagement of more partners and the development of partnership working models. In detail the outputs for the E2E project are as follows;

Output	To Date	Target
Number of young people starting a work placement	60	45
Number of young people progressing to a supported internship	25	30
Number of young people securing employment	10	15
Percentage of young people who were NEET at point of contact	35%	-

9.2. Of the above, 38 individual employers have offered work placements, including 8 County Council placements. 22 employers have gone on to offer supported internships and 5 employers have employed young people from the programme.

9.3. Of the young people who have progressed, 11 of those undertaking a supported internship had been NEET, 12 were LLDD and 1 of the employed young people had been NEET when she accessed the project.

- 9.4. Since the appointment of the new project coordinator in August 2016, more progress has been made on engaging new partners and on outreach work to engage with young people who may not already be with a mainstream provider.
- 9.5. Additional capacity to support the young people and employers has been secured through the recruitment of a pool of casual job coaches. These can be called upon when needed to provide job coaching to young people, helping them learn the job tasks and develop employability skills, and review progress.
- 9.6. Efficient use of the funding has enabled continuation of this project into 2017, which will enable more of the young people undertaking existing work placements to be further supported towards employment.
10. The additional provision negotiated with the existing contractors builds on existing good practice and supports a more targeted approach to some of the County's priority sectors.

Project 3: Creative and digital sector

11. The Creative Apprenticeships project builds on a national Creative Employment Programme pilot. It provides a targeted support package to increase opportunities in the creative sector for 10 new apprenticeship places including; an employer grant of up to £1,500, a learner support fund and tailored creative industry training input. To date 4 new businesses have been engaged and vacancies will be recruited to soon.
12. The Digital Traineeship programme is an innovative pilot project to support 6 young people to develop digital and employability skills, and support 6 small employers to grow their business. It will provide an intensive and tailored package of support over 6 months with the potential to lead to the creation of new apprenticeship places. Employers are currently being recruited and then the places will be available for young people to apply.
13. A Digital Skills Show will be delivered in a central County location in June/July 2017 to support career aspirations and recruitment to the sector. Four hundred year 7 and 8 learners from schools across Nottinghamshire will attend to learn about the breadth of career opportunities in the Digital sector. Sector employer representatives will offer practical and engaging activities giving an inside view of their workplaces, through engaging 'have a go' activity and question and answer sessions with the learners.

Project 4: Health and social care sector

14. The Nottinghamshire Health & Social Care Skills Show will stimulate discussion, inspire, motivate and inform young people about the breadth of career opportunities and progression pathways in the sector, with practical and engaging activities and information.
15. Four hundred year 7 and 8 learners from schools across Nottinghamshire will visit the show in September/October 2017. Kings Mill Hospital are being approached to host the event.
16. An online Health and Social Care handbook has been identified by the employer led sector working group as a key requirement to secure a sustainable future workforce and address the key challenge of recruitment and retention of workers at all levels (D2N2 Health & Social Care Skills Action Plan).

17. The handbook will be a simplified streamlined resource, to condense and simplify the complex information available to employers, schools, providers, young people and parents. Each segment will contain key information and provide links enabling the reader to visit external websites. The development of the handbook has been commissioned at a total cost of £1500, and will be funded by Nottingham University Hospitals, Health Education East Midlands, N2 SEB and Nottinghamshire County Council.

Other Options Considered

18. Other options considered for the most effective use of funds include a continuation of existing provision. However the chosen options will provide a more diverse and targeted offer. Advice has been taken from the N2 Skills & Employment Partnership Manager about projects which could be quickly and efficiently delivered, and which would have the most impact on local skills priorities.

Reason for Recommendation

19. The provision planned for the Supporting Youth Employment budget allocation has been delivered more efficiently than originally envisaged. Flexibility from both contract holders has enabled a wider programme of provision to be developed, which has benefitted more young people and businesses, and has been more closely aligned to local skills priorities.

Statutory and Policy Implications

20. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, 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.

Financial Implications

21. The funding for the activity described above is already allocated to Supporting Youth Employment from County Council Reserves. Efficiencies in delivery have enabled the availability of funds to deliver the programme on a wider scale than originally envisaged, at no additional cost. However, whilst every effort has been made to utilise the remaining £304,000 (from the original £500,000) by the end of the 2016/17 financial year, it is highly probable that some spend will slip into financial year 2017/18. Should that be the case, a further report will be presented to Finance and Property Committee for their consideration around the reserve slippage.

RECOMMENDATION

22. It is recommended that committee notes the progress made in Supporting Youth Employment provision.

Adrian Smith
Corporate Director Place

For any enquiries about this report please contact: Hilary Porter tel.0115 9772146

Constitutional Comments [EP 14.03.2017]

This report is for noting only.

Financial Comments [SES 15.03.2017]

The financial implications are set out in the report.

Background Papers and Published Documents

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

- *Supporting Youth Employment Funding* (progress update and new initiatives proposal) – Report to Economic Development Committee published on 05/07/2016
- *Supporting Youth Employment* (progress update) – Report to Economic Development Committee published on 06/01/2015
- *Supporting Youth Employment* (proposal for allocation of remaining funds to E2E project) – Report to Economic Development committee published on 11/02/2014
- *Supporting Youth Employment* (proposal for allocation of remaining funds) – Report to Economic Development committee published on 19/11/2013
- *Supporting Youth Employment* ((proposal for allocation of reserves) for County Apprenticeship Project) - Report to Economic Development Committee published on 17/10/2013
- *Apprenticeships Update* – Report to Economic Development Committee published on 09/07/2013

Electoral Division(s) and Member(s) Affected

- All

28th March 2017**Agenda Item: 6****REPORT OF THE CORPORATE DIRECTOR, PLACE****BUILDING OUR INDUSTRIAL STRATEGY: GREEN PAPER****Purpose of the Report**

- 1) The purpose of this report is to:
 - a) Brief Members on the contents of the Government's recently launched Industrial Strategy Green Paper, highlighting the key issues for local government;
 - b) Note the opportunity for the Council to submit its own response to the consultation and also to contribute to regional responses (including from the N2 Economic Prosperity Committee, who intend to submit a shared response);
 - c) Seek Members' views on the issues highlighted in the paper, and Seek delegated authority for the Corporate Director, Place to submit the Council's response- and to influence the shape of other partner organisations' responses - building on the Committee's initial views and following consultation with the Leader of the Council, the Chair of Economic Development Committee and Opposition Spokespersons.

Background

- 2) The 'Building Our Industrial Strategy' Green Paper was launched by the Prime Minister on the 23rd January 2017. The consultation runs until the 17th April 2017.
- 3) The Green Paper seeks to "*...to improve living standards and economic growth by increasing productivity and driving growth across the whole country*". The Government wants "*...an economy that works for everyone*" and "*...a modern Industrial Strategy that will have recognition of the importance of place at its heart*". The proposed strategy is positioned as a critical component of the Government's response to leaving the European Union.
- 4) The Government recognises that regional imbalances need to be addressed, both across and within regions. The UK's regional disparities in productivity are much wider than in other western European nations, with the gap between London and rest of the country growing. Since 1997, London's Gross Value Added (GVA)¹ has increased from 59% to 72% above the UK average. Rural productivity is

¹ Gross value added is a productivity metric that measures the contribution to an economy, producer, sector or region. Gross value added provides a sterling value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production.

below the national average, with the suggestion that up to £28bn could be added to the rural economy per annum if improvements were made (e.g. through digital connectivity).

- 5) The Green Paper identifies local leadership as key to driving growth through Local Enterprise Partnerships, City Deals, Local Growth Deals, Mayoral Devolution Deals, initiatives such as the Northern Powerhouse and Midlands Engine and, going forward, business rate retention.
- 6) The Green Paper groups proposals under 10 'pillars'. A summary of the pillars and the related consultation questions, is provided at **Annex A**.
- 7) The consultation paper includes policies and programmes that are already in place or planned, and identifies new proposals. It also references reviews that are underway or planned. New announcements include:
 - a) £40bn infrastructure bonds & loans to support private infrastructure investment.
 - b) Additional £400m investment in British Business Bank to see later stage venture capital.
 - c) Creation of new Industrial Strategy Challenge Fund to help capitalise on UK strengths in science & innovation.
 - d) Creation of National Infrastructure Commission.

Key Issues for the Council

- 8) The Council will have an interest in all 10 of the pillars, and will want to review the opportunities presented by the emerging strategy in shaping its own plans for supporting the growth of the Nottinghamshire economy. The following features are likely to be of most interest to the Council and should perhaps be given the most attention in our response:
 - a) Leveraging benefit from **industry-led sector deals**, linked to pillars 1 (science R&D) and 8 (world leading sectors). We will need to work with partners to ensure that we can showcase our genuinely competitive clusters.
 - b) Playing a part in helping shape the **skills system** so that it best serves local labour markets and growth priorities. [*Note: On 20th February, the Nottingham and Nottinghamshire Skills and Employment Board (N2 SEB) issued a letter to Robert Halfon MP the Minister of State for Apprenticeships and Skills, outlining concerns about the impact Britain's exit from the European Union will have on skills provision and inequality across the city and county. A copy is provided at **Annex B***]
 - c) Contributing to the debate on **spatial rebalancing**, and how 'left-behind' communities can participate in and benefit from the strategy. The proposed strategy has a distinct urban focus and it will be important to underline the need for market towns and rural areas to share in the prosperity as part of the rebalancing process.
 - d) Looking at the Council's own **procurement** as a means of stimulating local economic growth.
 - e) Considering what institutions are needed to **lead local growth**, and local government's positioning within this - including the future role of LEPs and the

significance of Midlands Engine – and what delegated powers (and finances) are needed at local level to affect change. There is a specific proposal for reviewing how best to bring more ‘business expertise’ into local government, including an Alderman type role.

- f) The extent to which there are **missed opportunities** in the proposed strategy. The roles of the planning system and housing provision are arguably underplayed and both will be important if the strategy’s goals are to be achieved. There could have been more read-across with the recent Housing White Paper. The consultation is also silent on what Government-funded interventions might replace ESIF funding post-Brexit to support the delivery of the strategy.

Responding to the Consultation

- 9) At its meeting on 24th February 2017, the City of Nottingham and Nottinghamshire Economic Prosperity Committee delegated authority to the Chief Executives to submit a shared response to Government. It was recognised that Councils may also wish to respond with specific local issues. It was felt that a joint response provides the opportunity to demonstrate, as a collective, our commitment to working with Government and businesses to lead local economic growth and regeneration and ensure that we really can create an economy that works for everyone.
- 10) It is expected that responses will also be submitted by D2N2 and by Midlands Engine, and we will work with them to ensure that the Council’s views are taken into account. We may also be party to a response by the Joint Committee across the D2N2 area, focusing on Infrastructure, Employment and Skills, Housing and One Public Estate.
- 11) The Industrial Strategy consultation is live at the same time as the Housing Strategy White Paper. Officers will work together in formulating both responses, as there are close correlations in the policies and contributions to local economic growth.
- 12) Given the complexity and comprehensive nature of the Industrial Strategy Green Paper, it is also intended to work with stakeholders and the business community to help inform the Council’s response to ensure that it adequately reflects business needs.

Other Options Considered

- 13) Not to respond: this is a major policy initiative at national level in one of the Council’s priority themes, economic growth, so it will be essential to have some influence on this agenda.
- 14) Only to respond through the City of Nottingham and Nottinghamshire Economic Prosperity Committee: we need to have the opportunity to address local issues that are specific to Nottinghamshire, therefore a separate Council response is necessary.

Financial implications

15) This a consultation response and there are no financial implications.

Statutory and Policy Implications

16) 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 body of the report.

RECOMMENDATIONS

17) It is recommended that Committee:

- a) Notes the contents of the Government's recently launched Industrial Strategy Green Paper;
- b) Notes the City of Nottingham and Nottinghamshire Economic Prosperity Committee's intention to submit a shared consultation response to Government;
- c) Provides initial views on the issues highlighted in this paper so that they can be taken into account in the Council's response;
- d) In order to meet the Government's deadline of the 17th April 2017, gives delegated authority for the Council response to be submitted to Government by the Corporate Director, Place, following consultation with the Leader of the Council, the Chair of Economic Development Committee and Opposition Spokespersons.
- e) Receives a copy of the final consultation response, for noting, at a future meeting.

Adrian Smith
Corporate Director, Place

For any enquiries about this report please contact:
Mandy Ramm ext 72685

Constitutional Comments [EP 14.03.2017]

The recommendations fall within the remit of the Economic Development Committee by virtue of its terms of reference.

Financial Comments [SES 14/03/17]

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

Background Papers and Published Documents

- Building Our Industrial Strategy – Green Paper January 2017 - <https://www.gov.uk/government/consultations/building-our-industrial-strategy>

- [Building our Industrial Strategy: Green Paper](#) – Report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee, published 24th February 2017

Electoral Division(s) and Member(s) Affected

All

Annex A: Green Paper Summary

Pillar 1 - Investing in Science, Research and Innovation:

1) This focuses on promoting more Research and Development (R&D) and innovation to drive the success and growth of current and emerging growth sectors. This includes:

- Increased innovation in product/services and new ways of working
- A focus on key strengths such as robotics, clean energy and biotechnology and emerging strengths e.g. battery technology
- Increasing the successful commercialisation of research, the number of patents registered and how university spin outs are funded
- Funding provision (and review) of R&D (Industrial Strategy Challenge Fund) and
- The locational clustering and collaboration replication of the “golden triangle” (Cambridge/Oxford/London) elsewhere in the UK

2) The Consultation sets out the following questions:

- What priority areas should there be for science, research and innovation investment?
- What should the focus of the Industrial Strategy Challenge Fund be to achieve maximum economic impact?
- What else can be done to support increased commercialisation of ideas?
- How can the next generation of research leaders and entrepreneurs be supported?
- How can local innovation strengths be supported?

Pillar 2 - Developing Skills

3) This focuses on:

- Improvements to basic skills provision.
- The creation of a simpler and more accessible system of technical education, including a £170 million capital fund to create Institutes of Technology to improve education in STEMⁱ subjects and to marry course provision to local, employer-led demand
- Identifying and addressing sector-specific skills gaps - including taking further action to address differences in skill levels between different areas to help drive economic growth and opportunity.
- The review and provision of a quality careers information and advice service and
- The testing and development of new approaches to lifelong learning (reskilling and upskilling) to enable skills to adapt to meet emerging needs and sectors.

4) This pillar touches upon the prospective use of the Apprenticeship Levy to ensure that businesses invest in apprenticeships and are in control of provision. The Strategy also proposes to incentivise businesses to invest in skills alongside the

public sector, on the premise that poor performance in technical skills is key to low productivity and has been identified as a key contributor to regional disparity. The consultation poses the following questions:

- Are there further ideas to improve basic skills?
- Is there support for proposals to improve the technical education system and any exemplars to learn from including ways to make the application process simpler?
- Skills gaps – what are they now, what will they be and how can they best be addressed locally?
- How can people be encouraged to participate in lifelong learning?

Pillar 3 -Upgrading infrastructure

- 5) This focuses on better aligning central government infrastructure investment with local growth priorities and aims to support business growth/service resilience, higher rates of house building etc. It is looking to unlock investment and long term growth via funding certainty by exploring the need to move away from short term financial planning and bidding rounds.
- 6) It identifies the need to reduce travel times and congestion to help increase productivity (and access to jobs/skills) and to improve connections between towns and cities (Midlands Rail Hub) in order to pool labour market and economic strengths.
- 7) The Green Paper invites views on the following questions (as a complement to the National Infrastructure Call for Evidence):

- What other ways exist to increase private investment in infrastructure?
- How can government effectively marry up local infrastructure needs to national infrastructure policy?
- How can UK infrastructure meet international benchmarks in performance and ensure that the skills and supply chain can deliver strategic infrastructure needs in the UK?

Pillar 4 Supporting business to start and grow

- 8) The UK is the 3rd most successful country for start-ups but only 13th for scale ups (high growth). This pillar identifies the key barriers to business growth as being access to finance (fixed capital investment is low in comparison to the UK's competitors), availability of leadership and management skills and the creation of conditions to support long term investment. Furthermore, the UK has experienced lower investment in new and emerging assets that drive productivity resulting in lower take up in robotics/automation technology than competitors.
- 9) The Green Paper looks at raising productivity by marrying an effective start up culture and the right support and investment to facilitate growth underpinned by local growth strategies. It also recognises the need to respect the growth plans of the individual business, noting that not all are high growth scale ups and that

there is also a need to accommodate moderate ambitions (potentially through existing Growth Hub provision)

10) To deliver these ambitions the government is consulting on the following four questions:

- Ways to address fixed capital investment and long term investment decisions
- How to increase equity capital take up outside of London and the South East
- How to increase access/take up of other business funding e.g. crowd funding
- What are the barriers to growth and the role and experience of successful business networks?

Pillar 5 Improving Procurement

11) Strategic government procurement is viewed as a way to drive innovation, competition, investment in skills and to help the development of UK supply chains. The public sector spends around £269bn per annum (14% of the Gross Domestic Product) and by using sector specific strategies (e.g. defence, NHS), improving transparency (visibility of contract opportunities), reducing bureaucracy, improving payment terms and adopting a balanced score card approach to procurement, the government is aiming to open up public contracts to SMEsⁱⁱ (individually or collaboratively) as part of its commitment to spend one third of its budget with SMEs by 2020.

12) The consultation is seeking views on the following questions:

- Further ways to support innovation through public sector procurement and
- Further use of sector specific procurement to drive growth

Pillar 6 Encouraging Trade and Investment

13) This pillar is viewed as a key driver to boost productivity and growth – including increased competition and new ways of doing things - and is clearly linked to the government’s ambitions to secure post Brexit trade deals with EU and international countries.

14) There is a focus on growing UK exports and the role of the Department for Investment and Trade (DIT) in supporting both inward investment and exporters. Market targets include: Canada, China, India, Mexico, Singapore, and South Korea.

15) The Strategy commits to a “Team UK” approach to winning overseas contracts with the government seeking to facilitate collaborative and consortia bids and providing political support for major contracting opportunities. Further there will be a more strategic focus on Inward investment – with a review of international best in class inward investment promotion agencies and application of the findings through a

2017 review. This noted, DIT will also work to join up trade and inward investment promotion with local areas (for example Midlands Engine).

16) The Consultation asks the following questions:

- What else the government can do to support firms wanting to export/wanting to increase exporting?
- How government can measure the success of Inward Investment – should the focus be on the impact of Foreign Direct Investment (FDI) on growth?
- What can be learnt from other countries in how they approach Inward Investment?

Pillar 7 Delivering affordable energy and clean growth

17) The overriding objective of this Pillar is to keep energy costs down for businesses and to secure the economic benefits of the transition to a low carbon economy. For the last 10 years, the UK energy policy has focused on meeting climate change targets, guaranteeing security of supply and minimising costs.

18) The Industrial Strategy represents an opportunity to update the approach focusing on:

- Affordability – including a “long term road map” to reduced business costs, to be published in 2017
- Energy innovation and new energy technologies to secure industrial opportunities. Including the consideration of a new research institution
- Effective strategic decision making for example Hinkley Point investment and commitment to strengthen the UK supply chain including investment in skills
- Effective management of the energy networks to support change.eg the Smart Grid and
- Coordinated changes to energy infrastructure triggered by new technology e.g. Electric Cars

19) The Consultation therefore poses the following four questions:

- What more should the government do in the long term to limit energy costs to businesses?
- How can the UK move to energy being supplied through competitive, unsubsidised markets?
- How business/government/researchers can capitalise on energy innovation?
- How the government can support business savings from greater resource and energy efficiency

Pillar 8 Cultivating world-leading sectors:

20) The Strategy is seeking to build on areas of competitive advantage and help grow new sectors and increase support where appropriate to existing sectors. The emphasis will continue to be on innovative business – with the expansion of the current Challenger Business Programme.

- 21) Industry is invited to approach the government through its “open door challenge for Sector Deals”. The aim is to help deliver increased productivity driven by businesses with strong leadership and potential for collaboration (including universities and local leaders) promoting competition and innovation, and facilitating long term investment and co-ordinated development through Sector Plans.
- 22) It is envisaged that the plans will accelerate growth across the value chain, develop clusters, increase exports, commercialise research and develop skills and the numbers of high value/high productivity jobs
- 23) Artificial Intelligence and satellite technology are referenced as areas of note for future deals and early deals are expected around Life Sciences, industrial digitisation, ultra-low emission vehicles and the creative industries.
- 24) The consultation asks the following three questions:

- How can the government facilitate sectors to come together to identify opportunities for sector deals?
- How can competition be promoted through the deals and incorporate the interests of new entrants?
- How can there be public/private collaboration to support growth in sectors that emerge from new technologies/new business models?

Pillar 9 - Driving growth across the whole country

- 25) This Pillar seeks to develop a framework to build on the strengths of areas and to address barriers that hold a place back – this could be infrastructure, skills, support for local innovation etc.
- 26) The strategy recognises the over centralisation of the UK – but suggests that the current approach to the Northern Powerhouse/Midlands Engine, City Deals, Local Growth Deals, Devolution etc. remain the best way of improving economic decision making and in this way spurring innovation and increased productivity.
- 27) The Consultation cites the following as vital to rebalance the economy:
- Infrastructure investment e.g. new Housing Infrastructure Fund
 - Infrastructure decisions matched to local economic plans.
 - Tackling of historic underinvestment – e.g. Midlands Rail Hub
 - Creation of decision making structures for infrastructure planning – e.g. Midlands Connect
 - A strong and accountable place-based governance with a clear business voice
 - Skills reform which addresses local skills disparities in areas such as graduate retention, apprenticeships etc.
 - Increased local innovation and productivity through for example, the Innovation Strategy Challenge Fund or future funding streams and
 - The identification of local economic clusters and specialisms

28) The Consultation asks the following questions:

- Are these the right principles to drive growth across the country?
- What are the most important ways to increase skills in areas where they are low?
- Where could connectivity investment or innovation do most to drive equitable growth?

Pillar 10 - Creating the right institutions to bring together sectors and places

29) The challenge remains that different sectors, economic clusters and places need different types of support to ensure that businesses are able to employ people with the right skills, can market their goods and develop their products and services and innovate.

30) The government proposes to develop local specialisms by giving the right powers, developing the right institutions (educational, trade associations, financial networks etc.) and recognising the importance of innovation ecosystems and locally tailored sector deals.

31) To support this the Strategy outlines:

- A commitment to DIT reviewing how it identifies priority investments
- A review of the location of government agencies and arms-length bodies
- Creation of support networks of universities to improve commercialisation.
- Work with local government to review how to bring more business expertise into local governance, and improve links between councils and the private sector - including the potential creation of a modern “Alderman” role.
- Exploration of further devolution deals for the largest cities and
- Review of the Local Enterprise Partnership’s role in delivering growth (sharing best practice and strengthening delivery)

32) The Consultation asks the final questions:

- How can central government best work with local areas to create and strengthen key local institutions?
- What are the key institutions to focus on to drive growth in specific areas?
- Are there institutions missing in areas that are needed to support local growth?

ⁱ STEM – Science, Technology, Engineering and Maths

ⁱⁱ SMEs – Small to Medium Sized Enterprises

Brexit Impact on Nottingham & Nottinghamshire's Skills Landscape

14 March 2017

Dear Robert Halfon MP

We are writing to you to outline our concerns about the impact that Britain's exit from the European Union (EU) will have on skills provision and inequality across N2 (Nottingham and Nottinghamshire).

The N2 Skills & Employment Board

Working under the auspices of the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (D2N2 LEP), the N2 Skills & Employment Board (N2 SEB) is an employer led body that takes strategic responsibility for the N2 skills and employment landscape. The Board consists of 20 private sector employers from 11 N2 priority sectors.

European funding has enabled the N2 SEB and broader employer networks to develop local solutions to the skills and employment challenges they face that are not directly supported by national funding streams. The Employ Local¹ and Skills Local² 'opt ins' under the D2N2 European Social Fund (ESF) 2014 – 2020 programmes are examples of this in practice.

D2N2 received an investment in skills of £146m for the 2007 – 2013 ESF Programme. ESF funding is a key source of funding that improves skills and employment outcomes for our local residents, has enabled employers to develop local solutions to the skills and employment challenges they face and has played a significant role in reducing Nottingham's unemployment rate by over 50% from 2012 to 2017.

N2 experiences a number of significant labour market challenges; low skills attainment, high levels of worklessness and deprivation, particularly within Nottingham City's inner and outer estates and deindustrialised communities in the north of Nottinghamshire. Our region has the lowest GCSE outcomes in England and we know that raising aspiration and providing routes in to meaningful employment for young people and their families improves social mobility.

N2 has a vibrant economy that includes global employers such as Experian, Boots, Capital One and British Sugar but we also experience key skills gaps relating to coding and programming, digital marketing, teaching and social care.

¹ http://www.d2n2lep.org/write/Documents/Skills/EMPLOY_Local_-_Overview.pdf

² http://www.d2n2lep.org/write/Documents/Skills/SKILLS_Local_-_Overview.pdf

This is exacerbated by a brain drain of highly skilled graduates to London and the South East which limits our productivity and growth potential. Without replacing ESF funding after 2020 to improve provision and performance, N2 risks falling further behind the national average for skills and job growth. The impact of this on the local economy cannot be underestimated.

We would welcome the opportunity to share the positive work that is underway to improve employment and skills outcomes and are keen to work with Government to provide local solutions to skills and employment challenges in our area.

Request to Ministers

Following Britain's exit from the European Union:

1. What commitment will be made to maintaining and increasing investment in skills and employment across N2?
2. Will direct funding be made available to enable employers and other local partners to close the gaps in skills provision and to reduce inequalities e.g. the disability employment gap?

Yours sincerely,



Martin Rigley M.B.E

Chair

N2 SEB



Cllr Sam Webster

Portfolio Holder for
Education, Employment &
Skills

Nottingham City Council



Cllr Diana Meale

Chair
Economic Development
Committee

Nottinghamshire County
Council



Nottingham
City Council



Nottinghamshire
County Council

28 March 2017

Agenda Item: 7

REPORT OF CORPORATE DIRECTOR, RESOURCES WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2016/17.

Information and Advice

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and 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 Vice-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. As part of the transparency introduced by the new committee arrangements, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme. It may be that the presentations about activities in the committee's remit will help to inform this.
5. The work programme already includes a number of reports on items suggested by the committee.

Other Options Considered

6. None.

Reason/s for Recommendation/s

7. To assist the committee in preparing its work programme.

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 NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

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

Jayne Francis-Ward
Corporate Director, Resources

For any enquiries about this report please contact: Martin Gately x 72826

Constitutional Comments (HD)

1. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (PS)

2. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

ECONOMIC DEVELOPMENT COMMITTEE - WORK PROGRAMME

<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 April 2017				
Building our Industrial Strategy: Green Paper – Consultation response	A copy of the final consultation response submitted to Government	Information	Mandy Ramm	Mandy Ramm
Nottinghamshire LEADER Programmes – 6-monthly update	To provide Committee with its fourth 6-monthly update on the North and South Notts LEADER programmes	Information	Phil Berrill	Phil Berrill
Nottinghamshire Economic Development Capital Fund (NEDCF) – Round 4 Update	NEDCF Round 4 stage 1 results	Information	Trish Adams	Trish Adams
Midlands Engine Trade Mission to China	To provide Committee with its first quarterly update on the work associated with the development of a Memorandum of Understanding between Nottinghamshire County Council and the Provincial Government of Zhejiang	Information	Mandy Ramm	Mandy Ramm
6th June 2017				
Careers Local	To Update Committee on the delivery of the Careers Local grant scheme which provides targeted interventions to help at least 1,000 young people across D2N2 LEP area develop enterprise and employability skills to improve their career opportunities	Information	Kevin Bartlett	Kevin Bartlett

<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>
4th July 2017				
Better Broadband for Nottinghamshire 6-monthly update	Six-monthly update on the rollout of fibre-based broadband across the county	Information	Phil Berrill	Phil Berrill

Last updated 15th March 2017

Items for future meetings:

- Growth Deal Update
- Marketing Nottingham and Nottinghamshire – Six-monthly update
- High Speed Two (HS2)
- The County Council's Place Plan
- International Growth i.e. China, Midlands Engine
- Influencing and responding to emerging policies, e.g.: Brexit implications, the Governments Housing White Paper, Midlands Connect Strategy
- D2N2 Growth Hub
- D2N2 Digital Business Growth Programme