

Economic Development Committee

Tuesday, 07 June 2016 at 14:00

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

AGENDA

- 1 To note the appointment by the County Council on 12 May of Councillor Diana Meale as Chair of the Committee and Councillor Roy Allan as Vice-Chair.
- 2 Minutes of the last meeting held on 22 March 2016 3 - 6
- 3 Apologies for Absence
- 4 Declarations of Interests by Members and Officers:- (see note below)
 - (a) Disclosable Pecuniary Interests
 - (b) Private Interests (pecuniary and non-pecuniary)
- 5 Careers and Enterprise Company 7 - 10
- 6 Better Broadband for Nottinghamshire Quarterly Update on the Rollout 11 - 18
- 7 Integrated Innovation Centre Contract - Performance Report 2015-16 19 - 26
- 8 Nottinghamshire Business Investment Zone - Employment Land Review 27 - 30
- 9 Work Programme 31 - 34

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:-

Customer Services Centre 0300 500 80 80

- (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	22 March 2016 (commencing at 2.00 pm)

Membership

Persons absent are marked with `A`

COUNCILLORS

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

Chris Barnfather
Stan Heptinstall
Mike Pringle
John Wilmott

Jim Creamer
John Ogle
Gordon Wheeler

A Alan Rhodes (Ex-Officio)

CO-OPTED MEMBERS

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

OFFICERS IN ATTENDANCE

Tim Gregory - Place Department
Geoff George - Place Department
Phil Berrill - Place Department
Matt Lockley - Place Department
Nicola McCoy-Brown - Place Department

Martin Gately - Resources Department

OTHERS IN ATTENDANCE

Richard Goodman - Goodman Metal Works

CHANGES IN MEMBERSHIP

The following changes of membership for this meeting were noted: Councillor Mike Pringle replaced Councillor John Knight for this meeting only. Councillor Jim

Creamer replaced Councillor Michael Payne for this meeting only. In addition, Councillor Chris Barnfather replaced Councillor Keith Walker for this meeting only.

MINUTES

The minutes of the last meeting held on 23 February 2016 were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

None.

DECLARATIONS OF INTEREST

None.

BROADBAND PETITIONS – NORTH CLIFTON, WIGSLEY AND HARBY

Phil Burrell, Economic Development Team introduced the report on Broadband Petitions.

RESOLVED: 2016/0016

That:

- 1) Receipt of the petitions be noted.
- 2) The agreed response as set out in paragraphs 5-10 be sent by officers to the petitioners

LOCAL GROWTH FUND ROUND 3 UPDATE

Geoff George, Senior Economic Development Officer, introduced the report on the Local Growth Fund.

RESOLVED: 2016/0017

That the report be noted.

THE NOTTINGHAMSHIRE ECONOMIC DEVELOPMENT CAPITAL FUND

Trish Adams introduced the report on the Economic Development Capital Fund. Richard Goodman of Goodman Metal Works made a short presentation on the work of his company. Mr Goodman explained that his family had originally been blacksmiths but had diversified into the coal industry, and then twenty years later commenced to make an ever wide range of products. The company now makes communication cable laying and aluminium smelting equipment. In addition, Goodman Metal Works also makes stone driers for Tarmac – these cannot be made as fast as they are required and there are 13 on the order book. The company is also used as an ‘exhibition company’ by a laser manufacturer.

Mr Goodman also explained that takes on a large number of apprentices – there are currently 13 on their books - with a view to enhancing their skills to NVQ Level 3. The qualities that Mr Goodman looks for in an apprentice are enthusiasm and dependability, but the two have to go together.

Mr Goodman invited all Members of the Economic Development Committee to visit the Goodman Metal Works shop-floor.

RESOLVED: 2016/0018

That:

- a) The positive progress of the Capital Fund to date be noted.
- b) The launch of a third round of the Fund in May 2016 be agreed.

ECONOMIC DEVELOPMENT DELIVERY STRATEGY – DELIVERY PLAN AND BUDGET 2016-17

Matt Lockley introduced the report on the Economic Development Delivery Strategy.

RESOLVED: 2016/0019

That:

- a) The 2016-17 economic development delivery plan and associated budget proposals be approved.
- b) Further reports on specific project proposals as referenced in the report be received
- c) A six month update on the budget as part of the Committee cycle be received
- d) A request to Finance and Property Committee for an allocation of £62,500 from contingency for the Council's contribution to the D2N2 Local Enterprise Partnership.

WORK PROGRAMME

RESOLVED 2016/0020

That the work programme be noted.

The meeting closed at 15:50

CHAIR

07 June 2016**Agenda Item: 5****REPORT OF THE CORPORATE DIRECTOR, PLACE****CAREERS AND ENTERPRISE COMPANY****Purpose of the Report**

1. To explain the role of the Careers and Enterprise Company (CEC) and to provide an update on achievements to date across Nottinghamshire.
2. Sean Panting, CEC Enterprise Co-ordinator will be attending Committee to deliver a brief presentation on the role and achievements of the CEC in addition to answering any questions that Members may have.

Background

3. The CEC is a mechanism established by central government to facilitate closer working between employers and schools to enable young people to fully realise their career potential.
4. Local Enterprise Partnerships (LEPs) are the delivery vehicle for CECs, the mechanism for establishment was via a competitive process including securing local match funding.
5. Each CEC operates within a Local Enterprise Partnership (LEP) boundary, in the case of D2N2, the role of the CEC is to deliver the D2N2 Employability Framework.
6. The CEC funding supports the function of three employed Enterprise Coordinators (across N2) who are responsible for the practical implementation of the Employability Framework and associated partnership working.
7. Business leaders have a fundamental role in acting as volunteer Enterprise Advisors to form an Enterprise Advisor Network of employers, large and small to work with schools developing strategic Enterprise, Careers and Employability plans.
8. The N2 Skills & Employment Board has a role in monitoring and overseeing the progress of the CEC and liaising with the Skills and Employment Commission on this agenda.

Funding

9. D2N2 received a maximum £150,000 to establish and operate the CEC. The CEC funding was matched by a number of partners across D2N2 providing £300,000 in total to deliver the activities. The CEC is funded until the end of the August 2017.
10. CEC match funding was provided by the following partners across N2 who each cover a proportion of the N2 geographical landscape:

Rushcliffe Borough Council	Rushcliffe, Newark and Sherwood, Gedling and Broxtowe
The Evolve Trust	Mansfield and Ashfield
Nottingham City Council's Education Business Partnership ASPIRE	Nottingham City
Bassetlaw District Council	Bassetlaw District Council were unable to provide match funding for the current round of CEC delivery

Key Performance Indicators

11. For the academic year 2015/16, the N2 initiative will fund three Enterprise Coordinators employed across the N2 area who will engage with 40 schools and link them with 40 business leaders. Current performance across N2 is 26 Schools actively engaged in CEC activity and 14 Business Leaders actively engaged with CEC activity.
12. The CEC launched across D2N2 in December 2015; Sean Panting, the Enterprise Coordinator for Rushcliffe, Newark & Sherwood, Gedling and Broxtowe started in post in February 2016 and it has taken time to build a network of Businesses and Schools to deliver the CEC initiative.
13. For the academic year 2016/17 the N2 initiative will continue to see three Enterprise Coordinators employed across the N2 area who will engage with an additional 30 schools and link them with an additional 30 business leaders.

Sustainability

14. The CEC funding will enable delivery across N2 to be extended until August 2017. It is anticipated that 'Careers Local' European Social Fund project will provide a sustainable solution for the continuation of Careers, Enterprise and Employability activity across N2 through to 2019.

Reason(s) for Recommendations

14. To ensure Committee is kept informed of current and future Careers, Enterprise and Employability activities.

Statutory and Policy Implications

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

None.

RECOMMENDATIONS

It is recommended that Economic Development Committee note this report and promote the good practice of the CEC to residents, schools and local businesses across the county.

Tim Gregory
Corporate Director, Place

For any enquiries about this report please contact:

Fiona Anderson ext. 72688

Constitutional Comments [LM 12/05/2016]

This report is for noting only.

Financial Comments [SES 13/05/16]

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

Background Papers

None

Electoral Division(s) and Member(s) Affected

All

7th June 2016

Agenda Item: 6

REPORT OF THE CORPORATE DIRECTOR, PLACE

BETTER BROADBAND FOR NOTTINGHAMSHIRE – QUARTERLY UPDATE ON THE ROLLOUT

Purpose of the Report

1. To provide the quarterly update on the Better Broadband for Nottinghamshire Programme (BBfN) covering:
 - a) Progress to date;
 - b) Contract 2 update;
 - c) Progress with the 'basic broadband for all' satellite broadband scheme;
 - d) Demand stimulation activity;
 - e) Digital Champions Networks; and
 - f) An update on the Nottinghamshire Digital Business Growth Programme.
2. To seek approval to amend the frequency of rollout reporting from quarterly to six-monthly.
3. For Committee to receive two short case studies. One about the Nottinghamshire Digital Champions Network and the other about the difference superfast broadband makes to a local business.

Information and advice

Progress with contract 1

4. At the end of December 2015, the 'total homes passed' (THP – the contract measurement) by contract 1 of the Better Broadband for Nottinghamshire programme was 61,651 – premises that would not have had access to fibre broadband without the BBfN programme.
5. Speeds of up to 80 megabits per second (Mbps) are available depending on how far the property is located from its serving green street cabinet. Information on the process involved in planning, survey work and why the outcome may mean deployment plans could change, is explained on the FAQ page of the programme's website at www.nottinghamshire.gov.uk/broadband

6. Contract closure was triggered at the end of Quarter 3 (November to December 2015) as the superfast THP target (speeds of above 24 Mbps) had been exceeded. The remaining delivery expected within contract 1 is proceeding as planned and will be claimed and accounted for under contract 2.

Progress with contract 2

7. Nottinghamshire received an allocation of £2.63 million from the Government to increase fibre broadband coverage in the County. This has been matched by D2N2 Local Growth Fund resources, resulting in an investment through contract 2 of £5.26 million. Following this Committee's approval of the approach in March 2015, Nottinghamshire County Council (NCC) entered into a contract with BT for these additional resources at the beginning of May 2015.
8. NCC has worked with Broadband Delivery UK (BDUK) and BT to accelerate the delivery of contract 2, consequently works commenced 9 months earlier than originally planned.
9. All other parts of the county achieve over 96% coverage at the end of contract 2 but Bassetlaw and Newark & Sherwood were some way behind. In addition to the £5.26 million investment, NCC secured a further £720,000 from BDUK to extend coverage to 95% in Bassetlaw and Newark & Sherwood districts. In July 2015, NCC's Finance and Property Committee approved the allocation of £600,000 of match funds for this additional BDUK investment from the capital programme.
10. Details of the areas covered by the existing investment in contract 2 have been published on the Council's website. The postcode checker has been updated accordingly: <http://www.nottinghamshire.gov.uk/business-employment-and-benefits/better-broadband-for-nottinghamshire-programme/where-and-when>
11. Although the Quarter 4 (January to March 2016) returns regarding work completed are not yet available, early indication from weekly progress reports suggest that a further 21 cabinets have gone live.

Progress with Basic Broadband for all Satellite Broadband Subsidy scheme

12. The *Basic Broadband for All* scheme was launched in December 2015. To date, over 100 applications have been received. Premises are eligible if they do not have access to speeds of more than 2Mbps. Applicants are required to confirm that there isn't a satellite broadband service at the address. Following eligibility checks and records of existing and planned coverage of broadband service available, if there are no plans to provide Superfast Broadband to the postcode within 12 months of the application, a voucher code is issued under the Scheme. Promotion has been alongside the demand stimulation activities of BBfN and supported by promotion of the national scheme conducted by the Department for Culture Media and Sport (DCMS). Promotion has included a mail drop providing details on the Scheme to almost 2,500 properties across Nottinghamshire.

Demand stimulation activity

13. The contract with BT includes a 'gainshare' mechanism, whereby NCC will receive 69% of the revenue income derived by BT through the BBfN programme once take-up of fibre services exceeds 20%. The higher the take-up rate across the programme, the higher the rate of return for the Council. The contract mechanism is such, that this return will be allocated to an investment pot and used in the future to either extend fibre coverage further or invest in new technologies to tackle the remaining parts of the county that are left without coverage after contract 2. The gainshare mechanism remains in place for seven years after the capital build programme is complete.
14. In order to increase awareness of the BBfN programme and maximise take-up in local communities, Committee approved the establishment of a Broadband Engagement Officer post in September 2014 and subsequently allocated revenue resources to support this work in March 2015 and again in March 2016 (£20,000 for 2016/17). This is supported by £50,000 of revenue from D2N2 Local Enterprise Partnership.
15. The Broadband Engagement Officer started work in December 2014 and has made good progress in building relationships with organisations and networks that can support the promotion of fibre broadband availability in the county. 'Live' cabinet data is monitored and links are made with relevant areas to capitalise on publicity, at local community events such as: community lunches, village community days and partnership events. Other activities include: regular attendance in libraries, Business Clubs, Parish Council meetings and attendance at regional event (EXPO Conference and D2N2 LEP Breakfast Meetings). When out placing promotional stickers on the newly installed cabinets, nearby businesses are visited to alert them to fibre broadband availability.
16. BBfN now has a bank of case studies showcasing how fibre-optic broadband has made a difference to households and businesses. In April a Stakeholder Bulletin was distributed to all Elected Members, Parish councils, Federation of Small Businesses, Business Clubs, Libraries' and county-based Economic Development Officers.
17. The monthly *Email Me*, providing updates on BBfN now reaches over 3500 users. This months Business *Email Me* which will be issued to a further 3000 recipients (and will include information on other aspects of Economic Development work). 4000 registered community groups on the newly launched Notts Help Yourself Website have also been targeted and there are plans to add a dedicated BBfN page.
18. At the end of March 2016, take-up rates of fibre broadband services increased from 11% (in March 2015) to 27.55%. The take-up rate is also now outstripping that achieved in BT's commercial rollout. In some wards, take-up is in excess of 50%, with cabinet capacity being increased beyond levels BT originally planned for.

19. Contract 2 is already yielding strong take-up, achieving 5% since service commencement.

Digital Champions Network

20. A contract to deliver a Nottinghamshire Digital Champions Network (NDCN) was awarded to Digital Unite in 2015, to complement the awareness raising and promotional activities.

21. Year 1 attracted 72 new Digital Champions across Nottinghamshire exceeding the target of 62. Two further events are planned in June to promote the network and attract new Digital Champions.

22. A Digital Champion was recently featured on Notts TV for his working in organising a series of IT sessions at Larkwood Retirement Village in Clifton.

23. As part of the £20,000 allocation from this Committee to support Demand Stimulation, the contract with Digital Unite has been extended for another year.

24. NDCN have organised 2 events in June to promote the network and attract new Digital Champions. NDCN have created a webpage where interested residents can book their place. Information on these events has already been sent out to all Parish and Town Councils with a link to the website: <https://www.digitalchampionsnetwork.com/content/connecting-nottinghamshire-digital-champions>

Nottinghamshire Digital Business Growth Programme

25. Nottinghamshire County Council's Economic Development Service commissioned a £20,000 pilot digital business support programme, known as the Nottinghamshire Digital Business Growth Programme, which was awarded, and successfully delivered by, the East Midlands Chamber's eBusiness Club between February and March 2016. The fourfold aims of the Programme were to:

- Improve businesses knowledge and awareness about the benefits of fibre broadband and associated technologies and the role they play in achieving economic and business growth;
- Support businesses to implement, adopt and exploit digital technologies;
- Create demand from businesses to take advantage of the commercial opportunities being generated by the rollout of the BBfN programme, and;
- Provide evidence of demand to support future funding and business support proposals.

26. Businesses based within Nottinghamshire were able to access fully funded: ICT, social media, digital marketing advice and support from regional industry leaders, thanks to the partnership between NCC and East Midlands Chamber.

27. The following table illustrates the achievements of the Chamber's eBusiness Club aimed at boosting businesses' digital awareness to help drive their online engagement and increase revenue. Events were delivered to businesses throughout the county, where one-to-one support was also provided:

Table illustrating the achievement of the Chamber's eBusiness Club delivering the Nottinghamshire Digital Business Growth Programme (DBGP)

Activity delivered	Numbers supported
Fully funded full-day action-planning workshops	8
Fully funded awareness-raising seminars	5
Unique Nottinghamshire businesses assisted	56*
Businesses attended seminars	59
Businesses attended workshops	71

* equating to 510 hours of actual support

28. A wide range of subjects were covered by the Programme: social media, website development, video marketing, search engine optimisation (SEO), cyber security and digital apps¹ aimed at boosting productivity.
29. Businesses looking to invest in digital technology, showing strong growth ambitions or requiring further digital support were recorded as a pipeline for the proposed D2N2 Digital Business Growth Programme (DBGP). This £7.2m, D2N2 LEP area-wide European Regional Development Fund (ERDF) submission, is being led by NCC. If approved, the DBGP will be launched in summer 2016.

Frequency of Rollout reporting

30. As the number of structures and THP for contract 2 is far less than contract 1, quarterly reporting is excessive for the amount of progress achieved. It is therefore recommended that the reporting be reduced to a six monthly frequency.

Reasons for recommendation(s)

31. To ensure Committee receives up-to-date knowledge on the progress of the Better Broadband for Nottinghamshire Programme.

Statutory and Policy implications

32. 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

33. The financial implications are stated within the report itself.

RECOMMENDATIONS

¹ App – an application, typically a small, specialised program downloaded onto mobile devices

34. That Committee notes the content of this report, subsequent presentations and approves revising the Better Broadband for Nottinghamshire roll-out reporting to six-monthly.

**Report of the Corporate Director, Place,
Tim Gregory**

For any enquiries about this report please contact: Phil Berrill, 74641

Constitutional Comments [LM 12/05/2016]

The recommendations in the report fall within the Terms of Reference of the Economic Development Committee.

Financial Comments [SES 13/05/16]

The financial implications are set out in the report.

Background Papers and Published Reports

- Nottinghamshire Local Broadband Plan (www.nottinghamshire.gov.uk/broadband)
- *Nottinghamshire Local Broadband Plan* – report to Full Council, 15-12-2011, published
- *Update on Nottinghamshire Local Broadband Plan* – report to Policy Committee, 20-06-2012, published
- *Response to Petitions presented to Economic Development Committee* – report to Economic Development Committee, 20-09-2012, published
- *Nottinghamshire Local Broadband Plan* – report to Full Council, 28-02-2013, published
- ERDF Funding Agreement, 14-05-2013
- Investing in Britain's future – Presented to Parliament by the Chief Secretary to the Treasury by Command of Her Majesty, 6-2013 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209279/PU1524_IUK_new_template.pdf
- *Superfast Broadband for Nottinghamshire* – report to Policy Committee 17-07-2013, published
- *Superfast Broadband for Nottinghamshire* – report to Economic Development Committee 09-07-2013, published
- UK Broadband Impact Study – Impact Report, SQW, 11-2013 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257006/UK_Broadband_Impact_Study_-_Impact_Report_-_Nov_2013_-_Final.pdf
- *Better Broadband for Nottinghamshire – Resource Requirements for Delivery Phase* – report to Economic Development Committee, 12-12-2013, published
- *Better Broadband for Nottinghamshire* – report to Economic Development Committee 14-01-2014, published
- Superfast Extension Programme indicative funding allocation letter – BDUK on behalf of the Department for Culture Media and Sports, 25-2-2014, published
- *Better Broadband for Nottinghamshire – Superfast Extension Programme* – report To Economic Development Committee, 11-03-2014, published
- *Better Broadband for Nottinghamshire – Phase One* – report to Economic Development Committee, 1-4-2014, published
- *Better Broadband for Nottinghamshire Superfast Extension Programme* – report to Policy Committee, 4-6-2014, published

- *Update on D2N2 Strategic Economic Plan and Local Growth Deal* – report to Economic Development Committee, 1-7-2014, published
- *Better Broadband for Nottinghamshire – Additional Staffing Resource* – report to Economic Development Committee, 16-09-2014, published
- *Better Broadband for Nottinghamshire – quarterly update on the rollout* – report to Economic Development Committee, 18-11-2014, published
- *Better Broadband for Nottinghamshire Contract 2* – report to Policy Committee, 07-01-2015, published
- *Better Broadband for Nottinghamshire: authorisation for contract 2* – report to Economic Development Committee, 31-03-2015, published
- *Nottinghamshire Digital Champions Network* – report to Economic Development Committee, 31-03-2015, published
- *Broadband Petitions* – report to the Economic Development Committee, 31-03-2015, published
- *Better Broadband for Nottinghamshire – quarterly update on the rollout* – report to Economic Development Committee, 07-07-2015, published
- *Broadband Petition* – report to Economic Development Committee, 07-07-2015, published
- *Financial Monitoring Report: Period 2 2015/2016* – report to Finance and Property Committee, 20-07-2015, published
- *Better Broadband for Nottinghamshire – quarterly update on the rollout* – report to Economic Development Committee, 03-11-2015, published
- *Basic Broadband For All – Satellite Broadband Subsidy scheme* - report to Economic Development Committee, 19-01-2016, published.
- *Broadband Petition* - report to Economic Development Committee, 23-02-2016, published
- *Broadband Petition* - report to Economic Development Committee, 22-03-2016, published

Electoral Division(s) and Member(s) Affected

All

07 June 2016

Agenda Item: 7

REPORT OF THE CORPORATE DIRECTOR, PLACE

**INTEGRATED INNOVATION CENTRE CONTRACT
PERFORMANCE REPORT 2015/16**

Purpose of the Report

1. The purpose of this report is to:
 - a) provide a summary of the performance position during the fifth year of operation of the Nottinghamshire Integrated Innovation Centre Management Contract covering the county's three specialist innovation centres of: Mansfield i-Centre, Newark Beacon and Worksop Turbine;
 - b) seek approval for £25,000 to meet property costs at Worksop Turbine for 2016/17, and;
 - c) update members on the progress towards the future operational delivery arrangements at the Centres.

Information and Advice

2. Members have received annual updates since the commencement of the contract in April 2011. Table 1 provides a summary of the contract and underpinning arrangements:

Table 1: Summary of the contract and underpinning arrangements	
Managing Agent	Oxford Innovation (OI)
Key partners and signatories of the underpinning Memorandum of Understanding	Nottinghamshire County Council – contract manager and owner of Worksop Turbine
	Newark and Sherwood – owner of Newark Beacon
	Mansfield District Council – owner of Mansfield i-Centre
The Homes and Communities Agency	Retains an equity share in each building
Contract Value	£5.6m (estimate)
Contract end date	31 st March 2017
Contract Governance	Through a Strategic Management Board (SMB), currently chaired by County Councillor Diana Meale. The SMB sets the annual budgets and performance targets

3. The key functions of the contract are:

- Facilities Management (FM)
 - Day to day management of Centres, tenancies, sales, financial administration etc.
 - Marketing, PR, website development and content management
 - Operation of Virtual Tenancy packages, internal and external conferencing
 - Business Support, initiatives, events and networking
4. The overarching contract delivers some of the services more commonly provided by individual local authority property functions, with the aim of achieving economies of scale and bulk buying power across all three centres. The driver of the contract, and its key differentiator from standard FM contracts, is its contribution to four of the area’s long-term economic objectives by supporting:
- Existing companies to grow
 - New businesses to set up
 - Sustainable job creation
 - Business collaboration and supply chain development
5. The financial model underpinning the contract is for the income generated from tenancies, conferences etc. to meet the fixed management and variable operational costs of the centres **and** to generate a sufficient surplus to cover building reinvestment costs at the Beacon and Mansfield i-Centre, as well as to generate additional surpluses for each owning authority¹.

Performance against targets in 2015/16

Occupancy

6. The current contract seeks to achieve the highest possible **occupancy levels** across all three centres. The base target is a minimum 88% occupancy in order to: allow sufficient supply of space to meet external demand, to facilitate the growth of internal customers and to allow flexibility in the contract to support the exit of those tenants that have outgrown the space and need to “graduate” to their own premises.
7. In 2011, baseline composite occupancy across all three centres was 71%. In 2015/16 average occupancy was 90% (+2% to target). Table 2 illustrates the occupancy performance at each Centre follows:

Table 2: Occupancy at each Centre	
Centre	Occupancy
Mansfield i-Centre	93%
Worksop Turbine	92%
Newark Beacon	86%

8. As a direct result of performance at the Beacon, occupancy performance in year 5 is marginally below the previous year (-1%). This is a key priority for OI to address with: new programmes of web-based marketing and PR, a re-assessment of the current offer (including spatial configuration) and pricing. Partners are supporting this work wherever possible.
9. The total number of **tenant businesses** in the centres as at 31st March 2016 was 102. This is an increase of two on the previous year but is 8 below target. The target was a “stretch target” and actual performance reflects a forecast trend in the increased size of businesses at the centres. This is a feature that will need to be accounted for in future delivery options, in order to accommodate the demand profile for space and for the type of support offered to those businesses dependent on their growth stages.

Jobs

10. A key aim of the contract is **employment growth**. As illustrated in Table 3, the full-time equivalent (FTE) jobs in tenant businesses by innovation centre are as follows:

Table 3: FTE Jobs in Tenant Businesses by Innovation Centre		
Centre	FTEs at 31 March 2015	FTEs at 31 March 2016
Mansfield i-Centre	178	192(+14)
Newark Beacon	185	181 (-4)
Worksop Turbine	208	204(-4)
Totals	571	577 (+6)

11. The jobs number is slightly below the targeted 585. Of those 577 jobs within the centres, 80.5 were **new jobs created** in tenant businesses during 2015/16 - significantly exceeding the contract target of 70 new jobs. There were 149 FTE jobs recorded in virtual tenancy businesses (against a contract target for the period of 150).

Graduations

12. Nine tenant graduations have been recorded by OI this year, exceeding target by 5. This reflects **businesses moving to external premises to accommodate growth** and comprises: 2 from Mansfield i-Centre, 4 from Newark Beacon and 3 from the Worksop Turbine. All 9 companies remain located in Nottinghamshire.

Customer Satisfaction Rates

13. A key differentiator in this contract and the offer of the centres, is the focus on customer care excellence. This is assessed by an Annual Satisfaction Survey with **OI seeking 85% of respondents as rating the centre and services as very good or excellent**. Survey responses have seen revisions to the offers on broadband packages at the centres, event programmes and internal communication strategies. Each survey is followed up with an Action Plan that is

taken to the SMB. The 2015/16 annual survey is currently being finalised and will be reported at the next SMB.

Business Support

14. **10 hours of free innovation business support is available to all tenants** not in receipt of previous OI support. The target is for 50 businesses to receive this dedicated support. 51 businesses were supported in 2015/16 (17 at Mansfield, 13 at Newark Beacon and 21 at Worksop Turbine). OI uses bespoke diagnostic tools to assess the needs and potential of a business. Each new tenant is offered access to the service (including virtual customers).
15. Centre based staff and the Incubation Director, build close-working relationships with tenants to understand key business drivers and accordingly help mentor and coach centre customers. These formal and informal services can result in referrals to external funding and support programmes, links with the universities and/or specialist services to support specific business needs. Tenants can “top up” OI offers with a ‘paid for’ service from OI or another provider. OI works closely in the area with business support partners and in particular the D2N2 Growth Hub. OI offers events and workshops to support business needs – often in association with the universities.
16. Following the success of the SPARK Programme, OI will soon launch the Pioneer 10 programme in Nottinghamshire. The cost of this will be met by OI – outside of the contract costs – and will take the form of a competition to identify existing businesses with growth potential in the county with space and business support offered as a “prize” to the best 10 companies.

Financial Performance

17. The draft 2015/16 results to date indicate that the contract is now performing far better financially. Nevertheless the budget targets for 2015/16 have not been achieved - although surpluses have been generated at each of the Centres. This is reflected in Table 4 below:

Table 4: 2015/16 Draft Financial Results Before Building Sinking Fund and Partner Deductions			
	Budget	Actual	Variance
Income – licence fees, conferences and Virtual Offices	£1,266,932	£1,252,356	£-14,576
Expenditure – Management Fee and Utility Costs	£1,133,504	£1,165,048	£+31,544
Surplus/Deficit Total	£+133,428	£+87,308	£-46,120

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2016/17 Onwards

18. 2016/17 is the extension year of the existing contract. Every effort will be made by the SMB to maximise performance. The operator has displayed an intent to continue to deliver the contract to achieve the best possible outcome, with ongoing improvements to the offer and occupancy take up. It is understood that the current operator will tender for the new contract.
19. During 2015, partners have agreed that after the cessation of the current contract, they wish to proceed with the “three centre model” believing it is still financially and operationally beneficial to run the three buildings collectively. Soft Market Testing took place in March 2016 to: explore how the market may respond to such an opportunity, the risks that may emerge and the best practice opportunities in terms of contract form and performance management techniques. Discussions with Nottingham City Council on expanding the partnership to include more centres are underway.
20. To support the development of the work, a partner working group has been formed through the SMB, along with an Internal Working Group consisting of colleagues from: Property, Legal, Finance, HR and Procurement.

Property Maintenance at the Worksop Turbine

21. In 2015, members were advised that property requirements at the County Council-owned Turbine had built-up over time as there was no Building Sinking Fund arrangement. Accordingly a provision of £25,000 was made to address immediate needs. This investment has been utilised with extensive upgrades and improvements to ground floor toilet facilities and other repairs which have been well-received by both internal and external customers.
22. Supplementary property needs have since been identified with the objective of continuing to make the building commercially competitive and able to retain existing and attract new tenants. This requirement is made all the more imperative in this final year of the contract. In re-tendering the work, the County Council needs to optimise the commercial interest in operating the Turbine and this can best be realised by facilitating the highest levels of income, occupancy and pipeline interest in the centre.
23. The four key property requirements include: external painting, reception refurbishment, improved customer kitchens and car parking improvements to address safety, security and recently introduced statutory requirements. The current estimates for these works (with a small contingency to address any in year needs that may emerge) is £25,000. As with the previous year, Committee is asked to approve this provision to be met from the Economic Development budget.

Other Options Considered

24. No options apply to this report.

Reason/s for Recommendation/s

25. The report is largely for information in respect of the 2015/16 performance of the contract. However, there a request to utilise £25,000 from the Economic Development Budget to support the building needs over the next year in order to keep the building fit for purpose and able to attract and retain new and existing tenants. Such repairs and minor upgrades are considered essential to the successful operation of the contract in order to be able to maximise income and to achieve the overarching economic objectives set out in paragraph 5

Statutory and Policy Implications

26. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

27. The County Council has pre-existing commitments to support deficits and share in surpluses contained in Deeds of Agreement for each of the centres. Appropriate budgetary provision is made from within the Economic Development Budget where required. The £25,000 capital related work will need to be reported to Finance and Property Committee and added as a variation to the capital programme funded as a revenue contribution to capital outlay (RCCO).

RECOMMENDATION/S

28. It is recommended that:

- a) The performance during the fifth year of operation of the Nottinghamshire Integrated Innovation Centre Management Contract along with the work underway on the new contract form and procurement be noted;
- b) a further report on the annual performance of the Integrated Innovation Centre contract covering the 2016/17 performance be brought back to Economic Development Committee in 12 months, and;
- c) Economic Development Committee approves the provision of £25,000 from the Economic Development Budget to address the identified property needs at Worksop Turbine for 2016/17.

Report of the Corporate Director, Place.

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

Constitutional Comments [LM 12/05/2016]

The recommendations in the report fall within the Terms of Reference of the Economic Development Committee.

Financial Comments [SES 13/05/16]

The financial implications are set out in the report.

Background Papers

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

- Contract Award Notice, 1 March 2011
- Strategic Management Board 29th April 2014 Report on Draft Contract Performance 2013/14
 - Appendix 1: KPI Monitoring and Appendix 2 Financial Performance
- Strategic Management Board 22nd July 2015 Report on Draft Contract Performance 2014/15
 - Appendix 1: KPI Monitoring and Appendix 2 Financial Performance
- *Nottinghamshire Economic Insight – Issue 44 – Special Feature – available at: <http://site.nottinghamshire.gov.uk/EasysiteWeb/getresource.axd?assetid=352982&type=0&servicetype=1>*
- *Integrated Innovation Centre Contract: Performance Report* – report to Economic Development Committee, published 26-06-2012
- *Integrated Innovation Centre Contract: Performance Report* – report to Economic Development Committee, published 11-06-2013
- *Integrated Innovation Centre Contract: Performance Report 2013/14* – report to Economic Development Committee, published 03-06-2014
- *Integrated Innovation Centre Contract Performance Report 2014/15* – report to Economic Development Committee, published 09-06-2015

Electoral Division(s) and Member(s) Affected

Newark West, Cllr Tony Roberts
Worksop North, Cllr Sybil Fielding
Mansfield South, Cllrs Stephen Garner, and Andy Sissons

ⁱ NCC receives a proportion of the surpluses at the Beacon in addition to 100% of the surplus generated at the Turbine after all other contract costs have been met.



7th June 2016

Agenda Item: 8

REPORT OF THE CORPORATE DIRECTOR, PLACE

NOTTINGHAMSHIRE BUSINESS INVESTMENT ZONES – EMPLOYMENT LAND REVIEW

Purpose of the Report

1. To confirm 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.

Information and Advice

2. In March 2015, this Committee considered a report on the proposed content and expectations of a review of employment development sites across the County to be undertaken principally by Arup with the support of other partners, including Jones Lang LaSalle. This market-led review would underpin a proposed wider approach under the NBIZ concept which would allow the 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. The Committee will recall approving a contribution of £20,000 towards the total costs of undertaking a review. The County Council's contribution was supported by contributions from each of the Nottinghamshire District and Borough Councils, 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. At the time of writing this report, the Councils have worked 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 overall review will be available by the time of this Committee meeting, but 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 the subject of an assessment and a score of between 1-4 and thence a colour coding against each of the above 4 elements from red (being a significant barrier or consideration in bringing the site forward) through to amber (potential problematic) light green (limited issues) to dark green (no or minimal issues) with these four elements resulting in an overall colour grading for each site.
7. As an unweighted set of scores for each site alone, this offers reasonably valuable overview. However 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
8. On the basis of this assessment, the 30 sites incorporated into the review have each been reviewed and this has allowed a ranking and grouping of sites and that will be referenced in the final version. It is proposed that the individual site scores are not referenced at this stage but will be reflected upon at the meeting – and the final review will give a good perspective on which sites appear to have the best potential for growth. The following points also merit reference:
 - The review cannot be considered as offering a definitive perspective on a ranked set of schemes. 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 to date;

- 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.
9. 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

10. The N2 Economic Prosperity Committee also considered the outcome of the work at its meeting on the 20th May. The considerations raised there alongside key elements of Arup's presentation will be reported to this meeting but are reflected upon briefly within the points below. Following collective and individual discussions between the Council, the District / Borough Councils and Arup and their partners, the review makes some observations and suggested areas to explore further to help drive the wider NBIZ work forward, summarised as follows:
- Given the evolving strategic landscape regarding a potential Combined Authority, a Devolution Deal and future Growth Deals, collaborative work on joint priorities requires agreement on which sites have the best potential for growth – and hence which sites might best benefit from currently limited external resources;
 - Creative joint approaches may be explored to see how sites could be financed and delivered;
 - The review should prompt a debate about the better alignment of strategies, plans and various funding sources;
 - Business rates devolution will present a challenge in maximising the rates to the area through good quality employment development;
 - Continually monitoring the market's view of employment land trends alongside business supply and demand considerations (in parallel with the local planning process) brings an overtly commercial perspective into play which will be a key factor in determining which sites remain best placed to deliver jobs and growth;
 - A dialogue should be maintained with key developers and the commercial sector to explore ways of bringing forward the sites with the best opportunities for growth;
 - This should not be done in isolation, factoring in skills, inward investment and indigenous small and medium sized business requirements, alongside wider influences such as a sense of place, housing market choices and broader policy considerations.
11. Arup's review offers the Council and its partners a framework to continue this approach to reviewing and prioritising employment land and site developments over time, responding to changes, new sites coming forward and new financing opportunities. Following the N2 meeting and the conclusion of Arup's review, it is proposed that a plan be developed around the above considerations to co-ordinate actions with the District and Borough Councils.

Reason/s for Recommendation/s

12. To support the Committee in addressing its priorities regarding 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

13. 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

14. It is recommended that the Economic Development 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 ext 72146

Constitutional Comments [SLB 20/05/2016]

This report is for noting only.

Financial Comments [SES 20/05/16]

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

Background Papers and Published Documents

None

Electoral Division(s) and Member(s) Affected

All



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>
5th July 2016				
Marketing Nottingham and Nottinghamshire Six Monthly Update	To consider the six monthly report, including a progress update about Marketing Nottingham and Nottinghamshire since its operational merger in April 2016.	Information	Matt Lockley	Matt Lockley
Delivery plan and budget proposals	To recommend further financial allocations for activities in line with the agreed delivery plan	Decision	Nicola M ^c Coy-Brown	Nicola M ^c Coy-Brown
Bassetlaw Business Improvement District (BID) proposal and consultation response	To inform Committee about developing proposals for a Business Improvement District in Bassetlaw and seek support for a response to the current consultation.	Decision	Fiona Anderson	Fiona Anderson
Local Growth Fund 3	To update Committee on how £192million is being used to boost the Derbyshire and Nottinghamshire economy	Information	Geoff George	Geoff George
European Structural and Investment Funds (ESIF)	To update Committee on the D2N2 Local Enterprise Partnerships (LEP) strategy for using ESF, ERDF and EAFRD known as a European Structural and Investment Funds (ESIF) strategy, for the 2014-20 programme period	Information	Fiona Anderson	Fiona Anderson
Youth Employment funding	To update Committee on Youth Employment funding	Decision	Fiona Anderson	Hilary Porter
6th September 2016				
Summer of Design	To update Committee on the collaborative feasibility study with NTU to evaluate the need, demand, funding and sustainability options for an outreach programme of university-led business support across the county.	Information	Fiona Anderson	Fiona Anderson

<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 October 2016				
1st November 2016				
Delivery plan and budget - six month performance review	To review progress against the agreed delivery plan and budget allocations	Decision	Matt Lockley	Matt Lockley
Youth Employment Scheme (YES) Scheme	To provide a final update on the YES scheme for which funding was provided to create 166 new apprenticeships to help get more young people into work	Information	Fiona Anderson	Hilary Porter
6th December 2016				
Graduate Placement Scheme	Update on SMEs in the county participating and having a graduate in their business	Information	Fiona Anderson	Kevin Bartlett
3rd January 2017				

Last updated 24 May 2016