

REPORT OF THE LEADER OF THE COUNCIL

CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE AND D2N2 LOCAL ENTERPRISE PARTNERSHIP

Purpose of the report

1. To update Policy Committee on the work of the City of Nottingham and Nottinghamshire Economic Prosperity Committee and on the work of the D2N2 Local Enterprise Partnership.

Background

2. At its meeting in November 2015, Policy Committee requested an update on the work of the Nottingham and Nottinghamshire Economic Prosperity Committee (EPC) and on the work of the D2N2 Local Enterprise Partnership (LEP). This progress report is the second six-monthly progress report.
3. The D2N2 LEP was established in December 2010 in response to significant changes to the economic development landscape that were introduced by the coalition government. Local Enterprise Partnerships have become well established across England and the current government remains fully supportive of them as the principal vehicles for driving economic growth and regeneration. The D2N2 Local Enterprise Partnership is chaired by Peter Richardson, a Derbyshire businessman. The Leader of the County Council is a Board Member and the Chief Executive acts as an advisor.
4. The LEP is responsible for significant growth resources that are allocated to the area by the government, including the Local Growth Fund, European Structural and Investment Funds, Growing Places Fund, Skills Capital funding and other, smaller revenue funding streams relating to business support and skills development.
5. A number of schemes in Nottinghamshire have benefitted from investment through the LEP's capital resources, including Harworth Access Road, Vision West Notts University Centre, Medicity (Enterprise Zone), Newark Southern Link Road, A46 Growth Corridor, A57 / A60 improvements in Worksop and the Better Broadband for Nottinghamshire programme.
6. The LEP has also successfully launched the Growth Hub for the D2N2 area. This co-ordinates access to business support for companies across the area, with a focus on companies that demonstrate higher growth potential in the LEP's priority sectors. The Growth Hub is due to benefit from investment through the European Structural and Investment Fund programme and the County Council has committed to supporting this with an annual contribution of £50,000 for the next three years, to ensure an enhanced level of

service in Nottinghamshire (approved at Economic Development Committee on 3rd November 2015).

7. The Nottingham and Nottinghamshire Economic Prosperity Committee (EPC) was formally established at the beginning of 2014. It replaced the previous Notts Leaders meetings and the Joint Leadership Board and was set up to reflect the requirement for a more formal arrangement in Nottinghamshire to support work with the D2N2 LEP. A similar Prosperity Committee was also established for Derby and Derbyshire. The EPC meets in public and the Leader of the County Council is currently in the chair. All of the Leaders of local authorities in Nottinghamshire are members of the EPC and all of the Chief Executives attend in an advisory capacity.
8. The EPC has responsibility for strategic issues related to growth and economic development in Nottingham and Nottinghamshire. It is steering the development of a single Growth Strategy for Nottingham and Nottinghamshire as well as considering strategic priorities such as employment and skills, infrastructure and place marketing. The EPC has a recognised role in terms of advising the D2N2 LEP on investment priorities for the area, in particular with regard to the Local Growth Fund, where the EPC considers projects from across the area and proposes priorities for endorsement to the D2N2 LEP.
9. The EPC regularly receives updates on the European Structural and Investment Fund (ESIF) programme and on the Better Broadband for Nottinghamshire programme and has supported the County Council's efforts to secure additional resources in terms of the latter.
10. Finally, the EPC has oversight of the Nottinghamshire authorities' Business Rates Pool (excluding the City of Nottingham).

Recent priorities

11. The business of both the D2N2 LEP Board and the Nottingham and Nottinghamshire EPC has been dominated in recent months by developing a business case for the third round of Local Growth Deal monies with the government, which had a deadline of the end of July. The EPC spent considerable time reviewing options for capital investment schemes in Nottingham and Nottinghamshire and prioritising these in terms of their deliverability and strategic impact. The Chief Executive of the D2N2 LEP worked closely with the EPC (and its Derbyshire equivalent) to build a consensus around the Growth Deal submission, which was formally launched at the D2N2 AGM on 26th July.
12. The Growth Deal submission seeks £107million investment from the government, which would lever in £318million of other public and private sector investment to create nearly 13,000 new jobs, deliver over 1,700 new homes and enable over 7,000 new qualifications to be gained at new learning facilities. For Nottinghamshire, the following schemes were prioritised within the Growth Deal submission:
 - N2 Town Centre Programme – a bid to create a capital programme fund for investment across town centres in Nottinghamshire
 - Medicity Incubation Centre
 - Sherwood Forest Visitor Centre – a bid by the RSPB, supported by Nottinghamshire County Council
 - Vesuvius Works site (Worksop) – bid for enabling infrastructure works

- Sherwood Energy Village – funds to enable speculative business units to be built
 - Brackenhurst Skills Centre – NTU submission to build a new centre for food, agriculture and horticulture training at the Brackenhurst campus
13. Nottinghamshire County Council is also supporting two D2N2 LEP wide bids – one for investment in sustainable transport initiatives and the other around strategic site development linked to the HS2 station at Toton.
14. Notwithstanding the changes at national government level, it is still anticipated that an announcement on Local Growth Deals in England will be made by the Chancellor in the Autumn Statement this year.
15. The EPC last met on 22nd July 2016. At this meeting, Leaders considered reports on the outline HS2 Growth Strategy (subject of a separate report to Policy Committee), Growth Deal 3 (see above), the consultation on the expansion of the Sheffield City Region (SCR) Combined Authority to include Bassetlaw and the N2 Business Rates Pool.
16. The Committee considered the issue of the Sheffield City Region Combine Authority. In light of issues raised at the meeting, the Chair has subsequently written to Sir Steve Houghton, setting out a broadly neutral position (given Bassetlaw District Council's membership of the EPC) but also stressing that Nottinghamshire Councils would object to any changes regarding Bassetlaw which would have a detrimental impact to the wider county.
17. In terms of the N2 Business Rates Pool, at its May meeting the EPC agreed several investment proposals aligned with the previously agreed principle that the pool should be used to support economic growth in the county (note: Nottingham City Council does not contribute and therefore has no interest / vote in this matter). In short, these investment proposals are:
- up to £1million to support the development of feasibility studies and business cases amongst pool partners to ensure that Nottinghamshire has a robust pipeline of schemes when future funding rounds become available. This 'pre-development fund' will be managed by the County Council (as accountable body for the pool) and launched in early September
 - up to £500,000 to support the N2 Town Centre Programme bid
 - up to £30,000 to support the work of the One Public Estate programme
18. Approximately £1.37 million remains in the N2 Business Rates pool and Chief Executives will be considering proposals to release some of this to support economic growth initiatives over the coming months.
19. The EPC meets again on Friday 23rd September where it is scheduled to discuss skills issues (particularly graduate retention and forthcoming changes to apprenticeships) and the Nottinghamshire Innovation Centre Network. There will also probably be an update on devolution to cover both the issues related to Sheffield City Region and the latest feedback from government on devolution in the D2N2 area.

Other options

20. None considered as this is a progress report.

Reason/s for Recommendation/s

21. To provide information on the Nottingham and Nottinghamshire Economic Prosperity Committee and D2N2 Local Enterprise Partnership for Policy Committee, as requested by Members in November 2015.

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 in the body of the report.

Financial Implications

23. The County Council has contributed £62,500 per year towards the core running costs of the D2N2 Local Enterprise Partnership since 2011-12. This contribution has been matched by the other upper tier councils and has enabled D2N2 to draw down £250,000 per year from the government to support ongoing revenue costs. The County Council contributes £3,500 per year towards the secretariat costs for the City of Nottingham and Nottinghamshire Economic Prosperity Committee. Similar contributions are made by every Nottinghamshire council.

RECOMMENDATIONS

It is recommended that Policy Committee notes this report.

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Constitutional Comments

Constitutional Comments are not required as this progress report is for noting only.

Financial Comments (SES 09.09.2016)

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.

Establishment of the Nottingham and Nottinghamshire Economic Prosperity Committee; report to Full Council, 16th January 2014, published.

Consultation response: proposal to amend legislation relating to Combined Authorities and Economic Prosperity Boards; report to Policy Committee, 4th June 2014, published.

Economic Development Update: report to Policy Committee, 10th September 2014, published.

Proposals for a Nottingham and Nottinghamshire Combined Authority; report to Economic Development Committee, 18th November 2014, published.

Establishment of the Nottingham and Nottinghamshire Combined Authority; report to County Council, 15th January 2015, published.

Up to November 2015, all published reports to the Nottingham and Nottinghamshire Economic Prosperity Committee are available here:

<http://committee.nottinghamcity.gov.uk/mgCommitteeDetails.aspx?ID=416>.

From December 2015, all published reports to the Nottingham and Nottinghamshire Economic Prosperity Committee are available here:

<http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Electoral Division(s) and Member(s) Affected

All