

Economic Development Committee

Tuesday, 09 June 2015 at 14:00

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

AGENDA

- 1 To note the appointment of Councillor Diana Meale as Chair and Councillor Roy Allan as Vice-Chair by the County Council on 14 May 2015

- 2 To note the membership of the Committee:
Councillors Roy Allan, Diana Meale, John Ogle, Michael Payne, Mike Pringle, Ken Rigby, Keith Walker, John Willmott, Gordon Wheeler

Co-opted Non-Voting Members

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

Ex-officio; Councillor Alan Rhodes

- 3 Minutes of the last meeting held on 31 March 2015 3 - 6

- 4 Apologies for Absence

- 5 Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary)

- 6 The Nottingham and Derby Enterprise Zone 7 - 14

- 7 Supporting Youth Employment ENGAE2EMPLOY Update 15 - 22

- 8 Integrated Innovation Centre Contract Performance Report 23 - 28

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	31 March 2015 (commencing at 2.00 pm)

Membership

Persons absent are marked with 'A'

COUNCILLORS

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

John Ogle		
Michael Payne		Mike Pringle
Ken Rigby	A	John Wilmott
Keith Walker		Gordon Wheeler

A Alan Rhodes (Ex-Officio)

OTHER COUNCILLORS IN ATTENDANCE

Mrs Sue Saddington

CO-OPTED MEMBERS

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

OFFICERS IN ATTENDANCE

Celia Morris	- Policy, Planning and Corporate Services
Matt Lockley	- Policy Planning and Corporate Services
Nicola McCoy-Brown	- Policy Planning and Corporate Services
Martin Gately	- Policy, Planning and Corporate Services

OTHER ATTENDEES

Rod Griffin – Arup
Phil Farrell - JLL

CHANGES IN MEMBERSHIP

The following change of membership for this meeting was noted: Councillor Bell replaced Councillor Payne for this meeting only.

MINUTES

The minutes of the last meeting held on 3 March 2015 were confirmed and signed by the Chairman.

APOLOGIES FOR ABSENCE

Apologies had been received from Councillor Wilmott. Mr Mark Chivers and Ms Natalie Gasson also sent apologies.

DECLARATIONS OF INTEREST

None.

BROADBAND PETITIONS

Nicola McCoy-Brown, Programme Manager for Better Broadband for Nottinghamshire introduced the report on Broadband Petitions.

RESOLVED 2015/021

- a) That the receipt of the petitions be noted
- b) That the Broadband Team respond to the lead petitioners for Fiskerton-Cum-Morton and Thorpe
 - Notifying them that their concerns are acknowledged and that the County Council will continue to work towards maximum connectivity with the confines of the current contract and financial envelope
 - Informing them that the County Council and its partners will do all they can to encourage the take-up of superfast services in an attempt to activate the contractual gain-share mechanism to allow the County Council to continue to press for maximum connectivity

NOTTINGHAMSHIRE DIGITAL CHAMPIONS NETWORK

Nicola McCoy-Brown introduced the report on Nottinghamshire Digital Champions Network.

RESOLVED 2015/022

- a) That the report be noted
- b) That Digital Unite be invited to present to a future meeting of the Economic Development Committee

RESOLVED 2015/023

- 1) That the delegated authority for the Corporate Director, PPCS to enter into the necessary contractual arrangements with BT and BDUK relating to contract 2 of the Better Broadband for Nottinghamshire programme be approved. This is subject to a successful conclusion to ongoing negotiations and on the basis that a minimum of 95 % coverage is secured for Bassetlaw, Newark and Sherwood and Rushcliffe, in line with the agreement reached at the Economic Prosperity Committee.

NOTTINGHAMSHIRE BUSINESS INVESTMENT ZONES

Rod Griffin from Ove Arup and Philip Farrell from Jones Lang Lasalle presented the findings of the NBIZ review. Members heard that as part of the review a high level desk-based assessment of County wide employment sites identified by NCC and local authority partners. The review undertook to assess the viability and deliverability of each site, incorporating barriers, planning aspects, infrastructure and servicing requirements.

In addition, to estimate the cost of bringing sites forward and any supporting financial information; as well as identifying market and sector considerations and expected employment outputs should the sites be developed for their stated use.

The total developable area of the 29 sites was reported to be 645 hectares. The employment uses included B1 (business), B2 (general industrial) and B8 (storage and distribution).

The estimated employment outputs were 45,170 jobs over an indeterminate period.

Members queried what type of industries could be located at the various sites. Mr Farrell indicated that looking at a particular sector, or looking to set up a cluster was a mistake. Developers do not want allocated clustering: clusters happen organically.

RESOLVED 2015/024

- 1) That the contents of the report and presentation be noted.
- 2) That observations on the next steps as referenced in paragraph 11 of the report be offered

ECONOMIC DEVELOPMENT STRATEGY

RESOLVED 2015/025

- 1) That the 2015-16 economic development delivery plan and associated budget proposals be approved
- 2) That further detailed reports on specific project proposals as referenced in the report be received

- 3) That a six month update on the budget as part of the committee cycle be received.

WORK PROGRAMME

RESOLVED 2015/026

That the work programme be noted.

The meeting closed at 15:45

CHAIR

9th June 2015**Agenda Item: 6****REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY****THE NOTTINGHAM AND DERBY ENTERPRISE ZONE****Purpose of the Report**

1. To offer further details on the development of the D2N2 Local Enterprise Partnership (LEP) Enterprise Zone (EZ) and to introduce a presentation by Nottingham Regeneration (NRL) Ltd, the LEP's appointed project managers for the EZ.

Information and Advice

2. This Committee last considered the EZ at its meeting in late 2012 and in addition to this report, Mike Taylor of NRL Limited will be offering an overview of progress to date. Members will be aware that Mark Chivers is co-opted to this Committee and as Director of the Enterprise Zone at Walgreen Boots Alliance will also offer additional insight into the Boots campus at Beeston.
3. In the 2011 Budget, the Chancellor announced that the D2N2 Local Enterprise Partnership (LEP) would be awarded an Enterprise Zone, to be based initially upon the (then called) Alliance Boots campus in Nottingham as one of four, initial "vanguard" EZs announced nationally, designed to deliver new economic growth. The Prime Minister and the Deputy Prime Minister launched the Government's Enterprise Zone policy at Boots in March 2011.
4. In early 2012, the then Government confirmed it would be willing to consider a potential extension of the EZ designation in the D2N2 LEP area and following a period of discussion, the LEP Board and the Government reached agreement in the would comprise 4 sites, namely the Walgreen Boots Alliance Campus at Beeston; the MediPark site at Dunkirk, Nottingham; the Nottingham Science Park at Highfields, Nottingham and the Beeston Business Park in Beeston.
5. Finally, in late 2014, a further and likely final additional site was agreed by Government following its inclusion within the D2N2 LEP's Growth Deal, of Infinity Park in Derby. The suite of sites collectively is now called the Nottingham and Derby (N&D) EZ.

Benefits of the Enterprise Zone Status

6. In total, the Government announced that it would establish 21 new Enterprise Zones nationally, offering a package of support to businesses, including:

- a business rate discount worth up to £275,000 per eligible business over a five year period;
 - a simplified approach to planning;
 - Government support for the provision of superfast broadband;
 - Capital allowances.
7. Not all of the above benefits will be available to (or required for) all sites / located businesses nationally. The additional and important benefit of EZ status however is that all business rates growth from within the EZ as a whole over a 25 year period will be retained by the D2N2 LEP, to be reinvested to support further local economic growth. Alongside Growing Places Fund and Growth Deal resources, the business rate uplift generated by the Enterprise Zone will be a vital part of the budget for the D2N2 LEP over future years. The success of the N&DEZ is therefore important from a number of perspectives not least in terms of a stimulus to the local economy and as a means of securing a long term income stream to the LEP for further investment.
8. The Appendix to this report offers a broad overview of the individual sites and offers a location map of the Nottingham sites. It will be noted that each of the sites has experienced and in some cases continue to experience different rates of progress. Further details including plans and timescales will be available via the presentation at the meeting.

Potential Impact

9. With the fullest development of the respective sites comprising the N&DEZ, the employment impact will potentially be as follows:

Site	Retention	Creation
Walgreens Boots Alliance Campus	1,700	4,110
MediPark		1,200
No. 2 Science Park		350
Beeston Business Park		350
Derby Infinity Park		4,500
Total	1,700	10,510

10. The wider impact in terms of land remediated and serviced for development, the increased housing numbers and the impact upon business rates growth for re-investment also relate. In order to maximise the opportunities afforded by the EZ, the partners have developed a Marketing and Communications Plan designed to promote and attract interest in the respective sites but including crucially, liaison with the respective owners and businesses to develop supply chain related investment. This activity will relate to the proposed Place Marketing Organisation. Equally, the partners have developed a set of protocols to govern the availability of the business rates incentives and to minimise displacement.

Operations and Governance

11. In order to oversee the work on the EZ as a whole and specifically, to ensure that progress is made in bringing forward the respective sites in a timely manner, the D2N2 LEP Board previously established a Steering Group, reporting directly to the Board and Chaired by a Board member. Given the expansion of the EZ to include the site at Derby, the need to avoid potential conflicts of interest and given the potential commercial sensitivities with each respective site, this approach is currently being reviewed.
12. A number of working groups have been established for the differing localities site, designed to ensure progress is being made and to address any site-specific issues. County Council officers from across the Council support the development of the Nottinghamshire based sites where appropriate, facilitated via the Economic Development Team. This includes input on education, planning, highways and finance issues, as well as on economic development matters.
13. Finally, an Implementation Plan has been prepared, updated on a regular basis, which allows all partners including the government representatives to review progress.

Reason(s) for Recommendations

14. This report is offered to support the Committee's understanding of the latest position regarding the EZ development, a key part of the government's growth policy and of importance to the D2N2 LEP and its partners in delivering jobs and investment.

Statutory and Policy Implications

15. 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 within the body of the report.

RECOMMENDATIONS

16. It is recommended that the Committee notes the contents of the report and the presentation.

Celia Morris
Group Manager, Corporate Strategy

For any enquiries about this report please contact:
Geoff George ext 72046

Constitutional Comments [EP 22/05/2015]
This report is for noting only.

Financial Comments [SES 27/05/15]

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

Background Papers

None

Electoral Division(s) and Member(s) Affected

Two of the sites comprising the Enterprise Zone are located within the Beeston South & Attenborough Division (Cllr Kate Foale). The economic impact of the Zone as a whole will be felt beyond the immediate area and potentially, across the wider County area.

Site Summaries

Walgreens Boots Alliance Campus

The Walgreens Boots Alliance campus is located at Beeston Nottingham. It comprises a 90ha site owned by Walgreens Boots Alliance and is allocated for a mix of commercial and housing development plus the existing business operations of Walgreens Boots Alliance (WBA) and the Reckitt Benckiser company. Together the existing companies already employ over 7,000 people on site across a range of existing buildings. These include WBA's central support services for the Health and Beauty Division, a research and development centre and retail distribution facility for the Health and Beauty Division, a pharmacy pre-preparation and distribution facility and a contract manufacturing business (D10) for WBA. Part of building D6 has recently been occupied by MediCity a satellite of BioCity as an incubator for new start-up businesses within the health, beauty and well-ness sectors.

Due to WBA's changing business requirements, the site contains a number of buildings and land that are currently present opportunities for development and conversion and it is these which are the focus for the additional growth generated by the NDEZ, some of which require some level of intervention before they can be exploited.

The site is not without its challenges however. A number of listed buildings exist and due consideration is required in factoring these issues into the re-development of the wider site. There are also land remediation issues, servicing and infrastructure requirements, highway and access issues as well as the on-going requirements of other companies on the site and not least, WBA themselves in maintaining their manufacturing presence. To take the development forward, the site needs to be opened up with improved access and land remediation, service attenuation and flood defence works. Since its allocation as an Enterprise Zone, WBA has been working with partners, notably the LEP and the Government Departments to structure a £22M funding package to undertake the infrastructure works. The site has the appropriate planning permissions, one full for the infrastructure and the other outline for the remaining developments, being subject to a Section 106 Agreement.

No. 2 Science Park

Phase 2 (called No. 2 Science Park) of the long established and successful Nottingham Science Park is immediately south of University of Nottingham Campus. Two more recent developments at No 1 Science Park and the Toyota/Castle College Training Centre have seen the further expansion of the wider established Science Park.

No. 1 Science Park was completed in 2010 and provides 4,000 sqm of business space, occupied by firms specialising in clean technologies. It is home to the Chinese owned Changan Automotive, the US recycling technologies firm Chinook Sciences as well as other high growth low carbon firms. Nottingham City Council acquired No. 1 Science Park from Blueprint in 2014 and has recently acquired the HCA's share of Blueprint who continue to own the land at No. 2 Science Park.

Phase 2 comprises just over 2ha and is yet to be developed. It has previously benefited from outline planning permission for c.15000 sqm of business space. The site has been cleared and reclaimed from its former landfill site use and is fully serviced by internal roads. It will benefit from the development of the NET tram extension due to open mid-2015. Blueprint is currently marketing the design and build opportunity for occupiers.

Despite its high profile location, good access and proximity to businesses of a similar sector both the general climate and viability issues have prevailed against its development. The site is however being actively marketed and interest is being shown by single or multiple end users although viability remains challenging.

MediPark

Nottingham MediPark is a proposal for a 3.7ha medical science park, located immediately adjacent to the Nottingham University Hospital and the University of Nottingham. This site is arguably different to the others in that is hypothecated to the bringing forward of this singular concept of a medical science park, integrated with hospital. It will facilitate collaboration in the medical technology field / life science sector and the spin-out of new businesses.

The LEP and partners have been working with the Nottingham Universities Hospitals Trust (NUHT) to bring forward MediPark and a number of proposals to facilitate the development have been attempted. In March 2015 the partners determined that a new approach was required, seeking a contractor/developer with experience of developing and operating specialist business parks.

Half of the proposed MediPark site is currently used as a temporary NET construction compound while the NET Tram extension is built; a new stop will serve the hospital campus alongside MediPark. The site can only be developed once replacement car parking is secured for the hospital. Investment assistance of £2.5million via a GPF loan from the LEP and £5.5million of Building for Growth grant from the CLG / Government is being made available and this will cash flow the enabling works and site preparation works. Planning permission has been granted for the replacement car parking within the QMC itself and work is underway to select a new development partner to take the scheme forward subject to detailed viability assessment.

Beeston Business Park

The 19ha site is located within the Beeston area on a site bounded on two sides by the Attenborough Nature reserve and Nottingham/London and local railway line, with the Beeston railway station located at the north of the site.

Beeston Business Park has long and historic connections to the telecoms and high tech industries, being home to Ericsson telephones, Plessey Systems and Siemens before changing ownerships in recent years through HSBC, Infra-Red Limited and in late 2012 to VBRI (M7 Real Estate). A number of piecemeal developments have taken place on the site with some vacant plots / buildings alongside a managed workspace. Some established businesses have their base on the Park and it is home to SMS Electronics and Atos Origin, together with a wide range of smaller companies and start-ups.

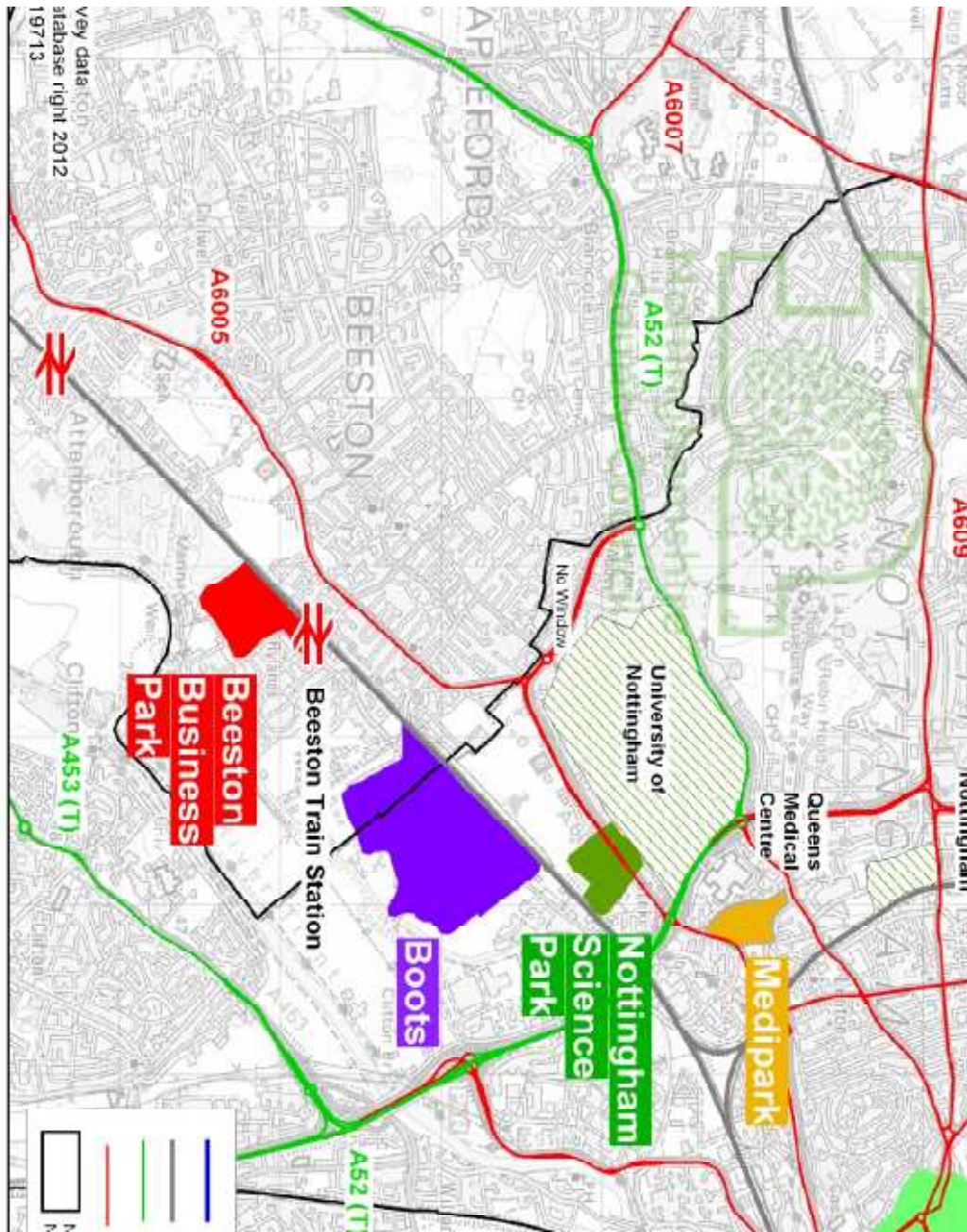
In 2013 the site was acquired by M7 and a revised Masterplan submitted in 2014. This included 19,000m² of office space, 22,000m² of storage and distribution space, along with ancillary shops and leisure facilities and the provision of 285 new homes. Since the original submission of this application, revised unit numbers have been submitted to Broxtowe Borough Council for approval due to viability problems. The revised figures now mean that there will be 19,000m² of office space, 19,000m² of storage and distribution space and 310 residential units. Planning will be subject to a Section 106 Agreement.

Discussions with M7 are proceeding with a preferred housing developer appointed and interest is currently being shown for new build office and manufacturing units by specific local occupiers.

Infinity Park, Derby

Infinity Park comprises a 40 ha site, located to the south of the city, next to the headquarters of Rolls-Royce Civil Aerospace. The Park aims to attract a mixed commercial development comprising offices, industrial and ancillary leisure and retail facilities, based around a centrepiece £11.8m, 4,450m², Innovation Centre. Construction has already started on this Innovation Centre and should be completed in in the Autumn 2015.

Development across Infinity Park will be zoned and made up of a wide range of buildings constructed on a design and build basis with offices starting from 460m² to industrial and warehousing of 46,500m² geared towards supporting the area's existing and strong engineering base. JLL and Salloway have been appointed as joint agents and active marketing of the commercial opportunities has commenced.





09 June 2015

Agenda Item: 7

**REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY
SUPPORTING YOUTH EMPLOYMENT (ENGAGE2EMPLOY) UPDATE**

Purpose of the Report

1. To update Committee on the progress of support agreed for learners with learning difficulties and/or disabilities (LLDD).

Information and Advice

2. Committee previously agreed to use the £158,000 balance of funds allocated to supporting youth employment for:
 - Young learners with LLDD (up to the age of 25) LLDD is an umbrella term covering a wide spectrum of difficulties, conditions and syndromes including Downs Syndrome, ADHD, Asperger's and Dyslexia.
 - Young people who are Not in Employment Education or Training (NEET)
3. The two client groups can be looked at as one cohort with a range of challenges e.g. LLDD, 'looked after children', children in social care, those supervised by a Youth Offending Team.
4. Learning disabilities affect about 1.5 million people in the UK. Research shows that people with LDD face disadvantage and are under-represented in both educational achievement and employment. Evidence shows:
 - a. Pupils with a statement of Special Educational Needs (SEN) are half as likely to achieve 5 or more GCSE grades A*-C than their non-disabled peers.¹ This is not because they are of lower ability but that there are significant barriers within the system.
 - b. Low attainment at school or in further education can deeply affect the progression of people with disabilities into employment.
 - c. Fewer than 7% of people with a learning disability known to social services are in any form of paid employment.²

¹ National Pupil Database 2005/06-2008/09 <http://www.officefordisability.gov.uk>

² Social Care and Mental Health indicators from the National Indicator Set – 2009-10 Provisional, August 12 2010: www.ic.nhs.uk/statistics-and-data-collections/social-care/adult-social-care-information

- d. Many LLDD struggle in the transition period from education to employment³
5. In 2013, a successful pilot project was developed for the Learning and Skills Improvement Service. The pilot was delivered in Mansfield and Ashfield and led by the County Council's Skills for Employment team. The project was formed specifically to support this group of young people into employment.
 6. Following on from this successful pilot, Economic Development Committee considered and approved funds which led to the establishment of 'Engage2Employ' to build on, implement and embed this good practice. The anticipated outputs for the project (see paragraph 19) are that 45 young people will benefit from work placements with 15 people progressing to employment. Depending on learner needs and employer capacity, there are a range of supported internships to enable the transition between work placements and employment.
 7. A key message to potential employers is that young people with LLDD often make enthusiastic, loyal and hardworking employees who rarely take time off. One of the successes of the project is that the learners have fitted well into a team and quickly become valued employees. Employers involved in the original pilot, The Linney Group and the Belfry Hotel remain committed and proactively support efforts to recruit additional employers.
 8. Engage2Employ focuses on LLDD learners providing bespoke support to raise their skill levels, secure employment and improve their life chances alongside diversifying the Nottinghamshire workforce.

Progress to date

9. A part time Project Co-ordinator for Engage2Employ was appointed in October 2014 and has been working on the 'building blocks' for this new project. Key activities have included the identification and engagement of potential employers and new partners to complement the existing Ashfield/Mansfield partnership. Members of the Ashfield/Mansfield partnership are Portland College, Vision West Notts College, Nottinghamshire County Council, Skills4Employment, Bracken Hill School and NCC 'I-works'.
10. Newly recruited project partners are North Notts College, Central College, Bassetlaw Training Agency, St Giles School, Foxwood School, Derrymount School and Landmarks Specialist College.
11. The project adds value by co-ordinating provider activity and focusing partners' energies in a cohesive way supporting LLDD learners and employers to achieve the best possible outcomes.
12. Critical to the success of Engage2Employ is the recruitment and ongoing engagement of local employers. In order to attract interest, an employer

³ The 2010 Ofsted review into Special Educational Needs and Disability, "A Statement is not enough"

information event was organised and this successfully recruited a number of new employers including Tesco (Ollerton) and the Dukeries Garden Centre. Placements have also been agreed with Nottinghamshire County Council schools catering service, Premier Inn and Eve's Trades (a social enterprise). The engagement and support to employers in providing work experience placements and internships is an ongoing process.

13. In-work support for the young people is provided by the partners and led by the County Council's 'i-Works' team. Staff members provide Job Coaching using a technique called Systematic Induction Training (SIT) to assist LLDD young people to learn the various elements of their job and to provide support to both the young person and the employer.
14. Engage2Employ organised a SIT training course which was held in April 2015 to add more capacity by training additional Job Coaches from partner organisations. The project budget enables cover for staff in their substantial post so that they can carry out this pivotal role.
15. A tailored package of support is provided according to the needs and skills of each young person, which can vary considerably. An assigned Job Coach works with the employer to consider how to make the job more accessible to young people with LLDD breaking it down into practical and fixed tasks that can be learned through practice and repetition.
 - a. The Job Coaching process begins with support to complete a simple application form and meet the employer. Once an agreement to offer a work placement is made, the Job Coach will work with both the young person and the employer to maximise the success of the placement. The Job Coach will:
 - b. Work with the employer to identify the tasks that the individual can do, these may be the whole job or the more routine practical tasks of a higher skilled job.
 - c. Identify any reasonable adjustments which are required and support the employer accordingly.
 - d. Learn the job tasks and find out the supporting information e.g. facilities, hours, uniform, health and safety.
 - e. Work with the young person to help them learn and plan such things as travel to their work placement, what their role will be and who they will be working with.
 - f. Support the young person in their work placement to carry out their allocated tasks by teaching them how to do each element. This information and training may be carried out over a number of weeks but is tailored to the individual. The Job Coach provides support to the learner for as long as is necessary whilst working towards their development of employability skills and independence.
 - g. Provide support to the company throughout the recruitment, induction and training processes and for as long as is necessary with in work support

16. To date, nine young people have taken part in work placements, with seven additional young people starting with schools catering within the next month and two more awaiting placements with Linney Print.
17. Following work placements and in line with the bespoke nature of the project, young people can move into paid employment at any stage. To date, there are four young people who have gained paid employment. Please see Appendix A for a flow diagram of the Engage2Employ process.
18. It is anticipated that at least 20 work experience placements will have been secured by the end of July 2015.
19. The project is aligned to the academic year, the autumn and spring terms focussing on the identification and preparation of the young people to undertake work experience in the summer term.
20. The outputs agreed for the project over 2 years and progress to date is shown below:

	Target	2014-2015				2015-2016				2016-17	Actual
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Carry over	
Work Placements	45	1	1	0	4	5	8	5	10	9	11
Supported Internship (depending on learner needs and employer capacity)	-					3	7	3	8	7	0
Paid Employment Including progression from existing work placement	15	2	0	0	1	1	3	2	2	4	4

21. Although there has been good progress to date, the alignment of the project with the academic year coupled with the intensive preparation time indicate that project delivery is likely to continue into the 2016/17 academic year.
22. Steve Straw from the Linney Group in Mansfield will be attending committee to talk about his involvement in the project as an employer.

Reason/s for Recommendation/s

23. To inform Committee about the progress to date of support agreed for learners with LLDD through 'Engage2Employ'.

Statutory and Policy Implications

24. 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.

Financial Implications

25. Although there are no direct financial implications arising from this report, the activities are funded from the youth employment reserve and expenditure is now likely to continue into the 2016/17 financial year.

RECOMMENDATION/S

26. That the Economic Development Committee notes the contents of this report

Report of the Group Manager, Corporate Strategy, Celia Morris

For any enquiries about this report please contact: Hilary Porter, 72146

Constitutional Comments (LMC 27/05/2015)

The report is for noting only

Financial Comments (SES 27/05/15)

The financial implications are set out in the report.

Background Papers and Published Documents

Economic Development Committee January 2014

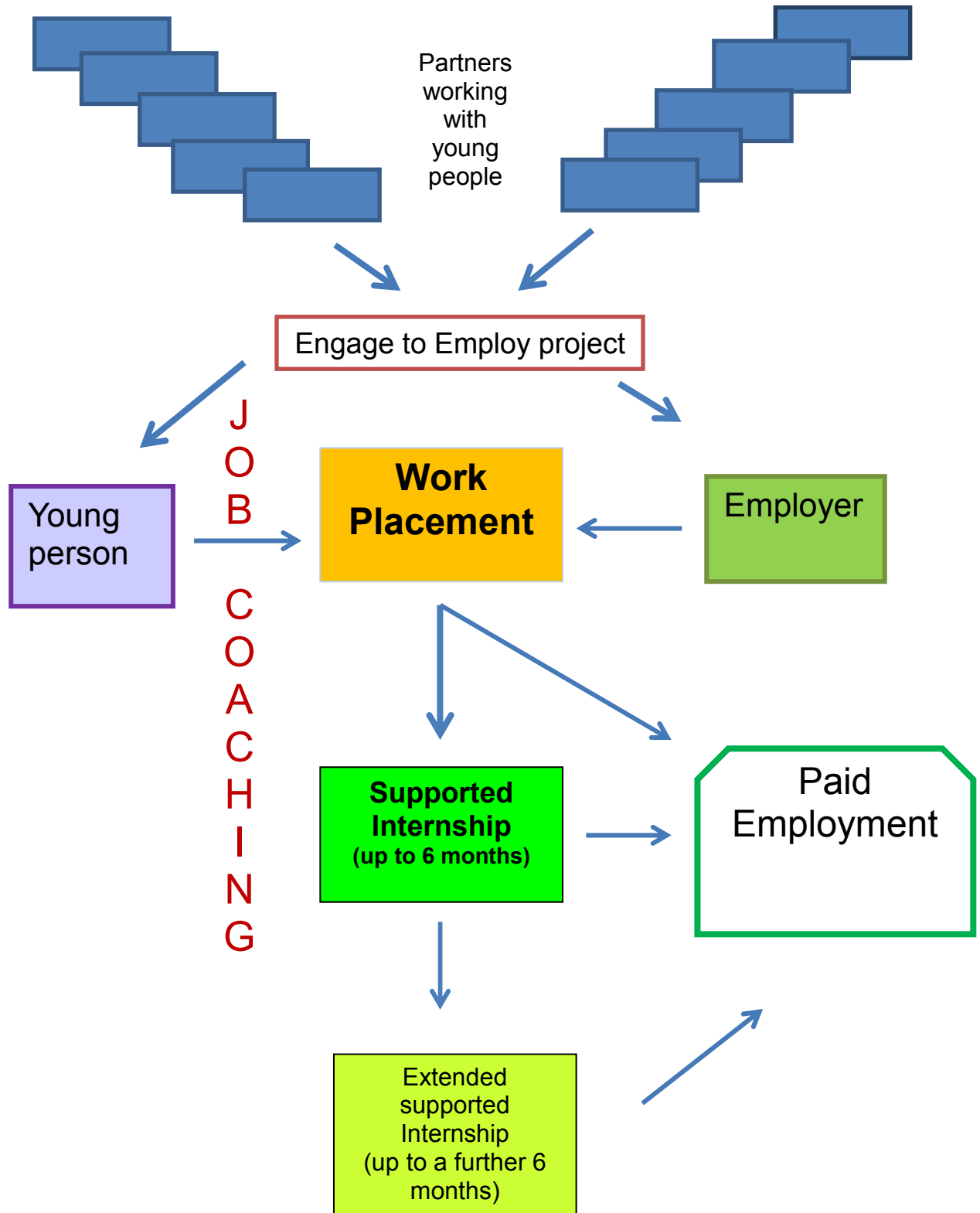
Economic Development Committee March 2014

Engage2Employ Employer Information Pack

Electoral Division(s) and Member(s) Affected

All

Engage to Employ Process chart



09 June 2015

Agenda Item: 8

REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY

INTEGRATED INNOVATION CENTRE CONTRACT PERFORMANCE REPORT 2014/15

Purpose of the Report

1. To report on performance during the fourth 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 and
2. To seek approval for £25,000 to meet identified property costs at Worksop Turbine.

Information and Advice

3. Members will be aware that there are three innovation centres in Nottinghamshire - all originally built independently of one another to provide flexible and high-quality business accommodation and to drive economic growth in their respective local areas.
4. In April 2011, a single, outsourced management contract was introduced covering all three centres. Oxford Innovation Ltd (OI) was appointed operator on a five-year contract to 31st March 2016, with the possibility of two one-year extensions.
5. The County Council manages the contract on behalf of partners and reports quarterly to the contract's Strategic Management Board (SMB). This Board is chaired by County Councillor Meale, who together with elected members from Newark and Sherwood District Council and Mansfield District Council and the Homes and Communities Agency (HCA) hold voting rights. This covers items such as approval of the annual budget and performance targets and property investments. The governance arrangements are formalised in a formal Memorandum of Understanding.
6. The aims of the integrated contract are:
 - a. To provide the on-site and cross centre management of high spec commercial facilities

- b. To generate and capture the maximum economic benefit from the activities of the 3 centres – individually and combined – including business collaboration, networking and supply chain development and
 - c. To provide appropriate tailored business advice and support targeted on growing tenant businesses.
7. The premises continue to have different building owners but the County Council is an equity stakeholder in all three, having contributed capital to the construction of all centres.
 8. In February 2015, partners opted to invoke the option of a single year extension for OI as referenced in paragraph 4. This has resulted in this becoming a six-year contract ceasing on the 31st March 2017. During this consultation, partners agreed the principle of the “three centre model” believing it is still financially and operationally beneficial to run the three buildings collectively.
 9. However, 2015 will be used to test the market to establish a delivery model for the 3 centres with the objectives of achieving best value and accounting for the changing external environment - including the advent of the Growth hub.

Performance against targets in 2014/15

Occupancy

10. The contract specifically targets occupancy growth across all three centres with a view to creating financial operating surpluses. This is balanced with the competing requirements of customer satisfaction (measured annually) and the facilitation of company growth/job creation and the graduation from the centres to external accommodation.
11. At the start of the contract, baseline composite occupancy across all three centres was 71%, in 2014/15 average occupancy was 91% (+3% to target). There are variations across the centres with Mansfield i-Centre achieving 89%, Worksop Turbine 93% and Newark Beacon 91% - but all of these averages were above target.
12. The total number of tenant businesses in the centres as at 31st March 2015 was 100. This is an increase of two on the previous year and is 3 below target. This is likely to reflect an upward trend in the size of businesses at the centres which will merit some attention during the soft market testing later in the year. Virtual Tenants numbered 101 - an increase of 12, but still falling short of target. This should be addressed via a new virtual offer in 2015/16.

Jobs

13. A key aim of the contract is employment growth and the number of jobs based at the centres continues to grow – albeit at a slower pace than in previous years. The table below reflects the changes over the last 12 months.

Table 1 – FTE Jobs in Tenant Businesses by Innovation Centre		
Centre	FTEs at 31 March 2014	FTEs at 31 March 2015
Mansfield i-Centre	165	178 (+13)
Newark Beacon	153	185 (+32)
Worksop Turbine	239	208 (-31)
Totals	557	571

14. Of the 571 jobs, 78 were new jobs created in tenant businesses - significantly exceeding the contract target of 55 new jobs. In addition there were 163 FTE jobs recorded in virtual tenancy businesses (against a contract target for the period of 110 based on 1 per company). This reflects a trend in the upward size of virtual businesses.

Graduations

15. Nine tenant graduations have been recorded by OI this year exceeding target by 4. This reflects businesses moving to external premises to accommodate growth (2 from Mansfield i-Centre, 6 from Newark Beacon and 1 from the Worksop Turbine). As a key objective of the contract, the aim is to keep these business graduations locally where premises are available to accommodate it.
16. Internal graduations also remain strong across the centres – with several virtuals graduating to full tenants and others seeking extra space to accommodate growth within the centres.

Customer Satisfaction Rates

17. Considerable emphasis is placed on the quality of customer care in every aspect of day to day delivery in order to achieve continuous improvement throughout the contract. OI is contracted to undertake an Annual Customer Satisfaction Survey across all Centres. This is currently underway and will be reported to the Contract's Strategic Management Board (SMB) in July 2015. This year the Survey has been enhanced to specifically review satisfaction with business support services in order that partners can better understand this offer and its impact on/added value for recipient businesses.

Business Support

18. Members will recall that the provision of free innovation business support to centre tenants was a critical service enhancement in the integrated contract. In the fourth year, the target was to provide at least ten hours of innovation business support to 46 tenant businesses and this was exceeded by one additional beneficiary. This provision had to be made to tenants who have not previously received support through the Programme or who were receiving a different form/source of specialist advice to the initial in-house offer. The service is a key sign-poster, supporting businesses to understand and articulate their growth needs and then securing the relevant support from external providers. This often results in referrals to programmes such as Growth Accelerator or trade and export advice and has included referrals to the County

Council's Economic Development Capital Fund. Case studies on the impact of the business support provided are being prepared for the July 2015 meeting of the SMB.

Financial Performance

19. The total contract value is approximately £5.6m over five years – just over £1m per annum. The model anticipates that the contract fee is met from rental and conferencing income generated by the centres.
20. Provisional year end results indicate a small contract surplus of income over expenditure. However, the arrangement with partners requires various deductions from that sum to meet in-house charges and building investment costs. Furthermore, adjustments for changed lease terms in period, utility costs and historic debt treatments still need to be agreed among partners. It is anticipated however that the contract will, at the combined level, at least break even. The biggest risk however is with the Mansfield i-Centre – although the SMB can invoke penalty payments from OI or ask OI to make good the deficit.
21. All in all however, the draft 2014/15 results to date indicate that the contract is now performing far better financially – although the continued accumulation of Building Sinking Funds (BSF) at both the I-centre and the Beacon is essential in order to address emerging and future property concerns.

2015/16 Onwards

22. In terms of going forward into year 5, the operator continues to be challenged by the SMB in terms of financial performance, quality, job creation, business support and the offer to virtuals.
23. The physical state of the centres has a direct correlation to attracting and retaining new business. The SMB has delegated authority over the partners BSFs and receives an annual report indicating known needs for the centres for the coming year. The SMB received such a report in May 2015.

Property Maintenance at the Worksop Turbine

24. The property requirements at the Turbine have built-up over some time because there is no BSF arrangement for this building and the County Council's Lifecycle Maintenance Fund ceased in 2013/14. The SMB has however identified a number of urgent investment requirements that need to be addressed to maintain the building to satisfactory levels. These appear in Table 2 below:

Table 2 – 2015/16 Property Investment Needs at the Turbine	
Item	Estimated Cost (rounded)
Audio/Visual equipment – replacement and upgrade	£1,000
Insulation or rerouting of wastepipe to avoid disruption to users of adjacent meeting room.	£1,000

Replacement and upgrade to ground floor male toilets	£5,000
Boiler Flue and Fan replacement	£7,000
Address unregulated temperature control in toilets.	£1,000
Roof Repairs	£1,000
Repairs to lift intercom	£1,000
Repairs to Lift Hydraulics	£1,000
2015/16 contingency (to address property needs emerging in year)	£7,000
TOTAL 15/16	£25,000

25. Some of these items are urgent and have health and safety implications including lift and roof repairs and others relate to ensuring the commercial space is to the standard expected by the tenants. The total cost identified is a maximum of £25,000 which includes a small contingency for other needs that may emerge throughout 2015/16. The Committee is asked to approve this provision to be met from the Economic Development budget.
26. 2015/16 will see a change in the offer to tenants which, it is hoped, will drive performance, growth and pipeline activity. In addition to this, a Business Lounge project is under development at the Turbine – for which Committee has already approved a £75,000 provision. This will improve the catering offer to tenants, upgrade conferencing facilities and expand the use of the centre and its customer base with the development of flexible space to accommodate hot-desking/drop in and event hosting. This initiative responds directly to the needs of tenants as expressed in customer feedback.

Other Options Considered

27. No options apply to this report.

Reason/s for Recommendation/s

28. The report is largely for information in respect of the 2014/15 performance of the contract. There is however a request to utilise £25,000 from the Economic Development Budget to support the building needs identified in paragraph 26 together with a small buffer. These repairs and provisions are considered essential to the successful operation of the centre and thereby the contract in order to maintain occupancy and income levels.

Statutory and Policy Implications

29. 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

30. 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.

RECOMMENDATION/S

31. It is recommended that:

- a) The performance during the fourth year of operation of the Nottinghamshire Integrated Innovation Centre Management Contract be noted;
- b) a further report on the annual performance of the Integrated Innovation Centre contract covering the 2015/16 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.

Report of the Group Manager, Corporate Strategy Celia Morris

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

Constitutional Comments (SMG 29/05/2015)

The proposals set out in this report fall within the remit of this Committee.

Financial Comments (SES 28.05.2015)

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

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

9 June 2015**Agenda Item: 9****REPORT OF CORPORATE DIRECTOR, POLICY, PLANNING AND
CORPORATE SERVICES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2015/16.

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, Policy, Planning and Corporate Services

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>
7th July 2015				
Beeston Business Improvement District	Presentation from the manager of the Beeston Business Improvement District (BID) on the organisation's priorities for Beeston town centre	Presentation	Fiona Anderson	Fiona Anderson
Place marketing organisation for Nottinghamshire	Update on progress to establish a Place Marketing Organisation for Nottinghamshire and to note the extension to the existing Service Level Agreement to cover the period to 30 September 2015.	Information	Celia Morris	Celia Morris
Better Broadband for Nottinghamshire – progress update	Update on the roll-out and phase four of the programme and on the outcome of the tendering process for contract 2. To include a presentation from Digital Unite on the Nottinghamshire Digital Champions Network.	Information	Nicola McCoy Brown	Nicola McCoy Brown
2015-16 budget – approving remaining budget proposals	To consider recommendations for the use of budget that was unallocated at Committee's meeting on 31 st March	Decision	Celia Morris	Matt Lockley
Nottinghamshire Economic Development Capital Fund	To consider progress with Capital Fund applications and awards since the relaunch of the programme in January 2015.	Information (possible decision)	Geoff George / Trish Adams	Geoff George / Trish Adams
8th September 2015				
Nottinghamshire LEADER programme	Update on the formal launch of the programme and activity supported to date.	Information	Mandy Ramm	Mandy Ramm

Last updated 28 May 2015

