

11th March 2014**Agenda Item: 4****REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY****ECONOMIC DEVELOPMENT STRATEGY – DELIVERY PLAN AND
BUDGET 2014-15****Purpose of the Report**

1. To seek Committee approval for the 2014-15 economic development delivery plan and associated budget allocations to support the Council's Economic Development Strategy.

Background

2. Policy Committee approved the Council's Economic Development Strategy 2014-18 at its meeting in December 2013. It also tasked Economic Development Committee with developing and monitoring an annual delivery plan to support the Economic Development Strategy.
3. County Council has now approved budgets for 2014-15 and therefore Economic Development Committee can consider its budget setting for the new financial year. It was felt appropriate to recognise the delivery planning and budget setting roles of Committee together in this one report given the interdependencies in many areas.

Delivery plan 2014-15

4. A detailed delivery plan for 2014-15 is appended to this report. It outlines proposed actions, outputs, timescales and resource implications. It should be noted that the Economic Development Strategy (and consequently this delivery plan) reflects the wider role of the Council in terms of economic growth and is not restricted to the work of the economic development team or the budget of this Committee.
5. Elements of the delivery plan have already been approved by this Committee, notably in relation to the Council's new Economic Development Capital Fund and proposals around youth employment. In addition, Members are aware of ongoing work to deliver the Better Broadband for Nottinghamshire programme, which will be kept under review through updates to Committee. Each of these activities is delivered through ring-fenced budget allocations which are referenced in the delivery plan but do not form part of the Committee's base budget.

6. Key outputs expected to be delivered in 2014-15 through the delivery plan include:

- £7 million secured for investment in businesses and employment / housing sites in Nottinghamshire
- This will enable developments which will add 7,400 jobs and 10,500 housing starts to the Nottinghamshire economy over time
- 30 SMEs which had not previously hosted apprentices offering apprenticeships in Nottinghamshire
- 70 young people accessing new apprenticeships
- 40 jobs created through the Economic Development Capital Fund
- Over 35,000 premises passed by fibre-based broadband
- 3,000 attendances at Nottinghamshire Work Clubs
- Over 250 individuals supported with start-up business advice, leading to the creation of at least 140 new start-up businesses

2014-15 budget setting

7. The base budget for the Economic Development Committee in 2014-15 is £1,009,000. This represents a reduction of £100,000 on the 2013-14 figure, which is as a result of the County Council decision to reduce the annual grant to Experience Nottinghamshire.

8. There are a number of known commitments against the annual budget that need to be factored in to the overall budget setting process. These are:

Known commitments

- Staffing costs - £395,000
- Turbine depreciation - £35,045 [*annual capital charge*]
- Turbine deficit provision - £15,000 [*monitor – may not be required at this level*]
- Memberships - £10,000 [*agreed at Economic Development Committee November 2013*]
- Economic Prosperity Committee - £3,500 [*agreed at County Council January 2014*]
- Experience Nottinghamshire - £160,000 [*existing Service Level Agreement to 2015, reflects pro-rata reduced contribution*]
- Capital Fund technical expertise - £20,000 [*agreed at Economic Development Committee February 2014*]
- Additional savings target - £10,000 [*agreed at County Council February 2014*]

Total known commitments: £648,545

9. This leaves available budget of £360,455 which Committee has discretion over in terms of allocation to projects and activities. It is proposed that the remaining budget is allocated in line with the Economic Development Strategy themes of jobs, skills and training; enabling business growth and infrastructure and assets. In short, the budget proposals are:

Continuation of current activity (total £85,000)

- Work Clubs - £55,000. Continued support for and expansion of the Nottinghamshire Work Club network. This allocation funds the costs of the Work Club Co-ordinator post; library staff time; ICT provision and skills training for Work Club attendees. It is slightly above the allocation in 2013-14 to accommodate proposals for Jobs Fairs to be delivered in conjunction with JobCentre Plus
- Wheels to Work - £20,000. Continued support to the Wheels to Work project, with a particular focus on addressing areas of the County that are ineligible for support through the Big Lottery Fund grant. Funding remains at current level
- Nottinghamshire Business Engagement Group / sponsorships – up to £10,000. As discussed at Committee in November, annual costs of hosting the Nottinghamshire Business Engagement Group (venue hire/refreshments) need to be met from the Committee's budget. It is proposed also that up to £6,000 be allocated towards sponsoring business awards and events. Both of these items will be monitored and reports back through the Committee cycle will outline spend-to-date

New / changed activity (total £270,000)

- Nottinghamshire Employment and Skills Board - £25,000. The County Council, City Council and D2N2 Local Enterprise Partnership are keen to see the continuation of a strong, business-led Employment and Skills Board for Nottinghamshire which can articulate the employment and skills needs of Nottinghamshire businesses to the providers of training and employment services. The Employment and Skills Board is a key part of the LEP's infrastructure and local governance arrangements. A budget of £75,000 a year to support the continued staffing resource and associated project budgets for the Employment and Skills Board is required. It is proposed that the City Council, D2N2 Local Enterprise Partnership and County Council each contribute £25,000 towards this
- Business support – up to £75,000. Existing programmes supported by this Committee (notably Nottinghamshire Business Venture's start-up programme and the Funding Circle model) are being evaluated to test impact and value for money. A further report on allocating this £75,000 to business support will be brought to Committee in May
- Broadband demand stimulation - £50,000. As Committee is aware, stimulating demand from residential and business users will be key to the success of the Better Broadband for Nottinghamshire programme and will support efforts to drive take up above the 20% threshold set by BT. Take up in excess of 20% triggers a clawback mechanism for the Council which will enable further investment in fibre broadband to areas not covered by the existing programme. It is anticipated that the £50,000 proposed will enable the County Council to lever in additional funds from the D2N2 Local Enterprise Partnership
- Place marketing – £60,000. The County Council supports inward investment activity through Invest in Nottingham and through the Nottinghamshire Business Investment Zones initiative. Proposals for the future of place marketing in Nottinghamshire will be considered by

Committee in March 2014 and will impact on delivery from April 2015. The allocation of funds recommended in this budget report will enable activity to continue during any transition period

- Town centre regeneration – £60,000. The County Council aims to support borough and district councils and associated bodies (i.e. Business Improvement Districts) with their ambitions for town centre regeneration. This allocation acts as an enabler to support feasibility work and master-planning, and is contingent on funds being secured from other sources

There is some flexibility within the proposals under the 'new/changed activity' heading, and Committee may wish to consider amending these proposed allocations. There is less flexibility with the proposals for continuation of existing activity, as the amounts proposed here represent the minimum investment required.

Other (£62,500)

- D2N2 Local Enterprise Partnership - £62,500. The D2N2 LEP contribution is required to enable the LEP to draw down a total of £250,000 from central government in 'core funds'. Each of the four upper tier local authorities contributes the same amount to match the offer from government. This contribution was approved by Committee in March 2013 and will be met, as that report suggests, through contingency
10. The proposals above total £355,000 against an available budget of £360,455. It is proposed to retain some flexibility with the unallocated funds to act as a contingency against expenditure items. A full report on the budget will be brought back to Committee in the autumn identifying spend to date and proposing any amendments / redirection of resources as required. It should be noted that the proposals outlined reflect priority activities in 2014-15 as stated in the delivery plan. Wider objectives in the Council's Economic Development Strategy will be considered in future annual delivery plans by this Committee.

Reason(s) for Recommendations

11. Economic Development Committee was tasked with agreeing a delivery plan to support the Council's Economic Development Strategy. Committee also has responsibility for agreeing an annual budget.

Statutory and Policy Implications

12. 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 in the report.

RECOMMENDATIONS

13. It is recommended that Committee:

- (a) approves the 2014-15 economic development delivery plan and associated budget proposal;
- (b) receives further detailed reports on specific project proposals as referenced in the report; and
- (c) receives a six month update on the budget as part of the Committee cycle.

Report of the Group Manager, Corporate Strategy, Celia Morris

For any enquiries about this report please contact: Matt Lockley, 72446

Constitutional Comments [SLB 28.02.2014]

Economic Development Committee is the appropriate body to consider the content of this report.

Financial Comments [SEM 27/02/14]

The financial implications are set out in the report.

Background Papers

Economic Development Strategy – report to Policy Committee, 11 December 2013

Electoral Division(s) and Member(s) Affected

All