

NOTTINGHAM CITY COUNCIL

THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE

MINUTES of the meeting held at Len Maynard Suite - Royal Concert Hall on 20 June 2014 from 11.35 - 12.50

Membership

Present

Councillor Chris Baron
Councillor Roger Blaney
Councillor Graham Chapman (Chair)
Councillor John Clarke
Councillor Neil Clarke
Mayor Tony Egginton (Vice Chair)
Councillor Patrick Lally
Councillor Alan Rhodes

Absent

Councillor Simon Greaves
Councillor Milan Radulovic

Colleagues, partners and others in attendance:

Ian Curryer	- Chief Executive, Nottingham City Council
Anthony May	- Sub for Chief Executive, Nottinghamshire County Council (Corporate Director and Deputy Chief Executive)
Phillip Marshall	- Chief Executive, Ashfield District Council
Neil Taylor	- Chief Executive, Bassetlaw District Council
Ruth Hyde	- Chief Executive, Broxtowe Borough Council
Paula Darlington	- Sub for Chief Executive, Gedling Borough Council
Beverley Smith	- Sub for Chief Executive, Mansfield District Council
Andrew Muter	- Chief Executive, Newark and Sherwood District Council
Allen Graham	- Chief Executive, Rushcliffe Borough Council
David Ralph	- Chief Executive, D2N2
Peter Richardson	- Chair of D2N2
Glen O'Connell	- Director of Legal and Democratic Services, Nottingham City Council
Angelika Kaufhold	- Constitutional Services, Nottingham City Council
Liz Jones	- Head of Policy, Nottingham City Council
Matthew Lockley	- Economic Development Manager, Nottinghamshire County Council
James Schrodel	- Policy Officer, Nottingham City Council

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until 3 July 2014.

28 APOLOGIES FOR ABSENCE

Councillor Simon Greaves
Councillor Milan Radulovic

29 DECLARATIONS OF INTERESTS

None.

30 MINUTES

The minutes of the meeting held on 20 June 2014 were confirmed and signed by the chair.

31 FINALISING THE D2N2 EUROPEAN STRUCTURAL INVESTMENT FUND STRATEGY

Liz Jones, Head of Policy, Nottingham City Council presented the item, finalising the D2N2 European Structural Investment Fund Strategy. A final version of the Strategy for European Structural and Investment Funds (ESIF) needs to be submitted by D2N2. The Strategy is worth 244million Euros and must include its investment priorities, the structure underpinning the programmes, a financial plan, targets and governance arrangements. The Local Enterprise Partnership (LEP – D2N2) Board, on 3 June 2014, agreed a number of recommendations (following feedback from central Government) covering arrangements for Governance, approach to European Agriculture Fund for Development and Financial re-profiling. The feedback received from central Government included:

- The need to develop an Annual Implementation Plan (including a project pipeline) to ensure that citizens and businesses of Nottingham and Nottinghamshire benefit from the ESIF and that the Economic Prosperity Committee (EPC) should ensure that it plays an effective role in developing this plan and subsequent arrangements.
- Governance – D2N2 needs to establish a dedicated ESIF Programme Board and the D2N2 Board must agree the membership template, nominate a Chair of the Programme Board and invite the Managing Authority to nominate a representative to be the Vice-Chair.
- The role of Partners and Statement of Principles on Governance for the D2N2 ESIF sets out the role of partners, including local authority joint committees and the principles of governance.

During discussion the following comments were made:

- (a) Concern was expressed that the EPC should not become merely a consultative body and instead should have real influence and power. The EPC may continue to consider the option of moving to a Combined Authority arrangement, and have regard to potential greater flexibility available for Combined Authorities in the future.
- (b) It may not be desirable to wait to see what happens in the post general election period as the soundings from the current government and shadow ministers is that a Combined Authority is the preferred way forward.

- (c) Some of the key cities such as Derby and Portsmouth are already working together and showing that this can work.
- (d) The existing Combined Authorities are mostly metropolitan authorities and there are currently no two tier Combined Authorities. It is important that the chief executives approach Sheffield to find out how it has benefited from its Combined Authority and what powers have been delegated etc.
- (e) Responding to some of the concerns raised Peter Richardson, Chair of the LEP, confirmed that there is value in becoming a Combined Authority and that the benefits of this for N2 may include receiving delegated funding from D2N2. The perception is that the Combined Authorities have stronger governance arrangements than joint committees and as such the LEP could delegate control of some of their budget streams. It is essential to build strong partnerships to drive projects forward and as a Combined Authority N2 would be able to have significant influence on the priorities.

RESOLVED to

- (1) note the recommendations on the ESIF Strategy agreed by the LEP Board on 3 June 2014;**
- (2) ask the Chief Executives of the member authorities to:**
 - (a) develop recommendations to inform the EPC's view on the Annual Implementation Plan (including the management arrangements and a project pipeline) which will underpin this strategy;**
 - (b) maintain awareness on developments with respect to Combined Authorities, with particular respect to their significance to N2, and to progress on a Combined Authority for Derbyshire.**

Reasons for decisions:

D2N2 submitted its strategy for the European Structural and Investment Funds on 31 January 2014 and following feedback from Government it is now required to:

- Make the revisions on the ESIF Strategy as requested;
- Prepare to implement the strategy, including an Implementation Plan by October 2014 with a view to commence spending in 2015.

Other options considered:

It is considered too risky not to make the changes requested by central Government to the ESIF Strategy as non-compliance could mean that funding would not be available.

32 SKILLS AND EMPLOYMENT

Matthew Lockley, Nottinghamshire County Council presented the report on Skills and Employment and highlighted the following key points:

- (a) The Partnership approach to employment and skills has a long history in Nottingham and Nottinghamshire with most local authorities having already had some form of local structures relating to this. Until recently there had been the Nottingham and Nottinghamshire Employment and Skills Board which has now been replaced with a more streamlined approach through the N2 Skills and Employment Board (SEB). The terms of reference for this new Board reflect the changes to the policy and seek to align the SEB with both the EPC and D2N2 Skills and Employment Commission.
- (b) The SEB is expected to work with and across partners, commissioners and providers to ensure that skills and employment in the Nottingham and Nottinghamshire labour market match the current and future needs of employers. The bulk of the European Funding for skills and employment will be devolved to the D2N2 LEP in late 2014 and includes the entire European Social Fund (ESF) allocation which is targeted at improving skills and employment levels and tackling social exclusion.
- (c) The priority areas agreed by the SEB are Children and Young People, Economic Inclusion and Sector Growth (focus on retail, health and social care).
- (e) The next steps are to:
 - understand the current investment in N2 across the skills and employment landscape;
 - seek opportunities to secure more local control;
 - consider 'co-commissioning' approaches with mainstream providers, Further Education (FE) colleges and to add value to the existing and planned investment;
 - influence the D2N2 Skills Commission and ensure that the future ESF programme is responsive to our needs;
 - align local partners' investment, where possible to create programmes that are more than the sum of their parts.

During discussion the following comments and feedback for the SEB was provided:

- (f) Employability is a major issue and currently schools are strictly focused on outcomes based on the curriculum and some are no longer offering employability skills in terms of work experience etc. FE colleges are also focused on providing courses which would be guaranteed to fill and these may not relate to the priorities or skills that are actually needed by business. Some form of incentivisation is needed.
- (g) Given the lack of plumbers, electricians and construction workers and the focus on building homes, offering vocational courses should be a priority for schools and FE colleges.

- (h) There is concern that some FE providers are based in different LEP boundaries and that subsequently the priorities may differ.

The following additional information was provided in response to councillors questions:

- (i) The LEPs do not work in isolation and the concern relating to the FE college based in Lincoln having a site in Newark will be explored to identify how the priorities are decided and shared.
- (j) Construction is one of the priorities in the D2N2 plan. The priority areas proposed by the SEB are Children and Young People; Economic Inclusion and Sector Growth.

RESOLVED

- (1) to note the report;**
- (2) for the feedback discussed above by the EPC to be reported back to the Skills and Employment Board;**
- (3) to request that regular progress and update reports are submitted on Skills and Employment to the EPC by the Skills and Employment Board.**

Reasons for the decisions:

It is important for the EPC to understand the terms of reference for the new SEB but also to have input into the setting of priorities as well as influencing the work of the SEB.

Other options considered:

None.

33 BROADBAND - OPTIONS FOR MATCHING THE SUPERFAST EXTENSION PROGRAMME (SEP)

Matthew Lockley, Nottinghamshire County Council presented the report relating to Broadband – options for matching the Superfast Extension Programme and confirmed that the date for submission of the application for the Superfast Extension Programme (SEP) is 30 June 2014. At the meeting of the EPC in March 2014, it was agreed that an expression of interest be submitted for SEP funding, for which an in-principle commitment to explore further a potential under-write from Nottingham City Council of £800k and Nottinghamshire Local Authorities of £1.83m was agreed. Following this, a request was made at the EPC in May 2014 to identify alternative funding options given the pressures on local authority spending.

It was confirmed that BDUK are happy to consider alternative sources such as, private investment and local trust funds as well as, Central Government namely the

Local Growth Fund and European funding which must be evidenced in the submission. At this point there is no financial risk to any party until a contract is signed between BT, BDUK and the County Council.

The following comments were made:

- Concerns were raised by some of the district representatives as to the amount they may be expected to commit given the current squeeze on budgets.
- It was suggested that one option was also to look at the Nottinghamshire Business Rates Pool as a source of match funding.

RESOLVED to

- (1) continue to lobby D2N2 to secure match funding resources through the Local Growth Deal;**
- (2) express a collective willingness to find a solution to bridge any residual funding gap.**

Reasons for decisions:

- The submission of a formal application to the Government for Superfast Extension requires the County Council to evidence that match funding commitments are in place. The Government will match local resources on a £ for £ basis. If a commitment to the full £2.63m is not secured the amount of funding from Government will reduce accordingly.
- Alternative sources of funding through private investment and local trust funds as well as the Local Growth Fund or European Funding are acceptable.

Other options considered:

The do nothing option is discounted for the following reasons:

- the EPC has already agreed in principle, at its March 2014 meeting, to support the Superfast Extension bid and the notion of under-writing the final submission.
- Nottinghamshire would not benefit from the additional £4.99m of match funds to extend the reach of fibre-based broadband ie the £2.63m government grant and private sector supplier making a similar commitment of approximately £2.36m.
- The County Council's Policy Committee gave unanimous support to the full application for the Superfast Extension Programme (Phase 2) funding at its meeting on 4 June 2014.