

NOTTINGHAM CITY COUNCIL

THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE

MINUTES of the meeting held at Council Chamber - Civic Centre, Pavilion Road, West Bridgford, NG2 5FE on 26 September 2014 from 11.07 - 12.20

Membership

Present

Councillor Chris Baron
Councillor Roger Blaney
Councillor Alan Clark
Councillor Neil Clarke
Councillor Simon Greaves
Councillor Pat Lally
Councillor Alan Rhodes
Councillor Roger Sutcliffe

Absent

Councillor Graham Chapman
Councillor John Clarke
Mayor Tony Egginton

Colleagues, partners and others in attendance:

- | | |
|------------------|---|
| Anthony May | - Corporate Director and Deputy Chief Executive, Nottinghamshire County Council |
| Kirsty Cole | - Deputy Chief Executive, Newark and Sherwood District Council |
| Glen O'Connell | - Acting Corporate Director for Resources, Nottingham City Council |
| Allen Graham | - Chief Executive, Rushcliffe Borough Council |
| Chris Henning | - Director of Economic Development, Nottingham City Council |
| Rav Kalsi | - Governance Officer, Nottingham City Council |
| Mark Kimberley | - Corporate Director, Gedling Borough Council |
| Matthew Lockley | - Team Manager, Economic Development, Nottinghamshire County Council |
| Matthew Wheatley | - Growth Plan Manager, D2N2 LEP |
| John Robinson | - Chief Executive, Gedling Borough Council |
| Ruth Marlow | - Chief Executive, Mansfield District Council |
| Phillip Marshall | - Chief Executive, Ashfield District Council |
| Steffan Saunders | - Planning Policy Manager, Broxtowe Borough Council |
| James Schrodel | - Policy Officer, Nottingham City Council |
| Neil Taylor | - Chief Executive, Bassetlaw District Council |

26 ELECTION OF CHAIR

In the absence of both the Chair and Vice-Chair of the Committee, Councillor Alan Rhodes, was elected to chair the meeting.

27 APOLOGIES FOR ABSENCE

Mayor Tony Egginton – Other Council business
Councillor Graham Chapman – Other Council business

Councillor John Clarke – Other Council business

Councillor Simon Greaves informed the Committee that he would be leaving the meeting at 12.00 pm due to other Council business.

28 DECLARATIONS OF INTERESTS

None.

29 MINUTES

The minutes of the meeting held on 25 July 2014 were confirmed and signed by the Chair.

30 COMBINED AUTHORITY

Allen Graham, Chief Executive of Rushcliffe Borough Council presented the item on Combined Authorities outlining the steps required to establish a combined authority and sought the approval of the Committee to develop further proposals. The following information was highlighted:

- (a) following an informal presentation by colleagues from Derbyshire in July 2014, further work was requested on the potential benefits of a combined authority. Representatives from all constituent authorities have since come together to discuss progress on plans to form a combined authority;
- (b) discussions have taken place with partners from Derbyshire, the Department for Communities and Local Government (DCLG), the Department for Business, Innovation and Skills (BIS), the Cabinet Office and N2 chief executives. It is clear from the advice received from civil servants that the Government expects a combined authority proposal to set out a clear ambition for the area which goes beyond simply delivering current priorities;
- (c) the formation of a combined authority is dependent upon carrying out a governance review, including consultation, which demonstrates that a combined authority would add value. Following this process, constituent members would be required to draft a scheme which sets out the terms of reference for a combined authority prior to submitting it to the Secretary of State. If satisfied, an order would then be laid before Parliament;
- (d) partners from constituent authorities have created early drafts of a governance review and a scheme outlining the draft terms of reference. A draft memorandum of understanding has been produced following advice from DCLG and BIS;
- (e) a clear narrative and evidence is needed for why the separate D2 and N2 configuration is right for the D2N2 area and the LEP. Further clarification is needed to define how two combined authorities will interact with the LEP whilst not creating more complexity than is necessary;

- (f) a clear commitment is needed from constituent members to pool or share some powers and resources. The powers which are identified in the draft scheme will need to reflect the vision for N2 but remain compatible with the D2 area in respect of the entire LEP area;
- (g) the next step will require blue sky thinking to establish an ambitious vision in the long term, including more specific powers and responsibilities. Advice from the government suggests that it would be better if N2's submission is considered in parallel with a consistent approach to the key issues around D2N2. A possible timetable is detailed below:
 - October/November 2014 – carry out the blue sky thinking, including the development of the scheme and a governance review;
 - December 2014 – Report back to the Economic Prosperity Committee;
 - January/February 2015 – each constituent authority to decide whether to form part of a combined authority. At the same time, consultation will take place stakeholders and DCLG;
 - February/March 2015 – submit proposals to the Secretary of State;
 - September 2015 – decision by the Secretary of State and a Parliamentary Order made;
- (h) It was acknowledged that this timetable was ambitious and subject to factors external to the Councils. The benefits of a combined authority could include developing stronger influence and better governance in relation to the LEP and future growth deals, progressing collaboration outside of the LEP relationship, greater ability to argue for power and resources from Government and a better use of existing resources. A combined authority may project a collective and stronger voice, especially when it comes to devolved powers and the allocation of funding;
- (i) should constituent members choose to submit a cautious, preliminary scheme to the Secretary of State, any subsequent additional powers to the scheme will only be achieved via a statutory instrument.

RESOLVED to

- (1) undertake work to identify the benefits of a combined authority and develop a vision and aspirations for the long term economic vitality of the N2 area;**
- (2) identify specific powers which could be exercised by a combined authority for the N2 area;**
- (3) undertake work on a scheme and a governance review for the N2 area, working in parallel with the D2 area to cover common issues including LEP governance;**

(4) agree the timetable below in principle, subject to further guidance from the Department for Communities and Local Government (DCLG):

- **October/November 2014 – carry out the blue sky thinking, including the development of the scheme and a governance review;**
- **December 2014 – Report back to the Economic Prosperity Committee;**
- **January/February 2015 – each constituent authority to decide whether to form part of a combined authority. At the same time, consultation will take place stakeholders and DCLG;**
- **February/March 2015 – submit proposals to the Secretary of State;**
- **September 2015 – decision by the Secretary of State and a Parliamentary Order made.**

Reason for decisions:

Parallel work is taking place in Derbyshire and it is therefore sensible to share approaches so that both governance reviews take a consistent approach to the cross D2N2 issues in relation to the LEP.

Other options considered:

Not to agree to the timescale to carry out the necessary work. This option was discounted as work to undertake the necessary governance review has started and Chief Executives are currently working on the development of a draft. It is sensible to coordinate work currently taking place in Derbyshire.

31 OPTIONS AVAILABLE TO DISTRICTS IN SECURING EU FUNDING

Matthew Lockley, Team Manager of Economic Development at Nottinghamshire County Council delivered the presentation, outlining the options available to district councils in securing funding within the European Union (EU), highlighting the following:

- (a) structural funding within the EU includes three main funding streams. These include the European Regional Development Fund (ERDF), which focuses on research, innovation, business development and infrastructure. Funding via ERDF accounts for 50% of EU funding however, must have an economic focus. The European Social Fund (ESF) focuses on skills and access to employment and social inclusion. The European Agricultural Fund for Rural Development (EAFRD) focuses on economic development in rural areas;
- (b) the amount of funding available to the D2N2 includes £104.4 million via ERDF and £104.4 million via ESF however, both funding streams require a 50% match, so the overall programme is valued at £414.3 million;

- (c) Local Enterprise Partnerships (LEPs) provide overall management over EU funding, devising a strategy and prioritising funding applications. LEP Boards have been expanded to deal with local EU decisions, however D2 and N2 committees are consulted as part of the process. The Department for Communities and Local Government (DCLG) acts as the managing authority for EU funding and will issue contracts to individual projects. The DCLG will not approve anything which has not been selected by the LEP;
- (d) the D2N2 European Structural Investment Fund (ESIF) establishes the activities that may be funded and follows 9 thematic objectives including innovation, ICT, small and medium enterprise (SME) competitiveness, green and blue infrastructure, combating unemployment and tackling social exclusion. There is an additional transport objective available via ESIF but this is only pertinent to Cornwall and the Isles of Scilly;
- (e) £20 million is available via ERDF for innovation projects which focus on commercialisation and the support for innovation processes within business, graduate start-ups and research collaborations, usually consumed by universities. A further £10 million is available via ERDF for support for ICT development for SMEs with demonstrable economic need and benefit;
- (f) the objective of SME competitiveness accounts for £37 million of ERDF support with a particular focus on SME support, business finance, sector support and growth initiatives. A further £20 million is earmarked for low carbon initiatives and new local carbon technology development;
- (g) ESF support includes £40 million for the promotion of employment and requires Skills Funding Agency (SFA) and Department for Work and Pensions (DWP) match funding at source. An approach to funding via the ESF must relate to training activities for unemployed people or special groups facing barriers to employment. Almost 75% of match funding for ESF schemes is provided by Big Lottery funding who effectively manage that element of the programme;
- (h) in order to qualify for ESIF support, projects would need to demonstrate an element of additionality with a particular focus on economic development and ultimately demonstrate a contribution towards programme targets and indicators.

RESOLVED to note the presentation on the options available to districts in securing EU funding and to circulate the presentation to all district authorities.

Reasons for the decision:

By outlining the different EU funding options available, district councils are better placed to prioritise, target and secure additional funding through ESIF.

Other options considered

To do nothing. This option was discounted given the options available to district authorities in securing EU funding.

32 N2 ESIF IMPLEMENTATION PLAN RESPONSE

Chris Henning, Director for Economic Development at Nottingham City Council presented the report, informing the Committee of the planned response to the European Structural Investment Fund's (ESIF) Implementation Plan, highlighting the following:

- (a) In advance of the implementation of the ESIF, D2N2 is preparing a Local Implementation Plan consultation document which will set out proposals and options for translating the D2N2 ESIF strategy into a delivery programme for funds worth £200 million. It is anticipated that consultation will close on 13 October 2014 in advance of seeking LEP Board approval by 29 October 2014;
- (b) in order that the Local Implementation Plan (LIP) is improved and provides the framework that will maximise benefits for N2 businesses and citizens, the following issues will need to be recognised:
 - In recognising D2N2's role in overseeing the commissioning, management and monitoring of programmes, the geographical scope of the those programmes will sometimes best be at a more local, perhaps N2 or local authority level, particularly where local knowledge and presence is critical;
 - the principle of continuity of good practice from current delivery programmes should be made clear;
 - the principle of maximising the funding available to front line delivery should be stated. This can help by minimising the funding which is tied up by prime contractors in designing programmes through overly open calls;
 - the process and activities associated with a number of the national 'opt-ins' are not yet clear and need to be so in order to secure our best interests;
 - in addition to 'comprehensive, strategic programmes' N2 must recognise the need for funding to ensure these programmes can be targeted on hard to reach groups and for funding for projects which are linked to the programmes, but could promote innovative approaches.
- (c) given that it is not yet clear whether the sum of the programmes as set out will deliver to the intended beneficiaries or where gaps exist, clearer links between the strategies, the beneficiaries of those strategies and the programmes designed to deliver benefits should be clearly established.

RESOLVED to

- (1) **note the potential issues that could be raised by the European Structural Investment Fund (ESIF) Local Implementation Plan draft consultation document;**

- (2) request that officers from constituent authorities prepare a final document which can be agreed as a Committee response to the consultation, based on the consideration of the potential issues.**

Reason for decisions:

Officers from all constituent authorities have discussed an early version of the draft Local Implementation Plan (LIP) and although this has not yet been published, it is envisaged that the committee's views may be addressed in future iterations of D2N2's LIP. It is important that the Committee's views are included as part of the consultation process prior to it closing on 13 October 2014.

Other options considered:

No other options were considered in the circumstances. It is important that the Committee consider the potential issues that could be raised by the ESIF LIP draft consultation document.

33 DATE OF NEXT MEETING

RESOLVED to change the date of the Committee currently scheduled for 21 November 2014 to 28 November 2014.