



**NOTTINGHAM CITY COUNCIL**

**THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY  
COMMITTEE**

**Date:** Friday, 26 September 2014

**Time:** 11.00 am

**Place:** Council Chamber - Rushcliffe Borough Council, Civic Centre, Pavilion Road,  
West Bridgford, NG2 5FE

**Councillors are requested to attend the above meeting to transact the following  
business**

**Acting Corporate Director for Resources, Nottingham City Council**

**Governance Officer: Rav Kalsi Direct Dial: 0115 8763759**

**AGENDA**

**Pages**

- |          |  |         |
|----------|--|---------|
| <b>1</b> | <b>APOLOGIES FOR ABSENCE</b>   |         |
| <b>2</b> | <b>DECLARATIONS OF INTERESTS</b>   |         |
| <b>3</b> | <b>MINUTES</b><br>To confirm the minutes of the last meeting held on 25 July 2014  | 3 - 12  |
| <b>4</b> | <b>COMBINED AUTHORITY</b><br>Allen Graham, Chief Executive of Rushcliffe Borough Council   | 13 - 18 |
| <b>5</b> | <b>OPTIONS AVAILABLE TO DISTRICTS IN SECURING EU FUNDING</b><br>Presentation by Matt Lockley, Economic Development Team Manager,<br>Nottinghamshire County Council |         |
| <b>6</b> | <b>N2 ESIF IMPLEMENTATION PLAN RESPONSE</b><br>Chris Henning, Director of Economic Development at Nottingham City<br>Council                                       | 19 - 26 |
| <b>7</b> | <b>DATE OF NEXT MEETING</b><br>To agree to change the date of the next meeting from 21 November<br>2014 to 28 November 2014  |         |

**PLEASE NOTE THAT THERE IS A PRE-MEETING FOR LEADERS AND CHIEF EXECUTIVES AT 9.30 AM ON 26 SEPTEMBER 2014 IN THE COUNCIL CHAMBER ROOM AT THE CIVIC CENTRE, RUSHCLIFFE BOROUGH COUNCIL**

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT [WWW.NOTTINGHAMCITY.GOV.UK](http://WWW.NOTTINGHAMCITY.GOV.UK). INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

**NOTTINGHAM CITY COUNCIL**

**THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE**

**MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 25 July 2014 from 11.17 am - 12.42 pm**

**Membership**

Present

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

Absent

Councillor Milan Radulovic MBE

**Colleagues, partners and others in attendance:**

Mick Burrows	- Chief Executive, Nottinghamshire County Council
Glen O'Connell	- Director of Legal and Democratic Services, Nottingham City Council
Ian Curryer	- Chief Executive, Nottingham City Council
Allen Graham	- Chief Executive, Rushcliffe Borough Council
Chris Henning	- Director of Economic Development, Nottingham City Council
Liz Jones	- Head of Policy, Nottingham City Council
Rav Kalsi	- Constitutional Services, Nottingham City Council
Mark Kimberley	- Corporate Director, Gedling Borough Council
Mark Ladyman	- Director of Community Services, Bassetlaw District Council
Andrew Muter	- Chief Executive, Newark and Sherwood District Council
David Ralph	- Chief Executive, D2N2
Michael Robinson	- Head of Regeneration, Leisure and Marketing, Mansfield District Council
James Schrodell	- Policy Officer, Nottingham City Council
Trevor Watson	- Service Director of Economy, Ashfield District Council

**17 APOLOGIES FOR ABSENCE**

Milan Radulovic – non Council business

**18 DECLARATIONS OF INTERESTS**

None

## **19 MINUTES**

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

## **20 ECONOMIC PROSPERITY COMMITTEE - SCRUTINY**

The Committee considered the report of Glen O'Connell, Secretary to the Committee, on the Committee's protocol for the operation of Overview and Scrutiny Arrangements for the work of the Committee, including call-in procedures. It is proposed to only apply call-in procedures in relation to decisions of the Committee if more than one Council decides to do so.

**RESOLVED to note the protocol for scrutiny arrangements, as detailed in Appendix 1 to the report.**

### Reasons for decisions:

A protocol is required in the event that an executive decision of the Committee is called-in. A procedure would be required to efficiently manage the call-in process, ensuring the unnecessary duplication of scrutiny decisions across constituent authorities.

### Other options considered:

No other options have been considered. For the efficient and transparent conduct of the Committee's business clarity is required about call-in arrangements.

## **21 GROWTH DEAL OUTCOME**

David Ralph, Chief Executive of D2N2 presented the item on the outcomes of the D2N2's local Growth Deal following Government announcements made on 7 July 2014, highlighting the following:

- (a) subject to the satisfactory negotiation of a series of freedoms and flexibilities with Government departments, D2N2 has secured £173.4 million from the Local Growth Fund to support economic growth in the area, with £31.6 million of new funding confirmed for 2015/16 and £69.5 million for 2016/17 to 2021. This funding includes an indicative award of a further £30.4 million for projects starting in 2016 and beyond and £42.8 million funding which the Government has previously committed as part of Local Growth funding to the area;
- (c) by 2021 the Local Growth Deal will deliver at least 18,000 jobs, allow 8,000 homes to be built and support over 147,000 learners. The key projects directly relevant to Nottingham and Nottinghamshire are: the Southern Growth Corridor, Gedling Access Road, A57/A60 Worksop, Bioscience Expansion, Nottingham skills hub, Nottingham Broadmarsh / Southern Gateway, Newark Southern Link Road, Vision University Centre in Mansfield, Harworth Access Road and D2N2 Sustainable Travel Programme;

- (d) the Government also confirmed support to the D2N2 Growth hub (£525,000) and the Superfast Broadband scheme by providing D2N2 with the flexibility to reallocate underspends to enhance the delivery of broadband projects;
- (e) the onus is on local authorities to deliver projects following the release of funding in April 2015, so mobilisation is crucial at this stage.

Following questions and comments from the Committee, the following information was provided:

- (f) further clarity is sought from Government ministers to establish the submission deadline for 2016/17 and beyond as there are conflicting reports. D2N2 are working to reports that the 2016/17 submission date is March 2015 which would leave 6 months to identify “stellar” projects and a manageable framework to avoid the time constraints and issues faced with the last submission. There have been other reports, voiced by Councillor Neil Clarke, that projects for 2016/17 will be considered in the next two months;
- (g) prior to identifying “stellar” projects for 2016/17 and committing valuable local resources, Chief Executives and Leaders of all constituent authorities would benefit from seeing the criteria for the reorganisation of the Strategic Economic Plan submitted in March 2014, including who made the decision to reprioritise the submission;
- (h) in terms of the submission of projects for 2016/17, the list would need to be reprioritised and refreshed so that the weaker schemes are replaced with higher quality projects. Any future submissions will need to better reflect the composition of Nottinghamshire County and District areas.

#### **RESOLVED to**

- (1) request D2N2 to circulate to the chief executives and leaders of the constituent authorities:**
  - (a) the criteria on how the Strategic Economic Plan (SEP) was reorganised and prioritised following submission from the Committee, who made the decision to reprioritise the submission and on what authority the reorganisation was made;**
  - (b) confirmation that previous schemes were not dead from their perspective;**
  - (c) a clear process for the next round of bidding;**
  - (d) establish the date for the submission of the SEP for 2016/17 and report back to the Committee;**
  - (e) minutes of previous and ongoing D2N2 Board minutes.**

Reasons for decisions:

The Economic Prosperity Committee forms a key pillar of D2N2's governance arrangements and disclosure of the background to Local Growth Deal outcomes enables the Committee to better understand the implications for the funding of projects.

Other options considered:

No other options were considered. Further rounds of Local Growth Funding are expected and there may be opportunities to accelerate delivery if underspends occur elsewhere.

## **22 EU FUNDING ARRANGEMENTS**

### **22a EUROPEAN STRUCTURAL INVESTMENT FUNDS: ANNUAL IMPLEMENTATION PLAN**

Chris Henning, Director of Economic Development at Nottingham City Council, presented the item highlighting the European Structural Investment Fund's (ESIF) Annual Implementation Plan, setting out a medium term programme of activity for the D2N2 allocation of ESIF. The following information was highlighted:

- (a) the purpose of the Annual Implementation Plan is to be a multi-year, annually refreshed, plan that sets out in sharper focus what the D2N2 LEP wishes to purchase with its ESIF and when;
- (b) the ESIF set out a medium term programme of activity which is developed by the LEP reported periodically to the D2N2 ESIF Programme Board and, finally, to the D2N2 Board to sign off. The Annual Implementation Plan will need to be submitted to Government by the end of October 2014;
- (c) it is anticipated that the ESIF will not only set out key activities and outputs that the LEP wishes to see funded through its allocation, but also a schedule of commissioning, open call, opt-in and other approaches by which those activities and outputs will be procured.

#### **RESOLVED to**

- (1) agree the establishment of an officer sub-group of the EPC to draw up recommendations on the ESIF implementation plan for the EPC sign off by written procedures before 11 September 2014 D2N2 Board;**
- (2) authorise D2N2 Board members to present this at the Board as the Nottingham and Nottinghamshire position to fellow D2N2 Board members;**
- (3) authorise an officer sub-group to focus on the identification and prioritisation of potential projects to be put forward for ESIF resources and thereafter the development of agreed priority projects;**

- (4) **agree liaison via LEPOG, with D2N2, to ensure a clear understanding of critical success factors to give projects the greatest change of success;**
- (5) **to agree the principle that commissioning is more effective if done closer to the (local) point of delivery – however, there may be occasions when economies of scale (in commissioning, management or delivery) mean that commissioning at D2N2-level is more appropriate;**
- (6) **agree that D2N2 officers should set out a rationale for why they believe specific activities (within each of the 19 key activities) should be commissioned on a LEP-wide basis;**
- (7) **agree that the Economic Prosperity Committee (through the LEP Board) should push for a specific agreement with D2N2 which sets out the substantive role played by N2 at each stage of the process.**

Reasons for decisions:

The Annual Implementation Plan needs to be submitted to Government at the end of October 2014 and the Committee will need to be in a position to both shape and respond to a consultation document to be issued in July 2014 by D2N2.

Other options considered:

No other options have been considered. It is considered important to shape the Implementation Plan to enable priority projects that deliver both jobs and growth to the N2 area to be delivered through the programme.

**22b NOTTINGHAM SUSTAINABLE URBAN DEVELOPMENT PLAN**

Chris Henning, Director of Economic Development at Nottingham City Council, presented the item on the Nottingham Sustainable Urban Development Plan for members' information.

**RESOLVED to note the Nottingham Sustainable Urban Development Plan.**

**22c LEADER RURAL DEVELOPMENT PROGRAMMES 2014 - 20**

Mick Burrows, Chief Executive of Nottinghamshire County Council, presented the item on the LEADER rural development programmes for 2014-20, highlighting the following information:

- (a) as part of the European Commission's approach to funding rural development through the Common Agricultural Policy, £138 million is to be made available in England from 2014-20 to support Liaison Entre Actions de Développement de l'Économie Rurale (LEADER) which will support economic growth and job creation in rural communities;

- (b) in Nottinghamshire, two LEADER programmes are being developed for the 2014-20 programme period but face competition with up to 86 programmes being developed nationally;
- (c) preparatory funding of approximately £60,000 has been secured to support the development of the two Nottinghamshire programmes with a submission deadline of 5 September 2014. Successful programmes are expected to go live in January 2015;
- (d) the first of the two programmes being developed build on the existing North Nottinghamshire programme, but is extended to include rural parts of Mansfield. If successful, the programme can expect to receive funding of between £1.77 million and £2.4 million. The second programme area covers eligible rural parts of Gedling and Rushcliffe, including Bingham and larger settlements such as Keyworth, Cotgrave, Ravenshead and Burton Joyce. This programme has a value between £1.47 million and £1.92 million. Allocations are based on population coverage.

Councillor Pat Lally queried the non-inclusions of rural areas in Broxtowe in the relevant programme area.

**RESOLVED to**

- (1) support the submission of the two LEADER Local Development Strategies for North and South Nottinghamshire, subject to the inclusion of references to Broxtowe's rural areas;**
- (2) receive a further update on the outcome of the submissions and development of projects pipelines in the autumn of 2014.**

Reasons for decisions:

Whilst not a formal requirement of the Department for Environment, Food and Rural Affairs (Defra), support from the Economic Prosperity Committee for the submissions and programme development will be an important factor in their success.

Other options considered:

The option to do nothing was considered. This option was discounted as Defra encourages applications from existing and new areas in an attempt to secure wider LEADER coverage for the 2014-20 programme period.

**23 N2 STRATEGY**

Andrew Muter, Chief Executive of Newark and Sherwood District Council delivered a presentation, identifying growth hubs for Nottingham and Nottinghamshire, highlighting the following points:

- (a) in order to highlight growth hubs for the N2 area, the Committee would need to establish the following: what concentration of business do we have, what is



growing and will continue to grow, what specialisms do we have in particular locations and how do they compare with D2N2 sector priorities;

- (b) background research into growth hubs included Nottingham Trent University research based on the Business Register and Employment Survey (BRES) 2012. The research identified that 14.8% of N2 employment was based on life sciences and health and social care, with a local concentration in Ashfield, Broxtowe and Rushcliffe. 7.6% of N2 employment is based on the visitor economy with a concentration in Newark and Sherwood and Rushcliffe;
- (c) within the N2 area, Ashfield's areas of economic focus include the manufacture of air and related spacecraft, the construction of roads and other civil engineering projects and freight transport (by road). Bassetlaw's sector details include an economic focus on freight transport and the operation of warehousing / storage facilities. Broxtowe specialises in the manufacture of bread, fresh pastry goods and the manufacture of pharmaceutical preparations;
- (d) Gedling has a focus on electrical installation (construction), postal activities and passenger land transport. Mansfield's economic focus is on the construction of domestic building whereas Newark and Sherwood has an economic focus on the manufacture of fresh pastry goods and holiday centres / villages. Nottingham's economic focus is on hospital activities, the production of meat and poultry and the construction of roads / motorways. Rushcliffe's area of economic focus centres on freight transport (by road), event catering and the operation of sport facilities;
- (e) each constituent authority will need to establish whether the specific sector priorities are accurate and a growth priority or decide whether there are more specific location priorities. If there are smaller, less visible growth priorities constituent authorities would need to establish how they would justify including them as an overall growth priority. All feedback on growth priorities will need to be submitted by 5 September 2014 to the Chief Executive's Office at Newark and Sherwood District Council in advance of the Committee meeting on 26 September 2014 where agreement will be sought on geographically specific growth sector priorities.

**RESOLVED to**

- (1) **thank Andrew Muter for the informative presentation and note its content;**
- (2) **action all constituent authority members to establish whether the specific sector priorities are accurate and represent a growth priority or decide whether more specific location priorities exist by 5 September 2014;**
- (3) **consider a report by Newark and Sherwood District Council on geographically specific growth sector priorities at the Committee meeting on 26 September 2014.**

Reasons for the decision:

By establishing the concentration and location of sector priorities, the Committee will be better placed to agree a series of strategic sectoral and geographic priorities.

Other options considered:

No other options were considered.

**24 MANAGING THE BUSINESS OF THE ECONOMIC PROSPERITY COMMITTEE**

Mick Burrows, Chief Executive of Nottinghamshire County Council, presented the report proposing a number of practical steps to aid the smooth running of the Committee and to ensure that its business is well organised.

**RESOLVED to**

- (1) to structure future meetings around the consideration of a strategic theme, including oversight of key projects and initiatives within that theme and feedback from and into D2N2;**
- (2) devote the first part of Committee business to one of the following thematic areas:**
  - **Employment and skills;**
  - **Business growth;**
  - **Place marketing;**
  - **Infrastructure and assets;**
- (3) devote the second part of each meeting to include a small number of standing items, including regular updates on Growth Deal projects, European Structural Infrastructure Funding and a six-monthly performance report on the state of the economy;**
- (4) recommend to D2N2 the inclusion of a District/Borough representative on the Employment and Skills Commission;**
- (5) nominate a District/Borough representative to the Nottingham Growth Board and to Nottinghamshire Business Engagement Group;**
- (6) invite business representatives, including other relevant stakeholders, to attend meetings of the Committee as and when appropriate to the business before the Committee.**

Reasons for the decisions:

To improve the administration of the Economic Prosperity Committee and maximise its impact.

Other options considered:

To do nothing. This option is discounted as it is not in the best interests of the Committee.

**25 BROADBAND - D2N2 GROWTH DEAL**

Mick Burrows, Chief Executive of Nottinghamshire County Council, presented the report outlining the Government's Superfast Extension Programme (SEP), aiming to extend the reach of fibre broadband coverage across Nottingham City and Nottingham County beyond 95%.

**RESOLVED to note the recent publication of the Growth Deal and the specific signals of the Government's intention to:**

- (1) provide the flexibility for D2N2 LEP to reallocate underspends on other projects in 2015-16 to enhance delivery of the D2N2 broadband projects amounting to £4.8 million, retaining the overall allocation to projects which have slipped;**
- (2) provide further funding up to £4.8 million to ensure that the additional superfast broadband is delivered in the event that there are no underspends of Local Growth Fund in 2015-16.**

Reasons for decisions:

The Superfast Extension Programme is positive news for Nottinghamshire and will help achieve the ambition of providing as much fibre-based broadband as possible across the region.

Other options considered:

To do nothing. This option was discounted in light of the Government's stated intention to allocate the mandatory full match funding allocation to the SEP through Local Growth Funds.



**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC  
PROSPERITY COMMITTEE – 26 SEPTEMBER 2014**

<b>Subject:</b>	<b>Combined Authority</b>		
<b>Presenting authority / representative):</b>	Allen Graham Chief Executive of Rushcliffe Borough Council		
<b>Report author and contact details:</b>	Andrew Muter, Chief Executive, Newark & Sherwood District Council <a href="mailto:andrew.muter@nsdc.info">andrew.muter@nsdc.info</a>		
<b>Key Decision</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Subject to call-in</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>Value of decision:</b> £0	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Authorities affected:</b> All	<b>Date of consultation with relevant authorities:</b> 12/09/2014		
<b>Summary of issues (including benefits to citizens/constituent authorities):</b>			
a) This report sets out the steps required to establish a Combined Authority and seeks approval of the Joint Committee to develop the proposals further.			
<b>Exempt information:</b> None			
<b>Recommendation(s):</b>			
<ol style="list-style-type: none"> <li>1. That work is undertaken to develop a vision and aspirations for the long term economic vitality of the N2 area and that specific powers are identified which could be exercised by a Combined Authority for the N2 area</li> <li>2. That work to carry out a scheme and a governance review for the N2 area, working in parallel with the D2 area to cover common issues including LEP governance is undertaken</li> <li>3. That the timetable set out in Paragraph 1.11 is agreed in principle and subject to further guidance from DCLG.</li> </ol>			

## **1 REASONS FOR RECOMMENDATIONS**

1.1 The Committee agreed at its meeting on 20 June 2014 to maintain awareness with respect to Combined Authorities and particularly their significance to N2 and the progress being made on a combined authority for Derbyshire. The Committee then received an informal presentation from Derbyshire colleagues before its meeting on 25 July 2014, following which further work was requested to set out the steps necessary to establish a combined authority.

1.2 Following the decision of the Economic Prosperity Committee on 20 June 2014, the following progress has been made.

1.3 The Committee members met informally on 25 July 2014 with colleagues from Derbyshire to understand their proposals around the formation of a combined authority and asked me to lead some further work to set out the steps necessary to

form a combined authority and the potential benefits of a combined authority.

1.4 Chief Executives (or their representatives) have met twice in August and early September. The D2N2 Chief Executives group have also discussed the development of combined authorities.

1.5 I met with Wes Lumley, Chief Executive of North East Derbyshire and Bolsover Councils, who is leading the Derbyshire work on combined authorities. I also met DCLG, Cabinet Office and BIS civil servants along with Derbyshire colleagues to discuss combined authority arrangements and how they might relate to the D2N2 Local Enterprise Partnership.

1.6 As a result of all of these discussions I have prepared advice about the approach we could take and the possible timescale for developing a combined authority. This is set out in the next section.

1.7 It is clear from the advice received from civil servants that Government expects a combined authority proposal to set out a clear ambition for the area which goes beyond simply delivering current priorities. It will therefore be important to agree our long term ambitions and to demonstrate that we have considered why a combined authority arrangement is necessary to achieve them. The Chief Executives therefore recommend that we take some time to work on our vision for the N2 area in the long-term, including creating some space for blue-sky thinking which can help to stretch our ambitions and building on the work we have already commenced around growth hubs. This work needs to be well-informed by our understanding of the economy and should involve officer and member inputs.

1.8 Chief Executives also consider that the powers which we expect the combined authority to exercise, including powers we seek from government, need some careful consideration. It would be easy, in the process of establishing a combined authority, to replicate what other areas have sought in terms of delegated powers. However, the powers we seek ought to reflect the vision we develop and we might wish to consider requests which other areas have not made.

1.9 Work to undertake the necessary governance review has started and Chief Executives are currently working on the development of a draft. Parallel work is taking place in Derbyshire and it is therefore sensible to share our approaches so that both governance reviews take a consistent approach to the cross D2N2 issues in relation to the Local Enterprise Partnership. Our aim is therefore to produce a governance review which is specific to the N2 area but compatible with the D2 review in respect of the whole LEP area.

1.10 A scheme for a Combined Authority also needs to be drawn up and a draft is being prepared. However, the scheme must be clear about the extent of powers exercised by the Combined Authority and therefore a final draft would need to reflect the outcomes on the visioning work set out in paragraph 1.7.

1.11 A timetable to carry out the work set out above and (assuming it was agreed) establish a Combined Authority *could* therefore be:

**October – November 2014** Carry out further work to explore an ambitious vision and identify future powers necessary to deliver that vision. Continue to prepare a draft governance review and a draft scheme. Further consultation with D2 partners, DCLG, BIS and Cabinet Office.

**19 December 2014** Economic Prosperity Committee considers recommendations for a vision and considers proposals to go to each constituent council on the formation of a Combined Authority

**January 2015** Consult locally on proposed vision, draft governance review, and draft scheme. Decisions in principle to proceed by each constituent authority.

**20 February 2015** Consideration by EPC of outcomes of consultation and decisions by constituent authorities and, if appropriate, decision to submit Combined Authority proposals to Secretary of State.

**March to August 2015** Consideration by Secretary of State and formal consultation.

**September 2015** Parliamentary Order

**April 2016** Formation of Combined Authority\*

\*A Combined Authority does not have to commence at the start of the financial year so Secretary of State approval to commence could be earlier.

1.12 It may well be that the Secretary of State considers that Combined Authority proposals for both N2 and D2 should be considered in parallel in which case a similar timetable would apply to both areas. National elections in May 2015 are likely to lead to some delays in any decision-making process.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

2.1 Combined authorities are legal structures that may be set up by local authorities in England, following a governance review under Section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and Section 82 of the Local Transport Act 2008. They may be set up by two or more local authorities. The combined authority must include membership from all local authorities in its area. A combined authority may take on transport and economic development functions. They have a power of general competence and can be passed functions by the Secretary of State under the general power to pass functions down in the Localism Act 2011.

2.2 In practical terms, the first step in forming a combined authority is achieved by undertaking a governance review (including consulting key stakeholders) which:

i) looks at existing governance arrangements for economic development, regeneration and transport across the area

ii) considers options for changes in governance arrangements

iii) recommends an option for future governance which would lead to improvements in the way the statutory powers are exercised and would lead to an improvement in the economic conditions and performance of the area.

2.3 In addition to carrying out a governance review, a scheme must be prepared which effectively sets out the terms of reference for a combined authority including the powers it exercises, matters relating to funding and its decision-making structures.

2.4 Following a governance review and preparation of a scheme, the Secretary of State must consider the proposals and carry out formal consultation with relevant parties.

2.5 Finally, a draft Order to Parliament must be approved by both Houses before a combined authority comes into being.

2.6 A draft timetable which might apply to the development of a combined authority for Nottingham and Nottinghamshire is set out above to illustrate the possible timescale for formation of a combined authority.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

3.1 Not to agree 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. Parallel work is taking place in Derbyshire and it is therefore sensible to share our approaches so that both governance reviews take a consistent approach to the cross D2N2 issues in relation to the Local Enterprise Partnership.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

4.1 At this stage the financial implications are restricted to the cost of any preparatory work and consultation and it is anticipated that these costs can be contained within existing budgets of constituent authorities.

4.2 If a Combined Authority is established it will operate as a separate legal entity and an accountable body and is likely to receive substantial additional funding streams from central government to support transport, economic development and regeneration. Constituent authorities will also need to consider the extent to which they intend to pool any resources or activities under the arrangements.

### **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

5.1 The report sets out the constitutional and legal considerations which will need to be taken into account. Each constituent authority will need to consider implications for its current arrangements in the event that a Combined Authority is formed.

### **6 SOCIAL VALUE CONSIDERATIONS**

6.1 A Combined Authority would need to take into account the requirements of the Public Services (Social Value) Act 2012.

### **7 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)



- (b) No  
(c) Yes – Equality Impact Assessment attached



7.1 The requirement for an Equality Impact Assessment will need to be considered in the event that a Combined Authority is progressed.

**8 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

8.1 None

**9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

- Local Democracy, Economic Development and Construction Act 2009 (LDEDCA)
- Local Transport Act 2008
- Localism Act 2011

**Andrew Muter  
Chief Executive  
Newark & Sherwood District Council**

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**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC  
PROSPERITY COMMITTEE – 26 SEPTEMBER 2014**

<b>Subject:</b>	<b>N2 ESIF IMPLEMENTATION PLAN RESPONSE</b>		
<b>Presenting authority / representative):</b>	Nottingham City Council Chris Henning, Director for Economic Development		
<b>Report author and contact details:</b>	Chris Henning <a href="mailto:chris.henning@nottinghamcity.gov.uk">chris.henning@nottinghamcity.gov.uk</a>		
<b>Key Decision</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Subject to call-in</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>Value of decision:</b> £0	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Authorities affected:</b> All	<b>Date of consultation with relevant authorities:</b> 12.09.14		
<b>Summary of issues (including benefits to citizens/constituent authorities):</b>			
<p>To prepare for the implementation of the European Structural Investment Fund (ESIF), D2N2 is preparing a Local Implementation Plan consultation document which will be published shortly. This document sets out proposals and options for translating the D2N2 ESIF Strategy into a delivery programme for funds worth c. £200m in total which will be available from spring 2015. The consultation closes on 13 October in order to prepare the final Implementation Plan for LEP Board sign off by 29 October.</p> <p>This report is intended to inform N2 Economic Prosperity Committee's (EPC) response to the consultation document. It has been developed through discussion with N2 local authority officers.</p>			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
That the EPC:			
<p>a) Consider potential issues that could be raised by the ESIF Local Implementation Plan draft Consultation Document;</p> <p>b) Request N2 officers to prepare a final document which can be agreed as an N2 response to the consultation, based on that consideration of the issues.</p>			

## **1 REASONS FOR RECOMMENDATIONS**

1.1 N2 local authority officers have discussed an early version of the draft Local Implementation Plan (LIP). The comments below are based on the structure of the LIP. The final draft has not been published, so some of the comments below may be addressed in future iterations of D2N2's LIP.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

2.1 We recognise the hard work which has gone into the LIP consultation document and the need to define both 'what' ESIF funding will buy and 'how' it will be commissioned and delivered. The following points are designed to

improve the LIP so that it provides the framework that will maximise benefits for N2 businesses and citizens within this context:

- We welcome the aim of the LIP ‘to promote flexibility, speed, delivery focus and efficiency...and a blend of collaborative, LEP wide and more local approaches’ and the intention to ‘commission comprehensive, strategic programmes’.
- However, there are 5 issues which need to be addressed:
  - Although we recognise the role of D2N2 in over-seeing the commissioning, management and monitoring of programmes, the geographical scope of those programmes will sometimes best be at a more local (N2 or local authority) level, particularly where local knowledge and presence are critical. In addition to specific proposals made by theme below, we would welcome a statement of principle to this end
  - The principle of continuity of good practice from current delivery programmes (and avoidance of duplication) is also important and should be stated
  - The principle of maximising the funding available to front line delivery should be stated. This can be helped 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’ we 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
- Finally, there should be a clearer link between the strategies, the beneficiaries of those strategies and the programmes designed to deliver benefits. Currently it is not clear whether the sum of the programmes as set out will deliver to the intended beneficiaries and whether there are gaps

2.2 Below we comment on activities by theme, as per the structure of the LIP.

### **Innovation theme**

2.3 A LEP wide approach would be most appropriate and it was agreed that this was mainly the role of the universities. However N2 needs to influence programmes where innovation is taking place locally by SMEs which isn’t driven by the universities. Activity 1.6 (Capital Investment Programme for network of Innovation Centres) requires a mechanism to ensure N2 authorities are actively engaged.

2.4 The biggest benefits from innovation come from transfer of knowledge into the businesses base, so any programmes need to be designed around this. We also need to engage directly with businesses that might have plans to “innovate”, but not see that development as being of interest to the universities.

## **Business Support and Access to Finance theme**

2.5 We already have significant resources deployed in this field and need to focus on successful existing schemes as well as looking for gaps in our offer. We need to look at how this fits with the Growth Hub, Sustainable Urban Development (SUD) and Opt-Ins through MAS, Growth Accelerator, UKTI.

2.6 Helping businesses benefit from ICT is an area we expect the LEP to lead on however given the investment from the 4 principal authorities and districts like Bassetlaw we would want to influence and expect to see this build on the provision being delivered and used as match.

2.7 Wherever possible, it would be better for any demand stimulation work to coincide with the roll-out of superfast broadband.

2.8 Activities 3.1 to 3.3 are the Opt-ins. These need to be challenged and the activity should be described as the need required by D2N2 / N2 and the Opt-in programmes be used to deliver this need and used to describe the match. Generally on the Opt-ins it was agreed that the EPC needs early sight of the draft MoU and proposals. However, there is increasing doubt over whether the Opt-in bodies are going to be ready to deliver their programmes in time, or indeed at all, as their significant issues about the procurement process (they are effectively delivering programmes, and for this need to have been procured according to ERDF guidelines).

2.9 Describing the Business Growth Hub (3.4 and 3.5) as a Network with Hubs is the approach Sheffield City Region is using and has merit for consideration. The advice and services needs to reflect local need, build on what already exists and work with resources that will be available through the local authorities.

2.10 There is a D2N2 Growth Hub Steering Group on which City and County authorities are represented (Districts represented by Mansfield). This provides a route for N2 authorities to feed into the development of the Growth Hub and its geographical coverage.

2.11 Activity 3.6 is the development of incubator and grow-on space in this theme – how it would operate needs to be addressed and it is something where we would want some geographical focus to meet local need. The Leadership and Management Programme (3.7) needs to build on existing best practice such as Growth 100 but on a LEP wide basis.

2.12 Again we would have an expectation that access to finance and business support would build on existing successful programmes. There is a model for access to finance being discussed which would be cross-LEP (working on a Midlands scale). It is not yet clear how this would work, and it would also need to recognise significant skill and programmes which have been developed locally such as NTech. This is an area of significant concern – as there have currently been no funds earmarked to support business access to finance (particularly grant finance) which we know is vital to business growth. We would urge the LEP to consider what funding could be found to address this issue.

2.13 A sector approach is fundamental to the LEP strategy and N2 needs to think how best it uses this to best address the local need in the N2 area. Therefore key sector support activity for the 8 key priorities we need to consider how these also impact on the N2 geography for instance how logistics sector activity focuses on the M1 corridor and the districts this covers. Flexibility is required to be built into the implementation plan so the needs of new and other sectors addressed as they emerge or become a priority for part of the LEP area.

2.14 Low Carbon – D2N2 needs to talk with organisations working in the low carbon field locally such as Employer First.

### **Infrastructure for Economic Growth theme**

2.15 Flood mitigation measures need to engage the N2 Strategic Flood group. Also need to understand if ESIF money is required for the Derby Our City Our River project that was awarded Growth Deal funding, as this would impact on what is available for other projects.

Key activities 10 and 12 green and blue infrastructure and sustainable transport planning are areas we would want to have strong influence as these would be Combined Authority powers and we need to anticipate this development.

### **Employment, Skills and Social Inclusion theme**

2.16 We endorse the overriding aim to ensure that education and training provision reflects the needs of the employer and welcome the employer focused approach.

2.17 Our commitment at an N2 level is to simplify and integrate what is a complex and confusing pathway of support for both the employer and jobseeker. There are already well-developed local delivery models e.g. Apprenticeship Hub, Employer Hub, employability work, NEETS prevention work and provision to address youth unemployment all of which overlap with the proposed projects. Much of this activity is successful and recognised as good practice at a national level. It is important that we don't add an additional layer into this complex landscape and that resources are used to plug gaps rather than to duplicate. Where successful projects are under threat due to cessation of funding then ESIF funding should be used to ensure sustainability so that this good practice is not lost.

2.18 The specific needs of local communities and complex partnership landscapes means that in several of the programmes identified, economies of scale in delivery at D2N2 level will be lost.

2.19 The value of having a main bidder to co-ordinate, establish local need and commission the individual stands is recognised, however this will require in depth knowledge of local needs/issues, local delivery structures down to a community level and local strategies to reduce unemployment to be successful. It is unlikely that one specific organisation will have this level of knowledge and connectivity across the whole of the D2N2 area and they will have to spend a significant amount of time building these relationships.

2.20 These programmes therefore should be commissioned at a D2 and N2 level separately. To aid this process, the Employment and Skills Boards

should play a proactive role in the development of the specifications and the commissioning process and bidders should be accountable to the board for performance.

2.21 Understanding the needs of those experiencing most disadvantaged can only be done by those organisations working within the local communities. We would therefore like to see (where procurement processes allow it) prioritisation and enabling of local providers. The main bidder should also be able to demonstrate how they intend to maintain/deliver any subcontracting relationships to ensure that it does not exclude local voluntary and community sector providers.

2.22 Therefore following points of principle are suggested:

- A clear link is required between the programmes and the strategy that they are designed to deliver – not to lose the vital link between the groups the programmes are addressing and the programmes themselves;
- A sensible geographic scope is required for each programme, recognising where local delivery is vital – in most cases the assumption is made that calls will be issued at a D2N2 level. While calls and programmes may be overseen at this level, the sensible level for contract delivery needs to be considered (again particularly for the employment programmes where links to groups furthest from the labour market are clear). This may be at an EPC/CA or local authority level. This is not the same thing as requesting a geographical allocation;
- Committing to ensuring that front-line funding is maximised through limiting the amount of funding that gets absorbed by prime contractors in responding to specifications
- Committing to building on existing local programmes to avoid duplication and confusion.

### **Community Approach – Options consultation**

2.23 Under Community Led Local Development (CLLD) there is a paper with recommendations on how D2N2 approach this, prepared by One East Midlands. CLLD mirrors the LEADER approach of previous programmes which supported the development of area-based programmes in rural areas. This has been extended to cover all areas in this programme.

2.24 Areas would need to be focussed geographically, up to 150,000 in population and would involve local area groups (LAGs) which would allow up to 25% of the project's cost for administration and development support, as CLLD has a bottom-up approach to project development.

2.25 An alternative would be to focus on the development of community-based projects without using the CLLD mechanism, which would allow for a more top-down approach (but would spend less on the support costs).

2.26 Further consideration needs to be given to our preferred approach, in consultation with D2N2 officers.

## Sustainable Urban Development Strategy in Nottingham (SUD)

2.27 Advice from DCLG has been for each LEP with a Core City to present a plan to use up to 10% of ERDF in their ESIF on a SUD. Nottingham has worked with districts to develop this and DCLG are currently compiling them into a SUD Priority Axis which will form part of the national Operational Programme (OP).

2.28 We propose addressing this through a model which will develop and deliver an integrated programme of capital and infrastructure works and business support activities in specific hubs within the Core City urban area of Nottingham and surrounding districts. It will be sector-based, building on strengths in the Core City and within clusters of SMEs in the district areas. Particularly, it seeks to build an ‘incubator without walls’, focused on two major growth sectors of Clean Technology and Creative Industries – working towards the aim of a truly Creative City, sustainable economically and in resources.

### Technical Assistance (TA)

2.29 This is not currently in the Implementation Plan but we might want to suggest the addition of a section.

2.30 TA provides financial support for the development of pipelines of projects, and can be sourced at LEP and sub-LEP levels. There is likely to be a call for projects early in the programme for funding to support TA work in the LEP, local authorities and sectoral groups.

2.31 We need to be clear how we can access TA to support capacity in local authorities for project pipeline development, technical advice on issues such as procurement, state aid, etc. and working with DCLG and the European Commission on our involvement with the European Urban Development Network (part of the SUD arrangement). This can also facilitate access to other EU funding streams outside ESIF (e.g. URBACT).

### Process and next steps

ACTION	DATE	OWNER
Process reported to LEP Board: ESIF Programme Board established.	11 <sup>th</sup> September	MW
SIGN OFF CONSULTATION DOCUMENT FOR ISSUE	12 <sup>th</sup> September	DR
Consultation document issued with to Advisory Network and posted on web-site. Emailed to consultation list. Tweet and LinkedIn group.	22 <sup>nd</sup> September	MW / SR
Consultation Document and spreadsheet shared with CLG as indicative D2N2 approach,	22 <sup>nd</sup> September	MW
D2N2 Business Group hear update and consider Social Inclusion Framework	12 <sup>th</sup> September	PR / DR / MW
Skills Commission consider Consultation Document	23 <sup>rd</sup> September	KW
N2 Joint Committee consider Consultation Document	26 <sup>th</sup> September	CH / ML



Vol Sector / equalities meetings?	TBC	RQ
Other third party events	12 <sup>th</sup> Sept – 8 <sup>th</sup> Oct	
CONSULTATION CLOSES	13 <sup>th</sup> October	
ESIF Group considers	Early – mid Oct	MW
SIGN OFF OF FINAL IMPLEMENTATION PLAN PRE EPB	BY 22 <sup>nd</sup> Oct	
Reported to LEP Board and ESIF Programme Board for sign off	29 <sup>th</sup> Oct – Papers out 22 <sup>nd</sup> October	MW
Submitted to Government	End Oct	MW
Detailed tender specifications drawn up	Oct / Nov	RK, LA, KW
Consultation with Advisory Network	Nov Dec	RK, LA, KW etc
Tender Specs approved by Programme Board	Jan	RK, LA, KW etc
ITTs / Open Call issued	Jan onwards	CLG

## Conclusion

2.32 While the LIP is currently in consultation, it is important that N2's views are set out clearly in order to achieve the outcomes which benefit our citizens and businesses. Views are welcome on the issues set out above.

### 3 **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

3.1 None.

### 4 **FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

4.1 D2N2's LIP will support decision making on the allocation of D2N2's EUSIF allocation.

### 5 **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

5.1 None.

### 6 **SOCIAL VALUE CONSIDERATIONS**

6.1 The projects the ESIF funding will support will help to unlock local jobs for local people as well as provide funding for regeneration projects across N2 communities.

### 7 **EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)



- (b) No
- (c) Yes – Equality Impact Assessment attached



Due regard should be given to the equality implications identified in any attached EIA.

**8 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

None.

**9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

None.

**10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

**Economic Development Officers  
N2 Local Authorities**