



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

Date: Friday, 25 July 2014

Time: 11.00 am

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham,
NG2 3NG

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

**Glen O'Connell, Director of Legal and Democratic Services, Nottingham City Council
Secretary**

Constitutional Services Officer: Rav Kalsi, Constitutional Services Officer
Direct Dial: 0115 8763759

AGENDA

Pages

- | | | |
|----------|--|---------|
| 1 | APOLOGIES FOR ABSENCE | |
| 2 | DECLARATIONS OF INTERESTS | |
| 3 | MINUTES
Last meeting held on 20 June 2014 for confirmation | 3 - 8 |
| 4 | ECONOMIC PROSPERITY COMMITTEE - SCRUTINY
Report of the Director of Legal and Democratic Services, Nottingham
City Council | 9 - 12 |
| 5 | GROWTH DEAL OUTCOME
Ian Curryer, Chief Executive, Nottingham City Council
David Ralph, Chief Executive, D2N2 | 13 - 28 |

- 6 EU FUNDING ARRANGEMENTS**
- a EUROPEAN STRUCTURAL INVESTMENT FUNDS: ANNUAL IMPLEMENTATION PLAN** 29 - 44
Chris Henning, Director of Economic Development, Nottingham City Council and Matt Lockley, Economic Development Team Manager, Nottinghamshire County Council
- b NOTTINGHAM SUSTAINABLE URBAN DEVELOPMENT PLAN** 45 - 48
For information only
- c LEADER RURAL DEVELOPMENT PROGRAMMES 2014 - 20** 49 - 52
Matt Lockley, Economic Development Team Manager, Nottinghamshire County Council
- 7 N2 STRATEGY**
Presentation by Andrew Muter, Chief Executive, Newark and Sherwood District Council
- 8 MANAGING THE BUSINESS OF THE ECONOMIC PROSPERITY COMMITTEE** 53 - 60
John Robinson, Chief Executive, Gedling Borough Council
- 9 BROADBAND - D2N2 GROWTH DEAL** 61 - 64
Matt Lockley, Economic Development Team Manager at Nottinghamshire County Council

PLEASE NOTE THAT THERE IS A PRE-MEETING FOR LEADERS AND CHIEF EXECUTIVES AT 9.30 AM ON 25 JULY 2014 IN THE GROUND FLOOR COMMITTEE ROOM AT LOXLEY HOUSE, NOTTINGHAM CITY COUNCIL

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE CONSTITUTIONAL SERVICES 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

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 Schrodell | - Policy Officer, Nottingham City Council |

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 significant 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.

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC
PROSPERITY COMMITTEE – 25 JULY 2014**

Subject:	Economic Prosperity Committee – Scrutiny		
Presenting authority / representative):	Glen O’Connell, Secretary to the Committee and Director, Legal and Democratic Services, Nottingham City Council		
Report author and contact details:	Glen O’Connell, Director, Legal and Democratic Services, Nottingham City Council Glen.oconnell@nottinghamcity.gov.uk		
Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Value of decision: Not applicable			<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Authorities affected: All	Date of consultation with relevant authorities: 20/06/2014		
Summary of issues (including benefits to citizens/constituent authorities):			
This report clarifies the Committee’s protocol for the operation of Overview and Scrutiny arrangements for the work of the Committee.			
Exempt information: None			
Recommendation(s):			
1 To note the protocol for scrutiny arrangements, as detailed in Appendix 1 to the report.			

1 REASONS FOR RECOMMENDATIONS

1.1 The Committee’s Constitution, (its terms of reference, membership and procedures), which has been approved by all the constituent authorities was presented at the first meeting of EPC for information only in February 2014. Amendments can be made to the Constitution other than by resolution of the constituent authorities however, this report identifies an aspect of the Committee’s constitutional arrangements which require clarification i.e. scrutiny arrangements.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 Key Decisions

2.2 The Constitution envisages the taking of key decisions by the Committee and in drafting the terms of reference, there was a presumption that the key decision levels which would apply would be those of Nottingham City Council both as host authority and as the largest authority exercising executive governance arrangements with key decision levels most applicable to the scale of the projects likely to be the subject of consideration by this Committee. In February, 2014 Committee was asked to note, that a key decision would be one which would be likely:

a) to result in the Constituent authorities, either jointly or severally, incurring expenditure or making income or savings of £1,000,000 or more revenue, taking account of the overall impact of the decisions; or £1,000,000 or more capital; or

(b) to be significant in terms of its effects on communities living or working in an area consisting of two or more wards or electoral divisions that fall within the boundaries of any of the constituent authorities of the committee.

2.3 Scrutiny

2.4 Rather than pursue unanimous agreement of all councils to changes to the constitution of the Committee, 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 and to liaise appropriately in respect of their overview and scrutiny functions to facilitate this outcome.

2.5 In the event that an executive decision of the Committee is called-in, the procedure detailed in Appendix 1 would be required to efficiently manage the call-in process, particularly ensuring that unnecessary duplication of scrutiny of decisions was avoided across constituent authorities.

3 **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

None. For the efficient and transparent conduct of the Committee's business clarity is required about call-in arrangements.

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

None.

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

The protocol detailed in Appendix 1 is informal and is not intended to be legally binding but also recognises that, if it is not followed, formal changes to the constitution of the Committee may be required.

6 **SOCIAL VALUE CONSIDERATIONS**

Not applicable.

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

Report to Nottingham City Council's Executive Board dated 21 January 2014 - Establishment of the City of Nottingham and Nottinghamshire Economic Prosperity Committee.

Report to Economic Prosperity Committee dated 21 February 2014 - Constitution (Terms of Reference, Membership and Procedures).

10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

None

**THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE
ECONOMIC PROSPERITY COMMITTEE (“THE COMMITTEE”)
PROTOCOL FOR THE OPERATION OF OVERVIEW AND SCRUTINY
ARRANGEMENTS FOR THE WORK OF THE COMMITTEE**

- 1 Nottingham City Council and all Councils in Nottinghamshire are members of the Committee.
- 2 As the Committee involves several member-Councils with executive governance arrangements, and is, itself, capable of taking executive decisions, it requires overview and scrutiny arrangements.
- 3 The formal constitutional arrangements for the Committee apply the overview and scrutiny arrangements of each Council (where they have them) to the work and decisions of the committee as they affect each Council’s area.
- 4 Concern has been expressed that these arrangements could have the effect of delaying the implementation of the Committee’s decisions.
- 5 To formally accommodate this concern would require unanimous agreement of all Councils to changes to the constitution of the Committee.
- 6 Rather than pursue this now, the Councils have agreed to only apply their call-in procedures in relation to decisions of the Committee if more than one Council decides to do so, and to liaise appropriately in respect of their overview and scrutiny functions to facilitate this outcome.
- 7 The Councils acknowledge that this protocol is informal and is not intended to be legally binding but also recognise that, if it is not followed, formal changes to the constitution of the Committee may be required.

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC
PROSPERITY COMMITTEE – 25 JULY 2014**

Subject:	D2N2's Local Growth Deal - Outcomes		
Presenting authority / representative):	Ian Curryer, Chief Executive, Nottingham City Council		
Report author and contact details:	David Ralph, Chief Executive, D2N2 David.ralph@d2n2lep.org		
Key Decision: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Value of decision: Nil	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Authorities affected: All	Date of consultation with relevant authorities: N/A		
Summary of issues (including benefits to citizens/constituent authorities):			
<p>a) Government announced the results of the Local Growth Deals negotiations on Monday 7 July.</p> <p>b) This paper updates the EPC with the outcomes from D2N2's Local Growth Deal including the worth of Local Growth Fund money that the D2N2 area will benefit from beginning in April 2015.</p>			
Exempt information: None.			
Recommendation(s):			
<p>a) That the Economic Prosperity Committee notes the update below and reviews its priority projects set out in the D2N2 Strategic Economic Plan head of possible future LGF bidding rounds.</p>			

1 REASONS FOR RECOMMENDATIONS

1.1 N2's Economic Prosperity Committee forms a key pillar of D2N2's governance and will be keen to better understand the outcomes of D2N2's Growth Deal, and the implications for the funding of projects by the Local Growth Fund.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1.1 The D2N2 Strategic Economic Plan was published at the end of March 2014 and Local Growth Deals were announced across all LEPs on 7th July 2014 and is attached as an Appendix.

2.1.2 As well as a funding allocation (£174.4m from 2015/16 -2021), the Deal sets out the framework for a series of freedoms and flexibilities to be negotiated with Government departments over the next few months.

2.2 Local Growth Fund is a capital programme and the key projects directly relevant to Nottingham and Nottinghamshire are:

- **Southern Growth Corridor (£6.12m)** (Nottingham City Council) – Bus priority measures (East-West across city centre)
- **Gedling Access Road (£10.8m)** (Nottinghamshire County Council) – Regeneration route
- **A57/A60 Worksop (£3.24m)** (Nottinghamshire County Council) – Major junction improvement
- **Bioscience Expansion, Nottingham (£6.5m)** - expansion of floor space next to Biocity to accommodate business growth and allow space for new start-ups.
- **Nottingham Skills Hub (£30m)** - project to integrate FE provision and employment opportunities across the city to meet the demands of business. It will provide a new College building in the heart of Nottingham's Creative Quarter, with employment sites in communities, which will complement existing Work Programme, Youth Contract, Employer and Apprenticeship Hubs.
- **Nottingham Broadmarsh / Southern Gateway (£10.3m)** - transport strategy to allow expansion of the southern side of city centre, including transformation of Broadmarsh shopping centre and improved connection to station.
- **Newark Southern Link Road (£7m)** - a new single carriageway road linking the A1 and A46 on the south side of Newark, serving a major urban extension on south side of Newark.
- **Vision University Centre, Mansfield (£2.61m)** - The Vision University Centre will create a new teaching and learning space with state of the art facilities to support local people gain higher level vocational skills. Creating opportunities to access higher level skills locally will support increased progression among young people and ensure employers can access the higher level skills they need.
- **Harworth Access Road (£1.1m)** - junction improvements to enable employment and housing development at Harworth.
- **D2N2 Sustainable Travel programme (£12.5m)** - the Cycle City Ambition Package in Nottingham, the Connected and Cycle City and City Centre Place making projects in Derby.

Provisional allocation to projects starting in 2016/17 and beyond (amount of total Government funding):

- **DfT Pipeline Nottingham Enterprise Zone (£6m)** - The Nottingham Enterprise Zone is a top Growth Plan priority. An integrated sustainable transport package is proposed comprising Improved pedestrian routes; New bridge over railway; Upgraded bridge over canal; Upgraded cycle links; Bus infrastructure; Cycling facilities package; and Green infrastructure.

- **Hucknall, Rolls Royce (£5.8m)** - Mixed-use employment and housing development with associated community, educational, health facilities and green space bringing transformational economic change to the Hucknall and wider Nottinghamshire area.
- **D2N2 Sustainable Travel programme (£5.8m)** – Further projects to support sustainable travel across Derbyshire and Nottinghamshire

Government also confirmed support to:

- **D2N2 Growth Hub** - Provide £525,000 funding towards a D2N2 Growth Hub to simplify business support and create a seamless customer experience for businesses
- **Superfast Broadband** - Provide flexibility for D2N2 to re-allocate underspends to enhance delivery of broadband projects to ensure superfast broadband is delivered

2.3 In addition the Sheffield City Region secured additional funding for Harworth/Bircotes infrastructure works and provisional allocations for Worksop and Vesuvius schemes.

3 OTHER CONSIDERATIONS IN MAKING RECOMMENDATIONS

3.1 The Growth Deal demonstrates little actual devolvement of powers. The Government narrative still considers LEP Governance to be fragmented and therefore requires ongoing sign-off of projects through an agreed assurance framework; virements between projects are not allowed and ongoing quarterly monitoring will be required.

3.2 Delivery of these often large capital projects will be a real challenge particularly if we are to put in place effective local procurement etc.

3.3 Moreover, although the Government has supported delivery of Broadband, this will be covered through under spends should they arise.

3.4 There are expected to be further rounds of Local Growth Funding and there may be opportunities to accelerate delivery if under spends occur elsewhere.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 The projects are worth a total of £90-£100m of LGF funding to the N2 area over the next 5-6 years.

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

5.1 Not applicable.

6 SOCIAL VALUE CONSIDERATIONS

6.1 Not applicable.

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)

8.1 N/A.

9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

9.1 D2N2's Local Growth Deal as published by Government on 7th July 2014

10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

N/A

D2N2 GROWTH DEAL

The D2N2 Growth Deal will build on the area's clear strengths by investing in a number of major projects in the LEP's priority sectors - including advanced transport engineering and life sciences. The D2N2 LEP brings together the core city of Nottingham and the key city of Derby with the counties of Nottinghamshire and Derbyshire – home to vibrant market towns and large numbers of businesses. This Growth Deal offers opportunities to both cities and counties, with a range of projects to support growth covering priorities including transport, skills, flooding and innovation.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding, as well as opening discussions on a range of new freedoms and flexibilities focused on skills and employability and rural business growth which is based around 3 priority areas:

- Enabling innovation-led growth
- Enhance transport, employment sites and housing
- A D2N2 Skills Deal

D2N2 has secured **£174.3m from the Government's Local Growth Fund to support economic growth in the area – with £31.6m of new funding confirmed for 2015/16 and £69.5m for 2016/17 to 2021.** This includes:

- As part of the Government's ongoing commitment to D2N2, an indicative award of a further £30.4m of funding for projects starting in 2016 and beyond; and
- £42.8m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will bring forward at least £380m of additional investment from local partners and the private sector. **Combined together this will create a total new investment package of £554.3m for the D2N2 area.**

By 2021, this Deal will deliver at least 18,000 jobs, allow 8,000 homes to be built and support over 147,000 learners.

The D2N2 LEP brings together: Nottingham City Council; Nottinghamshire County Council; the seven Nottinghamshire district Councils; Derby City Council, Derbyshire County Council and the eight Derbyshire district councils, with local businesses, universities, colleges and business membership groups.

Summary of D2N2 Growth Deal projects and funding

This Growth Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund, gives local partners the backing to focus on local priorities.

D2N2 LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	31.6	69.5	101.1
Previously committed funding	15.8	27.0	42.8
Provisional allocation to projects starting in 2016/17 and beyond	-	30.4	30.4
Total	45.4	127.0	174.3

The table above includes the provision of £2m loan funding (subject to due diligence) to Commercial Estates Projects Ltd to accelerate the delivery of 430 homes on the Penniment Farm, Mansfield site,

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros.

Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

D2N2 and Central Government have agreed to co-invest in the following jointly-agreed priorities:

- **Infinity Park, Derby** – Developing this important employment site through site access and remediation including flood alleviation. This investment will support the competitiveness of the local supply chain through local sustainable transport measures. It will also improve access to the local labour market
- **Bioscience Expansion, Nottingham** – expansion of floorspace next to Biocity to accommodate growing firms and allow space for new start-ups
- **Nottingham Skills Hub** – project to integrate FE provision and employment opportunities across the city to meet the demands of business. It will provide a new College building in the heart of Nottingham's Creative Quarter, with employment sites in communities, which will complement existing Work Programme, Youth Contract, Employer and Apprenticeship Hubs
- **Nottingham Broadmarsh / Southern Gateway** – transport strategy to allow expansion of the southern side of city centre, including transformation of Broadmarsh shopping centre and improved connection to station
- **Newark Southern Link Road** – a new single carriageway road linking the A1 and A46 on the south side of Newark, serving a major urban extension on south side of Newark
- **Chesterfield Centre for Higher Level Skills** – the new Centre for Higher Level skills will deliver a huge change in higher level skills opportunities and support the economic growth of businesses and the workforce in Chesterfield and North East Derbyshire
- **Vision University Centre, Mansfield** – The Vision University Centre will create a new teaching and learning space with state of the art facilities to support local people gain higher level vocational skills. Creating opportunities to access higher level skills locally will support increased progression among young people and ensure employers can access the higher level skills they need
- **Harworth access road** – junction improvements to enable employment and housing development at Harworth
- **D2N2 Sustainable Travel programme** – the Cycle City Ambition Package in Nottingham, the Connected and Cycle City and City Centre Placemaking projects in Derby, all of which will improve links for cyclists, pedestrians and other within D2N2's urban areas
- **Our City Our River, Derby** – a Strategic Flood Defence scheme, complemented by a further Super Connectivity Cycle route, to unlock development along the Derwent in Derby.

Local flexibility over Growth Deal programme: The Government recognises the significant steps that the D2N2 have taken to deliver a successful and achievable Local Growth Deal and that the programme agreed in this Growth Deal represents a step up in the ambition of, and therefore expectations on, the LEP. The LEP will be expected to deliver all the projects in the Deal document and to achieve this the Government will disburse funds to the LEP quarterly in advance – with any changes to projects agreed each quarter. The Cities & Local Growth Unit will work closely with the LEP to resolve any outstanding concerns that will allow D2N2 to achieve increased flexibility ahead of the first payments in April 2015.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process, and be guided by local plans taking into account all material considerations.

D2N2 LEP and Central Government view this deal as the first step in a multi-year process that will enable the LEP to secure further funding allocations in future years. As part of this process, additional projects will be considered for funding. This includes but is not limited to LEP priority projects such as the D2N2 sustainable transport programme where we have been able to make an initial commitment to begin the programme.

The D2N2 Growth Deal

The D2N2 Growth Deal focuses on three key elements of the local economy:

Enable innovation-led growth: The Deal will provide investment in some of Derby and Nottingham’s most important economic areas, to create space for more of the area’s most creative and innovative businesses. In Nottingham’s renowned Creative Quarter, the Deal will improve local infrastructure, building on the work of the Nottingham City Deal. BioCity, one of Europe’s most successful biotech incubators, will undergo a major expansion, allowing its most successful companies to expand while creating space for new start-ups to emerge in their place.

In Derby, the Deal includes a flagship £13m investment in Infinity Park, which will bring allow Derby’s hugely successful manufacturing industry to grow even further. Infinity Park will build on Derby’s position as one of the UK’s key centres of advanced manufacturing, and help the city to attract suppliers to the likes of Rolls-Royce, Bombardier and Toyota.

Government will work with the LEP to extend the Enterprise Zone from Nottingham to Derby, offering more opportunity for business growth. In addition, Nottingham University will be the site of one of four pilot University Enterprise Zones, with Government investing £2.6m in the site. Government will invest in the Nottingham Enterprise Zone sustainable transport package, to link the enterprise zone to the Nottingham tram extension.

To ensure that businesses across Derbyshire and Nottinghamshire feel the benefits of these investments, the Deal will also greatly expand D2N2’s Growth Hub, bringing simpler, more effective support and advice to businesses across the area. In addition, to support the delivery of broadband across the area, funding will be committed to a broadband programme. The Deal will also boost small and medium enterprises (SMEs) take up of broadband vouchers under the Superconnected Cities programme in Derby.

D2N2 LEP commitments	Central Government commitments
<ul style="list-style-type: none"> Secure £196m of investment in Infinity Park. Secure £19m of investment in BioCity. 	<ul style="list-style-type: none"> Invest £13.7m (£4.5m in 2015/16) in Infinity Park subject to DfT business scrutiny prior to delivery Invest £6.5m (£5.5m in 2015/16) in expanding BioCity
<p>Enterprise Zones</p> <ul style="list-style-type: none"> Develop a robust business case for extending their Enterprise Zone into Infinity Park in Derby. Steer delivery of the University Enterprise Zones (UEZ) within the context of the Strategic Economic Plan as agreed with the Department of Business, Innovation and Skills (BIS) as part of enhancing Higher Education (HE)/ business interaction in the area. 	<p>Enterprise Zones</p> <ul style="list-style-type: none"> Work with D2N2 LEP on their plans to extend the existing D2N2 (Nottingham) Enterprise Zone into Infinity Park Derby to accelerate growth. Details of this extension will be discussed over the coming months. Provide £2.6m contribution to support delivery of a UEZ.
<p>Growth Hubs</p> <ul style="list-style-type: none"> Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time Provide £225k of public and private funding in 2015/16 to support the delivery of the local 	<p>Growth Hubs</p> <ul style="list-style-type: none"> Provide £525k funding to the LEP for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services. A named contact in the Department for Environment, Food and Rural Affairs (Defra) will facilitate engagement with D2N2 LEP to help them build on the experiences of the pilot Rural Growth Networks to develop their own proposals for

<p>growth hub.</p>	<p>locally tailored support for rural businesses, as well as helping them identify possible sources of funding or other support mechanisms, including the use of European funds</p> <ul style="list-style-type: none"> • UK Trade and Investment (UKTI) will commit to effectively communicating its strategic priorities to LEPs and wherever possible to access relevant opportunities. UKTI will double the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment. • The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs they can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.
<p>Broadband</p> <ul style="list-style-type: none"> • To support extension of superfast broadband coverage to UK premises by 2016, via existing broadband projects, D2N2 LEP will commit to work with local partners and BT to support delivery. • To support extension of superfast broadband coverage to 95% of UK premises by 2017, D2N2 LEP will also work with local partners to help ensure match funding is in place for the next round of projects. • D2N2 will invest £9.64m into the broadband projects. • D2N2 will prioritise any underspends in 2015/16 to support up to £4.8m further investment in this programme • LEP and Derby City Council will commit to boosting SME voucher take-up as part of the Superconnected Cities Programme. To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, D2N2 LEP will commit to work with local partners and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, D2N2 LEP will also work with local partners to help ensure match funding is in place for the next round of projects. 	<p>Broadband</p> <ul style="list-style-type: none"> • Provide the flexibility for D2N2 LEP to re-allocate underspends on other projects in 2015/16 to enhance delivery of the D2N2 broadband projects (4.8m), retaining the overall allocation to project which have slipped. • If there are no underspends of Local Growth Fund (LGF) in 2015/16 to support the investment, Government will provide further funding up to that level (4.8m) to ensure that the additional superfast broadband is delivered.

Enhance transport, employment sites and housing: The Deal will inject significant investments into key infrastructure projects across Derbyshire and Nottinghamshire. Worth £32.25m in total, these investments will improve cycling and sustainable transport links, upgrade critical sections of the road network and alleviate flood risks across the area. As well as making it easier for people to get around, these investments will clear the way for some key employment and housing sites, creating jobs and 7000 homes. In addition, Government will make available £10m of Public Works Loan Board finance as a loan to the LEP at a discount rate.

Derby and Nottingham will get substantial sustainable transport packages, with a particular emphasis on making it easier for people to cycle around the cities. The major Our City, Our River project in Derby will help to unlock high quality development and manage flood risks along the Derwent. A £10.3m investment in Nottingham’s Broadmarsh district will help to complete the regeneration of the southern entrance to the city.

Meanwhile, the Deal will also bring a Southern Link Road in Newark, helping to alleviate congestion and provide new employment opportunities. The Harworth Access Road will also help to create jobs in Harworth and Bircotes, in conjunction with Sheffield City Region LEP.

D2N2 LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Secure £93m of investment in the Our City, Our River project • Secure £152.6m of investment in the Broadmarsh regeneration area • Contribute £19.3m to the Newark Southern Link Road • Contribute to the Harworth £1m Access Road • Invest £3.28m in the Nottingham Cycle City Ambition Package • Invest £15m in Derby Cycle City and Derby Vibrant City Placemaking • Confirm the indicative borrowing profile and other projects to be funded with the PWLB loan with Government. 	<ul style="list-style-type: none"> • Invest £12m (£2m in 2015/16) in Our City, Our River • Invest £10.3 (£3m in 2015/16) in Nottingham Broadmarsh • Invest £7m (£1m in 2015/16) in the Newark Southern Link Road subject to Highways Agency confirmation of at least medium VfM • Invest £1.1m (£0.6m in 2015/16) in the Harworth Access Road • Invest £6.1m (£3m in 2015/16) in the Nottingham Cycle City Ambition Packag • Invest £6.4m (£1.1m in 2015/16) in Derby Cycle City and Derby Vibrant City Placemaking subject to DfT scrutiny of business case prior to delivery • Confirms that a total of up to £10m will be made available to D2N2 in 15/16 at the new Public Works Loan Board (PWLB) project rate discount of 40 basis points below the standard PWLB rate. This will support strategic infrastructure investment, including in the Enterprise Zone, which forms part of the overall Growth Deal package. D2N2 will confirm the rest of the package that will be supported by this investment and an indicative borrowing profile with HM Treasury • The Homes and Communities Agency (HCA) will work with the LEP, local authorities and other partners - as far as possible and within programme criteria - on an ‘Accelerated Development’ programme of strategic site development where HCA, local authorities & LEP will aim to align or integrate land and funding initiatives (i.e. Growing Places Fund (GPF), Local Growth Fund (LGF), Local Infrastructure Fund (LIF), rural initiatives) to support housing and commercial development.

<p>Provisional allocations to projects starting in 16/17 and beyond</p> <ul style="list-style-type: none"> • Invest £3.2m in the A61 corridor, Chesterfield • Contribute £2m to the Enterprise Zone Sustainable Transport package • Contribute 14.6m to Rolls Royce Hucknall • Invest £6.19m in the Sustainable travel programme 	<p>Provisional allocations to projects starting in 16/17 and beyond</p> <ul style="list-style-type: none"> • Invest £12.8m in the A61 corridor, Chesterfield. • Invest £6m in the Enterprise Zone sustainable transport package. • Invest £5.8m in Rolls Royce Hucknall • Invest £5.8m in further elements of the D2N2 Sustainable Travel Programme
	<p>High Speed Rail 2 (HS2)</p> <ul style="list-style-type: none"> • The Government recognises the commitment, enthusiasm and proposals set out in the D2N2 SEP for maximising the economic benefits of High Speed Rail 2 (HS2). • In the published consultation on HS2, the route for Phase Two included stations at Leeds, Manchester Airport, Manchester City Centre, Sheffield Meadowhall, and Toton. Department for Transport (DfT) and HS2 Ltd are considering the responses to the consultation, along with Sir David Higgins' recommendation to accelerate the benefits of HS2 to the Midlands and the North by extending the line to Crewe. Ahead of the Secretary of State for Transport announcing the outcome of that consultation, Growth Deal support will focus on Phase One locations. • Through Growth Deals, Government has established a package of support which will be provided to all HS2 station LEPs once the route is announced. Government commits to working with and supporting Phase Two LEPs to develop their HS2 Growth Strategies once the final decision on Phase Two is published. This will include the development of detailed proposals which LEPs can put forward for financial or other support through future Growth Deals. In the meantime, D2N2 will work with Phase One LEPs and Government officials to co-design an approach to developing and delivering HS2 Growth Strategies.
<ul style="list-style-type: none"> • The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans. The LEP should commit to supporting the 17 local planning authorities in its area to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their local plans in accordance with the timetable submitted as part of the LEP monitoring framework. 	
<p>Transport freedoms and flexibilities</p> <ul style="list-style-type: none"> • The LEP and partners agree to the Local Enterprise Partnership to take a more 	<p>Transport freedoms and flexibilities</p> <ul style="list-style-type: none"> • The Department for Transport and Network Rail commit to more proactive engagement of the Local Enterprise

<p>proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities.</p> <ul style="list-style-type: none"> The LEP and partners agree to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities 	<p>Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders.</p> <ul style="list-style-type: none"> The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described over. The Department for Transport commits to working with D2N2 and the Greater Lincolnshire Local Enterprise Partnership and partners to help achieve the objective of increased service frequency between Lincoln and Nottingham via Newark. If local funding is provided to operate incremental rail services for three years and services prove successful, the Department for Transport commits to considering funding service levels thereafter.
--	---

The D2N2 Skills Deal: Besides investing in Derbyshire and Nottinghamshire’s physical infrastructure, the Deal will also invest heavily in local people. Raising skill levels is a priority for the area, and the Deal will greatly improve the quality of Further Education (FE) colleges available to provide those skills.

In Nottingham, the flagship £30m Integrated Skills Hub will provide a new, single place where people can get all of their learning needs met. By bringing together colleges and training providers in one place, this investment will increase the range of options on offer and help more people improve their career prospects. It will also help to transform south central Nottingham. The LEP will continue to work with the Skills Funding Agency (SFA) and Government to secure suitable flexibilities to build on the substantial skills capital investment announced in this Deal.

Meanwhile, the deal will also provide new opportunities in Chesterfield, where a Centre for Higher Level Skills will improve the quality of qualifications on offer to learners. In Mansfield, the Vision University Centre will help to provide more high level training.

The Deal also focuses heavily on social inclusion by supporting the important Rebalancing the Outer Estates project in Nottingham North. This project will develop a wide range of new solutions to tackle problems of worklessness, isolation and family breakdown in estates on the edge of cities. The project will get local businesses more involved in college education, and will look at how local and national resources can be spent more effectively to help more people into work.

D2N2 LEP commitments	Central Government commitments
<p>Skills capital</p> <ul style="list-style-type: none"> • Create an Integrated Further Education Hub, securing £30m of investment, • Secure £3.4825m to deliver the Chesterfield Centre for Higher Level Skills • Secure £5.227m for Vision University Centre Mansfield 	<p>Skills capital</p> <ul style="list-style-type: none"> • Invest £30m (£5m in 2015/16) in the Integrated Nottingham Skills Hub • Invest £3.5m (£1.4m in 2015/16) in the Chesterfield Centre for Higher Level Skills • Invest £2.6m (all in 2015/16) in the Vision University Centre, Mansfield
<p>Careers and support for learners</p> <ul style="list-style-type: none"> • Facilitate stronger linkage between education providers and local businesses. We will also work with relevant local stakeholders to communicate our priorities and align our offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service • Work with Government and other partners to co-design, test ideas and learn from the disadvantaged learners pilot 	<p>Careers and support for learners</p> <ul style="list-style-type: none"> • Work with D2N2 to help ensure that local employer priorities are fed into the operations of the new NCS providers in D2N2 • Support D2N2 LEP in developing a targeted local (ward level or lower) pilot focused on addressing skills challenges faced by disadvantaged learners with multiple barriers to employment and, subject to agreement on proposals, make funding and flexibilities available within the Adult Skills Budget. Pilots will consider how local partners can work together to improve outcomes
<p>Rebalancing the Outer Estates</p> <ul style="list-style-type: none"> • Develop the "Rebalancing the Outer Estates" project, an evidence-based programme of interventions and flexibilities beginning in Nottingham North. This programme will get more people into work, raise education and skill levels, and map then make better use of local assets and spending <ul style="list-style-type: none"> ○ The Rebalancing project will provide lessons, data and evidence which can be applied to other urban areas. D2N2 will commit to supporting other areas to develop similar programmes. ○ The project will bring together a broad 	<p>Rebalancing the Outer Estates</p> <ul style="list-style-type: none"> • Cabinet Office, DCLG, DWP and BIS commit to working with D2N2 where appropriate to develop strong proposals and flexibilities for Rebalancing the Outer Estates and to helping to put these proposals into action where there is a strong case for doing so <ul style="list-style-type: none"> ○ Government will provide seed funding where appropriate to support the development of the Rebalancing project ○ Government will provide advice and access to expertise to help the Rebalancing project develop strong, appropriate proposals ○ Government will work with D2N2, the project and the

<p>local partnership, including the LEP, Nottingham City Council, social enterprises and voluntary and community sector organisation, businesses, New College Nottingham, community groups and others to work on Rebalancing Nottingham North</p> <ul style="list-style-type: none"> ○ Local partners will put resources and funding into the Rebalancing project wherever possible 	<p>What Works network to evaluate programmes effectively and maximise the useful evidence available to take workable ideas to scale</p>
<p>NEETs</p> <ul style="list-style-type: none"> ● The Government expects D2N2 LEP to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value. 	<p>NEETs</p> <ul style="list-style-type: none"> ● This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment the Deputy Prime Minister launched the Youth Contract for Cities in November 2013 providing local areas with devolved funding to boost employment opportunities for young people. As part of this, Nottingham was awarded £3m from the Government to develop its youth employment programme, including through the extension of the Joint Integrated Employer and Apprenticeship Hub. Alongside this Growth Deal, the Government expects Nottingham to deliver against its commitments towards youth employment.
<p>Working with the Skills Funding Agency</p> <ul style="list-style-type: none"> ● The LEP will consider skills implications as part of decision taking on growth strategies. ● The LEP will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector ● The LEP will positively engage the FE and skills sector in key strategic partnerships e.g. Skills and Employment Boards ● The LEP will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment 	<p>Working with the Skills Funding Agency</p> <ul style="list-style-type: none"> ● Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> ○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment ○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery. ○ Allocations and Intervention: In future year's providers' records in delivering to LEP requirements will be taken

into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years

- Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery.
- Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.

As part of the deal, the LEP will:

- **Strengthen governance** through a thorough review of how effective and efficient the current local government support and partnerships are and by ensuring that all Local Authorities work together to strengthen local partnerships and deliver strategic planning priorities.
- **Ensure implementation and demonstrate success**, by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC
PROSPERITY COMMITTEE – 25 JULY 2014**

Subject:	European Structural investment Funds: Annual Implementation Plan		
Presenting authority / representative):	Nottingham City Council / Nottinghamshire County Council		
Report author and contact details:	Chris Henning, Director of Economic Development, Nottingham City Council chris.henning@nottinghamcity.gov.uk Matt Lockley, Economic Development Team Manager, Nottinghamshire County Council matthew.lockley@nottscc.gov.uk		
Key Decision: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Value of decision: £Nil	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Authorities affected: All	Date of consultation with relevant authorities: 13.07.14 (Chief Executives)		
Summary of issues (including benefits to citizens/constituent authorities):			
<p>a) The need for N2 officers and LEP Board members to continue to shape the framework programme which is being developed at D2N2-level</p> <p>b) The process for identifying N2 priority projects for funding within this framework</p> <p>c) The identification of programmes within that framework which N2 believes could be commissioned at N2 rather than D2N2 level</p> <p>d) An early outline of the on-going role that N2 should play in relation to the delivery of the framework.</p>			
Exempt information:			
None			
Recommendation(s):			
<p>a) Agree the establishment of an officer sub-group of the EPC to draw up recommendations on the ESIF implementation plan for the EPC for sign off by written procedures before 11th September D2N2 Board. D2N2 Board Members to present this at the Board as Nottingham and Nottinghamshire position on 11th September. Officer sub-group then 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.</p> <p>b) Agree liaison (via LEPOG) with D2N2 to ensure a clear understanding of critical success factors to give projects the greatest chance of success.</p> <p>c) 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.</p> <p>d) 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.</p> <p>e) Agree that EPC (through 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.</p>			

1 REASONS FOR RECOMMENDATIONS

1.1 The timetable within the D2N2 paper (Appendix A) sets out that the Annual Implementation Plan needs to be submitted to Government at the end of October. However, N2 will need to be in a position to both shape and respond to a consultation document which D2N2 issues in mid-late July. The EPC meetings in July and September are therefore important staging posts.

The D2N2 LEP Board will consider the draft Implementation plan at its meeting on 11 September. The LEP will be consulting on the draft during August; however there is not a scheduled meeting of the EPC during this period. It is important that N2 respond collectively to this consultation and we recommend that an Officer's group meets to consider the draft and make recommendations to the EPC through written procedures. We would then recommend the view of the EPC is represented by the EPC D2N2 Board members at the meeting on 11 September.

1.2 **The 'Key Activities by Theme'** – N2 Council officers have been involved (through LEPOG and theme-related groups) in the development of the headline activities under 5 themes:

- Innovation
- Business support and access to finance
- Economic infrastructure
- Skills, employment and social inclusion
- Community-led local development

Theme	Nature of activity	ESIF funding per activity (D2N2)	ESIF funding per theme (D2N2)
Innovation	Smart specialisation collaborative research	6,269,860	20,899,532
	Commercialisation of new products and business processes	6,269,860	
	Investment in the development of innovation space and facilities	8,359,813	
Business Support and Access to Finance	Helping businesses benefit from ICT	11,189,766	74,228,020
	Helping business through growth strategies, incubation space	33,417,561	
	Key sector support targeted at the six priority sectors	7,158,578	
	Possible access to finance for SMEs	0	
	Support low carbon markets and technologies	9,937,044	
	Energy efficiency for SMEs	9,937,044	
	Innovative technologies e.g. use of resource efficiency measures	2,588,026	
Economic Infrastructure	Flood and coastal risk management	5,176,052	11,914,687

	Investments in green and blue infrastructure		
		2,588,026	
	Unlocking economic potential e.g. accessibility of priority sites	4,150,608	
Skills, Employment and Social Inclusion	Increasing employer uptake	12,173,489	
	Reducing unemployment	28,404,808	
	Targeted community support programme	7,837,325	
	Helping excluded groups back into training and work	7,837,325	
	Meeting the needs of key sectors and higher level skills	32,462,638	
	Increase employability and enterprise skills	8,115,659	96,831,244
Community Led Local Development	Community Led Local Development	10,449,765	10,449,765
Total			214,323,248

These themes are largely pre-determined by the national agreement with the EU, although there is some local discretion around the balance of funding. The critical issues which remain are:

- The degree of flexibility between themes – being overly prescriptive generally leads to an inability to commit funds to business requirements which do not fall within single, simple definitions
- The need to build on existing programmes – there is a risk that D2N2 in their desire to build a coherent single programme, forget about existing activities, many of which are demonstrating success and good vfm. Our experience is that organisations look for stability in funding sources to minimise cost and maximise impact
- The way in which funds under local management will dovetail with central government funds identified through the ‘Opt-in’ process. It is still not entirely clear as to the extent of influence we will gain for putting our funding up as ‘match’

1.2 **The need to start preparing a pipeline of projects** – In parallel with agreeing the Key Activities, if we are to be successful in securing funding, N2 needs to start the process of developing and prioritising a project pipeline – in readiness for the release of funding (currently scheduled for December 2014). This needs to dovetail with D2N2’s overall coordination of the project pipeline. In order to commence this process we recommend:

- The establishment of an officer sub-group of the EPC (having also considered the resource implications of the EPC taking an active role in supporting the ESIF) to identify and recommend prioritisation of projects (and thereafter support the development of priority projects)
- Liaison (via LEPOG) with D2N2 to ensure a clear understanding of critical success factors to give projects the greatest chance of success

- Consideration by the EPC of an initial list of projects at its September meeting

1.3 **Who commissions what** – once the framework has been agreed, the next critical decision is who commissions what programmes. The importance of this is that there will be areas of spend in which we may consider that an N2-level approach will produce better outcomes than a D2N2-level approach. There has not yet been a conclusive discussion at LEP Board level (or LEPOG) about this – although the assumption by D2N2 officers is that the commissioning process is managed at D2N2-level. Guidance from CLG is not yet definitive – and allows scope for ‘local partners’ to ‘promote desired investments for key local priorities and how they might be met through the Funds. In light of this, we recommend:

- That N2 agrees 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 appropriate¹
- 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
- The N2 EPC should consider this rationale and make further proposals in this light

1.4 **N2’s role in management, monitoring and delivery of the ESIF** – The draft ESIF strategy sets out the activities involved from development of the Annual Implementation Plan through to monitoring and review of delivery (see Appendix B). This does not currently describe specifically the role of the EPC (although it does lay out the general role of an ‘ESIF Advisory Network’. We recommend that the EPC (through 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

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 While the Growth Deal just announced focuses on specific projects (and freedoms and flexibilities) within the gift of Central Government, the ESIF provides a framework for the investment of EU funding (largely ERDF and ESF, but also EAFRD and ancillary programmes). Ensuring the right framework for investment in N2 authority areas is therefore critical. Until recently there had been debate around whether this framework would enable allocations to an N2 level – however, DCLG has established that there will be no allocations (real or nominal) below LEP-level. The ESIF Annual Implementation Plan – through which programmes are designed, funded, delivered and monitored – therefore assumes more importance to N2 authorities.

¹ To illustrate, an employability programme which is focused on individuals within a given local authority area where that local authority plays a critical role in working with citizens, schools, employers is likely to be better commissioned locally. An innovation programme which helps businesses to access the best that our universities have to offer may be better commissioned on a D2N2 basis

D2N2 has prepared the attached paper (Appendix A) which sets out their view on the Annual Implementation Plan – from principles through to key activities

by theme. This stems from early drafts of the ESIF which have been submitted to Central Government through the past months.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Agreeing the principle that commissioning is more effective if done closer to the (local) point of delivery as well as on occasions economies of scale mean that commissioning at D2N2 level is more appropriate is important principle to establish. Also it is important to shape the Implementation Plan to enable priority projects that deliver jobs and growth in the N2 area to be supported through the programme - Therefore doing nothing was rejected

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 Total D2N2 ESIF funding circa £214,323,248 depending on exchange rates.

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

- 5.1 None at this stage.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 EU Funding will contribute social inclusion, skills and employment themes as well as support to business and growth.

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)

- 8.1 Developing the ESIF Annual Implementation Plan – Appendix A

Indicative D2N2 Process for Inviting, Assessing, Contracting and Monitoring Projects and Programmes using EU SIF Funds – Appendix B

9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

9.1 None

10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

10.1 EPC Chief Executives on 11 July 2014.

Item 6 –Developing the ESIF Annual Implementation Plan

SEP VISION

“A more prosperous, better connected and increasingly resilient economy”.

SEP TARGET

“To support the creation of 55,000 additional private sector employee jobs in D2N2 by 2023”

ESIF OUTPUT TARGETS

Output	TOTAL
<i>ERDF Indicators</i>	
Number of enterprises receiving support.	4,979
Number of new enterprises supported.	418
Employment increase in supported enterprises.	2,455
Number of enterprises cooperating with research entities.	698
Number of enterprises supported to introduce new-to-the-market products.	366
Number of enterprises supported to introduce new-to-the-firm products.	681
Additional enterprises accessing ICT products and services including broadband.	622
Private investment matching public support to enterprises.	55
Number of companies supported with business resource efficiency.	181
Estimated GHG reductions (tonnes)	229,665
Infrastructure site development including green infrastructure (hectares)	67
<i>ESF Indicators</i>	
Total number of participants (a. + b. + c.)	Target 38,289
a. Number of unemployed (including long-term unemployed) participants.	13,783
b. Number of inactive participants.	9,956
c. Number of employed (including self-employed) participants.	14,550
Number of participants aged 15-24.	7,657

ESIF PRINCIPLE

“The D2N2 EU SIS will;

- a. cover the whole of the D2N2 area*
- b. deliver the D2N2 Growth Plan 2013-2023*
- c. promote*
 - i. flexibility, speed, delivery focus and efficiency in deploying funds*
 - ii. a blend of collaborative, LEP wide and more local approaches to deliver better outcomes*
 - iii. an active role for D2N2 in the management of the programme once launched, particularly in commissioning, decision-making and overseeing the performance of the management authority.”*

PURPOSE OF THE ANNUAL IMPLEMENTATION PLAN

To be a multi-year, annually refreshed, plan that sets out in sharper focus what the D2N2 LEP wishes to purchase with its ESIF funds and when.

CONTENT OF THE ANNUAL IMPLEMENTATION PLAN

From the ESIF Strategy “The Annual Implementation Plan will be a Single LEP-wide Delivery Programme for the D2N2 allocation of ESIF funds. It will set out a medium term programme of activity and will be refreshed annually, It will be developed by the LEP and will be reported to the

D2N2 ESIF Programme Board and D2N2 Board for sign off. The content of the Implementation Plan will be subject to guidance, but it is anticipated that it will set out;

- The key activities and outputs that the LEP wishes to see funded through its ESIF allocation and a schedule of commissioning, open call, opt-in and other approaches by which those activities and outputs will be procured,
- The operational detail of the LEPs governance structure,
- investment selection approach and criteria
- expectations on additionality and value for money and how potential delivery partners will be expected to demonstrate this as part of the procurement process
- the approach to managing risk, based on Orange Book principles, setting out clear roles and responsibilities
- the approach to ensuring that delivery of the EU SIF is fully State Aid compliant, integrated with the overall delivery of the D2N2 Strategic Economic Plan and that synergy between all funding streams is achieved in order to maximise value for money, additionality and impact
- the approach to project development and technical assistance to promote the development and delivery of programmes and projects of the appropriate scale, impact and strategic fit
- alignment between EU SIF funds and other funds within the LEP's remit"

TIMESCALE

To be submitted to Government by the end of October 2014

APPROVALS

To be signed of by the D2N2 ESIF Programme Board and D2N2 Board

STRUCTURE

Key Activities to be grouped by theme of the LEP and 'Projects / Actions' to be derived from them. Suggested grouping of Key Activities as at Appendix A

PROCESS FOR DEVELOPMENT

Actions	Timescale
Officers develop draft delivery programmes / project templates.	Before 10 July ESIF Group
Refine as appropriate and compile into Consultation document – consider expected Guidance	Mid – late July
Delivery Programmes compiled into consultation document – sign off (ESIF Group / LEPOG)	Mid – late July
Consultation document issued (Draft Annual Implementation Plan)	Late July / early August
Open Consultation – including with Advisory Network	July / August / Sept
Responses considered – Reported to LEP Board and ESIF Programme Board	September (LEP Board 11 th Sept)
Final Annual Implementation Plan Drafted – shared with Advisory network for Comment	Late Sept / early Oct
Reported to LEP Board and ESIF Programme Board for sign off	Late Oct (LEP Board 29 th Oct)

Submitted to Government	End Oct
Detailed tender specifications drawn up	Oct / Nov
Consultation with Advisory Network	Nov Dec
Tender Specs approved by Programme Board	Jan
ITTs / Open Call issued	Jan onwards

MANAGING OVERLAP

Undertaken with SCR to promote alignment once Delivery Programmes are drawn up.

Item 6 – Appendix A – Key Activities by theme

Key Activities – Innovation Theme

Key Activity	Fund	Theme	Outputs	No.	ESIFFunds
1. Smart specialisation collaborative research between enterprises, research institutions and public institutions	ERDFmore	TO1	No. Ents. Supported	124	6269859.682
			No. Ents Coop Resrch	60	
			No. Ents New Mark	6	
			No. Ents New Prods	12	
			Ents. Private Match	3	
2. Support for the Commercialisation and Enterprise of new products and business processes	ERDFmore	TO1	No. Ents. Supported	124	6269859.682
			No. Ents Coop Resrch	60	
			No. Ents New Mark	6	
			No. Ents New Prods	12	
			Ents. Private Match	3	
3. Investment in the development of Innovation Space and Facilities, facilities, including equipment, with the capability to serve as a platform, catalyst and host for innovation and innovative relationships.	ERDFmore	TO1	No. Ents. Supported	165	8359812.909
			No. Ents Coop Resrch	80	
			No. Ents New Mark	8	
			No. Ents New Prods	16	
			Ents. Private Match	4	

Key Activities – Business Support and Access to Finance Theme

Key Activity	Fund	Theme	Outputs	No.	£ESIFFunds		
4. Helping Businesses Benefit from ICT through increased awareness of the local ICT offer, improved ICT connections, new product and service offers using enhanced ICT networks, knowledge and skills; and investment in ICT infrastructure where it can be demonstrated to be required.	ERDFmore	TO2	No. Ents. Supported	797	10449766		
			EAFRDmore	No. New Ents. Supp		100	740,000
				No. jobs created		199	
				No. Ents. Using ICT		637	
				Ents. Private Match		8	
5. Helping Business Grow through business growth strategies, new markets, productivity improvement and resource efficiency activities; access to finance; investment readiness programme; incubation and Grow On Space including support services where there is market failure.	ERDFmore	TO3	No. Ents. Supported	1,210	28634312.44		
			EAFRDmore	No. New Ents. Supp		90	4,783,249
				No. jobs created		1,074	
				No. Ents New Mark		121	
				No. Ents New Prods		182	
Ents. Private Match	18						
6. Key Sector Support targeted at the six priority sectors and including business growth strategies, design and development of a targeted entrepreneurship programme, network and collaborative business activities.	ERDFmore	TO3	No. Ents. Supported	303	7158578.11		
			No. New Ents. Supp	23			
			No. jobs created	268			
			No. Ents New Mark	30			
			No. Ents New Prods	45			
Ents. Private Match	4						
Financial Instrument - D2N2 wishes to keep open the possibility of providing access to finance for local businesses through a financial instrument.	ERDFmore	TO3			0		
7. Support Low Carbon Markets and Technologies	ERDFmore	TO4	No. Ents. Supported	947	9937043.966		
			No. New Ents. Supp	95			
			No. jobs created	456			
			No. Ents Coop Resrch	237			
			No. Ents New Mark	91			
No. Ents New Prods	189						
8. Energy Efficiency for SMEs including industrial processes, designing out waste, recovery of 'waste' heat energy and CHP; helping SMEs to move to renewable and low carbon fuels; building retrofit and energy efficiency; adoption of domestic energy efficiency and low carbon construction techniques.	ERDFmore	TO4	No. Ents. Supported	947	9937043.966		
			No. New Ents. Supp	95			
			No. jobs created	456			
			No. Ents Coop Resrch	237			
			No. Ents New Mark	91			
No. Ents New Prods	189						
11. Innovative Technologies including support to improve business understanding and use of resource efficiency measures, improvements in resource use planning and knowledge transfer both in relation to technical expertise and practical applications in business and communities.	ERDFmore	TO6	No. Ents. Supported	247	2588026.193		
			No. Ents New Prods	25			
			No. Ent. Res. Effic	185			
			Site Development	7			

Key Activities – Economic Infrastructure Theme

Key Activity	Fund	Theme	Outputs	No.	£ESIFFunds
9. Flood and Coastal Risk Management including measures that support the protection of existing major employment areas; measures focused on strategically important sites/areas central to realising growth aspirations; and involving communities in the planning and management of flood risk.	ERDFmore	TO5	Site Development	29	5176052.385
10. Investments in Green and Blue Infrastructure where they can be shown to support wider economic development objectives, for example linked to the delivery of priority development sites.	ERDFmore	TO6	No. Ents. Supported	247	2588026.193
			No. Ents New Prods	25	
			No. Ent. Res. Effic	185	
			Site Development	7	
12. Unlocking Economic Potential including improving the accessibility of priority employment and development sites; promoting sustainable travel; site specific transport works to secure economic benefits; improvements to the strategic transport network to accommodate economic growth.	ERDFmore	TO7	Site Development	19	4150608.044

Key Activities – Skills, Employment (and Social Inclusion) Theme

Key Activity	Fund	Theme	Outputs	No.	£ESIFFunds
13. Increasing Employer Uptake: To increase employer uptake of skills provision, and apprenticeships; to increase employer employment of unemployed with training; to increase positive destinations from apprenticeships; to ensure the skills landscape is employer / sector-led; employer engagement to target SMEs not currently engaged; incentive payments to encourage advanced and higher level apprenticeships, traineeship destinations and travel bursaries	ESFmore	TO8	No. of participants	4,525	12173489.23
			No. of unemployed	2,263	
			No. of inactive	905	
			No. of employed	1,357	
			No. of aged 15-24	1,357	
14. Reducing Unemployment: Supporting those furthest away from the labour market into employment; influence tangible destinations and progression towards employment; coaching and mentoring activity; intensive localised support to remove barriers to employment; work preparation skills; activities to remove additional barriers; post-employment support	ESFmore	TO8	No. of participants	10,559	28404808.21
			No. of unemployed	5,279	
			No. of inactive	2,112	
			No. of employed	3,167	
			No. of aged 15-24	3,167	
15. The Targeted Community Support Programme, adding value to existing mainstream support activities and will including tailored support measures to target specific geographies; developing capacity to address local support needs; local inclusion initiatives including CLLD.	ESFmore	TO9	No. of participants	2,940	7837324.602
			No. of unemployed	1,176	
			No. of inactive	1,470	
			No. of employed	294	
16. Helping Excluded groups Back Into Training and Work, adding value to existing mainstream support activities	ESFmore	TO9	No. of participants	2,940	7837324.602
			No. of unemployed	1,176	
			No. of inactive	1,470	
			No. of employed	294	
17. Meeting the Needs of Key Sectors and Higher Level Skills Development: Extend and deepen engagement between business sectors and training providers; encourage better matching of skills supply with employer need to address recruitment difficulties and unemployment; develop employer-led, added value, flexible provision; commission programmes of sector-focussed training for existing employees based on sector skills action plan findings; training package for unemployed new recruits into priority sectors; ensure that appropriate higher level skills interventions are in place to support D2N2's growth ambition; to support the development of new talent, and the up-skilling and re-training of the existing workforce; to ensure graduates are aware of career opportunities in D2N2 growth sectors and have appropriate technical and employability skills; implementing an incentive payment for SME employers to offer paid graduate internships and graduate placements which lead to employment at a graduate level; innovative approaches to intermediate, vocational and higher level vocational	ESFmore	TO10	No. of participants	12,067	32462637.96
			No. of unemployed	2,414	
			No. of inactive	2,414	
			No. of employed	7,240	
			No. of aged 15-24	3,017	

provision; sector specific higher level apprenticeship programmes; internship and placement programmes; innovative programmes to encourage graduates and post graduates to start a business.					
18. Increase Employability and Enterprise Skills: Ensure all young people in D2N2 are informed about enterprise, entrepreneurship, career insights and employability, so that they make better-informed careers choices with an understanding of current and future economic growth in D2N2; create a D2N2 Employability Framework for schools covering employability and enterprise delivered through Local Charters which address local issues; provide an integrated package of support for schools, including work experience, either through D2N2 or through local initiatives; develop a D2N2 Escalator to Employment to ensure a joined up pathway of support to bring people into the labour market; provide a range of activities to encourage enterprise and employability amongst our young people, including skills competitions, events, Student Ambassadors, enterprise activities, and a D2N2 Skills Show.	ESFmore	TO10	No. of participants	3,017	8115659.489
			No. of unemployed	603	
			No. of inactive	603	
			No. of employed	1,810	
			No. of aged 15-24	754	

CLLD

Key Activity	Fund	Theme	Outputs	No.	Outputs	No.	£ESIFFunds
19. Community Led Local Development	ERDFmore	TO3	No. Ents. Supported	117	No. of participants	3,150	732,460
	ERDFmore	TO4	No. New Ents. Supp	12	No. of unemployed	1,201	1,025,444
	ERDFmore	TO7	No. jobs created	51	No. of inactive	1,218	1,025,444
	ESFmore	TO8	No. Ents Coop Resrch	24	No. of employed	732	1,220,767
	ESFmore	TO9	Site Development	5	No. of aged 15-24	327	5,224,883
	ESFmore	TO10					1220767.072

Item 6 Appendix B: ESIF Annual Implementation Plan – DRAFT Project Template

PROJECT PROFILE

Theme:			
ESIF Key Activity			
Programme:			
Project <i>(Brief description of what will be delivered and how it will operate)</i>			
Objectives			
Contract Start			
Duration <i>(no more than 3 years)</i>			
Contract Package Areas <i>(to ensure the delivery of benefits to the whole D2N2 area)</i>			
Route to Market	Opt-In		Open Call
Timing of Call			
Contribution to Cross-Cutting Themes <ul style="list-style-type: none"> • Environmental sustainability • Equal Opportunities 			

Output	TOTAL
<i>ERDF Indicators</i>	
Number of enterprises receiving support.	
Number of new enterprises supported.	
Employment increase in supported enterprises.	
Number of enterprises cooperating with research entities.	
Number of enterprises supported to introduce new-to-the-market products.	
Number of enterprises supported to introduce new-to-the-firm products.	
Additional enterprises accessing ICT products and services including broadband.	
Private investment matching public support to enterprises.	
Number of companies supported with business resource efficiency.	
Estimated GHG reductions (tonnes)	
Infrastructure site development including green infrastructure (hectares)	
<i>ESF Indicators</i>	
Total number of participants (a. + b. + c.)	
d. Number of unemployed (including long-term unemployed) participants.	
e. Number of inactive participants.	
f. Number of employed (including self-employed) participants.	
Number of participants aged 15-24.	
<i>EAFRD Indicators</i>	
People trained	
Jobs created	

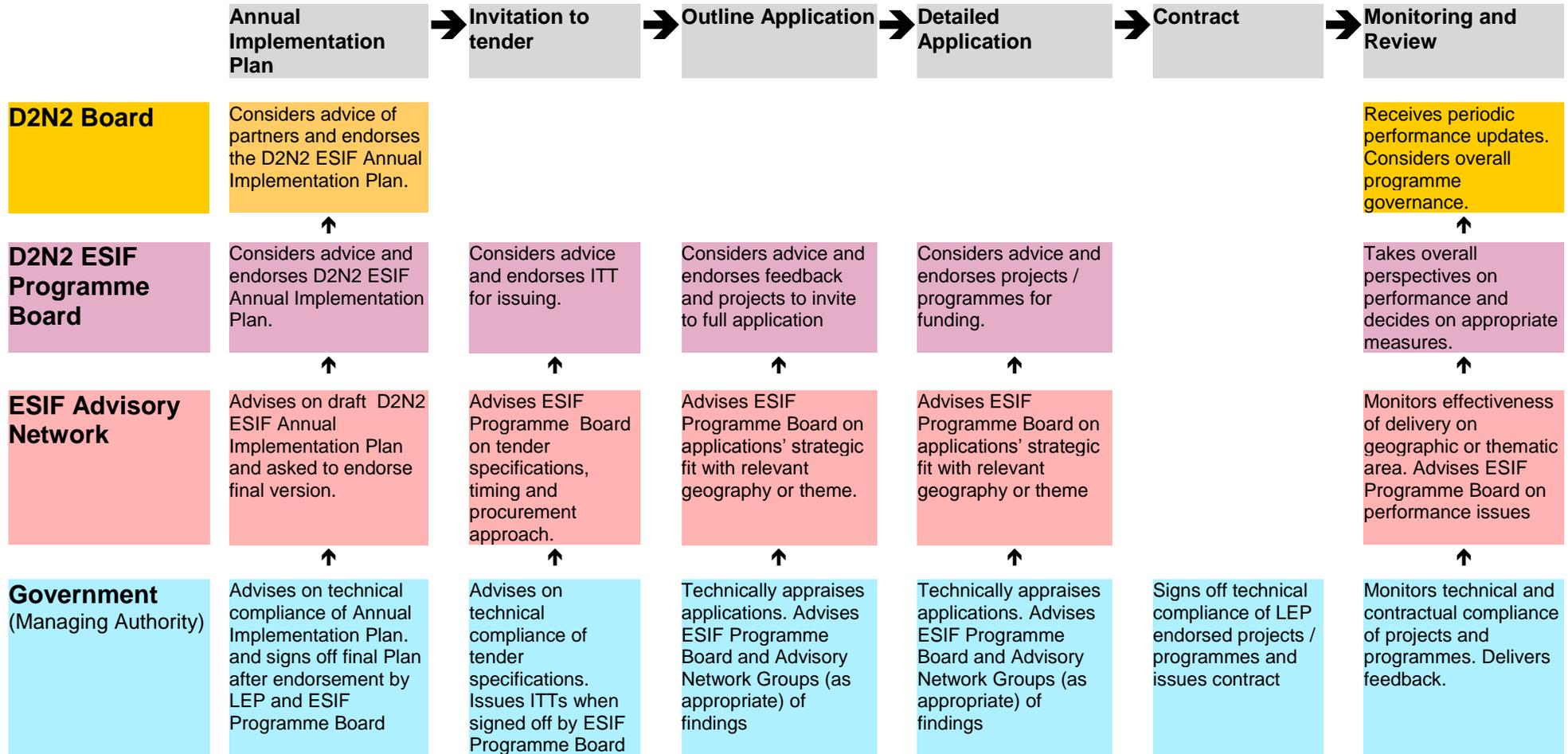
FINANCIAL PROFILE

ESIF Requested	<i>Intervention Rate</i>	Yr1	Yr 2	Yr 3	TOTAL
ERDF					
ESF					
EAFRD					
Expected Match Funding					
Public					
Private					
Other					
Total Project Funding					

ASSESSMENT CRITERIA

Key assessment criteria	
Strategic Fit	
VFM	
Deliverability	
Additionality	
Innovative methods of delivery	
Technical Compliance	

Indicative D2N2 Process for Inviting, Assessing, Contracting and Monitoring Projects and Programmes using EU SIF Funds



This page is intentionally left blank



FOR INFO

Nottingham Sustainable Urban Development Plan

• **Brief description of the wider sustainable urban development strategy and core city region targeted**

Nottingham is the Core City in the D2N2 LEP which covers Nottinghamshire and Derbyshire. We propose to use the definition of the Nottingham urban area that covers the whole of Nottingham City LA area, plus connected urban parts of the surrounding districts of Ashfield, Broxtowe, Gedling and Rushcliffe including the proposed urban extensions in the Rushcliffe spatial plan. The LAs have already aligned core strategies, such as land use, planning, housing and employment allocations, so it makes perfect sense to build on this and develop aligned economic and growth plans. Population for this area is roughly 620,000 based on the ONS estimates for 2012. The lead urban authority will be Nottingham City Council. The Nottingham Growth Plan and the D2N2 Strategic Economic Plan form the basis of and are integral to, this Sustainable Urban Plan and aligns to the D2N2 ESIF priorities. There is a strong focus on elements of the City Deal agreed with government in this SUD, particularly on development of the creative and digital industries and clean technology sectors. Not exclusively however, where locally significant sectors exist, such as manufacturing in Ashfield, these will be included in the SUD's model. Total ERDF funding in the D2N2 ESIF amounts to £104.4m, so 10% of this would correspond to £10.4m. With match funding the SUD supports activities up to £20.8m.

• **Brief description of proposed integrated actions to support sustainable urban development in the area targeted**

Programme Model : We propose addressing the SUD Priority Axis through a model by providing support for both hard and soft infrastructure for SMEs, along with extensive networking across the Nottingham Urban Area. It will be capable of connecting activities and support within specific hubs, building on existing structures, including heritage buildings and, importantly, reflecting the growth potential within these structures and across to clusters of SMEs and activity in the urban parts of the surrounding districts. The model 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 specific building on strengths in the Core City and within clusters of SMEs in the district areas.

Sector Approach

1. Sustainable Growth for the Creative and Digital Industries Sector and investment and extension of the Nottingham Creative Quarter model.

An integrated programme of capital and infrastructure works and business support activities to increase GVA in D2N2 creative and digital industries through the development of the Creative Quarter as a hub for creative and digital media business with engagement in the districts across the urban area.

The Creative Quarter (CQ) is an innovative business district in the centre of Nottingham and the flagship project for economic growth in Nottingham's City Deal, developing job creation and economic growth in the city and the wider D2N2 area. In order to achieve this, the area needs to provide high-quality infrastructure and creative workspace and grow on space for businesses as well as creating attractions with a compelling offer for visitors.

A CQ Creative Workspace Programme has been developed to:

- Meet need and demand for a specific type of accommodation for the creative and digital industries
- Create and enhance a number of key visitor attractions in the Nottingham Urban Area
- Address issues of market failure in bringing heritage buildings into use for commercial purposes

The programme will deliver a CQ Office Refurbishment Scheme; Create sector specific hubs and innovation space including incubation and managed space, linked to areas of high demand across the urban area such as Broxtowe, Rushcliffe and Ashfield where 40% of those employed in the sector work,



and mentoring that reaches out to the sector across the Nottingham Urban Area. The programme will enable the transformation of existing floorspace into commercial spaces attractive to digital, tech and creative industries companies and entrepreneurs.

The programme would address the D2N2 ESIF through:

- Support for the D2N2 priority sector of Creative Industries;
- Support for the D2N2 strategic priorities, particularly of Business Support and Infrastructure
- Support for specific Strategic Activities in the D2N2 ESIF:
 - SA5: Helping Business Grow
 - SA6: Key Sector Support

2 Sustainable Growth for the Manufacturing and Clean Technology Sector

Delivery of sustainable economic growth across the D2N2 area through the creation of Manufacturing and Clean Technology facilities and sector-specific support in the Nottingham urban area, particularly around the strengths in the energy generation and management fields .

In order to support the growth of the sector, increase jobs, promote energy efficiencies in SMEs and bring forward innovative technologies, Nottingham will replicate the significant success of the BioCity incubator for life sciences by creating wrap-around support for SMEs in the Manufacturing and Low Carbon sector.

This support will include:-

- Infrastructure – managed workspace, incubator units.
- Business Support – including IP, Growth Programmes, such as the highly successful Growth 100.
- Access to Technology Based Grants (TSB and Horizon 2020)
- Access to specialist equipment to advance commercialisation of innovative ideas and products.
- Networks – National and International

Based on the Pan European CLOE model for successful cluster management and learning from the provision at BioCity, Nottingham aspires to develop an iconic, zero carbon incubator base for Low Carbon SMEs in the urban area, not necessarily in the city and to secure the provision of the support needed for growth. As well as this iconic, incubator base there will be smaller incubator and grow on spaces across the Nottingham Urban Area that will benefit from full connectivity to the main incubator and the network across the sector. Examples would be grow-on space in Gedling and the potential for more bespoke provision in specific areas such as for manufacturing in Ashfield.

This programme would address the D2N2 ESIF through:

- Support for the priority sector of Low Carbon Goods and Services
- Support for D2N2 strategic priorities of Business Support, Innovation and Infrastructure
- Support for specific Strategic Activities in the ESIF:
 - SA5: Helping Business Grow
 - SA6: Key Sector Support
 - SA7: Low Carbon Markets and Technologies
 - SA8: Energy Efficiency for SMEs

3.Sustainable Growth for SMEs in Nottingham's outer urban areas

Specifically, Nottingham's outer urban areas require a degree of specialist support to ensure they receive the benefits deriving from the development of these sectors and other ESIF priority sectors. How this will be delivered will be subject to the development of detailed arrangements between Nottingham, Ashfield, Broxtowe, Gedling and Rushcliffe and include bespoke activity to reflect local needs and clusters of SMEs. Specialist start-up support for technology driven companies to enable them to benefit from their innovative products will be key as will progression to growth programmes as they develop. However, one model for this could be through the development of iNet type activity supporting the development of innovation, knowledge exchange and research expertise in these sectors. The two broad areas of activity proposed above could include iNet-type support based on learning brought forward from these models, encouraging business to business collaboration and interactions with the knowledge base. This could include a specialist unit (s) working with businesses in the outer urban areas.



Funding, outputs and links to thematic objectives and D2N2 ESIF strategic activities

Indicative ERDF based on these activities:

Thematic Objective 3 - SA5/6: £5.2m

Thematic Objective 4 - SA7/8: £5.2m

Thematic Objective 3: Strategic Activity 5: Helping Business Grow: £4m

Strategic Activity 6: Key Sector Support: £1.2m

Outputs

	SA5	SA6	TO3 total
Number of enterprises receiving support.	169	51	220
Number of new enterprises supported.	13	4	17
Employment increase in supported enterprises.	150	45	195
Number of enterprises supported to introduce new-to-the-market products.	17	5	22
Number of enterprises supported to introduce new-to-the-firm products.	25	8	33
Private investment matching public support to enterprises. (£m)	2.51	0.67	3.18

Results:

- Increase in SME productivity.
- Increase in SME jobs created.
- Increase in business start ups.

Thematic Objective 4: Strategic Activity 7: Low Carbon Markets & Technologies: £4m

Strategic Activity 8: Energy Efficiency for SMEs: £1.2m

Outputs

	SA7	SA8	TO4 total
Number of enterprises receiving support.	381	114	495
Number of new enterprises supported.	38	11	49
Employment increase in supported enterprises.	183	55	238
Number of enterprises cooperating with research bodies	95	29	124
Enterprises supported to introduce new-to-the-market products.	37	11	48
Enterprises supported to introduce new-to-the-firm products.	76	23	99
Private investment matching public support to enterprises.	2.57	0.77	3.34
Estimated greenhouse gas reductions (tonnes of CO2eq)	44,253	13,276	57,529

Results:

- Energy efficiency increase of companies, buildings and transport.
- An increase in companies deploying low carbon practices, processes, service or products.

All results will be quantified once the definitions of the indicators are agreed by the Commission

- **Brief description of innovative nature or added value resulting from proposed SUD activity including explanation of how proposed activity is of national / international significance.**

Creative and Digital Industries: The vision for The Creative Quarter is that it will be the premier environment for the creative and digital industries in the East Midlands, with a strong national and international reputation as well as strong links to smaller clusters in Broxtowe, Rushcliffe and Ashfield. The area is already positioning itself as one of the premier creative economic clusters in Europe and internationally through its membership of the International MediaCities Network and its relationships with other economic clusters in Barcelona, Karlsruhe, Helsinki and Eastern Europe. In Dec 2012, Antonio Tajani, vice-president of the European Commission, visited the Creative Quarter describing it as "a good model....a pilot project for other cities in Europe for the third industrial revolution of entrepreneurship".

The Creative & Digital sector has huge potential for growth and is a significant employer and creator of GVA across the Nottingham Urban Area. Creative sectors want to locate in clusters where innovation prospers and in a lively social environment. They also seek out spaces which were formerly industrial like those in The Lace Market and across the conurbation and often restore them with impressive design flair. However, the market is currently failing to develop sufficiently attractive workspace to meet demand:

- 1)The existing office fabric is not what the market wants
- 2)The listed buildings in the area are often semi-derelict and require public intervention to bring them back into use.



As a result of this, a significant proportion of property in The CQ area has been on the market for over a year and, in the case of many office spaces, has been vacant for much longer – despite active demand as the economy is starting to grow. Research tells us that strong demand exists in the CQ area in those buildings where flexible well-designed office space with high-level connectivity is supported by a strong wrap-around business support, mentoring and networking / events offer. These spaces have long waiting lists from creative industries businesses not prepared to compromise on the quality of their location and workspace. This CQ Creative Workspace programme is an integrated package developed to respond to this clear evidenced need and demand, intervene to address the market failure on both count and unlock the potential of The Creative Quarter as a thriving innovation and enterprise district in the D2N2 area. The best practice approach to capital investment and refurbishment will be extended across the wider urban area through the SUD programme, including a number of heritage buildings.

Employment and business growth are key urban challenges in Nottingham, and are being addressed through the roll-out of the Nottingham Growth Plan. Initial research on the development of the Creative Quarter Creative Workspace shows that it will support:

- Over 500 FTE jobs on a net basis over a three-year period
- Net GVA uplift of more than £7m p.a.
- 10 year Cost Benefit Ratio of 1:3.78
- Leverage of £15m.

The Clean Technology sector will play a vital role in the EU's Low Carbon strategy. The sector is at an embryonic stage in the D2N2 area and requires support now to make a step change. The D2N2 LEP has a vision to create a Sector Support Hub for businesses / social enterprises and those aspiring to be better informed on the Low Carbon and sustainability agenda, or those wanting to access support on how to reduce carbon emissions. The focus will be on jobs and growth for D2N2 and will be an integral element of the D2N2 Business Growth Hub.

The Low Carbon Goods and Services sector is one of the key sectors of the D2N2 Strategic Economic Plan and ESIF strategy. This aligns to Nottingham's aspirations for the Low Carbon / CleanTech sector, as outlined in the Nottingham Growth Plan – with CleanTech one of the emerging growth sectors; Nottingham's energy and waste strategies; and designation by DECC as a Low Carbon Beacon City. Low Carbon activities through the development of clean technologies will be one of the most important drivers of sustainable economic growth locally, nationally and throughout Europe in the coming decades.

All urban areas face challenges to develop new forms of industrial production that benefit local economies and address issues of carbon reduction and ultimately climate change. Nottingham's Future Cities Feasibility Study, which supported a bid for the city to be a Future Cities Demonstrator in 2012, brought a number of key challenges together, including how to integrate and use technological developments to drive clean technology, energy, transport and data capture. Support for the development of the CleanTech sector across the Nottingham urban area will use learning developed from the discussions that informed this study to drive forward these connections.

• **Brief description of Partnership and Governance Arrangements / processes envisaged.**

Nottingham City Council will be the lead urban authority for the SUD. It will work with the District and County Councils to commission projects fitting the outline of the SUD given above to bring forward sustainable urban development in the Nottingham core city area.

Outline Applications will go to the N2 (Nottingham and Nottinghamshire) Economic Prosperity Committee who will assess for strategic fit with the Nottingham SUD Plan and the D2N2 ESIF; and to the Managing Authority (MA) who will undertake a technical assessment against gateway and project criteria. If the Outline Application is agreed by both bodies, ~~Page 48~~ recommended for support by the LEP Area Partnership for progress to Full Application stage. where it will undergo further checks by the MA.

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC
PROSPERITY COMMITTEE – 25 JULY 2014**

Subject:	LEADER rural development programmes 2014 -20		
Presenting authority / representative):	Matt Lockley, Economic Development, Nottinghamshire County Council		
Report author and contact details:	Matt Lockley & Mandy Ramm ☎ 0115 977 2446 Matthew.lockley@nottscc.gov.uk ; mandy.ramm@nottscc.gov.uk		
Key Decision: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Value of decision: up to £4.3 million	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital		
Authorities affected: Ashfield, Bassetlaw, Gedling, Mansfield, Newark and Sherwood, Rushcliffe, Nottinghamshire	Date of consultation with relevant authorities: ongoing		
Summary of issues (including benefits to citizens/constituent authorities):			
<p>a) As part of the European Commission's approach to funding rural development through the Common Agricultural Policy, up to £138 million is to be made available in England in the period 2014-20 to support LEADER programmes.</p> <p>b) LEADER ['Liaison Entre Actions de Développement de l'Économie Rurale' or 'links between the rural economy and development actions'] aims to support economic growth and job creation in rural communities. Programmes are expected to be cross-sector but with a focus on:</p> <ul style="list-style-type: none"> a. The promotion of increased farming and forestry productivity b. Support for micro and small businesses and farm diversification c. Support for rural tourism d. Provision of rural services, including broadband and e. Support for cultural and heritage activity <p>c) In Nottinghamshire, two LEADER programmes are being developed for the 2014-20 programme period. There will be significant competition nationally, with up to 86 programmes being developed.</p> <p>d) Preparatory funding of approximately £60,000 has been secured to support the development of the two Nottinghamshire programmes. Final bids in the form of 'Local Development Strategies' have to be submitted to the Department for Environment, Food and Rural Affairs (Defra) by the 5th September, with successful programmes expected to go live in January 2015.</p> <p>e) N2 Economic Prosperity Committee support for the two programmes is requested.</p>			
Exempt information: None.			
Recommendation(s):			
The Economic Prosperity Committee agrees to:			
<ul style="list-style-type: none"> a) support the submission of two LEADER Local Development Strategies for North and South Nottinghamshire; b) receive a further update on the outcome of the submissions and development of project pipelines in the autumn of 2014. 			

1 REASONS FOR RECOMMENDATIONS

- 1.1 This report is brought to the N2 Economic Prosperity Committee alongside other items on EU funds that affect the Nottingham and Nottinghamshire area.
- 1.2 Whilst not a formal requirement of Defra, the Economic Prosperity Committee's support for the submissions and for subsequent programme development will be an important factor in their success.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 In the 2007-2013 EU programme period, Nottinghamshire benefited from one LEADER programme covering rural parts of Bassetlaw and Newark and Sherwood districts. Bassetlaw District Council acted as the accountable body. Total EU investment through this programme was £1.4 million which secured over £1.2 million match funding and delivered 94 new jobs, 48 sustained jobs and an additional 28,000 visitors to the area.
- 2.2 In February 2014, Defra invited local areas to bid for 'preparatory' funding to begin to develop LEADER strategies for the 2014-20 period. This invitation was not restricted to existing LEADER areas and indeed Defra stated that it would be keen to see enhanced coverage across England. It was announced that up to £138 million would be available for LEADER programmes from 2014-20.
- 2.3 In Nottinghamshire, preparatory funding was secured to explore potential LEADER programmes in the existing programme area, plus in the 'new' areas of Ashfield, Gedling, Mansfield and Rushcliffe. Bassetlaw District Council is the accountable body for the preparatory funds for North Nottinghamshire and Nottinghamshire County Council is the accountable body for the funds in South Nottinghamshire.
- 2.4 The preparatory funding is to enable local areas to support consultancy to develop cohesive geographic areas, create a shadow Local Action Group (the formal decision-making body for LEADER funds), secure appropriate local engagement and identify priority needs and solutions within a framework issued by Defra. This work will culminate in the drafting of Local Development Strategies (LDS) which will form the 'bids' to Defra, due in by 5th September 2014.
- 2.5 Two potential programme areas are being developed. The first builds on the existing North Nottinghamshire programme, but is extended to include rural parts of Mansfield. The second is an entirely new programme area, and covers eligible rural parts of Gedling and Rushcliffe, including the market town of Bingham and larger settlements such as Keyworth, Cotgrave, Ravenshead and Burton Joyce. Consideration is being given as to whether the small eligible rural part of Ashfield can be built in to either programme. Programme

areas can have maximum population coverage of 150,000, hence the need for two separate programmes in Nottinghamshire.

2.6 The LEADER proposals are being developed alongside the Sustainable Urban Development Strategy which will also form part of the wider EU funding investment in Nottingham and Nottinghamshire. Due care is being applied to ensure that there is no overlap between the rural and urban designations and that the two programmes can work alongside each other effectively.

2.7 If successful, the North Nottinghamshire programme can expect to receive funding of between £1.77 million and £2.4 million. The South Nottinghamshire programme will have a value between £1.47 million and £1.92 million. The allocations are based on population coverage and issues such as GVA and sparsity of population. Additional funds targeted at rural development through the D2N2 LEP's European Agricultural Fund for Rural Development (EAFRD) programme will complement LEADER activity.

2.8 Accountable body issues for the two proposed programmes are to be confirmed. Nottinghamshire County Council has agreed in principle to act as the accountable body should both bids be successful, as Defra is keen to see economies of scale and efficiencies realised through programme management.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 Do nothing option – not considered. Defra encouraged applications from existing and new areas in an attempt to secure wider LEADER coverage for the 2014-20 programme period.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 If both programmes are successful, investment of between £3.2 million and £4.3 million from LEADER will be secured. With the required match funding, this will result in total investment between £6 million and £9 million.

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

5.1 Not applicable.

6 SOCIAL VALUE CONSIDERATIONS

6.1 Not applicable.

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)

- LEADER 2014-20 guidance issued by Defra
- Letters from Defra outlining possible allocations for North and South Nottinghamshire programmes

9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- NA

10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Robert Wilkinson, Bassetlaw District Council
Jim Burley, North Nottinghamshire LEADER

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC
PROSPERITY COMMITTEE – 25 JULY 2014**

Subject:	Managing the Business of the Economic Prosperity Committee		
Presenting authority / representative):	Nottinghamshire Chief Executives		
Report author and contact details:	John Robinson, Gedling Borough Council, 0115 9013915 John.robinson@gedling.gov.uk		
Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in
Value of decision: Nil			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Authorities affected: All Nottinghamshire local authorities			<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
	Date of consultation with relevant authorities: Notts. Chief Executives – 11 July 2014		
Summary of issues (including benefits to citizens/constituent authorities):			
This report proposes a number of practical steps to aid the smooth running of the EPC and to ensure that its business is well organised, inclusive and purposeful.			
Exempt information: None			
Recommendation(s):			
It is recommended that the Economic Prosperity Committee agrees to:			
<ul style="list-style-type: none"> (i) structure future meetings as outlined in paragraphs 2.3 to 2.5; (ii) recommend to D2N2 the inclusion of a District/Borough representative on the Employment and Skills Commission; (iii) nominate a District/Borough representative to the Nottingham Growth Board and to Nottinghamshire Business Engagement Group; (iv) invite business representatives (and other relevant stakeholders) to attend meetings of the Committee as and when appropriate to the business before the Committee. 			

1 REASONS FOR RECOMMENDATIONS

1.1 To improve the administration of the EPC and maximise its impact.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 At the meeting of the Economic Prosperity Committee on 16 May 2014, Leaders asked for a review of the management arrangements of the Committee with a particular focus on:-

- setting and agreeing agendas
- horizon scanning for upcoming issues and ensuring they are allocated to future meetings so members knew when key future issues would be discussed

- developing an agreed work programme which tracked and implemented Committee decisions with clear responsibilities
- building in updates to the Committee for other groups.

2.2 As reported to the last Committee, the regular meetings of Nottinghamshire Chief Executives have been re-scheduled to fall three weeks before meetings of the EPC. This will provide an opportunity for discussion on the draft agenda before the papers are dispatched and allow liaison between Chief Executives and their Leaders.

2.3 With regard to the business of the Committee, it is proposed that future agendas are organised around:

- consideration of a strategic theme, to include oversight of key projects/initiatives within that theme;
- feedback from and into D2N2

2.4 In practice, this would mean the first part of each meeting being devoted to one of the following thematic areas – with examples of the type of business that might feature under each theme being shown as detailed below.

Theme	Sub-theme
Employment and skills	N2 Skills and Employment Board and sub-groups
	NN Futures – local authority owned company.
	DWP / SFA commissioned activity
	Employer and apprentice hubs
	FE colleges
Business growth	Variety of separately commissioned projects (i.e. Growth 100; NBV start-up support; Funding Circle)
	Nottingham Investment Fund / N'Tech
	D2N2 Growth Hub
	Growth Accelerator / Manufacturing Advisory Service / UKTI
	Innovation centres / incubators
Place marketing	Nottingham Means Business
	'Invest in' programmes in several boroughs / districts
	Invest in Nottingham team
	Experience Nottinghamshire
	Various tourism functions / activity at borough / district level
	Heritage / culture / leisure offer and assets
	Town centre renewal / redevelopment
Infrastructure and assets	Nottingham Enterprise Zone
	Nottinghamshire Business Investment Zones
	Better Broadband for Nottinghamshire
	Local Transport Plans / programmes
	Major housing sites

2.5 The second part of each meeting would include a small number of 'standing items' that will provide an opportunity for feedback from the D2N2 Board, along with the

various other bodies that have linkages with it. In doing so, it is hoped that this would not only help to raise awareness of what activity is taking place but also prompt questions and invite challenge that can be pursued by N2's representatives on the D2N2 Board and other bodies. Standing items would also include regular updates on growth deal projects and ESIF together with a six month performance report on the 'state' of the economy.

- 2.6 Turning to the matter of governance and representation, the diagrams at Appendix 1 show the current arrangements. These are undoubtedly complex and seemingly cumbersome and over-elaborate. However, the scope for rationalisation is limited given the requirements of the LEP (for example to have a dedicated ESIF Programme Board), the fact that some bodies cover the whole of D2N2 (for example, the Local Transport Body and Employment and Skills Commission) and the need to engage 9 local authorities in N2 as well as the business community.
- 2.7 In time, and subject to how the EPC evolves, it may be possible to subsume the work of other bodies within the EPC. For now though, it is proposed to address some inconsistencies and weaknesses in District/Borough representation.
- 2.8 The absence of any District/Borough representation on the Nottinghamshire Business Engagement Group, the Nottingham Growth Board or the D2N2 Employment and Skills Commission fails to sufficiently recognise the locality links with businesses and District/Borough contributions to the County, City and conurbation economies.
- 2.9 While it is not practicable for every District to be represented on everything, it is proposed:-
- that N2 recommends to the D2N2 Board the inclusion of a District/Borough representative on the Employment and Skills Commission
 - that a representative of one of the 'conurbation' Districts/Boroughs be nominated to the Nottingham Growth Board
 - that a District/Borough representatives be nominated to the Nottinghamshire Business Engagement Group.
- 2.10 Finally, one of the outstanding items for the EPC to resolve is business representation on the Committee. At the February meeting, it was agreed to invite the Nottingham and Nottinghamshire private sector representatives on the D2N2 Board as advisors to the Committee. That has not proved forthcoming, so as an alternative, it is proposed to invite private sector representatives and other relevant stakeholders as and when appropriate.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Doing nothing is an option but that is not considered to be in the best interests of the Committee.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 At present, the only resource that is dedicated to the management of the Committee is the sum of £30,000 to support the host authority with secretariat responsibilities.

4.2 At this stage, it is not proposed to allocate any further resource but rather to keep this under review and subject to clarification about the Committee's role in relation to the European Structural Investment Fund and a future decision on Combined Authorities.

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

None.

6 SOCIAL VALUE CONSIDERATIONS

Not applicable.

7 EQUALITY IMPACT ASSESSMENT (EIA)

Not applicable.

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

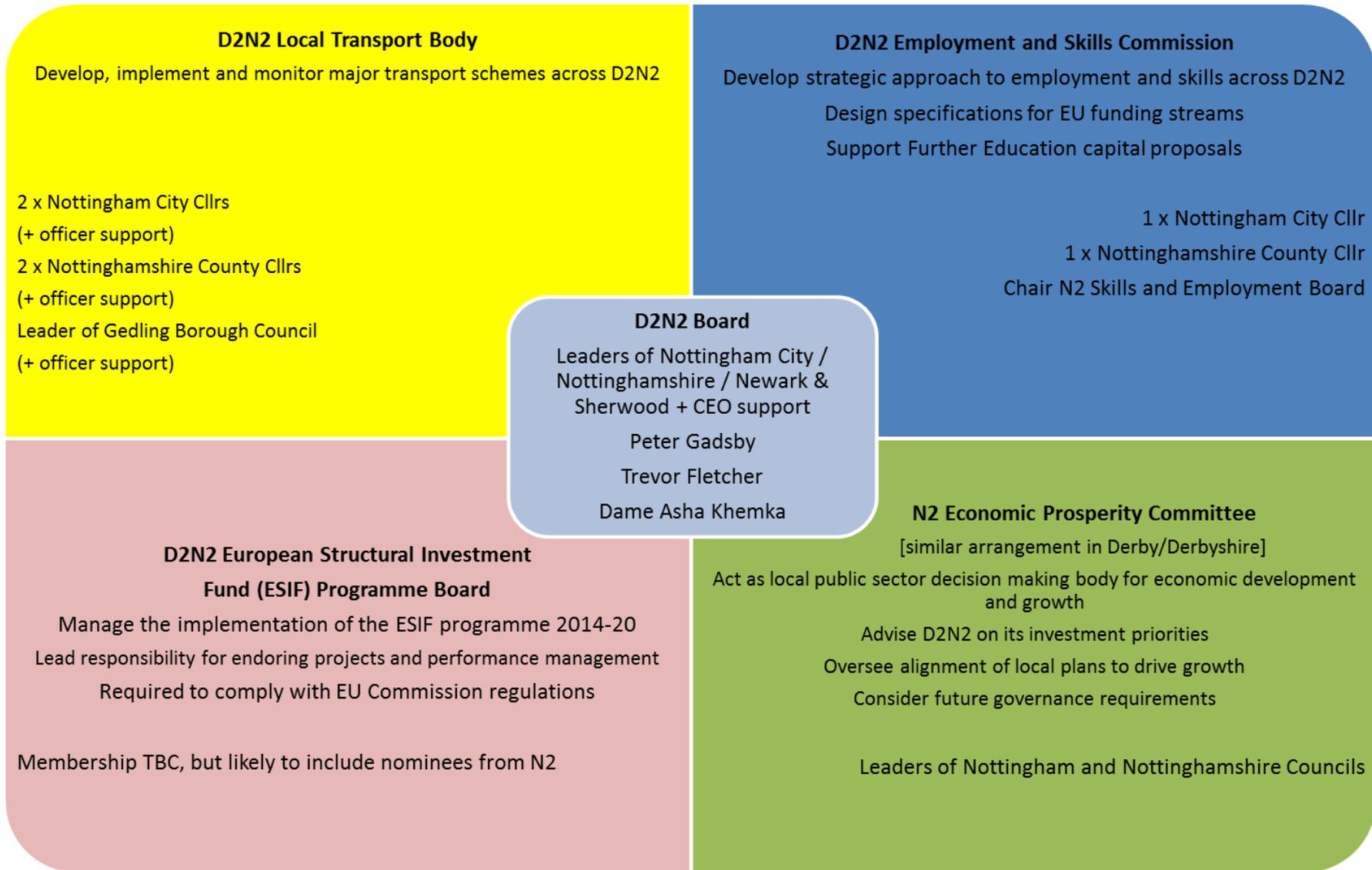
Minutes of EPC dated 16 May 2014.

9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

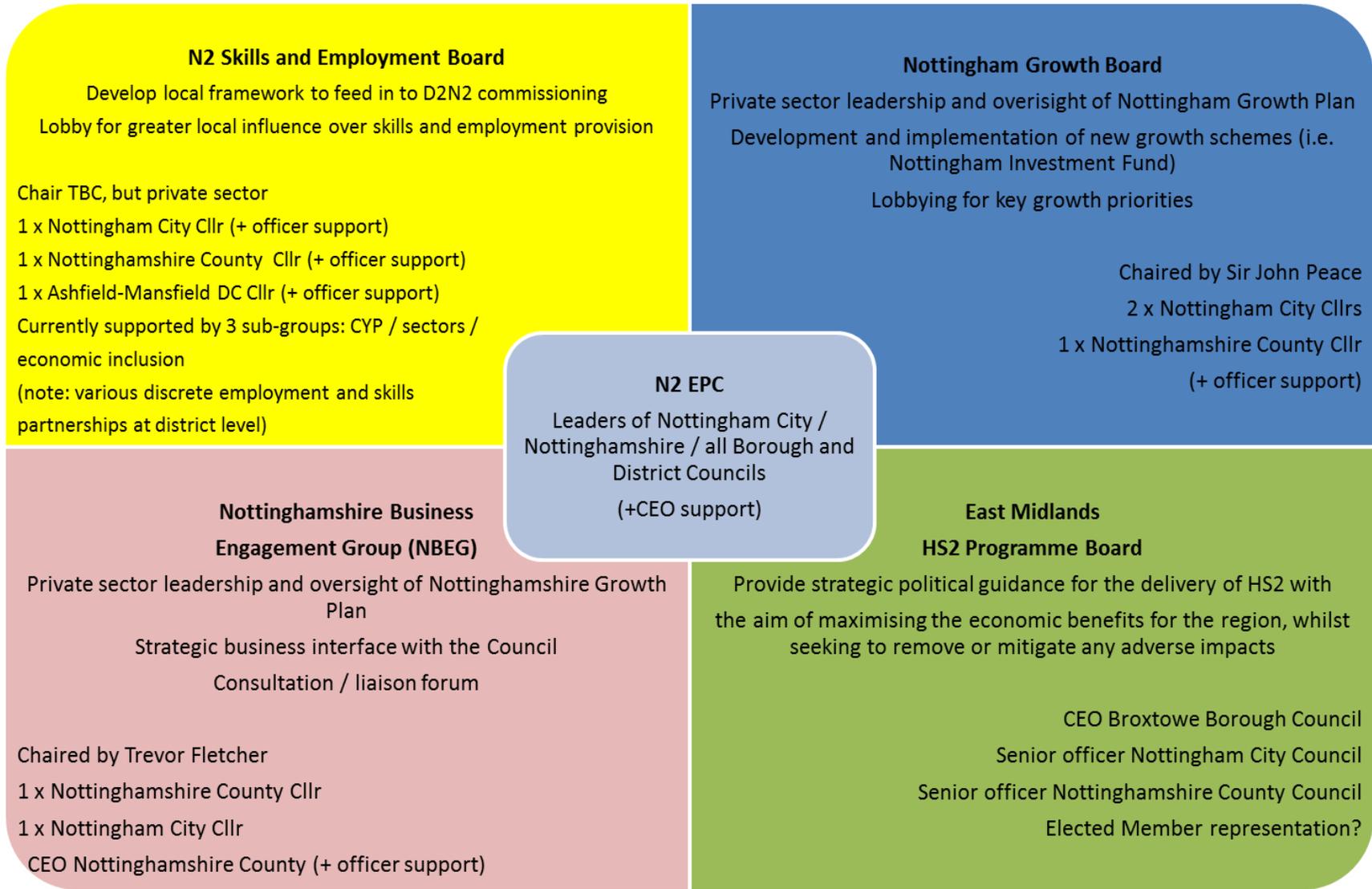
None.

10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Nottinghamshire Chief Executives
Matt Lockley, Economic Development Team Manager, Nottinghamshire County Council.









**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC
PROSPERITY COMMITTEE – 25 JULY 2014**

Subject:	Broadband - D2N2 Growth Deal		
Presenting authority / representative):	Report of Matt Lockley, Economic Development Team Manager at Nottinghamshire County Council		
Report author and contact details:	Matt Lockley & Nicola M ^c Coy-Brown ☎ 0115 977 2580 nicola.mccoybrown@nottscc.gov.uk		
Key Decision <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Value of decision: £5.26 million	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital		
Authorities affected: Nottingham City and Nottinghamshire local authorities	Date of consultation with relevant authorities: N/A		
Summary of issues (including benefits to citizens/constituent authorities):			
<p>a) This is the fourth report presented to the Economic Prosperity Committee regarding the Government's Superfast Extension Programme (SEP)[now interchangeably referred to by Government as 'Phase 2'], which aims to extend the reach of fibre broadband coverage across Nottingham city and the County beyond 95%.</p> <p>b) The previously reported submission to Broadband Delivery UK (BDUK) of the Expression of Interest and the Full Application, as well as the continued lobbying of D2N2 LEP to secure match funding resources, looks to have turned this extension programme into reality.</p> <p>c) The recent publication of the D2N2 Growth Deal indicates that funds will be forthcoming through this route to support the Superfast Extension Programme.</p>			
Exempt information: None.			
Recommendation(s):			
As a matter of record, the Economic Prosperity Committee notes the recent publication of the Growth Deal and the specific signals of Government's intention to:			
<p>a) provide the flexibility for D2N2 LEP to re-allocate underspends on other projects in 2015-16 to enhance delivery of the D2N2 broadband projects (£4.8 m), retaining the overall allocation to projects which have slipped, and;</p> <p>b) If there are no underspends of Local Growth Fund in 2015-16, provide further funding up to that level (£4.8m) to ensure that the additional superfast broadband is delivered.</p>			

1 REASONS FOR RECOMMENDATIONS

- 1.1 To update the EPC on the positive outcome of the D2N2 Growth Deal in terms of the broadband Superfast Extension Programme.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 As previously reported, Nottinghamshire's allocation is £2.63 million for the Superfast Extension Programme [£1.83m/£0.8m respectively to the county/city]. This is essentially BDUK's best assessment (given the margin for error and the many uncertainties surrounding modelled data) of what is required to secure the national objective of 95%+ fibre

coverage. The Nottingham City allocation was modelled to raise superfast coverage from 96.0% to 98.0% and for Nottinghamshire County from 94.3% to 96.8%, which would mean a total for the partnership from 94.8% to 97.3%.

2.2 Efforts made to secure the full match funding allocation through the D2N2 Local Economic Partnership (D2N2 LEP) Local Growth Deal have proved successful. The 7 July 2014 publication of the D2N2: Growth Deal 2014 has signalled Government's intention to:

- provide the flexibility for D2N2 LEP to re-allocate underspends on other projects in 2015-16 to enhance delivery of the D2N2 broadband projects (£4.8 m), retaining the overall allocation to projects which have slipped, and;
- If there are no underspends of Local Growth Fund in 2015-16, provide further funding up to that level (£4.8m) to ensure that the additional superfast broadband is delivered.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 Do nothing option – In light of the Government's stated intention to allocate the mandatory full match funding allocation to the SEP through Local Growth Funds this option has been discounted.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 It is proposed that change control of the existing contract will offer the quickest and lowest administration cost to extend coverage outcomes and will ensure maximum likelihood of outcomes remaining compliant with the UK's State aid National Broadband Scheme. The change control route will be subject to materiality limits and timeframes but importantly would ensure that the private sector supplier investment ratio of 31% to the combined public sector investment of 69% is maintained as illustrated in the following table:

Funding Partner	Amount	Investment ratio
BDUK	£2.63m	69%
D2N2 Local Growth Fund	£2.63m	
Supplier	£2.36m	31%
SEP TOTAL	£7.62m	100%

4.2 Any appointed telecommunications supplier will deliver value for money via the BDUK process in addition to various auditing measures to ensure that this is the case.

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

5.1 Nottinghamshire County Council will be leading the extension of the existing contract (and/or any tendering) and will be acting as lead authority.

5.2 There are no financial risks on any party until a contract is signed between BT, BDUK and the County Council.

6 **SOCIAL VALUE CONSIDERATIONS**

6.1 The County Council is likely to utilise the BDUK Framework for any additional funds secured. This process considers the economic, environmental and social benefits of any approach to procurement.

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)**

- BDUK Superfast Extension Programme Funding Guidance
- Letter from the Chair of the Economic Prosperity Committee to the D2N2 LEP CEO dated 6 June 2014

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

- Nottinghamshire County Council [Economic Development Committee Report](#) on the Superfast Extension Programme [11 March 2014]
- The City of Nottingham and Nottinghamshire [Economic Prosperity Committee Report](#) Better Broadband for Nottinghamshire (BBfN) Programme Update and Superfast Extension Programme (SEP) [21 March 2014]
- The City of Nottingham and Nottinghamshire [Economic Prosperity Committee Report](#) Broadband - Superfast Extension Programme [16 May 2014]
- Nottinghamshire County Council [Policy Committee Report](#) on the Superfast Extension Programme [4 June 2014]
- The City of Nottingham and Nottinghamshire [Economic Prosperity Committee Report](#) Broadband – Options for matching the Superfast Extension Programme (SEP) [20 June 2014] Cabinet Office, Deputy Prime Minister's Office [Policy Paper](#) on D2N2: Growth Deal 2014 [7 July 2014]

10 **OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

None.

This page is intentionally left blank