



NOTTINGHAM CITY COUNCIL

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

Date: Friday, 20 November 2015

Time: 9.30 am

Place: Old Council Chamber, Town Hall, Broxtowe Borough Council

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

Corporate Director for Resilience

Governance Officer: James Welbourn, Governance Officer **Direct Dial:** 01158763288

AGENDA

Pages

- | | | |
|----------|---|--------|
| 1 | APPOINTMENT OF CHAIR | |
| 2 | MEMBERSHIP CHANGE
To acknowledge the new member from Nottingham City Council. | |
| 3 | APOLOGIES | |
| 4 | DECLARATIONS OF INTERESTS | |
| 5 | MINUTES
To confirm the minutes of the meeting held on 25 September. | 3 - 10 |
| 6 | DEVOLUTION AND COMBINED AUTHORITY UPDATE
Update from Ian Curryer, Chief Executive, Nottingham City Council. | |
| 7 | EUROPEAN STRUCTURAL AND INVESTMENT FUNDS EMPLOY
LOCAL PROJECT
Presentation by Allen Graham, Chief Executive, Rushcliffe Borough
Council. | |
| 8 | CHANGE OF MEETING DATE - MARCH 2016
To consider changing the date of the meeting scheduled for 18 March. | |

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

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

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

NOTTINGHAM CITY COUNCIL

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

**MINUTES of the meeting held at Reception Room, Gedling Civic Centre on 25
September 2015 from 9.30 - 10.52**

Membership

Present

Mayor Kate Allsop
Councillor Roger Blaney
Councillor Graham Chapman (Chair)
Councillor John Clarke
Councillor Neil Clarke MBE (Vice Chair)
Councillor Alan Rhodes
Councillor Jo White

Absent

Councillor Cheryl Butler
Councillor Richard Jackson
(Broxtowe)

Colleagues, partners and others in attendance:

John Robinson	- Chief Executive, Gedling Borough Council
Chris Henning	- Director for Economic Development, Nottingham City Council
Tim Gregory	- Corporate Director for Environment and Resources, Nottinghamshire County Council
Allen Graham	- Chief Executive, Rushcliffe Borough Council
Robert Mitchell	- Chief Executive, Ashfield District Council
Neil Taylor	- Chief Executive, Bassetlaw District Council
James Schrodell	- Policy Officer, Nottingham City Council
Nigel Stevenson	- Service Director, Nottinghamshire County Council
Rav Kalsi	- Governance Officer, Nottingham City Council

17 APOLOGIES

Councillor Cheryl Butler – other Council business
Andrew Muter – other Council business
Glen O’Connell

18 DECLARATIONS OF INTERESTS

None.

19 MINUTES

The minutes of the meeting held on 24 July 2015 were confirmed and signed by the Chair.

20 ESTABLISHING THE COMBINED AUTHORITY

In the absence of Andrew Muter, Chief Executive of Newark and Sherwood District Council, Chris Henning, Director of Economic Development at Nottingham City Council read a brief statement, outlining the following information:

- (a) There had been no further engagement from the Department for Communities and Local Government (DCLG) regarding establishing a Combined Authority (CA) in Nottingham;
- (b) DCLG's continued engagement around devolution deals has caused some delay. There has been some positive response from treasury officials around establishing a CA but no further progress. Further work is still required to clarify transitional arrangements as well as details of external 'asks' of government. It is important to note that the use of funding will enable N2 authorities to achieve some external support, particularly from consultants who are further ahead with devolution deals and have gained valuable experience in other areas.

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

- (c) Further clarity is sought on the relationships a possible N2 combined authority would have with overlapping areas, such as the Sheffield City Region (SCR) and whether certain powers are still dependent upon having an elected mayor as part of the governance arrangements. It is important that authorities like Bassetlaw District Council continue to engage with the SCR on transport issues given their close proximity and involvement in the region;
- (d) Councillor Jo White confirmed that Bassetlaw District Council is committed to working in the two-tier system and are not seeking local government reform;
- (e) It is important that constituent authorities remain focussed on the goals of establishing a CA, such as innovation, jobs and improvements to infrastructure. Once negotiated, if the deal is strong enough, the governance arrangements will become irrelevant. Reassurances are required to ensure that any funding that is devolved locally actually ends with constituent authorities and not solely with an elected mayor;
- (f) The debate around devolving powers should be broader and include engagement with the press and public. D2N2 will be hosting a series of engagement events in the coming weeks and could use part of these meetings for wider engagement;
- (g) It is crucial that all constituent authorities are kept informed of any feedback on progress and that the core group of N2 chief executives meet with Derby and Derbyshire chief executives to clarify a collective bargaining position. An attractive bid is dependent upon a coordinated approach with partners in Derby and Derbyshire.

RESOLVED to

- (1) Receive proposals on a wider public engagement strategy on establishing a combined authority from Gedling Borough Council at a future meeting;**
- (2) Ensure that all DCLG feedback regarding devolving powers to an N2 combined authority is circulated to all constituent chief executives and leaders;**
- (3) Encourage N2's Core Group of Chief Executives to meet with chief executives from Derby and Derbyshire to clarify a collective bargaining position regarding devolved powers.**

21 COMBINED AUTHORITY AND FUNDING AND DECISION MAKING

Tim Gregory, Corporate Director for Environment and Resources at Nottinghamshire County Council presented the report outlining proposals for future funding arrangements for the Economic Prosperity Committee (EPC) and the Successor Nottingham and Nottinghamshire Combined Authority (CA), highlighting the following:

- (a) The Nottingham and Nottinghamshire Economic Prosperity Committee and the successor Nottingham and Nottinghamshire Combined Authority will use the surplus from the Nottinghamshire authorities Business Rates Pool, amounting to £392,000 to establish the CA and to begin delivery against its key priorities;
- (b) Nottingham City Council, which is not a member of the Business Rates Pool, has agreed to contribute £110,000 to the pot as an equivalent per-capita share of funding to the EPC and the CA;
- (c) Constituent authorities would benefit from seeing a CA spending plan at a future meeting as an indication of what expenditure to expect. Any spending plan should list appropriate categories against names that are authorised to agree spending on behalf of the EPC. Initially, Andrew Muter, Chief Executive of Newark and Sherwood District Council will be named as the officer who may agree spending against the spending plan and that exceptionally, and following the agreement with the chief executives of Nottingham City Council, Nottinghamshire County Council, the Chair and the Vice-Chair of the EPC, he may agree spending on establishing the CA, even if this falls outside of the spending plan.
- (d) Any commitment to spend will continue to be subject to each constituent authorities delegated powers and the relevant authority should be sought when authorising these decisions.

RESOLVED to

- (1) Present a Combined Authority Spending Plan to a future meeting on the Economic Prosperity Committee for agreement;**

- (2) **Agree that the Spending Plan lists appropriate categories against which named officers can agree spending on behalf on the Economic Prosperity Committee. These categories will detail those matters needed to establish the Combined Authority, and for the Combined Authority to begin delivery of its priorities;**
- (3) **Agree that, initially, the Chief Executive of Newark and Sherwood District Council be named as the officer who may agree spending against the spending plan and that exceptionally, and following agreement with the Chief Executives of the City and County Councils and the Chair and Vice Chair of the Economic Prosperity Committee, he may agree and direct spending against the Combined Authority funding where he believes this spending will further the establishment of the Combined Authority or its priorities even if this spending falls outside of the agreed Spending Plan's categories;**
- (4) **Report any spending decisions to the next available meeting of the Economic Prosperity Committee.**

Reasons for decision

Meetings of the Economic Prosperity Committee are held only occasionally which can have an impact on vital spending decisions where the Committee is required to approve spending. By allowing a named officer to agree spending decisions the process for approving expenditure is considerably more agile.

Other options considered

Not to authorise a named officer to agree spending decisions. This option was discounted given the need to act flexibly in between Committee meetings. Exceptionally, where rapid spending decisions are required on matters that are not covered by the proposed Spending Plan, the named officer, with the agreement of the Chair and Vice Chair and the Chief Executive of the County Council may take a view as to the benefits or dis-benefits of agreeing spend and authorise spending outside of Spending Plan categories on behalf of the EPC.

22 N2 GROWTH STRATEGY AND GROWTH DEAL ROUND 3

Matt Lockley, Economic Development Team Manager at Nottinghamshire County Council, delivered a presentation updating the Committee on the N2 growth strategy, highlighting the following information:

- (a) The growth strategy for N2 provides a clear and concise economic development strategy for the N2 area which builds on the existing Nottingham and Nottinghamshire growth plans;
- (b) The strategy that has been developed will look at the fundamental drivers of economic growth, identify gaps and ultimately provide a rationale that will underpin the Combined Authority (CA). In setting out a firm rationale for the CA, the growth strategy will also aim to secure resources and deploy capacity for the CA.

- (c) The N2 economy continues to adapt with Nottingham having previously been seen as a manufacturing centre for the East Midlands, it now finds its strength is business, finance and professional services. Nottinghamshire's economy is currently in structural transformation dominated by small and medium sized enterprise (SME) growth, particularly in low carbon and digital technology. The N2's key growth sectors generate £6.33 billion in gross value added (GVA) and consists of 16,540 active enterprises;
- (d) The issue of low productivity and employment and skills levels needs addressing. Productivity per employee in N2 is £41,300 which equates to 86% of the England average. Employment rates and skills levels in the city and some parts of the county are lower than the England average. The overall employment rate of 69.7% is slightly below the England average of 72.9%. There are low proportions of employees in knowledge-based sectors outside the city, with 25.8% of employees in parts of the county engaged in STEM-type occupations, compared with 43.8% nationally;
- (e) In order to address these issues there will be a concerted effort on focussing the drivers of productivity, such as increasing start-ups, improving survival rates and improving access to finance. Efforts should be made to increase graduate retention as well as support for young people in the N2 region.

In response to comments and questions regarding Growth Deal 3, David Ralph, Chief Executive of D2N2 highlighted the following:

- (f) The big picture is to create an infrastructure plan for Growth Deal 3. As things stand, there are 30 active programmes equating to almost half a billion pounds, with four programmes at risk, although a plan exists to move these forward;
- (g) The key action is programmes listed for 2016/17 and proposals can be made to bring these forward. A key learning outcome from both growth deals 1 and 2 is that the standard of business cases vary and an overall improvement is required to business cases across the board. Programmes will need to demonstrate that proposals are state aid compliant and evidence of broader sustainability is now required;
- (h) There is a commitment amongst the Local Enterprise Partnership (LEP) to work more closely with Economic Prosperity Committees and the D2N2 LEP will be asking Committee members to prioritise projects and present them to the LEP;
- (i) Early indications suggest that there is money available for a third growth deal but there is no certainty until after the Comprehensive Spending Review. Early indications suggest that there is £4.18 billion in the budget and with N2 consisting of 4% of the population it would equate to almost £100 million across the patch. Ideally, all project lists should have been submitted by 28 October 2015 to allow for some time to appraise them and work on prioritising them. It is worth noting that the bidding process is open to the private sector,

FE sector and universities and that level of competition will need to be managed;

- (j) Not all schemes should be public realm and there should be a focus on housing and mixed use schemes. The schemes put forward need to be in a position to deliver economic output with developers ready to commence work. When the Chancellor spoke in Derby recently the clear indication was that an extension to the Robin Hood Line should be top of the list of projects.

Matt Lockley, Economic Development Team Manager at Nottinghamshire County Council raised the following in response:

- (k) Projects in the local growth deal funding pipeline include HS2 development and hub connectivity, a town centre programme with infrastructure developments, an extension to Robin Hood / Dukeries Line and a D2N2-wide cycling strategy. Place specific projects include additional enhancements to A57 (Worksop), the Creative Village phase 2 project in Worksop, Nottingham Southern Gateway (Broadmarsh regeneration) and a city centre office and residential development at Crocus Place / Library site;
- (l) The next phase is to talk to N2 chief executives and come back to the Economic Prosperity Committee with a final list for approval before submitting to the LEP.

RESOLVED to submit list of N2 priority programmes for the Local Growth Deal at the next Committee meeting on 20 November 2015.

23 EU FUNDING UPDATE

Chris Henning, Director for Economic Development at Nottingham City Council, presented the report highlighting that the bidding process for European Structural Investment Funds (ESIF) has been agreed, highlighting the following:

- (a) Across the D2N2 area there is currently £244 million euros (£173.2 million at current exchange rates) available to support regional development and social programmes. All EU funding will need to be matched by local or national funding;
- (b) The SUD strategy is specifically aimed at the Nottingham Urban Area (defined as the area encompassed by the Councils of Ashfield, Broxtowe, Gedling, Nottingham and Rushcliffe). It comprises 10% of the D2N2 European Regional Development Fund allocation (12.16m Euros or currently £8.6m). The draft strategy has been developed with officers from the above local authorities and Nottingham County Council and approved by the ESIF Programme Board.

RESOLVED to

- (1) **Note the current status of EU funding bids and work underway to secure these funds;**

- (2) Note the Sustainable Urban Development (SUD) strategy for the Nottingham Urban area which will be submitted to the Department for Communities and Local Government for negotiation.**

Reason for decisions

We are at a critical point in the progress of the 2014-2020 ESIF Programme, where bids for funding will influence money available within N2 for economic development and social inclusion activities. In addition, the Sustainable Urban Development (SUD) strategy is required to be submitted to DCLG for the start of a negotiation process, before calls for projects are issued.

Other options considered

Not to submit bids for funding. Given the value of the funding available this would have meant a significant lost opportunity to develop our economy and to address social challenges.

This page is intentionally left blank