

Showing the Way

**a Conurbation Area Agreement for
Greater Nottingham**

**The Greater Nottingham Partnership
May 2006**

1. Nottingham as a Conurbation

Nottingham is one of England's Core Cities – recognised by the Government as an important catalyst in the development of the English regions.

It has ambitious plans – economic, social and physical – that are widely shared by all the city's sectors. These were given to Government at the recent Core City Summit, attended by David Miliband, the Minister for Local Government.

The plans were drawn up for - and depend upon – Nottingham as a conurbation. It is the city region that gives Nottingham its Core City status, and its economic clout.

With a population of 632,000 in the city and its surrounding boroughs – 750,000 if the full travel to work area is included – Nottingham is one of the UK's largest urban areas. Nottingham pulls in people, to shop, work, relax and make their homes here. Its retail centre is rated 4th in the UK, with 600 companies waiting to move in. Three regeneration sites with a combined area of 300 football pitches are being developed to allow the city centre to expand.

Other growth areas are associated with Nottingham's status as a Science City. Research at the two universities, including Europe's largest university hospital, nurtures a fledgling medical technology sector. Information and communications based businesses are blossoming. Health and social care, financial and legal services and education at all levels are growing, too.

The cultural requirements of a major city are rapidly being put in place, including a new Centre for Contemporary Art, a dramatically extended film and media centre, and the city's current hosting of the British Art Show. All this means that Nottingham has a powerful influence on the entire East Midlands, particularly on Leicester and Derby, its sisters in Three Cities.

Nottingham is, then, a coherent economic entity, yet its governance is fragmented. The conurbation consists of the City of Nottingham, and the boroughs of Broxtowe, Gedling and Rushcliffe, together with Hucknall in the Ashfield district. The Government's recent document *Devolving Decision Making 3* contains a comment on this anomaly.

This document outlines a way forward that is built both on mutual interest and mutual respect. It is acknowledged that local government reorganisation could destabilise working relationships, perhaps for a protracted period. Local issues should remain the bedrock of local communities, represented by their existing local authorities.

However, *Showing The Way* commits the conurbation to a shared strategy for developing Nottingham as a Core City. It is strongly supported by all the organisations that work together to promote economic growth and greater economic equality. This solution is particularly appropriate for Nottingham, where a strong tradition of partnerships characterises the approach to many problems.

The Conurbation Area Agreement will be led by the Greater Nottingham Partnership, set up 13 years ago to represent all sectors in promoting prosperity throughout the city region. It is further hoped that through *Showing The Way*, Nottingham can continue to set a national example of partnership working for economic renewal.

2. The Greater Nottingham Partnership – our shared achievements

Nottingham has a strong foundation for a Conurbation Area Agreement. The economic reality of Greater Nottingham, and the opportunity this provides for more effective joint plans and services, has been recognised by all the major agencies. By working together, organisations have already put the following in place.

An effective, trusted partnership that represents the economic area of the conurbation. In 1994 the City and County Councils set up the Greater Nottingham Partnership to improve partnership working and attract more funds for regeneration. The GNP represents all the local authorities, business, public service agencies, voluntary organisations and community groups. It also hosts Greater Nottingham projects in skills, ICT and transport. It is recognised by the Government Office for the East Midlands (GOEM) and is the sub-regional strategic partnership of the East Midlands Development Agency (emda).

A clear strategy for the development of the conurbation. Drawing Together, the City Region Development Strategy, was developed through the GNP. Together with its action plan – The Story Unfolds – it identifies the projects that will deliver the conurbation's joint economic, social and environmental objectives for the next five years, together with the organisations responsible.

Conurbation-wide economic support Key services focused on the economy already operate across the conurbation. They include inward investment, business development and tourism. Business support is also given throughout the conurbation by the Chamber of Commerce and Business Link Nottingham.

Conurbation-wide skills development. Together with Manchester, Nottingham is one of only two areas to put in place the Skills Board model for co-ordinating employment, training and skills. The Greater Nottingham Skills Board, together with the Learning and Skills Council and Job Centre Plus operate across the conurbation, breaking old geographical and sector boundaries.

A conurbation wide transport policy It has long been understood in Nottingham that transport is linked to economic development. The Greater Nottingham Transport Partnership, based at the GNP, advises on transport strategy and projects, working to a Local Transport Plan produced jointly by the City and County Councils. Business support is strong – a Commuter Planners Club, has 80 members covering 50,000 employees. The GNTP also supports the Big Wheel public awareness campaign to change travel habits in both businesses and the general public. All these measures, together with major changes to infrastructure, including Line One of the highly successful Nottingham Express Transit tram and a series of bus improvements, have kept the growth of road traffic steady over the last five years, while the use of public transport has grown. The Government has given Nottingham the country's highest rating for its annual performance review, and the City Council was named Local Authority of the Year at the national bus awards. Both the main bus companies – NCT and trentbarton – have recently been Bus Operator of the year.

Conurbation wide health services Nottingham's Health Action Zone covered Greater Nottingham, and the newly created Nottingham University NHS Trust will draw 65% of its patients from within the conurbation, and 35% from outside it – a clear demonstration of the city's influence.

Conurbation wide public/private sector partnerships – targeting, in particular, growth sectors. Recent examples include BioCity, Europe's largest centre for young bio-technology companies, and Accelerate Nottingham, responsible for over a hundred wireless internet connection "hotspots" throughout the city's universities, cafes and bars.

A strong and still developing retail sector – with the fourth best shopping centre in the UK (Experian). Nottingham resisted out-of-town shopping and continues to promote the city centre in line with aspirations for an inclusive, civilised public space that is strongly supported by the

private sector. Through Nottingham Regeneration Ltd, a pioneering regeneration partnership, three regeneration sites will expand the city centre still further, accommodating some of the 600 retailers who are still seeking space. The redevelopment of the central Market Square, linked to a chain of urban parks, will continue to improve a cityscape that has attracted thousands more residents in recent years.

In addition, the conurbation has demonstrated the strength of its shared vision, nationally and internationally.

Core City status – Nottingham is one of eight English Core Cities, reflecting both its current status in the national economy, and its future as a catalyst of regional growth. It is the leading East Midlands city, yet it works alongside Derby and Leicester to promote shared prosperity.

Science City status – Nottingham is one of six Science Cities, designated by the Government. A steering group that includes high level representation from both the University of Nottingham and The Nottingham Trent University, plus GNP, the City Council, emda and local science-based companies are examining how best to utilize science city – for education, business and in local communities.

A shared international policy The conurbation has developed international links that have clear economic advantages, including Ningbo in China, where the University of Nottingham has opened a campus, and Karlsruhe in Germany, a twin city that has provided expertise in integrated transport, technology transfer and the development of economic clusters.

3. Our challenges

Like other British cities, Nottingham faces considerable challenges. The three most urgent issues are listed below.

- Nottingham is the sixth richest area in the UK measured by Gross Value Added – and the seventh poorest when ranked by the Index of Multiple Deprivation. This disparity is explained by the contrast between the City of Nottingham and its more affluent suburbs. Well over two-thirds of Nottingham's own residents live in the most deprived 10% of England's neighbourhoods, where only 63% of people are employed, compared to 75% nationally. Nearly 60% of people who work in the City of Nottingham live outside its boundaries, commuting in every morning. People in the richest areas of the city live on average thirteen years longer than those in the poorest parts. Great efforts are being made to combat inequality - £140 million will be spent on City schools, while GCSE results have improved dramatically. It is recognised that inequality is not just a social concern – it is a vital economic issue. Expanding businesses need skilled local staff and strong local markets that excluded communities cannot supply.
- Effective action to address inequality will depend on clarifying our complex governance arrangements and streamlining our services. This must be done while respecting the local perspective, local needs and local accountability.
- Nottingham must also make best use of the assets at both its universities, including the high number of students they attract, their nationally and internationally renowned research areas, and their links to business and the wider city community.

The Conurbation Area Agreement will Show the Way on each of these issues, as well as refreshing and combining the current Local Area Agreement (see Appendix 3)

4. Our vision

As a Core City, Nottingham welcomes its regional and national role. It is already building a strong commercial and social base, including an inspiring built environment, a lively evening economy and an inventive creative industries sector.

However Nottingham is not content to be a “commodity city” that can be compared to many European peers. It is determined to secure a sustainable future for its businesses and citizens by developing a distinctive reputation and competitive advantage, backed by specialist skills.

Nottingham is accelerating its re-positioning as a city of science and technology. Its designation as a Science City, one of only six in the UK, has provided a platform for its growing reputation in academic and commercial innovation, particularly in health and life sciences, nanotechnology, ICT and digital development, environmental technologies and engineering.

A Science City prospectus has been produced as the precursor to an active partnership. By 2020 Nottingham will be recognised as an international location for scientific excellence, including research and teaching that links universities, schools, businesses and local communities. Over the next twelve years an extra 20,000 jobs will be created in science and technology.

5. Our strategy

Recent local strategies have provided a timely theoretical framework for the Conurbation Area Agreement. The Regional Economic Strategy, the Employment and Skills Plan and the Urban Action Plan have all been part of this process.

This work was used to prepare the development plan for Greater Nottingham, Drawing Together, an extension of the Core Cities prospectus and one of the first to recognise the wider natural economic area that is now the subject of the national city region debate. Drawing Together concentrated on the key themes that promote Nottingham’s prosperity. It was followed by a delivery plan that identified actions and the organisations responsible for their implementation.

The Conurbation Area Agreement will build on the Local Area Agreements that the City and County Councils have put in place. These developed policies that address disadvantage, but they will work in tandem with those that support economic growth. The aim of the Conurbation Area Agreement is to create a powerful programme for action that will tackle challenges and seize economic opportunities.

The Conurbation Area Agreement will take forward the City Development Strategy incorporating innovative new projects. It will also contain a more detailed analysis of projects, in keeping with the Local Area Agreements, including a “contract” for short to medium term delivery.

In addition, a Conurbation Area Agreement will have extra benefits, including national and international recognition, a focus for economic development, the resolution of governance issues, the alignment of resources and increased self-determination. It will provide the framework for closer working between local organisations and government, including contractual arrangements, governance agreements and partnership projects.

Showing the Way welcomes the Government’s recognition that local authorities and other partnerships are best placed to lead local economic growth. The Conurbation Area Agreement offers Nottingham the opportunity to construct its own vision of the future, overcoming old barriers that have blocked devolved decision making. The CAA will be the catalyst for investment to

promote economic wellbeing on a long term time span of ten to twenty years. To this end, the CAA will establish contracts that meet both local needs and national policy.

6. Our priorities

The Conurbation Area Agreement will Show the Way in three key areas.

Skills and Employment:

- The Skills Board (developed and facilitated by GNP) operates at the conurbation level and brings together funders, providers and the private sector (including Job Centre Plus, LSC, One Nottingham, GNP, City & County Council) to address the issues of skills supply and demand.
- The Board particularly focuses on sectors, inward investors and growing local businesses with recruitment and skill requirements and is leading on the development of a multi-agency integrated service – Making the Connection.
- Through the CAA, the Skills Board will develop an overarching strategic framework covering the breadth of the worklessness and skills agenda and will act as the single strategic planning and performance mechanism for skills and employment across the conurbation.
- Local partners agree that the Greater Nottingham Skills Board provides the right infrastructure to be the strategic lead for development and implementation of Nottingham's Worklessness strategy as outlined in the Welfare Reform Green Paper.
- To support continued growth particularly in high value technology and knowledge sectors we recognise the need for a more proactive and complementary strategy for Higher and Further Education, which better meets the needs of the future economy.

The Knowledge Economy. (including Science City)

- Science City will be the major focus to correlate and promote a competitive advantage for Nottingham. A conurbation plan to promote science and technology from schools to PhDs, it already has a prospectus in place.
- The knowledge economy will focus on upgrading the local economy by increasing both the higher level skills in the local populace and by encouraging growth and investment in higher value added employment. The development of knowledge Initiative businesses is a key objective.
- Innovation is a cornerstone of the East Midlands Regional Strategy. It will encourage businesses to become more knowledge intensive businesses and promote better links between academia and business
- The CAA recognises the importance of arts and culture (including large scale public arts, community arts and the creative industries) and their role in the growing media market
- Nottingham must promote and benefit from the growth of its assets at both universities, including student numbers, the high quality of research and links to the business and general community.
- The further development of Nottingham's wi-fi network, in terms of coverage second only to the City of London.

Land and Infrastructure:

- The CAA will take an holistic approach to sites across the conurbation, encouraging an agreed strategy (and sites) for science, commercial and residential purposes, including possible site assembly and marketing to inward investors and indigenous expansion. The strategy will also accommodate any future growth nodes.
- Building on the existing conurbation wide employment land study the CAA will explore the possibility of developing a coherent local development framework for the conurbation, encompassing social and environmental aspects.
- Building on established best practice (eg the Greater Nottingham Business Crime Initiative), the CAA will recognise the link between regeneration and crime that affects the economy and wellbeing of the community.
- The CAA will take forward sustainability issues, such as improved energy consumption, waste recycling and improving the quality of open space in the strategy for sites and property.
- Build on the success of the LTP and its conurbation approach to delivery through the Greater Nottingham Transport Partnership and the Big Wheel marketing, the CAA will support a thoroughly integrated intra and inter regional transport network - a 21st Century transport infrastructure for a 21st Century knowledge based economy..

7. Nottingham and the Three Cities

Nottingham as a Core City does not exist in splendid isolation of its hinterland. To this end Nottingham has driven the concept of three cities.

In the East Midlands the 3 major cities of Nottingham, Leicester and Derby have been working together over the past two years to develop a joint response to this evolving urban policy agenda, as well as and making the most of recent economic growth.

The relationship between the conurbations is complex, and interdependent. Three of the fifteen largest cities in England are located within 30 miles of each other. Substantial numbers of people travel between them for work, shopping, education and leisure. Their areas of influence and catchments overlap significantly, while their joint population totals 2.4 million people, 57% of the East Midlands' total.

A three cities approach means a critical mass is formed to promote shared economic opportunity, together with social and environmental wellbeing. For this purpose a separate but aligned Three Cities metropolitan area agreement and business case has been submitted.

This builds upon the emerging spatial and economic policy, recognised by both EMDA and GOEM. It is based on delivery in a loose Randstad type model. Key themes that are already emerging and contained within this complementary document are:

- Knowledge Economy - Building on the 3 cities Local Futures Report 2005
- Growth Point Status – Bid submitted 31st March 2006.
- Nottingham East Midlands Airport
- Midland Mainline and Trent signal Box upgrade
- Built Environment i.e. Interrelated URC issues
- Creative Industries
- Science City – particularly the higher education and property linkages
- Roll out of the Skills Board model

Showing the Way complements and interacts with the Three Cities business case.

8. Governance

Nottingham as a Core City includes the geographic areas covered by:

- One unitary authority
- Three district authorities and part of a fourth district, which together are also part of a county authority.

There are also Local Strategic Partnerships for each district and for the unitary authority area. Two of these, including One Nottingham which covers the unitary area, are linked to the delivery and management of Neighbourhood Renewal Funding.

The core city is also served by various other agencies and partnerships with varying geographical coverage.

These arrangements can appear complex to the outside world. However, all of these agencies and authorities work together across the conurbation on economic development focused activities, through the Greater Nottingham Partnership (GNP), which oversees strategic economic development across the Core City area.

City governance is likely to be a focus of the forthcoming Local Government White Paper. Partners are aware of some of the ideas being suggested in consultation on that paper's development and will actively explore options offered once the paper is published.

In these circumstances, it would be pre-emptive to develop new governance arrangements for the CAA. It is proposed that in the short to medium term GNP become the lead body for governance for the CAA.

It is proposed that GNP facilitate a joint board, to manage the implementation of the CAA, of the Leaders and Chief Executives of all the local authorities. This body would make recommendations to the GNP operating board, representing emda, Job Centre Plus and the Learning and Skills Council, as well as being responsible for the delivery of local authority projects in the CAA.

The Greater Nottingham Partnership (GNP) is well suited to fulfil this role.

- Established since 1994, it has existing "buy-in" conurbation wide.
- It is an independent legal entity limited by guarantee.
- It currently leads on the "Drawing Together" city development strategy agenda and has managed the City Growth Strategy for Nottingham.
- It is the existing recognised sub-regional partnership by both the East Midlands Development Agency and Government Office for the East Midlands and is charged with developing the Sub Regional Investment Plan for EMDA 07-10.
- It is open to both self and external scrutiny. Self scrutiny comes through the board itself, which has political representation from both the City and County Authorities and relevant theme forums. External scrutiny comes through financial auditing by both EMDA and GOEM for Sub-Regional Investments and European funding respectively.
- It enjoys good relationships with all LSPs in the area and formally liaises with them quarterly, in addition to informal contacts.

- It has an established track record of managing externally funded regeneration programmes.

In the medium to long term as the CAA develops and the outcomes of the forthcoming white paper are known then the governance model will evolve accordingly.

Through this established governance route the CAA seeks to address the first devolution from Government to Core City through the ability to set conurbation priorities regarding drawing down central and regional government funding and corresponding areas of delivery. In addition it seeks to remove existing barriers to local self determination and develop over the medium to long term the powers to introduce fiscal and legislative initiatives to steer its own economic future.

Elements of the Nottingham Conurbation Area Agreement:

This Conurbation Area Agreement whilst acknowledging the Local Area Agreement approach stipulated by ODPM, also takes the opportunity to build upon work originally contained within the City Development Strategy and within that context proposes more medium to long term initiatives which need to be worked up alongside a more formal LAA contractual approach.

Conurbation wide strategic projects:

Governance:

- 1) Statistical recognition of the conurbation area. There is existing confusion and technically incorrect analysis of the core city and the city region. The challenges are for central, regional and local government to agree exact economic boundary definitions and establish a meaningful baseline for analysis. We propose that a task group is established involving central government departments to identify and resolve these issues. A recent example of this anomaly is the latest state of the cities report which identifies the District of Erewash as part of the Conurbation but ignores Rushcliffe which is clearly included in previous documents and whose main urban centre adjoins Nottingham City. We will seek to establish a conurbation "Intelligence Unit"/Think tank in the coming months.

Skills and Employment

- 1) **Higher Education Strategy:**
Nottingham is home to two globally renowned universities and several excellent colleges of further education. To enable the economy of Nottingham to continue to not only grow but to grow within desired high value technology / knowledge sectors a more proactive and complementary strategy for Higher and Further Education needs to be developed. The Nottingham Skills Board will lead on this initiative which ties in with the more specific project described later requesting more freedom regarding the prioritisation of key sectors and resulting financial flexibilities.
- 2) **Employability Skills:**

A major issue in Nottingham is the current employment patterns in many low wage/low skill jobs. The Skills Board will address these issues through the specific projects detailed later in this document. (Making the Connections and the Worklessness Strategy).

Science City/Knowledge Economy

- 1) Review of State Aid concerning public sector property investment for niche scientific and knowledge intensive facilities.

Our commitment to deliver additional growth sustainably, in the majority, on brownfield sites presents the opportunity to restructure monocultural estates and, through coordination at the Greater Nottingham and 3 Cities Area levels, ensure that all communities offer the lifestyle choices people deserve.

A key challenge in this remains our ability to bring forward brownfield employment and housing sites where the market will not develop:

- The public sector itself finds direct development difficult in these circumstances. Emda/English partnerships can intervene themselves in these sites however if the aggregate cost of the land assembly exceeds the cost of the developed land, resource accounting practices cause the loss to be written off against revenue budgets.
- Where there is private sector intervention it becomes very difficult to implement planning gain policies as the profit margins are not there to extract a reasonable tariff.
- Where Nottingham Regeneration Limited undertake direct development at present it is through using the local authority's processes which add cost and are considerably more time-consuming than if direct development were permitted for NRL in its own right.

URCs are the key vehicle used by local authorities and key stakeholders to drive the physical regeneration agenda. However they are currently unable to act as direct developers in these circumstances either. As public sector sponsored, non-profit making companies there is a strong argument for a review of current state aid legislation especially where URCs or similar not-for profit vehicle may wish to act as "developers of last resort" where there is no private sector competition

Propositions

We are not proposing a review of the current regulations around public sector direct development as we believe the market should be encouraged to develop wherever possible. However we would argue that State Aid regulations governing the operations of URCs and similarly constituted organisations could be reviewed to allow development to be more easily undertaken in these circumstances.

1. The current gap-funding regimes for housing and derelict land are due to expire in 2006 and must be continued if we are to further the urban renaissance of our cities on the current basis and avoid a national shift towards Greenfield development
2. Complete State Aid exemption for these organisations may not be necessary. If we can agree with Government a criteria for the conditions which constitute market

failure and therefore where there is no competition then State Aid regulations need not apply

3. We propose that gap-funding thresholds could/should be increased to favour developments which promote employment growth in key sectors (e.g. Knowledge sectors, especially those supporting our Science City aspirations and Creative Industries).
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- 3) Science City Education: The ability to use specific taxation initiatives to directly raise finance to be recycled into an enhanced mainstream science and technology educational offer. Examples include a sales tax analogy with an extra ½ % on VAT within the conurbation. On current figures this could raise approximately £5.3m p.a. based on retail centre non-food expenditure (source: CACI). and / or Hotel visitor tax which even levied at £1 per person per night would raise an estimated £500,000 per annum. Both of these initiatives would be relatively easy to collect and not impact on the conurbations existing contribution to central government taxation.

Land and Infrastructure

- 1) **Built Environment:** Nottingham has successfully developed an ongoing portfolio development of public realm by both the public and private sectors. £2-3bn of investment is planned over the next 3 years. Nottingham Regeneration Limited have led in the development of Masterplans for several key Regeneration Zones and through EMDA and Morley Finance a region wide innovative development arm, Blueprint, has been created. However, there is still an issue in bringing forward and stimulating both a latent / laggard office market and science based market where the commercial risks are perceived to be higher. Despite the recent development Nottingham's rental levels are still low compared to other core cities. Initiatives to be worked on include a review of the state aid regulations as mentioned above but also the development of whether project specific bond issues could be used on a conurbation wide basis to address market failure and / or accelerate key development. Such an approach would review closely the workings of the prudential code on borrowing, proposed planning obligations and the finance market in general. Such an approach would remove financial risk to Central Government, enhance a Local Authorities ability to raise capital finance for major projects as well as ensuring sound and prudent management of funds by the Local Authority.
- 2) **Conurbation wide Local Development Framework:** The new planning framework offers both excellent timing and the platform to undertake a conurbation wide local development framework. Such an approach would ensure not only economic but also transport, housing and leisure issues to be based on a truly conurbation wide platform and indeed the process itself engenders community involvement, critical on cross boundary issues.
- 3) **Nottingham East Midlands Airport:** NEMA is a clear economic asset to not only the conurbation of Nottingham but also to the three cities approach. Its recent masterplan identifies 14,000 jobs on site and a passenger throughput of 11m by 2015. However, due to its location and current passenger numbers direct sustainable public transport initiatives are hard to bring forward. There is currently a subsidised bus route from all three cities and a planned re-opening of a nearby railway station. To ensure the continuing high priority attached to such an issue it is proposed that the airport authority is given the powers to levy either an additional land tax on occupying companies and / or a flight tax on passengers to cover the long term operating costs of integrating into a

public transport network. The value and allocation of this resource to be fully transparent to the three cities Local Authorities.

- 4) **Rail Connectivity:** Nottingham and the three cities have tremendous potential not only in their proximity to London and the South East but also in their connection to St Pancrass and through it to mainland Europe. However, existing blockages to development are identified as the current capacity and built environment of Nottingham Station itself, to be addressed through physical development and the enablers mentioned above and the actual state of the track / rail network itself notably Trent Signal Box which technically is a major barrier to network and capacity expansion and thus economic growth yet ironically is a relatively low capital outlay. It is requested that a joint agency approach is taken as matter of urgency to resolve this issue.

Nottingham CAA Key Specific Projects:

Inward Investment: Conurbation Wide International Business Development Service

Priority

1. Increase the number of companies in the following key sectors: Public Sector, Business and Financial Services, Creative Industries, Biosciences, Healthcare and Nanotechnology
2. Increase the number of knowledge intensive jobs (K1 to K2) in the Greater Nottingham economy.
3. Increase the profile and opportunities for Nottingham at international investment-led events, utilise our international networks and use our universities to generate more investment and trade leads.
4. Link local people to opportunities created through Inward Investment and physical regeneration activity.

Action

Nottingham has already developed a conurbation wide Inward Investment service, hosted by Nottingham City Council. This, coupled with a regional partnership between emda and UKTI to deliver more effective international trade and Inward Investment at a regional level has created a strong bedrock for Nottingham to increase inward investment and take advantage of the globalising economy.

In order to achieve these outcomes, Nottingham will need to develop activity in the following areas:

- A refocused Inward Investment service that proactively targets key sectors, underpinned by the latest local and global market intelligence
- Develop stronger partnerships with the city's two universities to build and capitalise on their international links, research partnerships and opportunities for inward investment.
- Look to develop trade and business links through the Universities' international alumni
- Integrate the Investor Developer role into supporting the international agenda
- Identify opportunities through developing masterplans and the Greater Nottingham Property Strategy for large, investor-led developments on key sites in Greater Nottingham.

- Co-ordinate and utilise the conurbations extensive international links to develop opportunities for trade and return investment.
- Identify key international property and investment events and international networks to attend and actively promote the conurbation

Indicative Targets

Within the Nottingham City Local Area Agreement, a target has been set create 400 jobs per annum in priority sectors in Greater Nottingham by 2008/09. There is also a target to increase employment in the knowledge economy to 59% (from 56%) by 2008/09.

Case

Inward Investment is a key driver towards delivering the jobs growth, generating a proportionate reduction in worklessness and driving the local economy towards a higher skills base. The last major Inward Investment success for Nottingham, the UK operations centre of Capital One in 1997, created 2,200 jobs.

Nottingham is currently undergoing a significant wave of property-based regeneration, creating significant opportunities to attract new companies to the City that will be an asset to both our employment base and economy.

More sites are due to come on stream over the next decade as masterplans are drawn up for Nottingham East Midlands Airport, the Boots site, the Siemens site and a Greater Nottingham Property Strategy is developed.

Through Making the Connections, Nottingham is developing a model for investment and physical regeneration that can support local people to access any employment opportunities created. When Jurys Inn located a 264 room hotel on the edge of Nottingham city centre, local agencies were able to support 16 local unemployed people into employment.

Assets

- Established conurbation wide Inward Investment service, Vision Nottingham
- Making the Connection launched after successful pilot at Jurys Inn
- Significant levels of physical regeneration planned over the next decade
- Strategic international links, including Ningbo, China and Karlsruhe, Germany
- Strong international reputation
- The UK economy has seen strong growth over the last decade – significant Inward Investment potential to service UK market

Challenges

- Overcoming the negative press the City is currently receiving
- Increasing international competition from the Far East and an expanding Europe
- Nottingham has lost 50ha of employment land over the last 5 years
- Time lag between sites becoming available and inward investment secured
- The UK's relatively poor competitive advantage in the EU (strong currency, higher wage rates, relatively low productivity) as an investment location to service the EU

Enablers

- Vision Nottingham
- UKTI/emda
- NRL and other physical regeneration agent
- Universities

Lead partner

Nottingham City Council

Delivery Mechanism

Nottingham City Council to host Vision Nottingham and the Investor Development post. Partnerships to be developed with the two Universities. International Business Development Strategy to be developed

Timescale

2006 International Business Development Strategy developed
Partnerships built with Universities
Resources secured for Vision Nottingham

2007 Ongoing delivery

Knowledge Economy: Developing the Greater Nottingham Knowledge Economy

Priority

1. Generate Inward Investment in knowledge intensive sectors
2. Increase graduate retention into knowledge intensive jobs in Greater Nottingham
3. Developing indigenous local knowledge intensive companies
4. Upskilling local people to work in employment in growing, knowledge intensive sectors

Action

If Greater Nottingham is to develop a truly competitive, export focussed knowledge based economy, then significant levels of activity need to be developed to attract inward investment, grow and develop indigenous businesses and support and develop the skills levels available in the local labour market at all levels.

Proposals for worklessness and skills include the ability to set locally defined targets for national agency to support local labour market priorities and a proposal for Inward Investment identifies key sectors and identification of target markets. These are clearly interwoven with the agenda to develop the knowledge economy. This Knowledge Economy proposal will concentrate on the development of indigenous businesses in key growth sectors and generic support for innovation and Research and Development across the business community.

Nottingham City Council and Nottinghamshire County Council are already identifying ways that Science City status can drive a programme of stimulating enterprise and science/technology learning in our schools to develop the skills necessary for the 21st century economy.

Nottingham City Council will use its Science City status and elements of the Three Cities LEGI submission of 2006 to drive the indigenous business development agenda and support Inward Investment activity across the conurbation. Particularly by running workshops that facilitate appropriate knowledge transfer by delivering business facing “products” derived from academic research and learning to businesses in disadvantaged areas, but aimed at problem solving for SME’s in disadvantaged communities.

The Nottinghamshire and Nottingham City Local Area Agreements both have identified developing a knowledge base to the economy as a key priority, and delivery plans are being developed jointly to take this work forward, notionally with the Nottinghamshire Innovation Working Group as a co-ordinating body.

Greater Nottingham has a strong business incubation capacity in terms of key knowledge intensive growth sectors, particularly in relation to bioscience, IT and creative industries. Through the Greater Nottingham Employment Land study, and property-orientated research, a conurbation wide strategy will be developed to ensure we have the property base to keep these businesses in Nottingham when they grow.

Indicative Targets

Within the Nottingham City Local Area Agreement, a target has been set to increase employment in the knowledge economy to 59% (from 56%) by 2008/09. Targets are also currently being set to deliver the Science City prospectus.

Case

Nottingham already has above average representation for employment in knowledge intensive sectors and through initiatives such as Science City, BioCity and the Highfields Science and Technology Park, has the long-term vision to increase the knowledge base of the local economy.

However, global competition is fierce and further progress is needed to compete with other core cities and other European and global competitors. Our infrastructure needs to be of the highest calibre to support indigenous businesses to grow and attract inward investment that will create high quality, sustainable jobs growth.

The knowledge economy will be the key driver for the local economy for many years to come, so embedding our young people with the skills to both participate in this growing sector and also become the fulcrum of our competitive advantage is vital.

Assets

- Two large Universities with an international reputation
- Significant levels of physical regeneration planned over the next decade
- Science City designation
- Strong infrastructure for business incubation such as Mercury House, BioCity
- Three Cities partnership
- Nottinghamshire Innovation Working Group as a strategic lead
- Strong research base to develop knowledge economy activity
- Strong forward proposals and delivery mechanisms for skills and workforce development and Inward Investment
- Recognition in the Local Area Agreement of the Knowledge Economy as a priority action area

Challenges

- Increasing international competition from the Far East and an expanding Europe
- Nottingham has lost 50ha of employment land over the last 5 years
- Driving the innovation agenda forward without the extra resources available through LEGI, if our bid is unsuccessful
- Embedding an understanding of what the knowledge economy is, why it is important and how to stimulate its growth across a wide range of partners.
- Increasing skills levels in the labour force to drive local growth

Enablers

- Greater Nottingham Partnership
- Nottingham University and Nottingham Trent University
- Key agenda in the Local Area Agreement, which is a potential conduit for funding
- Nottinghamshire Innovation Working Group
- Science City Working Group

Lead partner

Greater Nottingham Partnership

Delivery Mechanism

The LEGI bid will be a key driver for supporting indigenous companies to grow a knowledge base and engage in a wide range of support programmes, led by Nottingham City Council, but with a wide engagement from partners. The Nottinghamshire Innovation Working Group is also co-ordinating the delivery of the Knowledge Economy elements of the two Local Area Agreements.

The Science City Working Group has lead responsibility for physical sites development and co-ordinating a programme of education.

Timescale

2006 Delivery of Science City Prospectus
Submission of Three Cities Local Enterprise Growth Initiative bid
Delivery of Local Area Agreements
Completion of Greater Nottingham Employment Land Study

2007 Highfields Science Park extension

Making the Connections:**Priorities**

1. Increase the employability and skill levels of local people
2. Decrease the number of people on inactive benefits
3. Provide a first class recruitment and skills service to inward investors, developers and existing employers

Action

Develop a conurbation wide single branded service that provides a coordinated and seamless recruitment and skills service to employers, whilst supporting local people (particularly those on inactive benefits) to access local jobs. This will involve a multi-agency integrated approach with co-located personnel from Jobcentre Plus, the Learning and Skills Council and the City Council. These core organisations will work together to broker relationships between employers, providers and communities.

Indicative Targets

Number of employers engaged
Number of vacancies identified
Number of pre-employment training courses
Number successfully completing programmes
Number of job outcomes

Case

Greater Nottingham's economic output growth (GVA) is the 6th highest in the UK with key growth sectors such as public sector administration, health, retail, hospitality and business services. Experience from Nottingham Works (identified as best practice by ODPM) has shown that strong account management and pre-employment training courses can work for these sectors.

Nottingham also has pockets of multiple deprivation with approximately 1 in 10 people of working age claiming incapacity benefit, and low educational achievement. Again findings from the Testbed Learning Community pilot highlighted Learning Champions as a successful method to engage people on inactive benefits in learning and their first steps back to work.

Assets

Sponsored by Greater Nottingham Skills Board
Private sector involvement
Embedded in City and County LAA however practically will be delivered on a conurbation level therefore would benefit from a single agreement
Commitment from key funders
Best practice model for Regional Employability, Skills and Productivity Plan

Challenges

Sufficient outreach activity to engage inactive claimants
Conflict between local and national priorities
Lack of flexibility locally to fund short employer focused courses

Enablers

The Skills Board to have discretionary powers to relax training eligibility criteria for Making the Connection.

This would include local discretion to:

- Allow people claiming Jobseekers Allowance to attend pre-employment training of up to 6 weeks on a full-time basis (funded outside of Jobcentre Plus); if it is considered that this will greatly enhance their chance of securing a job.
- Enable people claiming incapacity benefit to attend Jobcentre Plus New Deal provision with no detriment to their benefits.

Lead partner

Greater Nottingham Skills Board

Delivery Mechanism

Alignment of resources including NRF, ESF, Single Programme and mainstream funds.
JCP, LSC and City Council co-located team hosted by GNP.

Timescale

2006 onwards

Skills Board: The Greater Nottingham Skills Board

Priorities

1. Further develop the Greater Nottingham Skills Board as the single strategic planning and performance mechanism for skills and employment across the conurbation.
2. Identify Greater Nottingham Skills Board as a national pilot for the above.

Action

The Greater Nottingham Skills Board was established in September 2004 and is recognised by local and regional partners as the lead strategic mechanism for the skills and worklessness elements of the LAA, LSP Improvement Plan, SSP Development Strategy and the Regional ESP.

Partners would like to build on this position to permit greater control over local planning, resource allocation and target setting. This would include, piloting new approaches to multi-agency working, contracts with national departments to deliver mutually agreed local PSA targets, and the formalisation / empowerment of local horizontal accountability.

To fulfil this role the skills board would need to strengthen its organisational processes including, more robust methods of data sharing / labour market analysis, development of joint protocols and performance management frameworks, shared agreement and responsibility for executive support to the board.

Indicative Targets

Currently those outlined in the LAA / LSP plans
Negotiated local PSA targets

Case

With recognition that skills and employment is central to an economically prosperous city, we feel that 'city skills board' pilots could assist with exploring new methods of planning and delivery. A single strategic mechanism for skills and employment would help knit together the disparate strategies and organisational cultures to provide a holistic and synergised response to local need.

Assets

An established Greater Nottingham Skills Board with strong local and regional commitment
Lead delivery mechanism for LAA, LSP, SSP and ESP.

Challenges

Conflict between local and national priorities
Lack of flexibility to tailor mainstream provision to meet local need
Sharing of knowledge, intelligence and data

Enablers

The skills board to be recognised as a national pilot by all relevant departments.
Contracts to be negotiated with national departments to deliver mutually agreed local PSA targets.
Introduce performance management frameworks that require funders and providers to collaborate and be accountable at a local level.
The skills board to be the strategic lead for a conurbation city strategy targeting Incapacity Benefit claimants.

Lead partner

Greater Nottingham Skills Board

Delivery Mechanism

Alignment of resources including NRF, ESF, Single Programme and mainstream funds.

JCP, LSC and City Council co-located team hosted by GNP.

Timescale

2006 onwards

Worklessness Strategy

Priorities

1. To increase employment rates amongst incapacity benefit claimants, lone parents, older people and people from minority ethnic groups
2. To increase the employability and skills of these groups better equipping them to access, remain and progress in work.

Action

The Greater Nottingham Skills Board to be the strategic lead for development and implementation of a pilot conurbation worklessness strategy (as outlined in the Welfare Reform Green Paper). This will require the Skill Board to further develop cross sector relationships with the Primary Care Trusts, private sector providers and voluntary and community sector.

The strategy will utilise partner resources and staffing structures to better effect including those that fall outside of the learning and skills infrastructure e.g. Health, probation services.

Initial engagement will be through Jobcentre Plus, Community, Next Steps and Private Sector Advisors who will be trained to a consistent high standard. Development of the strategy will identify 'what works locally' for the target group and develop a menu of 'fit for purpose' programmes and options. These could include volunteering as a pathway to work, learning provision, work preparation provided by New Deal providers and employer-tailored programmes through Making the Connection.

The strategy will establish jointly agreed targets between local partners and government departments with a performance framework that requires local collaboration and accountability.

The strategy will seek to re-invest funds generated through benefit savings and target these funds at areas that have proven impact, but do not tend to attract sufficient investment e.g. key workers to develop the 'whole person' approach; supporting the voluntary sector to develop high quality, work focussed volunteering opportunities.

Indicative Targets

To be negotiated following detailed analysis of the client base.

Case

Approximately 17,500 people are claiming incapacity benefit in the City UA area of Nottingham with 29,000 across the conurbation which is higher than the national average. Claimants on incapacity benefit have gradually increased over recent years. Therefore, existing government programmes such as New Deal have not been successful in meeting the employment needs of this group. A wider network of partners and expertise is required.

Assets

Commitment from Skills Board partners to this approach
Strong links with all key partners including the voluntary and community sector
Making the Connection model to provide employer engagement and tailoring of provision

Challenges

Developing the skills sets of employees to better engage with this 'hard to reach' client group
Developing a programme outside of Pathways to Work (Nottingham is currently planned to roll-out in 2008)
No additional resources

Enablers

Early roll-out of pathways to work pilot
Jointly agreed targets between local partners and government departments
A performance framework that requires local collaboration and accountability
Flexibility to re-invest funds generated through benefit savings

Lead partner

Greater Nottingham Skills Board

Delivery Mechanism

Pooling of discretionary funds
Alignment of mainstream resources and staff
Links to Making the Connection

Timescale

2006 development of options
2007 onwards – delivery

Local Area Agreements Refresh

Priority

- Identify any new economic development activity that would benefit from the Local Area Agreement approach
- Identify opportunities to develop targets and activity with Job Centre Plus as their new performance management system develops
- *Identify potential opportunities to develop joint delivery mechanisms across the conurbation where identical/similar targets need delivering or similar activity is required.*

Action

Both Nottinghamshire County Council and Nottingham City Council successfully signed off Local Area Agreements in March 2006. A refresh of the two Local Area Agreements is required for 2007 and guidance for this refresh has been launched by the ODPM.

The refresh of the two Local Area Agreements will need to take place in the context of a resubmitted Three Cities Local Enterprise Growth Initiative, Growth Point and Transport Innovation Fund bids, learning from the first year of delivery of the two Local Area Agreements and any other initiatives launched over the next year.

Nottinghamshire County Council and Nottingham City Council have agreed to look at the refresh of their Local Area Agreements (particularly the fourth block) jointly, working with the Greater Nottingham Partnership and other strategic players, to ensure maximum consistency and coverage for the conurbation.

Indicative Targets

Additional/changed targets to be visited in the context of the LAA Refresh Guidance and other new initiatives.

Case

As part of the original Local Area Agreements fourth block submission, City and County worked closely on identifying three headline activities for both documents:

- Enterprise
- Worklessness & Skills
- Developing a knowledge based economy.

Both Local Area Agreements included a joint statement of coverage for the conurbation, acknowledging joint priorities and an agreement to deliver projects appropriate to scale.

Elements of the fourth block were developed jointly with key agencies with a County-wide remit, particularly Job Centre Plus and the Learning and Skills Council.

The Local Area Agreement process brought key players to the table to agree specific joint priorities, discuss delivery-focused activity and look at innovative ways of using joint resources more effectively and look at potential freedoms and flexibilities to request from government departments to enable more effective delivery locally.

The Local Area Agreement approach has been particularly effective as a strategic tool to tackle the worklessness and skills issues agenda in the conurbation. The refresh of the Local Area Agreement will identify other objectives that can be better delivered using a similar approach.

Assets

- Greater Nottingham Partnership is the accountable body the City Council LAA Fourth Block
- Strong partnership approach and consultation developed for both Local Area Agreements
- Statement of joint coverage of the conurbation included in both Local Area Agreements

Challenges

- Pooling resources to tackle conurbation wide issues
- Securing resources through national competitive processes to drive local delivery of the LAAs locally
- Securing high level freedoms and flexibilities to enable delivery locally
- Identifying cross cutting issues and developing delivery mechanisms
- Strain of delivering more outcomes with no extra resources

Enablers

Ability to use the revised Job Centre Plus performance management information to capture job outcome targets.

Further Economic Development resources to be channelled through the Local Area Agreements

Freedoms and Flexibilities requested to be taken forward by the relevant Central Government departments

Growth Point, TIF and LEGI bids successful

Lead partner

Nottinghamshire County Council and Nottingham City Council

Delivery Mechanism

The two Local Authorities, working with partners, to oversee subsequent refresh process of the two LAA fourth blocks. The Greater Nottingham Partnership to oversee consistency of activity across the conurbation.

Timescale

September 2006 – revised Local Enterprise Growth Initiative bid

December 2006 – decision made on LEGI bids

March 2007 – Refreshed LAA agreed

APPENDIX 1

Pen picture of the Conurbation:

| | |
|-----------------|--|
| Nottingham City | 6 th richest LA in terms of GDP 7 th most deprived LA (Index of Multiple Deprivation) |
| Broxtowe | major centres of population Beeston and Stapleford plus a wide hinterland of commuter centres. Beeston close association with the University of Nottingham and Siemens/Boots |
| Gedling | Arnold, Carlton and Mapperley adjoin the City plus hinterland of commuter villages. (blue collar homes plus some smaller deprived areas eg Netherfield) |
| Rushcliffe | West Bridgford plus hinterland of commuter settlements. The managerial centre for Nottingham and the best achieving schools. |
| Hucknall | Large town in Ashfield District adjoining City. Head of tram network and linked by Robin Hood Railway line. |
| GNP: | Formed in 1994 to improve co-operation and cross-sector working. Agreed lead on economic development issues in the conurbation. |

Economic Highlights:

Home to major companies and the administrative centre for the East Midlands:

Major Private Sector employers: Experian, Boots, Capital One, Siemens. Rolls Royce

Government Agencies: Inland Revenue, Government Office, emda

Education: University of Nottingham, Nottingham Trent University, FE sector, New College Nottingham, merger of Broxtowe & Peoples. Centre for School Leadership, OFSTED

Growth sectors: Finance and legal services, Bio technology, ICT related companies, health and social care, retail

Culture: Theatre Royal/Concert Hall, Playhouse, Lakeside/Djanogly Centre, Centre for Contemporary Art, New Art Exchange, Nottingham Castle, Byron / Newstead Abbey, DH Lawrence links at Eastwood.

| | |
|--------------------|--|
| Retail: | Major/expanding City centre retail sector supported by some out of town and local shopping centres. Nottingham is rated as the 4 th best shopping district in the UK (Experian) |
| Education: | Poor attainment at 16, particularly in City and North. Rushcliffe being the only area above the national average. |
| Skills: | economy characterised by low skills and low wages. Worsening problem of skills gap combined with low unemployment. |
| Transport: | Nationally recognised as a leading exponent of transport innovation. Though still a lot to be achieved (eg Tram, Nottingham Station and Trent signal box). |
| SMEs: | Traditionally low (compared to South East) start up rates for SMEs and micro businesses. Steady improvement over last few years. |
| Knowledge Economy: | Largely led by public sector (government agencies, Health and university sector). Private sector leaders Experian, Capital One, ClinPhone). Significant growth in allied industries, marketing and branding agencies etc. |
| Tourism: | Significant growth in business and leisure tourism. Mainly City based, needs stronger linkages to hinterland. |
| Science City: | One of six branded locations in the UK. Builds on history of Nottingham (Boots, birth of NMR, Bio City etc). Opportunity to instil Science and technology from early school to university and into new businesses. There is also considerable commercial pressures on science related sites and a necessity to ensure a long term strategy to secure appropriate “clustered” sites |
| Sport | National Ice Arena, Test match cricket – current count champions, national water sports centre, 2 professional and historically significant football teams, national league rugby union and host a major international tennis tournament. |

Appendix 2

Planning for the Future:

“Drawing Together” the development strategy for Nottingham outlines the vision and aspirations agreed by all sectors. The work was based on the Core City analysis from Professor Michael Parkinson (Liverpool John Moores University). This work took the success criteria from Michael Parkinson and determined agreed local priorities:

- Developing Leadership
- Economic Diversity
- Promoting Innovation
- Connectivity – Transport and Digital
- Developing Skills
- Quality of Life
- Physical Regeneration

The Action Plan agreed as the outcome for this work has been updated in the document “Realising our Ambition”

Though the Greater Nottingham Partnership available funding is largely single programme monies from the RDA (emda) aimed at economic development there have been significant benefits in terms of Quality of Life and improved local facilities etc.

Three Year Sub-regional Investment Plan:

GNP has been charged by emda to prepare a Three Year Investment Plan (2007 – 2010) that will embed the Regional Economic Strategy (RES) into the Sub-region and determine the local priorities for investment.

This is an opportunity to agree wider ambitions across Nottingham and to agree strategies for combining mainstream funds to achieve both local ambitions and national targets.

The Investment plan is due for completion in Summer 2006.

Other Emerging Policy Directions:

The Institute for Public Policy Research (IPPR) has just published their research document “City Leadership- giving city-regions the power to grow” (Adam Marshall and Dermot Finch ISBN 0 9552327 1 6). They make 8 recommendations for policy direction:

1. City-region contracts:

To co-ordinate and devolve funding for regeneration, transport and skills. Contracts would work by:

- Defining City-regions- getting the scale right

- Devolving priorities for action at a city-region level
- Devolution and co-ordination of relevant funding streams
- Setting targets and evaluating progress
- New Powers and incentives – unlocked by contract approach
- Three year implementation period, with renewal linked to delivery.

2. City-Regional Supplementary Business Rates:

Alongside the devolution of existing funding streams city-regions should have some revenue raising options.

- A City-Region SBR in Manchester (2000/01 – 2004/05); a two-pence (4.7%) SBR would raise £35million per year. (It would add an overall 0.82% to business taxation.)

3. City-Region Growth Incentive (CRGI):

In addition to new revenue raising powers, a clear fiscal incentive is needed to promote business growth across city-regions. This is aimed at providing a clear and fairer mechanism for retaining increases in business rate revenues resulting from growth.

4. City-Regional governance to deliver growth:

The devolution of economic development budgets to city-regions requires a step-change in accountability. IPPR recommend the introduction of directly elected city-region Mayors (though they recognise considerably opposition to this proposal)

5. A clear Whitehall framework to support city-regions:

City-regions are still an unknown quantity in Whitehall. To succeed their must be a shared vision of what city-regions are and what they are for. The key principles for city-regions:

- **Purpose:** enhancing economic performance
- **Policy Areas:** regeneration/housing, transport, skills (to start with)
- **Boundaries:** to be based on existing local authority districts and travel to work areas, agreed by ODPM and local stakeholders
- **Funding Streams:** negotiated through city-region contracts
- **Selectivity:** restrict to biggest urban areas (starting with Birmingham and Manchester)

6. Economic Development Contracts:

- Rebrand the Fourth Block of LAA, as a clear, wide-ranging Economic Development Contract (EDC)
- Rollout EDCs across England

7. Make existing powers work better:

Alongside simpler, more devolved funding, many cities have expressed interest in a range of smaller taxes to boost revenue-raising potential.

These may be more important in supporting a “green” agenda or influencing behaviour. Some examples may be:

- Hotel taxes
- Plastic bag charges (as in Ireland)
- Workplace parking charges
- Business Improvement Districts

8. Boosting capacity and skills:

- Boosting local authority capacity in areas such as planning, site assembly and compulsory purchase.
- Improving understanding of the risk issues faced by public and private sector partners
- Tackling information and data issues that hamper inward investment and business growth.

The LAA Fourth Block is a major opportunity to devolve powers and funding to cities and towns; but it does not reflect the reality of a conurbation city.

The Forth Block should be rebranded and up-scaled as an Economic Development Contract between Whitehall, RDAs and local stakeholders