

Building Prosperity in Newark and Sherwood

Newark and Sherwood District Council is planning an investment of £10 million in the district's economy as part of plans to boost growth and get the economy moving. Prosperity is a key strategic priority for the council. The council can help with prosperity in many ways. Planning provides the context for economic growth - identifying land, providing the policy context in which growth takes place, managing & facilitating the process through which development decisions are taken. The Council's strategic housing function provides the context for ensuring that there are sufficient affordable homes that can support a balanced community and economy. Waste, litter and recycling provide the context for day to day functioning of communities in a clean and sustainable way. Community safety helps to address and reduce the kind of problems which otherwise threaten the safety of the community. Cultural, sporting and leisure activities help to enrich and engage communities.

In addition to these things, the Council has identified resources for investment in the local economy for the next three years. We believe that the changing regional and national arrangements mean that we have to ensure that local support for investment is strengthened. We propose to do this through the following five objectives:

- **Inward Investment** - securing investment into Newark & Sherwood as well as supporting and benefitting from investment in adjoining Districts through a more collaborative approach
- **Business growth** - helping businesses to grow, thrive & evolve
- **Employability** - connecting local people to jobs and increasing their employability
- **Infrastructure** - ensuring growth is accompanied by appropriate infrastructure investment
- **Key Sectors** - supporting the growth of key sectors such as tourism, knowledge-based industries, low carbon industries and businesses which gain maximum benefit from the area's connectivity.

Inward Investment

In order to engage with the national policy agenda and ensure that Newark and Sherwood can maximise the potential for economic growth as measures are introduced nationally, local and sub-regional support needs to be effectively organised. For example, inward investment enquiries at a national level need to be coordinated locally. Making investment decisions easy by taking the effort out of dealing with a wide range of local government, agency and utility contacts is a proven way of increasing the level of successful inward investment.

In recent years, inward investment coordination has increasingly been organised at regional level the abolition of the RDA's has effectively removed this support. Local partnership cooperation is organised through Invest in Nottingham which primarily focuses on Nottingham as a core city. Recently, the links between Newark, Lincoln, Grantham and Gainsborough have been reflected in the development of a pragmatic cooperative approach around the A1/East Coast Rail. This provides a further opportunity to market the area to potential investors, share the costs of servicing inward

investment enquiries, and develop a shared approach to bidding for government funds such as the Growing Places fund.

A key threat to economic development is the potential for failure to offer a responsive and coordinated service to inward investors. Given that the development of new jobs is a priority and that growth is likely to come from a mixture of expansion of existing companies and new investment in the area, failure to compete for available inward investment could severely hamper the economic development of the district. In the absence of a regional coordinating tier, inward investment has a strong case to be a priority for the Council.

Additionally, a core inward investment function would enable a credible range of partnership activity to be supported including the development of local private sector ambassadors to advocate on behalf of the local area and encourage new investment. The Council could also provide resources to help develop and market the area as a destination and a place to invest.

There are a number of options open to the Council if inward investment is to be strengthened:

1. The development of an in-house function which could market the area and service enquiries
2. The creation of a shared service with neighbouring councils – for example, cooperation with west Lincolnshire councils could help to market the area within a more competitive sub-regional context and share the cost
3. Resourcing additional inward investment work through a third party – for example, working with Invest in Nottingham to develop more Newark & Sherwood activity.

Business Growth

A key barrier to business growth is the availability of investment in the form of loan finance or equity finance. Since 2008 the availability of finance through the Banks has been hampered by the need of the Banks to replenish their balances. During the 1980's and 1990's, some local authorities were able to address cashflow and investment problems by providing loans and equity investment to private business. This was often carried out in conjunction with the Banks and helped to increase the engagement of Banks in funding propositions that they would otherwise deem too risky. Where loans were involved, councils charged interest at similar levels to the Banks but in terms of security usually bore a greater level of risk than Bank lenders.

The viability of developing a loan and equity scheme for business would need to be carefully considered, particularly as it would need a critical mass to justify the overheads involved in administering any scheme. However, it might be possible to develop a business analyst resource to support this work using freelance rather than permanent staff. A loan fund could be developed using the Council's reserves and balances that are currently on deposit in low income-bearing accounts together with an allocation of funds to underwrite and administer the fund. A £2 million fund could be created with a combination of reserves and resources received by the Council under the New Homes Bonus scheme.

Options to provide a Business Growth scheme would include:

1. The development of a function which could administer and assess loans
2. The creation of a shared service with neighbouring councils
3. Development of a core internal administrative function with freelance expertise brought in as required.

Employability

Economic Growth improves the prosperity and opportunity for the locality. However, it is clear that those sections of the community that are most disadvantaged in times of economic stagnation experience more difficulty in re-entering the labour market. In particular, longer-term unemployed people, young people who are not in education or training and who have low educational achievement and those who have specific access needs (for example, people with disabilities and people with caring responsibilities) can find it harder to secure the opportunities that arise from economic growth.

The council could therefore consider ways of developing interventions that will help to connect those in need of work with the economic opportunities that arise. This could include recruitment schemes where the council works with an employer to prepare unemployed people to be 'job-ready' and the employer guarantees interviews to those who participate. It could also include links between major infrastructure projects and the house building industry and local recruitment schemes. Provision of assistance to 100 people through these measures would cost in the region of £200,000.

Programmes to support employability could be developed in partnership with local training providers (eg. local FE colleges) and agencies such as Job Centre Plus and supported / facilitated by the council. In addition, the Council could ensure that it maximises its own role as an employer in helping people into work. This could include an expanded range of apprenticeship opportunities as well as support for graduate trainees and placements. For example, the cost of providing ten apprenticeships and a graduate traineeship over the next two years would be approximately £150,000.

Infrastructure

Current growth proposals have been supported through Growth Point funding which includes a significant capital sum to be invested in infrastructure. Through the development phase of the Growth point, the Council has employed a Growth Point Manager to coordinate this work. However, the potential for infrastructure financing is substantial over the coming years with the introduction of the community infrastructure levy, the New Homes Bonus, continuing Section 106 requirements, the anticipated changes in business rates distribution, the scope for Tax Increment Financing, and the potential for issuing local authority bonds to support growth.

In addition to these resources, the Council must influence other key organisations which take critical infrastructure decisions including utility providers, the Highways Agency, the

County Council, rail companies and the Environment Agency. The Council could continue to coordinate and develop its management of infrastructure investment through a re-focussed economic development function.

Key sectors

The council is currently reviewing its tourism offer and could consider developing its understanding of key sectors that are likely to bring faster economic growth and sustainable job opportunities to the area. For example, the development of more employment in energy efficiency and other low carbon activities is likely to provide opportunities as energy costs rise and governments work towards lower carbon emissions. Similarly, there are many evolving technologies that are likely to have job creation implications.

Understanding these developments requires some research capacity but this could be provided through a relationship with an external provider. It may also be beneficial to develop the relationship with Higher Education Institutions (as identified in paragraph 2.5.3) to ensure that potential growth industries are supported. Nottingham Trent University's important presence within the District provides an opportunity to develop stronger partnerships with HE but our approach could also seek to engage with other universities in the area including Nottingham University, Lincoln University, Sheffield University and Sheffield Hallam University.

The Council could work with local businesses to develop clusters of growing businesses and to strengthen sectors such as tourism which are critical to the local economy.

Consultation

We're proud of Newark and Sherwood District and excited about the prospects for future growth and prosperity. We want to invest £10 million over the next three years in the five objectives we have set out. But before we do this, we want to hear from you.

Are we doing the right things?

Are there other things you think we should be doing?

Are there opportunities for collaboration or partnership you think we should know about?

Please write or email with your views

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