



CABINET

11 JUNE 2013

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TONY CIABURRO**

**CABINET MEMBER WITH RESPONSIBILITY FOR ECONOMIC GROWTH & PUBLIC
PROTECTION: COUNCILLOR ANDRE GONZALEZ DE SAVAGE**

Subject:	Northamptonshire Economic Update Report for 2012/13 Quarter 4
Recommendations:	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Notes the latest overview of the Northamptonshire economy; 2. Welcomes the announcement of £3.87m of funding to increase capacity of Northampton’s southern inner ring road; 3. Agrees the submission of further schemes to be considered for Growing Places Funding as outlined in Section 5.5; 4. Welcomes the new approach to commissioning and delivering local growth and delivery and the submission of a ‘10 Point Plan’ to Government outlined in Section 6; 5. Agrees that further discussions take place with Government regarding the development of a Growth Deal for the County, based around the 10 Point Plan; 6. Endorses the Next Generation Strategy proposal set out in Appendix 2 and the approach to extending superfast broadband deployment to the final premises; 7. Delegate responsibility to the Director for Environment, Development and Transport in conjunction with the Cabinet Member to progress all matters in pursuit of the Next Generation Strategy Proposal in Appendix 2 and the related commissioning approach for Superfast Northamptonshire; 8. Supports the actions in Section 12 which seek to secure EU funding and a greater say for Northamptonshire on how future funds are targeted; 9. Endorses the wider activities outlined in the report and their impact, including the creation or safeguarding of 737 jobs in 2012/13; and 10. Agrees the allocation of Local Transport Body funding with half of the funds being allocated for technical work and the remaining half being split equally between the County Council and NEP as outlined in Section 18.3

1. Purpose of Report

1.1 This report highlights the key role of the County Council as a “trusted advocate” for Northamptonshire, investing in and delivering measures which promote a more prosperous future for local people and businesses, improving wellbeing and quality of life, and helping people to help themselves to create more wealth and life opportunities. It is one in a regular series of reports to Cabinet on the state of the

Northamptonshire economy and the key economic initiatives and interventions being progressed by the County Council to support the prosperity agenda, including those undertaken with Northamptonshire Enterprise Partnership (NEP).

- 1.2 The County Council invested over £2m in 2012/13 to boost economic growth through its Prosperity Fund. This investment was delivered in conjunction with NEP (the county's Local Enterprise Partnership), which is core funded by the County Council. Activity is focused on job creation, including inward investment promotion and business support, European funding, key sector development including high performance technologies, logistics, food and drink and tourism, and addressing skills and worklessness amongst others. Without the County Council's investment through the Prosperity Fund, the progress and outputs delivered by NEP would not be possible.
- 1.3 The report also highlights activity which the County Council is leading to facilitate investment in infrastructure and development which will release economic growth.

2. Relevant Priority Outcomes

The content of this report supports the delivery of the following corporate outcomes:

Perspective	Outcome
Customers & Community - to achieve our vision, what will our customers see?	<ul style="list-style-type: none"> ● A cleaner, greener and more prosperous county ● Young people feel engaged
Process - to satisfy our customers, what processes must we excel at?	<ul style="list-style-type: none"> ● Developing local markets ● Commissioning outcomes ● Shaping our county growth ● Facilitating inward investment
Learning and Growth - to achieve our vision what must we learn, develop and improve?	<ul style="list-style-type: none"> ● Commissioning & catalyst skills ● Deliver Target Operating Model ● Effective Northamptonshire Enterprise Partnership
Finance - to finance our vision, what must we do efficiently, effectively and economically?	<ul style="list-style-type: none"> ● Optimised delivery costs ● Maximised income and funding ● Targeted spend and investments

3. The state of the local economy

- 3.1 The economy in Northamptonshire continues to perform well against a challenging national backdrop. Northampton has been highlighted as one of the top towns in the UK for business in a new survey. The town was ranked 11th out of 74 towns and cities and praised for its "relatively diverse local business base and low business costs" by Santander Corporate and Commercial Banking's UK Town and City Index.
- 3.2 There have also been some significant investments in the county in recent months. Headlines include DHL Supply Chain which has been awarded a long-term contract worth over £100m with Panasonic to manage its warehousing and transport operation on Brackmills Industrial Estate, Northampton. The contract, which was won as part of a competitive tender, will see DHL assume end-to-end responsibility

for Panasonic's UK supply chain resulting in 'increased efficiency, improved services, reduced costs and greater visibility' and is further evidence of the attractive environment for logistics operations.

- 3.3 This is balanced by news of potential redundancies at Coca Cola in Northampton (35 jobs) and Cummins Engineering in Daventry (up to 150 jobs).

Northamptonshire Chamber of Commerce Quarterly Economic Survey (Q4):

- 3.4 In the survey, 65% of respondents in the manufacturing sector said UK sales over the last three months remained the same or increased. Whilst quite positive in itself, this figure is down from 80% in the previous quarter. In addition to this, 15% more manufacturing firms reported decreased domestic sales compared to Quarter 3.
- 3.5 Conversely, 80% of manufacturers' export sales remained the same or increased over the last three months, with nearly half (41%) reporting increased sales. This trend was also evident in the services sector, with 67% reporting that sales had increased or stayed the same over the last quarter (down 1% on Quarter 3) and 24% reporting a decrease in UK sales.
- 3.6 The services sector continues to flourish in relation to exports too with a massive 76% reporting an increase in export sales over the last three months and an equivalent number reporting an increase in advance orders. Only 5% of respondents reported a decrease in export sales and 7% reported a decrease in export advance orders.
- 3.7 Positively, 80% of manufacturing respondents expect their workforce to increase or stay the same over the coming three months. However, 20% expect their workforce to decrease over the same period, up 14% from last quarter. Within the services sector, 95% of respondents expect their workforce to increase or stay the same over the next three months. Nearly half of all respondents (49%), tried to recruit new employees during the quarter, with 86% of manufacturing and 67% of service opportunities being for full time roles. Over three quarters of manufacturing (77%) and over half of service (60%) respondents who tried to recruit, experienced difficulties in finding staff. This is up on last quarter (71% manufacturing and 57% services).

4. Labour Market

- 4.1 At 3.7%, the Job Seekers Allowance claimant rate for the county has risen by 0.1% from February and remains identical to the regional rate but still just below the national rate. In March there were 158 more claimants in the county than in the previous month. Many of the districts also saw an increase in the number of claimant's month on month. The largest of these was in Northampton (140). Conversely, both Daventry and East Northamptonshire districts saw a decrease in claimants for this period.
- 4.2 Over the last nine months the claimant count in the county has been fairly mixed. Between August and December the number of claimants in the county continued to reduce month on month, but since January it started to increase again rising from 15,648 to 16,472 claimants in March. However, it is still lower than it was for the

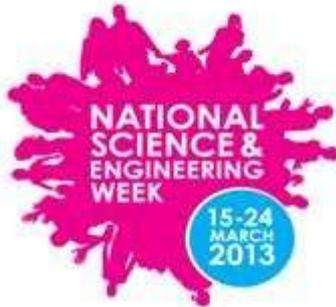
same period a year ago when it stood at 16,575 claimants. Further information is available in Appendix 1.

Youth unemployment

- 4.3 In March there were 4,395 young people (aged 18-24) claiming Job Seekers Allowance, an increase of 75 more claimants from February when there were 4,320. Corby continues to account for the highest rate (11.6%) well above both the national and regional rates. In comparison South Northamptonshire continues to retain the lowest rate (4.0%).

Engineering week

- 4.4 The annual Northamptonshire Science and Engineering Week which took place in March is a week long programme of activity designed to inspire the next generation of scientists and engineers and promote the engineering industry, education and strategic economic development within Northamptonshire.



- 4.5 As part of this week, the Northamptonshire Engineering Industry Symposium 2013 attracted around 100 industry guests and focused on the importance of the High Performance Technology and Engineering industry in Northamptonshire. Key speakers delivered presentations on a range of industry topics.
- 4.6 This event also marked the launch of the 'Northamptonshire High Performance Technologies Investment Programme' by the Rt Hon Dr Vince Cable, Secretary of State for Business, Innovation and Skills – see section 14.2.
- 4.7 The week's programme of activity (led by the University of Northampton) included a range of engineering events, industry visits, workshops, outreach work and competitions. Altogether during the week there was involvement from:
- 100 local Secondary school students aged 13/14 and 6th Formers
 - 1,300 Primary school children
 - 150 Infant school children
 - 80 Engineering students from the University
 - 120 Industrialists from the Engineering Community in Northamptonshire

Job Brokerage

- 4.8 The 2012/2013 target of 50 employment starts was exceeded with some good results in quarter 4 taking the total to 54 starts. Results continue to be across a good mix of job roles / sectors and of these, 31 are apprenticeship positions which are likely to be more sustainable in the long term as a result of the matching process that is in place.

- 4.9 The most recent success is the project NEP led to support the recruitment of Social Care Work Apprentices for Delos. Working in partnership with the employer, DWP and Impact Training, a tailored package of support was developed to include: Information Sessions; Assessment Days; Work Academy and Work Experience. As a result, 9 delegates started on the course and 6 candidates have now been offered apprenticeships with Delos. Given that traditionally it can be very difficult to recruit within the care sector, this is a great result and we are currently developing this as a case study.
- 4.10 In addition to matching individuals to hard to fill vacancies, the job brokerage team offer wider partnership support to other initiatives within the county. March proved to be a busy month in terms of events. The Job brokers have supported the six county-wide Apprenticeship Fairs, attended the Work Inspiration Northamptonshire “Successorize” on and in partnership with Northampton College, delivering Interview Techniques Workshops as part of the event.

Apprenticeships

- 4.11 NEP is developing an apprenticeship plan on behalf of the county. Working with funding from the Skills Funding Agency the plan is due to identify the key areas to develop in order to improve the take up and completion of apprenticeships across the county the report is currently out with stakeholders for input. NEP has also supported the information evenings funded by the County Council and co-ordinated by the Connexions service. These information evenings provided information to parents and young people interested in apprenticeships across the county.
- 4.12 The strategic skills group facilitated by NEP will be developing the skills priorities for the county and feeding these into Northamptonshire’s overarching growth strategy and investment prospectus for future EU programmes. This will be informed by the Ten Point Plan (see Section 6.1).
- 4.13 Seven Apprenticeship Fairs took place across the County during March and April, attracting 488 young people. The aim was to highlight the number of Apprenticeship and employment opportunities for young people and to match these opportunities to young people from the NEET (Not in Employment, Education or Training) group or potential NEET group. The target audience included the current NEET group, potential school leavers and all possible work seekers aged 16 – 19. Feedback from each event included:
- 75% of young people found the events useful and 59% would consider coming to another event.
 - 54% of those that attended the events have stated that they felt there were jobs and apprenticeships that they could apply for.

5. Infrastructure-led Growth

- 5.1 The County Council has successfully secured £3.87million from the Department for Transport’s Local Pinch Point funding pot – one of just 10 initiatives to do so nationwide. The money will go towards a £6.8 million scheme which seeks to enable development in the 104 hectare Northampton Waterside Enterprise Zone by increasing the capacity of the congested southern Inner Ring Road and by improving

access to the site. The focus of the initiative is on the St. Peter's Waterside site which has capacity to deliver 43,000 square metres of high quality office space, including the £7.5m Innovation Centre and £20m Northampton Station redevelopment that have already received funding. The scheme will also encourage wider development opportunities in the Enterprise Zone and town centre.

- 5.2 The Northamptonshire Local Transport Body (NLTB) was formed at the NEP Board in February. The Board agreed to the formation of a voluntary partnership to manage funding for local major transport schemes being devolved by the Department for Transport. The NLTB is now developing a prioritised list of schemes to be funded within the available funds (indicative allocation of £17.4m over four years). This has to be submitted to the Department for Transport by the end of July 2013.

Growing Places Fund update

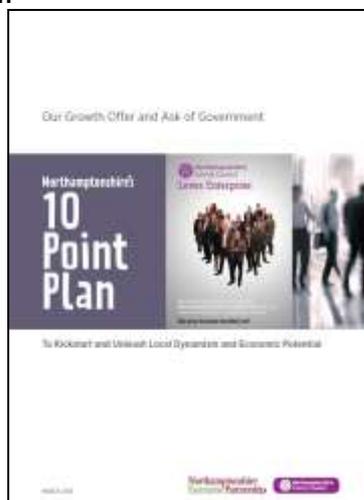
- 5.3 The Growing Places programme focuses on the delivery of infrastructure works through capital projects to unlock stalled developments in Northamptonshire. The allocation that has been awarded to Northamptonshire is a total of £5.9m. Progress on approved projects:

Project	Amount (£000)	Outputs	Progress
A5 / A43 Weedon Crossroads	950	Enabling: 1,000 new homes directly supported, 1,250 homes indirectly supported, 30 construction jobs, private sector leverage of £200m	Works due to commence in July 2013
St Johns / Plough Gyratory, Northampton Town Centre	981	Enabling: 33500m2 of commercial floorspace 110 new jobs	Works complete
Corby Culvert feasibility work	20	Feasibility study	Works underway
Soft landing scheme	30	Direct jobs supported = 10 New business investments = 4 Businesses supported = 8	Project underway
Apprenticeship scheme with Tresham	30	44 apprenticeships	Project underway
Home Farm, Bulwick	200	4 light industrial units 10 new jobs	Project agreed Contract being drafted

- 5.4 A further two projects are approved in principle, but awaiting further information to enable the due diligence process to be completed. These are Barton Seagrave Primary School extension and the Kettering East Development. A further call for applications will be launched shortly.
- 5.5 The County Council is developing a list of schemes that will be submitted to the Growing Places Approvals Panel. These are schemes which are well developed and 'ready to go'. The first scheme will be:
- Bedford Road / Victoria Promenade improvements

6. Commissioning and delivering local growth

- 6.1 The Government's response to Lord Heseltine's Review '*No stone unturned in pursuit of growth*' was published in March 2013. One of the headline recommendations is for local areas to prepare a 'strategic plan' to provide the basis for leading and driving growth.



- 6.2 Northamptonshire's Ten Point Plan places us ahead of the game with an agreed plan already in place. The Plan has been well received both locally and nationally. It sets out an ambitious and deliverable agenda for growth, and the foundations for devolving powers and responsibilities from Whitehall, including a 'single capital pot' as advocated by Lord Heseltine.
- 6.3 Northamptonshire is keen to harness the momentum behind the Plan and engage further with the Government around potential opportunities to develop a Growth Agreement. It is well placed as one of the first areas in the Country to have such a strategic plan in place.
- 6.4 The Plan will also form the basis for NEPs work programme in the forthcoming year.
- 6.5 The County Council is also pressing ahead in developing innovative approaches to delivering local growth based on commissioning and innovative 'strategic alliances' as reported to Cabinet in March. This is not a traditional public sector approach to commissioning, but instead focused on shared outcomes and targets with a range of new partners which share the same mind-sets, customers and agendas. Progress on these strategic alliances is provided below:
- British Gas: the County Council is to work with utilities company British Gas to see how they can both bring benefits to the county. At a seminar held in March the two organisations signed a memorandum of understanding pledging to work collaboratively on a number of initiatives. Both the council and British Gas realise that they share similar goals on issues such as fuel poverty, energy efficiency and the environment and can help each other tackle these by sharing expertise, ideas and resources to help achieve a low carbon Northamptonshire.
 - O2: recent exploratory discussions with O2 (Telefonica) have highlighted synergies on goals on the availability of new mobile technologies and their applications to help businesses grow and people access advice and other services. This again has highlighted opportunities for added-value.

7. Delivering Next Generation Access to Superfast Broadband for Northamptonshire

- 7.1 A key project supporting economic growth is 'superfast Northamptonshire'. This supports the County Council's vision for Northamptonshire to be at the leading edge of the global digital economy. It involves an ambitious target to secure full Next Generation Access¹ (NGA) broadband coverage for premises across the county with the aim of delivering access line speeds of 30Mbps or more by 2017. This target was the key driver for the original Local Broadband Plan and now its successor 'Next Generation Strategy' being developed and implemented through the 'superfast Northamptonshire' project.
- 7.2 NGA is critical to economic growth. The Economic Impact Assessment commissioned by the County Council and produced by SQW in September 2011 suggested that NGA provision in the rural areas of the county alone could deliver around 1,700 new jobs and £110m in additional annual Gross Value Added by 2026/27. The increasing adoption of cloud based services by business for storage, computation and wider network use is helping to transform business practice, enabling reduced costs, greater efficiencies and changing working patterns which in turn are creating environmental benefits by reducing the need to travel. This transformation relies on NGA. NGA and utilising broadband technology is also enabling business to access new markets and to interact with customers through social media connectivity which can provide for cheaper and more immediate market research.
- 7.3 Progress towards the 2017 target is already well progressed with Northamptonshire recognised as one of the areas leading the way. The commercial market will provide superfast broadband to around three quarters of the county's premises by 2015. The County Council's recently signed contract with BT approved by Cabinet in February 2013 will build on this and extend coverage to around 90% also by 2015. The mobilisation of the Contract with BT is a key milestone achievement towards our target but is not the whole story.
- 7.4 Appendix 2 sets out a summary of the Next Generation Strategy and in particular the proposed commissioning approach for extending deployment towards the full NGA coverage target by 2017. This was considered by the superfast Northamptonshire Partnership Board at its meeting in May 2013 and is recommended to Cabinet. A further report, including an update on deployment progress and more detailed proposals on the portfolio of investment models to support deployment to the final premises will be reported to a future meeting of Cabinet.

8. University Technical College (UTC) Approvals in Northamptonshire

- 8.1 The two new UTC's at Daventry and Silverstone are progressing well. The benefits of the ambitious approach in delivering distinctively designed buildings in prominent locations rather than the more common approach of refurbishing existing commercial

¹ NGA means access networks (broadband infrastructure) which consist wholly or in part of fibre optic elements and which are capable of delivering broadband access services with enhanced characteristics (such as higher throughput) as compared to those provided over existing copper networks. Examples of NGA technologies include Fibre to the Premises (wholly fibre optic) and Fibre to the Cabinet (partially fibre optic, with existing copper wires connecting the cabinet and the premises).

sites are becoming evident as the construction progresses. Both projects now have superb views from the third floor elevations: the external viewing and events terrace at Silverstone will look directly across the racetrack whilst in Daventry the views down the hill and town centre will be framed by the learning resource centre.

- 8.2 Overall the two local projects have set a high benchmark in terms of UTC design and quality despite the reduced national construction rates and timescales. This ambition, which includes integrated sports facilities on both sites, has increased the short-term pressure on project development and on the Council who holds the construction contracts. However good quality project contingencies have been identified to ensure provision is available in the Autumn term, with the wider benefits for young people and employers in developing technical skills alongside a general education. The UTCs will add to some of the excellent training and education facilities in the county.
- 8.3 The two UTC Trusts will operate the buildings post-completion and deliver the education provision. The Trusts are leading on their own responsibilities for staffing, curriculum, “industry challenge” projects and transport planning, whilst working closely with the Council and contractors to specify ICT and specialist equipment for installation in the UTC workshops and elsewhere.
- 8.4 Applications and interest in the UTCs remains buoyant with some indications the levels are at the higher end nationally. Through its admission role, the County Council played a key role in making the exciting UTC offer known to parents and young people.

9. Library-Plus Support for Business start-ups and Job Seekers

Enterprise Hubs update

- 9.1 By working with partners, training library staff and imaginatively adapting library spaces, the Enterprise Hubs offer coaching, advice and access to facilities (meeting rooms, IT, knowledge and information) to people interested in developing a business idea and taking it to market. They also offer workshops and one-to-one advice on legal and tax issues, marketing and financial control to help customers who might not have considered self-employment or entrepreneurship otherwise.
- 9.2 Since the Enterprise Hubs were launched in April 2012, they have helped 425 people and 19 new businesses have started as a result of this support, in areas ranging from cleaning services to gardening and from creative arts to children’s entertainment.
- 9.3 The County Council’s library service has received a prestigious national award (EDGE 2013) for its work on the Enterprise Hubs.
- 9.4 The Libraries Service continues to develop and deliver a range of exciting opportunities to local people across the county. These include:
- the over-subscribed ‘Is it for me?’ sessions at Daventry library which is now being rolled out to Raunds and Oundle libraries

- events such as the Business start-up Marketplace held at Northampton Central Library in January which 15 organisations and over 100 people attended. This will be repeated in June.
- Youth Job Fair to be held in July which is aimed at supporting young people into work, and is supported by Connexions and NEP

Developing volunteering opportunities

- 9.5 The Library Service has been the first service to be showcased in the County Council's 'Get Involved' campaign. With over 40 volunteer roles and growing, ranging from homework club leader to events and retail assistant, the Library service offers the opportunity to build skills and experience for future employment. Currently there are over 590 volunteers with 11 having moved on to employment in a range of organisations. Young people particularly have found volunteering with the Library service to be beneficial, building their work experience and increasing confidence.



10. Business Support

Northamptonshire Innovation and Enterprise Fund (INV-ENT)

- 10.1 The impact and success of the County Council's pioneering INV-ENT initiative, which is managed by NEP, continues to grow.
- 10.2 For a total investment of £550,000, 39 local companies have now been supported in Rounds 1, 2 and 3. This investment has the potential to leverage £7.1m of private sector investment, create 190 jobs, 65 apprenticeships and support 320 local people with their skills development. Indeed, this initiative has already delivered 44 jobs and 17 apprenticeships to date.
- 10.3 Applications for Round 4 were invited in April / May 2013. 30 applications were submitted and they are now being appraised with applicants invited to attend a 'dragons den-style' approvals panel in June to determine the successful applicants. Some examples of projects supported in earlier rounds can be seen at <http://www.northamptonshirelep.co.uk/invest-northamptonshire/supporting-business/funding-opportunities/inv-ent>
- 10.4 Round 5 of the scheme will be launched in the Autumn.



Other Business Support Activity

10.5 A wide range of partners and agencies are working across the county to support local businesses. Activities include:

- Mentoring: is an integral part of the support offered through the NEP Start-Up Grant programme. There has been significant interest in the programme leading to a steady flow of applications and recipients of the grant. In addition to individuals and SME's approaching NEP through the Start-Up Grant programme, requests for mentoring support are also being received through the business support offer. There are currently a total of 37 mentees (30 through the Start-up grants and 7 through NEP's Business Support offer).
- Soft Landing Scheme: (Incentive scheme to attract new companies to the County). 12 investments have been made to date that have attracted a good level of jobs into the County with a pipeline of 15 currently awaiting business plans and application approval.
- Business Support: Demand for face-to-face business support has continued to be high. February and March has continued to see high demands with over 75 Businesses supported and 230 business interactions. The "Is it for me", Business Planning and Social Media workshops and new Websites are over-subscribed. Over 80 people attended within February and March. An Intellectual Property workshop was also delivered in April.

Social Enterprise

10.6 The County Council and NEP continue to work with partners, including the University of Northampton which has recently been recognized for its leading work on social enterprise, to support the development and growth of social enterprises within the county. In 2012/13 general business support was provided to help 104 existing and new social enterprises.

10.7 The University of Northampton has received international recognition for its commitment to social innovation and entrepreneurship by being designated a 'Changemaker Campus'. The University of Northampton is the first in the UK to be awarded this honor, and one of only 22 in the world to receive the designation,

joining prestigious institutions such as Cornell University, Duke University, the University of Colorado and Tulane University.

10.8 Three social entrepreneurs, who have received support and funding from the University of Northampton's Enterprise Club, have all received further investment after pitching their business concepts to a panel of judges at the Social Investment Conference. All three have been recipients of funding from the Big Ideas Bonanza scheme - a unique initiative focused on generating new and developing existing socially innovative ideas, managed by the University of Northampton's Enterprise Club.

11. International and Inward Investment

11.1 Three new lead and investment targeting initiatives are now delivering strong investment lead return:

- In the US, 30 new HPT leads and 10 presentation opportunities including a series of company presentations at Composites 2013 in California in March have been delivered and are being developed further in the UK
- In India a mix of 10 new HPT and Logistics presentation opportunities were provided during March. Potential joint investment / export activity using RGF funding later in the year is also being explored.
- In Europe –working toward delivering investment presentation opportunities at joint HPT trade and export event (a joint stand with the Society of Motor Manufacturers and Traders) at Global Automotive Components / Engine Expo event in Stuttgart in June. For the Logistics sector, targeting will also deliver similar opportunities leading up to the Transport Logistics event in Munich also in early June.

11.2 NEP are continuing to contribute to further development of promotion of the Enterprise Zone and surrounding areas in Northampton for business and property investment. Further meetings were held in February and March and the pipeline remains strong. Some examples of key enquiries include:

- Indian owned pre-engineered steel buildings manufacturer looking for initial UK sales office and distribution centre. Circa 50 jobs
- Eco Park project – working on feasibility, funding and sites across county – on-going discussion and further meetings in April. Circa 150 jobs within full project
- European / Chinese new product engineering centre – initially circa 35 jobs. On-going discussion and further meeting at the end of April
- European retailer – circa 150 / 200 distribution jobs. Undertaking direct interaction with company and through UKTI who are now also involved.
- India owned agricultural tractor manufacturer looking for joint venture partner and site for initial UK assembly facility. Circa 100 jobs.

12. European Funding

12.1 Since the European Investment Office was established in May 2011, bids totalling over £15m for European funding are being taken forward from the County. This translates to over £2m worth of European Funding secured to date, with bids totalling a further £4m currently awaiting a decision and over £9m of project bids in the pipeline for submission in 2013/14.

12.2 The current pipeline of projects is shown below:

Project	Objective	Amount	Status
County Council supported Projects			
Changing tracks	Creation of 9 outdoor artworks relating to former railway lines, their heritage and future. To be installed in summer 2013.	€200,000	Funding secured
Early Childhood Care and Education	Comparative study of the different methodologies employed in the provision of early childhood care and education	£140,000	Bid submitted
Smart mobility	Development of new software to allow individual journeys to be monitored and incentives given when more sustainable options are chosen	€2m	Bid in development
Tourism – Nene Valley	Working with a consortium of European nature reserves to promote the Nene Valley as a competitive, sustainable destination offering worldclass wildlife		Bid in development
Energy efficient regeneration schemes	To support energy efficient investments by prioritising public and private sector buildings, street and traffic lighting, urban transport and local energy infrastructure	€1.7m	Bid in development
Digital economy – Smarter Cards	Replicating Smart Card initiatives used in European cities which allows citizens to pre-load money onto a physical or virtual card to pay for city-based services e.g. public transport, bikes, parking, libraries, museums, WiFi and cloud services	€4m	Bid in development
University of Northampton Projects			
Social entrepreneurship	Causes and consequences of social entrepreneurship for society and innovation	€1.6m	Bid in development

International Investment and Trade – Strategic influencing on Structural Funds 2014/20

12.3 The thinking around delivering EU funds post 2013 is becoming clearer. Latest proposals from government include:

- A national 'EU Growth Programme' bringing together ERDF, ESF and rural funds which would cover as top priorities: innovation, research and development; SME competitiveness; skills; low-carbon economy and employment.
- Local enterprise partnerships (LEPs) will be the building blocks of the 'EU Growth programme' and benefit from a 'notional' allocation of EU funds, which they will either have to use or lose.
- LEPs would be able to select which projects are funded in their local area in line with a local investment strategy.
- To support LEPs Government would create departmental 'Area Growth teams' to advise and steer the delivery of LEP investment strategies.

- 12.4 The amount of funds to be top-sliced to national programmes rather than being spent via LEPs and local authorities is also currently not clear. How the EU's new instrument will allow local partners to deliver mini-programmes also needs to be developed.
- 12.5 This could mean focusing on a limited number of objectives, which will have most impact across all regions, namely: addressing climate change, renewable energy, innovation and the knowledge economy, jobs and inclusion. It will also be crucial that any future regional policy is more 'results oriented' and focuses on a strong commitment to learning, including development of comparable indicators across all Member States and investment in impact evaluation.
- 12.6 County engagement with national government continues to be strong and has led to a number of positive profiling impacts, including quarterly planning meetings with government departments. Work will continue to support County partners in strategically influencing these discussions, specifically in supporting the County's response to the draft Partnership Agreement between Government and the European Commission, expected in May 2013, and developing a Northamptonshire Investment Prospectus and Operational Programme for EU funding post-2014.

Forthcoming activities

- 12.7 A number of activities have been planned during April to June, including:
- Submission of four County bids under the EU Intelligent Energy Europe Programme;
 - Submission of European project applications under the ICT, Lifelong Learning and Transport themes by County Council, University and WNDC colleagues.
 - Supporting the development of an Investment Prospectus and Operational Programme for EU funding post 2014.
 - Exploring the development of a targeted investment seminar and reception focusing on the opportunities for joint cooperation, investment and project development activity linked to promoting the Golden Triangle - a concept used to describe the largest concentration of major logistic distribution clusters in Europe

13. Marketing and Promoting the visitor economy

Nene Valley

- 13.1 In partnership with East Northamptonshire, the Q4 focus has been on driving web traffic via Twitter, E-Communications and social advertising (Facebook etc.). Twitter activity continues to outpace engagement with audiences via any other channel with almost 2,000 followers to date. The team has also worked with East Northamptonshire to develop a positioning document for the Nene Valley project which will be used to secure funding and buy-in from existing and potential new stakeholders. In summary, NEP is particularly well placed to lead on; Broadband demand stimulation for businesses, the potential for a rural Enterprise Zone, identifying and packaging appropriate sites for inward investment and encouraging businesses to invest.

Marketing

13.2 The Love Northamptonshire website was launched in early May.

14. Latest on Key sector development

High Performance Technologies (HPT) Business support

14.1 Northamptonshire was successful in attracting £1.2m of Regional Growth Fund (Round 3 - RGF3) to support the HPT business support programme, with a particular focus on supporting SME company development. This programme is targeted with supporting 300 new jobs and leveraging a minimum of £3.6m of private sector investment.

14.2 The programme was launched in Northampton in March by Vince Cable MP (Secretary of State for Business Innovation and Skills) as part of Engineering Week. The first round of funding (which closed in early April) attracted 32 expressions of interest which are now being developed into more detailed applications which will be considered further in June, prior to final decisions being made by the NEP Board in June.



14.3 The successful RGF3 bid has also been used as match funding to work with D2N2 (the LEP covering Derby, Derbyshire, Nottingham and Nottinghamshire), Leicester and Leicestershire LEP and East Midlands Business to bid for an additional £500,000 of ERDF programme spend (for Northamptonshire) to boost the overall programme fund.

14.4 Building on the successful RGF3 bid, a bid for £5m in Round 4 has now been submitted. This bid focuses on Research and Development and new product development in the HPT sector, specifically offering support to larger companies. A decision is expected in July.

Logistics and Business Parks

14.5 NEP have been working with Connexions to raise awareness amongst teachers, as part of their personal development programmes, at staged events to raise awareness of key sectors and employment opportunities for young people in the county – covering Logistics, but also HPT and Food and Drink. Over 100 teachers from across the county have been reached through this initiative.

14.6 The latest Logistics Steering Group meeting was held in mid-February. The industry led group have given approval of the activity undertaken and the plans for the coming months. Key current initiatives include the development of an on-line interactive map to show key employers, communications and prominent investment site availability. We have also had good engagement with the Port of Felixstowe on

the links between Northamptonshire and the port and issues surrounding the A14. Representatives of the port will present at the next Steering Group.

- 14.7 Key Business Issues Groups, supporting local companies in Northamptonshire have held further meetings in February and March:
- High Energy Users Group – working with some of the larger county businesses discussing bids for European funding through European office as well as a range of collaborative projects.
 - H&S Meeting – working with a range of business and in March focused on public health and informing employees of health awareness.
 - Crick Estate – a key group for the Logistics sector in the county and in March looking at the formation of bus service to meet companies shift patterns, working in Daventry and Rugby where the employees live.
 - HR Group – helping local business to benchmark and understand good working practice across the county. In March working with the job brokerage team to provide support to job seekers, discussed this year's salary and benefits benchmarking survey.
 - Finedon Road – presenting to and advising this Wellingborough local business group on the benefits of creating a BID and the potential savings to be made from working together.
- 14.8 Engaging with companies in this way also enables good understanding of existing company issues and leads to regular one to one company meetings supported by partner agencies such as UKTI. In February and March examples of this include Belmay and responding to issues around company downsizing, Weetabix and the need for potential additional office space and 5N to discuss the development of their existing mining support services activity

Creative and Cultural Industries (CCI)

- 14.9 In partnership with Creative Northants, NEP has recently part-funded a programme of dedicated business support for the CCI sector. This support (mentoring, next stage and talent development) engaged 15 businesses in March 2013.

15. New Initiatives

- 15.1 Two new initiatives are being developed by the County Council in 2013/14. Designed to support small and medium sized (SME) business growth and job creation and expand on the unique support package available to local businesses, they will complement INV-ENT which helps local businesses grow through a targeted business rate rebate and has proved successful and extremely popular. They will also further highlight the advantages of Northamptonshire for new and growing SME's.

LOCATE

- 15.2 The first initiative is LOCATE. This is aimed at encouraging SME's to locate in Northamptonshire, creating new jobs and leveraging additional private sector investment.
- 15.3 The main target is SME's with high growth potential. LOCATE will also help the

county to attract international investment and give a boost to current activity. It is designed to complement existing inward investment activity and the portfolio of business support functions which includes finance support, business networking opportunities, mentoring, property solutions and general business advice.

15.4 Success criteria will be based on the potential for growth and new jobs created locally. Grants of up to £20k will be available on a case-by-case basis. This investment would be repayable should the business leave the county or wind-up.

15.5 The initiative will be launched in June 2013, with the first round of applications invited by September / October.

SUPERFAST BUSINESS

15.6 The second initiative, SUPERFAST BUSINESS, will help businesses utilise the opportunities provided by superfast broadband connectivity and complements the work that the County Council is undertaking with BDUK to implement superfast broadband to all parts of the county. This reflects the County Council's ambition for Northamptonshire to be at the leading edge of the digital economy.

15.7 This initiative will include targeted workshops, grants and other activities to enable local businesses to understand and capitalise on the potential benefits and opportunities that superfast broadband could bring to their business.

15.8 This initiative is part of the Northamptonshire Next Generation Strategy being delivered through the Superfast Northamptonshire project. The first phase of the project in partnership with BT will provide access to superfast broadband for an additional 3,000 businesses by 2015.

16. NEP Performance

16.1 NEP remains one of the few LEPs in the country to set targets in their Business Plan and produce performance data. This is reflective of its action-focused ethos. The NEP Business Plan for 2012/13-2013/14 sets out its key themes of activity:

- Supporting enterprise and entrepreneurship
- Developing skills and improving employability
- Securing European and international investment
- Investing in infrastructure and the environment
- Promoting Northamptonshire

16.2 The output targets in the Business Plan provide a framework against which performance and progress can be measured and resources prioritised. Headline figures for 2012/13 include:

- | |
|---|
| <ul style="list-style-type: none">• 737 private sector jobs created / safeguarded• 60 business start-ups facilitated• 13 companies attracted to the county• 882 businesses supported |
|---|

16.3 Further detail can be found in the separate report on this agenda.

17 Consultation and Scrutiny

- 17.1 Delivery of the Prosperity Agenda requires an engaging partnership approach as no single authority or body can deliver the wide ranging and challenging economic interventions required to secure a strong and growing economy for Northamptonshire. The County Council and NEP engage with numerous partners and stakeholders in this respect, including the local business community.
- 17.2 Engagement with the business community is crucial to the delivery of the Prosperity Agenda. This is secured through NEP, not only through strong business representation on its Board, but also dialogue with the business umbrella bodies such as the Northamptonshire Chamber of Commerce, the Federation of Small Businesses and the Institute of Directors, as well as direct interaction with business through various business support, inward investment and tourism related initiatives, the 140 plus Ambassadors programme and the annual Business Summit.
- 17.3 NEP also reports to the Council's Performance and Finance Scrutiny Committee. The weekly Business Blog and regular e-news bulletins issued by NEP along with their website and the County Council's Kickstart web-page www.northamptonshire.gov.uk/kickstart also provide outlets for communication.

18 Financial Implications

- 18.1 The County Council approved a Prosperity Fund of £2m per annum in February 2011 to support NEP and the delivery of the prosperity agenda following significant cuts to economic development funding by Government and its agencies. 2012/13 was the second year of this three-year programme. INV-ENT along with NEP's activities and the expertise and delivery capacity secured through its staff are funded through this resource. A further £140k was allocated to support the European Investment team, including its base in Brussels. The team has already returned in excess of £2m of investment to Northamptonshire, far in excess of the County Council's investment.
- 18.2 The Government has a Growing Places allocation to NEP of £5.9m for the Northamptonshire Infrastructure Fund. The County Council is the Accountable Body for the funds. These funds have been received and are being invested following NEP's decisions on investment priorities and due diligence through project appraisal. The Infrastructure Fund will be managed as a revolving fund. Two per cent of the Growing Places allocation supports the programme management, technical and commercial appraisal and financial management of the programme. These costs and revenue will be shared between the County Council and NEP reflecting their respective roles.
- 18.3 The Government has also announced additional funding for LEPs. Through this announcement NEP received £125k in 2012/13 and will also receive £250k in 2013/14. The County Council has also received £131k to support the new Local Transport Body for the county. It is proposed that half of these funds be allocated for technical work and the remaining half split equally between the County Council and NEP to support running costs.
- 18.4 NEP has also been successful in being awarded £1.2m of Regional Growth Funding in Round 3. Targeted specifically at the High Performance Technology sector, NEP will deliver a range of support packages including a mix of capital grant support,

support for new product development and support for new overseas market exploration.

19 Risk and Business Continuity Management

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Limited resources are not effectively targeted to deliver target economic outputs and necessary infrastructure to support growth	Clear business plan prepared and agreed by NEP Board and endorsed by the County Council. Strong private sector led and action focused Board in place to drive delivery. Northamptonshire Arc adopted providing clear framework and Infrastructure Plan in development to guide investment priorities. New revolving Investment Fund to be tested and developed to secure timely infrastructure delivery	Green
Additional funding to support enhanced economic activities is not secured due to unprecedented competition for public funds	Continued horizon scanning for funding opportunities and targeted bids submitted. Key relationships with civil servants being developed. Opportunities for alternative private sector investment being investigated as appropriate e.g. business angels	Amber

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
No joined up approach to the delivery of economic interventions by partners resulting in inefficient use of resources, duplication and reduced impact	Red
Opportunities not taken to strengthen and grow Northamptonshire's economy and create new jobs and skills for local people thereby improving their wealth, health and quality of life	Red
Lack of a national and international profile for Northamptonshire as a place to do business, invest and visit	Red
Lack of a major say on decisions affecting Northamptonshire's prosperity	Red

20 List of Appendices

- Appendix 1: Labour market data
- Appendix 2: Northamptonshire Next Generation Strategy

Author:	Name: Sarah Ellwood Team: Development, Infrastructure and Funding
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Background Papers:	
Does the report propose a key	NO

decision is taken?	
If yes, is the decision in the Forward Plan?	N/A
Will further decisions be required? If so, please outline the timetable here	NO
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Operational Management Team (OMT)	YES Name of SFM: Rosemary Pallot N/A
Has the report been cleared by the relevant Corporate Director or ACE?	YES Name of Director: Tony Ciaburro
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Councillor Gonzalez De Savage
Has the relevant scrutiny committee been consulted?	YES Scrutiny Committee: Finance and Performance Scrutiny Committee quarterly ongoing)
Has the report been cleared by Legal Services?	YES Name of solicitor: Julie Thomlinson Solicitor's comments: Projects to continue to be monitored for relevant state aid and/or procurement and/or best value issues.
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Liam Beasley
Have any property issues been cleared by Property and Asset Management?	YES Name of officer: Susan Carmichael
Has an Equalities Impact Assessment been carried out in relation to this report?	YES http://www.northamptonshire.gov.uk/en/councils/erivices/Council/equalities/Pages/egceia.aspx
Are there any community safety implications?	Not directly but measures to strengthen the economy are expected to improve employment opportunities which in turn can have a positive impact on the incidence of crime.
Are there any environmental implications:	The County Council's work with NEP includes sector development work to strengthen the low carbon economy including the environmental technology sector.
Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO
Constituency Interest:	Countywide