



**CABINET**

**19 DECEMBER 2017**

**COMMERCIAL DIRECTOR: ANDREW QUINCEY**

**CABINET MEMBER WITH RESPONSIBILITY FOR PUBLIC PROTECTION AND  
ECONOMIC DEVELOPMENT: COUNCILLOR ANDRE GONZALEZ DE SAVAGE**

Subject:	Support for Economic Growth in Northamptonshire
Recommendations:	<p>That Cabinet:</p> <ol style="list-style-type: none"> <li>1. Agrees that the County Council takes a proactive and direct approach to attract the investment needed in infrastructure and services to support housing and economic growth in Northamptonshire</li> <li>2. Agrees that the County Council develops a new transport plan to provide a firm basis for long-term growth, support the Cambridge-Milton Keynes-Oxford Arc ambitions, and help deliver a deal for Northamptonshire as outlined in paragraph 4.7</li> <li>3. Agrees that the County Council lobbies for Northamptonshire’s full inclusion in the Cambridge-Milton Keynes-Oxford Arc and associated investment plans as outlined in paragraph 4.8</li> <li>4. Supports the continued need for a dedicated local business support service for Northamptonshire</li> <li>5. Agrees that the County Council seeks European Structural Investment Funds to support the delivery of Ready2Grow and Northamptonshire Digital Enhancement project activities from 2019 as outlined in paragraph 4.16</li> <li>6. Welcomes the continued success of the Superfast Northamptonshire project and agrees the approach, outlined in paragraphs 4.24 and 4.25, for extending coverage to areas which are currently outside of plans</li> </ol>

**1. Purpose of report**

1.1 This report outlines some of the ways the County Council is supporting economic growth by creating the right conditions for businesses to set-up, grow and create new jobs in Northamptonshire. This spans its engagement in proposals for a Cambridge-Milton Keynes-Oxford Arc which is the main focus of the report, business support activities, and digital connectivity. It also details a series of steps which are proposed to reinforce some of these activities, establish a clear position on strategic issues which impact on Northamptonshire and ensure that it remains one of the best places in the country for investment, business and growth.

## 2. How this decision contributes to the Council plan

The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing wellbeing.

This initiative specifically delivers increased wellbeing by ensuring that:

- People achieve economic prosperity, in a healthy, low carbon economy which gives access to jobs, training and skills development.
- Resources are utilised effectively and efficiently, in coordination with partners and providers.

## 3. Background

- 3.1 The Council has a strong track record of securing external funding. A main focus has been the Local Growth Deal and other sources of Government funding for new infrastructure projects. One of the chief reasons for Northamptonshire's success has been that it has a clear strategy and set of priorities covering the county. These are articulated in the Northamptonshire Arc Prosperity Plan<sup>1</sup> which captures activities to support the economy, connectivity (physical and digital) and the environment. This plan, and the strategic framework it provides, ensures a co-ordinated, integrated and targeted approach to achieving prosperity. It also provides a clear sense of leadership and long-term direction.
- 3.2 With the closure of Northamptonshire Enterprise Partnership, the Council has an increasingly important role to play in making a robust case for investment in Northamptonshire to help achieve prosperity, working with the South East Midlands Local Enterprise Partnership (SEMLEP) and other strategic and local partners. It is also the principal advocate for the future prosperity of the county. The scope of this activity embraces different forms of infrastructure e.g. road improvements, investment in technology - including highway network management systems, full-fibre broadband and 5G, rail, utilities and education at all levels. Investment in this infrastructure is essential to release the levels of housing growth planned for the county and ensure it remains economically competitive. The County Council's activities also include developing initiatives to support business growth and enhance skill levels to help people access jobs and fulfil their potential, meet the needs of existing and future employers, and support a growing economy.
- 3.3 The need for the Council to play this role, and be effective, is particularly important to respond to the challenges and opportunities presented by major agendas such as Brexit, the rapid pace of digitisation and automation and the pressures of competition created by a global economy where investment, production, labour and markets are increasingly flexible and mobile. It will need to work with the new Government looking ahead to post-Brexit, with new domestic policies, programmes and initiatives being formulated to support business and economic growth. This includes the Government's pledge to

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<sup>1</sup> <http://www3.northamptonshire.gov.uk/councilservices/business-and-economy/our-projects/Pages/northamptonshire-arc.aspx>

create a Shared Prosperity Fund to replace the money local areas currently receive from the European Union (EU).

- 3.4 It is important that Northamptonshire is able to directly influence these activities to avoid creating silo-approaches between different Government departments and agencies and a 'like-for-like' replacement of the current EU programme, which is often held up by unnecessary bureaucracy and delays. As such, Brexit provides an opportunity to give Northamptonshire, and other locally democratic areas, a greater say and responsibility over how new and simplified sub-national aid/ funding programmes operate. In this way they can be better targeted to reflect local priorities, benefit local people and economies, and support improved infrastructure, environment, enterprise and social cohesion.

#### **4. Support for Economic Growth**

##### Cambridge-Milton Keynes-Oxford Arc Growth Area

- 4.1 A key strand for making an effective case for continuing investment and support for Northamptonshire and its future prosperity should be recognition that it is integral to, and adds-value to, the growth and innovation offer provided by the wider Cambridge-Milton Keynes-Oxford Arc growth area. This area has been identified as a national priority because of its importance to the economy.
- 4.2 The report *Partnering for Prosperity: A new deal for the Cambridge-Milton Keynes-Oxford Arc* has been produced by the National Infrastructure Commission (NIC) to provide Government with proposals and options to maximise the potential of this part of England as a connected, knowledge-intensive cluster that competes on a global stage, protecting the area's high quality environment, and securing the homes and jobs that the area needs.
- 4.3 The Commission's central finding is that "rates of house building will need to double if the Arc-area is to achieve its economic potential". It adds that this "requires a new deal between central and local government – one which aligns public and private interests behind the delivery of significant east-west infrastructure and major new settlements, and which seeks commitment to faster growth through a joined-up plan for jobs, homes and infrastructure. Any deal must give local areas the certainty, freedoms and resources they need to create well-designed, well-connected new communities".
- 4.4 The report identifies the Arc-area as comprising the south of the county (including Northampton, Daventry, South Northamptonshire and Wellingborough), along with Oxfordshire, Milton Keynes, Bedford, Central Bedfordshire, Aylesbury, Luton and Cambridgeshire. It excludes the districts of Corby, East Northamptonshire and Kettering. Unsurprisingly given that the report has been produced by the NIC it focuses on strategic infrastructure and in particular the completion of an East West Rail Link and Oxford-Cambridge Expressway. Both these are long-term proposals and would not be complete until 2030 at the earliest. It proposes that delivering these projects should be part of an integrated programme focused on identifying and exploiting major development opportunities, from small garden towns of around 10,000 homes through to new city-scale developments of up to 150,000 homes. The report

proposes that key decision points for the two infrastructure projects should be linked, and subject, to “in principle” agreement to the development of significantly more ambitious proposals for housing growth in the Arc area, including major new settlements and urban extensions. Clear milestones and timescales are set out by the NIC for this to happen. Other proposals include the recommendation to Government that it should make changes to the operation and application of the Community Infrastructure Levy (CIL) and Section 106 agreements (S106) to give the power for local authorities working together to levy a city-regional CIL, and removing restrictions on the pooling of S106 revenues and on the forward funding of infrastructure against future receipts. It states these should be agreed by 2020.

- 4.5 There is much to welcome in the report, including the recommendation to remove restrictions on the pooling of S106 revenues. This can make the funding and delivery of new schools and other large projects difficult through the use of developer funding. However, it should be implemented sooner than 2020 which is proposed by the NIC. The proposal to enable a more strategic approach to CIL is also positive. In the case of Northampton, for example, its future growth extends beyond the borough’s administrative area. Therefore, it is sensible that a strategic view is taken of developer contributions across the wider Northampton-related Development Area (NRDA). The NRDA is identified in the West Northamptonshire Joint Core Strategy Part 1<sup>2</sup> which was adopted in December 2014 as the area meeting Northampton’s development needs to 2029 and extends into the districts of Daventry and South Northamptonshire. A strategic approach to CIL could make it easier to fund proposals such as the Northampton North West Relief Road which is an essential infrastructure project for the NRDA. Similarly it could make it easier to secure funding for additional secondary school capacity to meet the needs of the NRDA. Notwithstanding this, the way CIL operates would still mean that agreements would be needed with the CIL collection authorities to ensure that funds were made available and/or hypothecated for strategic infrastructure. The recommendation on flexibilities in the application of five-year land supply requirements is a further positive. This should avoid punishing areas which have allocated major developments, but are penalised because developers are slow in bringing these forward. The NIC recognises the importance of creating robust sub-regional and arc-wide governance arrangements. It is proposed that the County Council writes to Government supporting the NIC findings and recommendations on S106 pooling, a more strategic approach to CIL, and the need for flexibilities on the application of five-year land supply requirements.
- 4.6 It is very positive that the NIC report acknowledges the progress made in building the standing of the England’s Economic Heartlands (EEH) Strategic Alliance Transport Forum. The County Council is playing a key role in the Transport Forum through political representation on the Forum, funding support and officer participation in the work programme. The expectation is that it becomes a Subnational Transport Body and with it receives similar powers to those recently established for Transport for the North. The recent Industrial Strategy White

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<sup>2</sup> [http://www.westnorthamptonshirejpu.org/gf2.ti/f/278178/14087653.1/PDF/-/JCS\\_Adopted\\_All\\_Corrected\\_With\\_Covers.pdf?bcsi\\_scan\\_9eae6dc6cc4b0eb5=PSW59169CgkizfMM8dJZyDAwMR+AAAAPDjwQA==:1](http://www.westnorthamptonshirejpu.org/gf2.ti/f/278178/14087653.1/PDF/-/JCS_Adopted_All_Corrected_With_Covers.pdf?bcsi_scan_9eae6dc6cc4b0eb5=PSW59169CgkizfMM8dJZyDAwMR+AAAAPDjwQA==:1)

Paper<sup>3</sup> signals this move. This body is essential to ensure a co-ordinated and strategic approach is taken, working with Government, to deliver the transport networks and infrastructure required to support growth. A key role will be looking towards 2050 to define and agree an indicative, long-term infrastructure pipeline setting out a schedule of schemes that should be brought forward encompassing upgrades and enhancements to the major road network and the national rail network. Crucially, this will give all parties, including Government (central and local), business groups, infrastructure providers and potential investors' greater clarity on the scope and timing of future infrastructure investment for the EEH, including Northamptonshire. This also includes providers of telecommunications and utilities infrastructure.

- 4.7 The NIC report includes a recommendation that robust transport plans should be developed and agreed to enable development. This is a positive and welcome statement and acknowledges the importance of transport infrastructure to unlocking growth and ensuring a strong and competitive economy. It is also positive that the report includes a recommendation that (following agreement of transport plans), "Government should develop deals, bespoke to the region with local authorities in Oxfordshire and the central section of the Arc". It adds "These deals should extend powers over bus franchising, the introduction of smart ticketing, and give greater long-term certainty over future funding which authorities can use to fund, and unlock finance for city-regional infrastructure improvements". This should include a 'deal for Northamptonshire' similar to those which have already been agreed for Cambridgeshire and other areas. The NIC recommends that powers and resources should be devolved no later than April 2020. To support this, it is proposed that the County Council develops a new transport plan for Northamptonshire. The plan will embrace strategic connectivity, urban transit, cycling and walking, and the increasing importance of technology. It would support and build on the activities currently being piloted through the Council's Smart Commuter initiative. This would also help to inform the EEH work looking ahead to 2050.
- 4.8 The report raises a number of questions. One of these is whether the whole of Northamptonshire should be part of the Cambridge-Milton Keynes-Oxford Arc area. There are a number of factors that support the full inclusion of Northamptonshire in the Arc-area. The A34/A43/A45/A14 currently provides the key strategic route between Oxford and Cambridge and this is also a key economic artery for Northamptonshire connecting the main urban centres and growth locations throughout the county. The north and east of the county has already taken a very positive position on housing with ambitious proposals for a step change in the pace of growth. This includes the identification of a connected Garden Community in the Local Development Plan. It therefore seems logical that it should form part of the wider Cambridge-Milton Keynes-Oxford Arc growth area and the associated plans and investment programmes. Indeed, Northamptonshire's collective housing offer, particularly consented developments, significantly exceeds those of other parts of the Arc-area. It is also likely that too narrow a geographic focus will fail to deliver the potential the Corridor offers to boost job growth, innovation and productivity levels, nor deliver

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<sup>3</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/662508/industrial-strategy-white-paper.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/662508/industrial-strategy-white-paper.pdf)

the housing growth which is needed to support economic prosperity at a strategic level. This is particularly the case in the short to medium term given the lead in times involved in bringing forward and completing the two major infrastructure schemes identified by the NIC with the associated new urban extensions and new settlements mooted in the report. Without this wider focus there is a risk that housing and jobs growth continues to fall well behind what is required to be delivered. There is also a risk that, by being outside of the Arc-area, parts of Northamptonshire would miss out on investment in the infrastructure needed to release housing, and that the new developments which are proposed for delivery in places such as Corby, Desborough, Kettering, and Rushden continue to experience delays impacting on supply and house prices. It is therefore proposed that the County Council write to the Secretary of State to request Northamptonshire's full inclusion in the Arc-area and associated investment plans.

- 4.9 A governance model will need to be developed for the Arc-area. At a sub-regional level the governance arrangements for Oxfordshire and Cambridgeshire are quite straightforward. This is because both have existing bodies which could take on the required role. The situation in the central part of the Arc-area is more complex. The options which are available include utilising existing arrangements with these constituted as planning joint committees<sup>4</sup>, or developing more strategic arrangements. An example of this could be a statutory planning joint committee for Northamptonshire. This would mirror the more strategic arrangements in place for Oxfordshire and Cambridgeshire. An alternative option involves the creation of a joint committee for the wider central part of the Arc-area. Joint committee(s) will require the agreement of the borough and district councils as the local planning authorities. The NIC acknowledges the competing voices and preferences and adds that it is vital that local disagreements about the scope and definition of strategic planning areas are not allowed to undermine the potential for growth across the Arc-area. This must clearly be a risk. The target set by the NIC for arrangements to be established is April 2018.
- 4.10 The NIC also recognises the need for a strategic partnership board "to lead the development of an arc-wide vision". The board will also have an important role to play in providing oversight and ensuring that activities are co-ordinated across the area so as to provide added-value and reduce the danger of duplication and competition creating negative effects. The vision should identify locations for growth and investment and enabling infrastructure requirements. It adds that members should be drawn from the "sub-regional growth boards, LEPs and combined authorities". The NIC adds that Government will need to play an active role in this board. It is clearly important that the County Council is represented in the board because of the significant role Northamptonshire has to play in the future economic success of the Arc-area.
- 4.11 As outlined a key focus of the NIC are the strategic proposals for the completion of an East West Rail Link and Oxford-Cambridge Expressway. It stresses the need for "commitment to providing new strategic infrastructure being matched

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<sup>4</sup> Statutory joint planning committees are already in place for North Northamptonshire and West Northamptonshire

with ambition and commitment at a local level to delivery major housing growth and create places in which people want, and can afford, to live and work". It is imperative that this is also matched by a commitment to support investment in wider infrastructure needed across the area, including improvements to the A43 and A45, as well as new schools and other facilities, to enable the delivery of housing which has already been allocated through the planning system including the significant number of Strategic Urban Extensions across Northamptonshire which already have planning permission, but are blocked by viability and other issues. Indeed, there needs to be much more of an incentive for developers to bring forward these sites. This needs to be matched by disincentives for those who continually fail to deliver their plans. By tackling these issues, alongside the other proposals set out in the report the Government will be able to make a major step towards the ambition of doubling house building in the Arc-area.

- 4.12 The success of the Arc-area in delivering the growth potential, and its scope for driving innovation-based economy, identified by the NIC will also be dependent on raising productivity levels and increasing skills. These are key challenges which also require the attention of Government and other local partners and necessitate a strategic collaborative approach across the whole Arc-area. This should form part of the remit of the new partnership board.

#### The Northamptonshire Growth Hub and related projects

- 4.13 One of the principal ways that the Council supports economic growth is through its involvement in the Northamptonshire Growth Hub (the N-Hub). The N-Hub was set up by the University of Northampton, NEP and the County Council in late 2013 to provide a single source of business support. It is based at the Innovation Centre in Northampton, located opposite the railway station. The N-Hub operates as a SEMLEP Growth Hub, but focuses on Northamptonshire. To date, it has helped more than 6,000 businesses; with the current level of enquiries at 500 per quarter. These businesses vary in terms of their size, maturity, sector and location and include both urban and rural-based businesses with distribution spread across the county. In 2017 the N-Hub has helped 143 businesses to start-up. This level of engagement underlines the strong support for a county-based business support offer and the success of the N-Hub model. It also reflects the legacy of a dedicated business support offer in the county.
- 4.14 The N-Hub currently receives £205k of core funding from the Government (via the department for Business, Energy and Industrial Strategy - BEIS). Whilst the Council does not provide direct core funding to the N-Hub, it is a key player in the activities it delivers. This is through strategic leadership, staff time and match funding for business advisors which support the delivery of two European Structural Investment Fund (ESIF) projects which add to the N-Hub offer for business support. These two projects are Ready2Grow (R2G) and Northamptonshire Digital Enhancement (NoDE). R2G is led by the University with the County Council a delivery partner and is targeted at start-ups and growing businesses. It includes business advisors providing 1:1 support, workshops and grant funding. The County Council leads on the start-up provision. It also manages the Major Growth Investment Grant scheme. NoDE is led by the County Council and supports digital growth in Small and Medium

Sized Enterprises (SME's)<sup>5</sup>. Both projects were reported to Cabinet in March 2017 and are still relatively early into their delivery programmes. Headlines and outputs to date are provided below.

<p><u>Ready2Grow</u></p> <ul style="list-style-type: none"><li>• 'Start-up' grant scheme live – total of 80 grants and £210k available, to date 41<sup>6</sup> grants totalling £100k committed</li><li>• Major Growth Investment Grant (up to £50k) live – total of £500k available with 11<sup>7</sup> businesses committed totalling £311k</li></ul>
<p><u>Northamptonshire Digital Enhancement (NoDE)</u></p> <ul style="list-style-type: none"><li>• Digital Grant (up to £5k) scheme live – first tranche of grants committed (60+ available)</li><li>• Digital Adviser delivering 1:1 support appointed in October 2017</li><li>• Workshop programme launched in November 2017</li></ul>

- 4.15 Through activities such as these, and their predecessor programmes supported by the County Council, Northamptonshire has consistently been recognised as one of the best places to set-up and grow a business.
- 4.16 Both projects are due to end in March 2019. However, ESIF is available for the South East Midlands Local Enterprise Partnership (SEMLEP) area beyond this period and the Council has the opportunity to bid for additional funds, either as a project lead or a delivery partner, to continue delivery from 2019. It is proposed that the Council enter into discussions to continue delivery of Ready2Grow activities. A key focus for this should be support for 'scale-up businesses'. It is also proposed that the Council applies to continue the NoDE project beyond March 2019.
- 4.17 The N-Hub must be agile and able to offer wider support beyond projects such as R2G and NoDE if it is to be successful and meet the changing needs of existing and future businesses. This is likely to involve both direct support, and brokering support through other providers. Key areas include support for 'scale-ups'<sup>8</sup>, investment readiness, skills (including responding to opportunities created by the new Apprenticeship Levy) and export, as well as continuing to engage with and support the business-led sector groups in the county.
- 4.18 One of the opportunities provided by the merger of NEP and SEMLEP is to reduce areas of overlap and potential confusion for local businesses. It can also ensure a smarter and more targeted use of resources. An example of this is through the two SEMLEP Growth Hubs (N-Hub and Velocity) focusing their marketing, communications and related activities in distinct areas rather than duplicating efforts. It is proposed that this should involve business support events in Northamptonshire managed and branded through the N-Hub, and

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<sup>5</sup> <https://stats.oecd.org/glossary/detail.asp?ID=3123>

<sup>6</sup> At end November 2017

<sup>7</sup> At end November 2017

<sup>8</sup> An SME with an annualised growth (employees or turnover) of greater than 20% over three years

those elsewhere in the SEMLEP area managed and branded through Velocity. This approach is advocated to SEMLEP and other partners in the growth hubs. Businesses should not miss out on opportunities as a result. Therefore, both Hubs should refer businesses to the other if they provide an additional service offering which benefits the business and it meets any qualifying criteria.

#### South East Midlands Local Enterprise Partnership (SEMLEP)

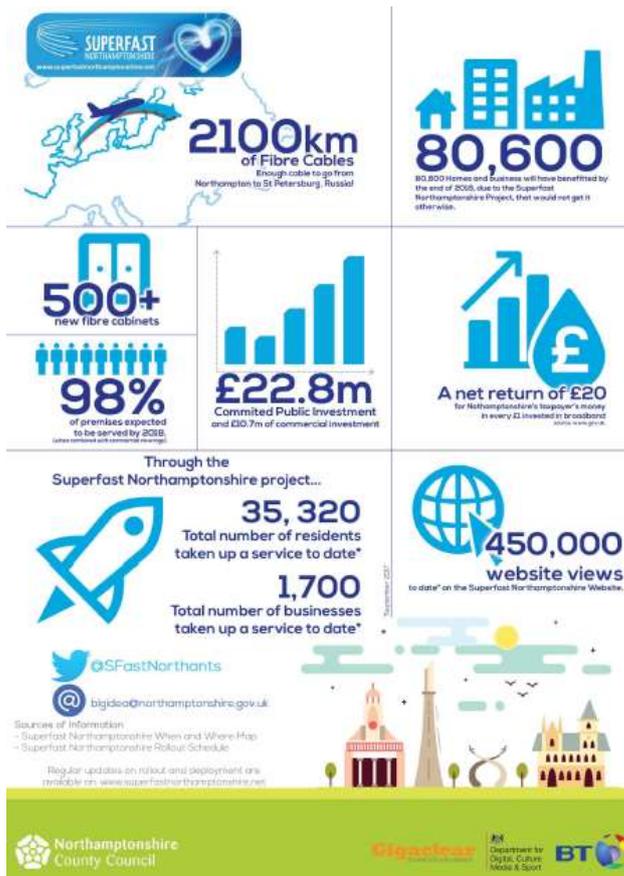
- 4.19 Following consultation and evidence gathering over the course of 2017, SEMLEP has finalised a Strategic Economic Plan (SEP) for the South East Midlands, alongside a Skills Strategy for the area. The SEP was formally launched at the Northampton Innovation Centre on 8<sup>th</sup> November 2017, along with the results from the 2017 Business Survey.
- 4.20 The Strategic Economic Plan sets out a mission to double the size of the South East Midlands economy by 2050, through activity across three priority themes - Growing Business; Growing People and Growing Places – alongside a continued commitment to, and activity to promote, social inclusion, equality and environmental sustainability. Work undertaken for the SEP also identified energy/utilities provision as a blockage to local growth in some instances. Given this, SEMLEP has bid to Government for funding to support the development of an Energy Strategy for the area, which will examine the likely future energy needs of the South East Midlands, and different options for meeting them (in terms of costs, carbon emissions, etc.). In addition, over the course of 2018, SEMLEP will be working with partners to develop a Local Industrial Strategy. This will follow central government guidelines and also build on the findings of the SEP, Business Survey and Energy Strategy.
- 4.21 The Skills Strategy fleshes out the ‘Growing People’ element of the SEP, by setting out specific actions that SEMLEP is planning to take to ensure that employers’ skills needs are met and that people are supported both into and within the labour market. This is a significant issue for Northamptonshire as skills and educational attainment remain a barrier to businesses being able to recruit the right people and fulfil their growth potential. With trends such as increased digitisation and automation impacting across all sectors this is a critical issue to address. The County Council recognises this and is working with local partners to identify opportunities to help support skills development.

#### Superfast Northamptonshire

- 4.22 The Superfast Northamptonshire project, which is led by the County Council, continues to be a big success. Some 68,800<sup>9</sup> homes and businesses have been connected to superfast broadband through this project and the investment attracted through the Council’s activities. Take-up levels of these connections are amongst the highest of any project in England with take-up from the Council’s first contract with BT at over 50%.

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<sup>9</sup> Based on latest reporting as at Quarter 2 2017/18 (end of September 2017).



4.23 When combined with commercial coverage, about 97%<sup>10</sup> of premises in Northamptonshire will be able to access superfast broadband services by the end of this year. This marks excellent progress and compares to the national target of 95% by the end of 2017. Furthermore, through the Council's contracts with Gigaclear, this figure is set to increase to 98% by the end of 2018.

4.24 This means that Northamptonshire is already one of the best digitally connected counties in the country. However, there still remain about 7,000<sup>11</sup> premises which remain outside of commercial coverage and plans and the Council's planned deployments with BT and Gigaclear. This includes many small rural communities and rural businesses including farms which are located in the harder to reach areas. The County Council has the scope to extend its plans to target these areas through its existing contracts with Gigaclear which were signed earlier this year and focus on the rural parts of Northamptonshire. Therefore, the County Council has submitted a bid to the Rural Development Programme for England for £2m to push coverage even further to support rural communities and businesses. This will support the public funding already

<sup>10</sup> Involves plans secured through Superfast Northamptonshire with BT and Gigaclear, when combined with expected existing and planned commercial coverage

<sup>11</sup> Figure based on the outcome of the [State Aid Public Consultation](#) in June 2016. A revised figure will be confirmed following the completion of the State Aid Public Consultation launched in November 2017.

committed to the Superfast Northamptonshire programme which will be focused on the remaining rural areas.

- 4.25 The County Council also has scope to extend deployment through its contract with BT using funding which is held in a joint Investment Fund. Any plans through this route will be targeted to avoid any potential overlap with commercial areas and the Council's plans with Gigaclear.

## **5. Consultation and Scrutiny**

- 5.1 The Council works closely with a wide array of partners in delivering initiatives that strengthen the local economy. It also takes an active role in steering them, through its roles on the SEMLEP Growth Hub Board, and SEMLEP European Structural Investment Fund Board, and working with the University of Northampton, business groups (such as the Institute of Directors, Federation of Small Businesses, Business Improvement Districts (BIDs) and the Northamptonshire Chamber of Commerce), key sector groups (such as the Logistics Forum), the district councils and England's Economic Heartlands Strategic Alliance.

## **6. Equality Screening**

- 6.1 The programme of business support delivered through the Ready to Grow and NoDE projects is designed to support all sections of the business community. Moreover, all ERDF-funded projects must have their own Equality Policies. More detail is in the Equality Impact Assessment which can be found here:  
*Environment, Place & Transport:*  
[http://www3.northamptonshire.gov.uk/councilservices/council-and-democracy/equalities/equality-impact-assessments-eqias/Pages/environment,-planning-and-transport-equality-impact-assessments-\(eqias\).aspx](http://www3.northamptonshire.gov.uk/councilservices/council-and-democracy/equalities/equality-impact-assessments-eqias/Pages/environment,-planning-and-transport-equality-impact-assessments-(eqias).aspx)

## **7. Alternative Options Considered**

- 7.1 Significant reductions in funding and cuts to public services mean that the Council cannot do everything. It needs to be smart in what it does and how it does it. This means targeting its activities and investment to avoid duplication, provide added-value, leverage other funds (such as ERDF), and focus on areas of market failure. It is this approach which has been taken particularly through the collaboration with the University of Northampton in the N-Hub.

## **8. Financial Implications**

- 8.1 There is a need for Government to acknowledge the increased pressures that accommodating significant housing and other development have on revenue funding and ensure that this is taken into account in the way in which it funds areas such as Northamptonshire. This should ensure that there is an end to the situation in which areas are under-funded and as a consequence services cut to existing residents. Such disincentives are clearly counter-productive to creating areas and communities which are able to deliver and sustain high levels of

housing growth and as the National Infrastructure Commission report states are “places in which people want, and can afford, to live and work”.

- 8.2 Government proposes to change the way local government is funded moving away from central grants to local generated income sources, including the retention of business rates. One of the motives behind this is to encourage and reward places which are proactive and successful in expanding their business base and hence related revenues. This means that supporting the economy and business growth also makes sense to the Council from a financial perspective. At last months’ Cabinet the Council agreed to proceed with an application to Government to become part of a 100% Business Rates Retention Pilot (as part of a Northamptonshire pool) within 2018/19.
- 8.3 Competition for public funding is already fierce. Northamptonshire must ensure that it is well placed to make the case for funding. This can be best done by working in collaboration with other areas as the County Council is doing through the England’s Economic Heartlands Strategic Alliance and the proposals for the Cambridge-Milton Keynes-Oxford Arc-area. Only by doing this and backing it up with robust plans will it be able to secure the support and investment in infrastructure and services it needs.
- 8.4 The business support activities outlined in this report directly lever significant funds including through ERDF and also match-funding from local businesses. For example, more than £4m has been secured for projects to support local businesses in the county through ERDF alone. Any bids to continue support for Ready to Grow and the Northamptonshire Digital Enhancement project activities from 2019 will be supported from existing budgets and need to reflect the Council’s Medium Term Financial Plan and related proposals.
- 8.5 There is no additional financial commitment required from the County Council associated with the bid for Rural Development Programme for England funding for superfast broadband. It will support the £22.3m of public funding which is already committed to the project.
- 8.6 The proposals outlined in this report will help to ensure that Northamptonshire is well placed to make the case for further investment through current programmes and future proposals post-Brexit, such as the UK Shared Prosperity Fund.

## 9. Risk and Business Continuity Management

### 1. Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Lack of capacity to engage effectively in the Cambridge-Milton Keynes-Oxford Arc undermines ability to secure benefits	Creation of dedicated lead and prioritisation. Funding support sought from Government to support associated work	Amber

Risk	Mitigation	Residual Risk
Overlap between arrangements for SEMLEP, EEH and the Cambridge-Milton Keynes-Oxford Arc growth results in duplication, delays and inefficiencies and frustrates growth ambitions and delivery	Work with Government and local partners to rationalise arrangements and ensure clear roles and responsibilities	Amber
Lack of demand for support from local businesses	Programme of support being delivered through N-Hub, with funding secured from both Government and ERDF	Green
Confusion of business support offer because two Growth Hubs operating in same SEMLEP area	Operating a 'no wrong door' policy, and ensuring that N-Hub leads on delivery in Northamptonshire	Green
Lack of internal resource to make a robust case for external funding to be attracted to Northamptonshire	Maintaining a dedicated, experienced and expert resource	Green
Growing competition from other areas for funding	Ensuring robust plans are in place for investment and growth with supporting business case(s)	Green

## 2. Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Failure of the Council to engage fully in in Cambridge-Milton Keynes-Oxford Arc area means opportunities to secure investment are missed	Amber
Omission of parts of Northamptonshire from the Cambridge-Milton Keynes-Oxford Arc area undermines growth and investment in the area	Red
Governance proposals are not fit for purpose	Amber
No local business support offer for local businesses	Amber
Potential European funding lost to Northamptonshire impacting on business growth and jobs created	Amber
Businesses decide to relocate to areas where better support is available to meet their requirements with jobs lost, which impacts on the financial returns available through the Business Rate Retention Scheme	Amber
No body to make a coherent and collective case for economic development funds to be attracted to Northamptonshire	Amber
Failure to bid for an secure Rural Development Programme for England funding puts increased pressure on other funding	Amber

Risk	Risk Rating
and would leave parts of the county without superfast broadband	

## 10. List of Appendices

None

Authors:	Name: Ian Achurch/Sarah Ellwood Team: Development, Infrastructure & Funding
Contact details:	Tel: 01604 366057/366678 Email: <a href="mailto:iachurch@northamptonshire.gov.uk">iachurch@northamptonshire.gov.uk</a> <a href="mailto:sellwood@northamptonshire.gov.uk">sellwood@northamptonshire.gov.uk</a>
Background Papers:	European Structural Investment Fund (ESIF) Project Update Cabinet Report, 14 <sup>th</sup> March 2017
Does the report propose a key decision is taken?	No
If yes, is the decision in the Forward Plan?	N/A
Will further decisions be required? If so please outline the timetable here	Should the a bid be made for ERDF support from 2019, and this be successful, a decision will be needed in 2018 to sign a funding agreement
Does the report include delegated decisions? If so, please outline the timetable here	Yes, if a bid is submitted for ERDF support it would be in 2018
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 Capital Investment Board (CIB)	YES Name of SFM: Rosemary Pallott  YES
Has the report been cleared by the relevant Director?	YES Name of Director: Andrew Quincey
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Andre Gonzalez de Savage
Has the relevant scrutiny committee been consulted?	NO Scrutiny Committee:
Has the report been cleared by Legal Services?	YES Name of solicitor: Allis Karim
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: Ian Boll
Procurement/ Contractual Implications: <ul style="list-style-type: none"> <li>• Have you evidenced compliance with the Council's Contract Procedures Rules?</li> <li>• Have you identified where you are seeking Cabinet to approve an exemption from the Contract Procedure Rules and detailed the risks and mitigations?</li> <li>• Have you identified any EU or UK legislative risks associated with the exemption process such as non-compliance with the Public Contract Regulations Act 2015, transparency and open competition?</li> <li>• Have you identified the procurement or contractual risks associated with a contract?</li> <li>• Has the contract/procurement been subjected to the Council's Commercial Board?</li> </ul>	NO Name of officer (This should be Damon Lawrenson signature who chair's Commercial Board with People and Places Directors and Head of Procurement)
Are there any community safety implications?	No
Are there any environmental implications:	Not directly arising from this report, but an environmental statement is required as part of ERDF-funded projects
Are there any Health and Safety Implications:	No
Are there any Human Resources Implications:	No
Are there any human rights implications:	No
Constituency Interest:	Countywide

