

Appendices:  
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**NORTHAMPTON**  
BOROUGH COUNCIL

## CABINET REPORT

<b>Report Title</b>	<b>Cabinet response to Scrutiny – Health Check of the Local Economy</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	11 January 2017
<b>Key Decision:</b>	NO
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Regeneration Enterprise and Planning
<b>Accountable Cabinet Member:</b>	Cllr Tim Hadland
<b>Ward(s)</b>	All

### 1. Purpose

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- 1.1 The purpose of the report is to respond to the recommendations in the Overview and Scrutiny Report Local Economy Health Check.

### 2. Recommendations

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- 2.1 That Cabinet:
- 2.2 Implements the recommendations included in the Overview and Scrutiny report on Local Economy Health check in accordance with the actions outlined in 3.4 below.
- 2.3 That the Scrutiny Panel are formally congratulated on a high quality and comprehensive report and thanked for the time and effort given to producing the report.

### **3. Issues and Choices**

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#### **3.1 Report Background**

The purpose of the Scrutiny Panel was to look at how partners locally, including the private sector, can work together to influence the local economy.

#### **3.2 Key lines of Inquiry:**

- How can schemes, such as Apprenticeship Programmes, be developed and expanded so that they deliver for local employees, employers and local residents?
- What is the vision for skills and learning issues, particularly low skills?
- What support is there for those that are in long term unemployment?
- What are the areas for potential growth in jobs?
- What can other organisations/groups/individuals do to help?
- Whether a mapping skills gap exercise has been undertaken to identify the type of skills that are in short supply; and what the findings of this exercise are
- How specific services can be used to generate business investment
- How can the offer of commercial land in the borough be improved to ensure a steady stream of quality premises that are accessible by new and established organisations?
- What could feasibly be done to improve the physical infrastructure in and around the town?
- How it can be ensured that those who are seldom heard or isolated are engaged with?

3.3 The Overview and Scrutiny Committee, at its work programming event in June 2015, agreed to include a review of the health check of the local economy. The Overview and Scrutiny Committee commissioned Scrutiny Panel 1 to undertake the review. An in-depth review commenced in July 2015 and concluded in March 2016.

3.4 This review links to the Council's corporate priorities, particularly corporate priority 1 – Northampton Alive - A vibrant town.

#### **3.5 Northampton's Economy**

3.5.1 In August 2016 the Council commissioned Oxford Economics to submit a proposal to the National Infrastructure Commission (NIC) proposing that

Northampton should be a part of the Cambridge – Milton Keynes – Oxford Growth Corridor. Part of the submission was a comprehensive review of the Northampton economy and the part the town can play in delivering economic growth for the Corridor. An executive summary of the report can be found in Appendix A. An extract of the submission is noted below to set context for the report.

*“Recent job growth in Northampton has been strong—growing faster than the UK as a whole. It can also boast the fastest growth in the number of businesses in the Growth Corridor since 2010, growing at more than twice the UK average. Rapid economic growth is driven by specialising in sectors in which the local area has a comparative advantage; and a significant proportion of Northampton’s economy is concentrated in specialist industries, with almost 40 percent of all local jobs in sectors in which the local economy has a higher degree of specialisation relative to the other Growth Corridor cities: these include:*

- *Manufacture of leather and leather related products;*
- *Repair of computers and personal and household goods;*
- *Financial service activities; except insurance and pension funding;*
- *Postal and courier activities;*
- *Employment activities;*
- *Land transport and transport via pipelines;*
- *Legal and accounting activities.*

*In addition, Northampton has significant advantages that reflect particular strengths in both the structure of its economy and quality of life.*

*Northampton offers private sector developers an expectation of making an acceptable commercial return on investments.*

*Northampton has a well-balanced economy; not reliant on one or two trophy sectors or a single ‘legacy’ industry, facing fundamental restructuring nationally or globally. With transport and storage, specifically logistics, it has a sector in which the town has achieved significant scale and strong employment growth. It is also a global leader in High Performance Technology & Motorsport (HPTM) and leather and handmade footwear.*

*Northampton has a highly favourable location, with good connectivity particularly to London but also to Birmingham, Coventry and the rest of the West Midlands, making it a natural logistics hub.*

*Northampton and the surrounding county offers a favourable quality of life. Most significant here is the availability of good quality housing, at (relatively speaking) affordable prices. In addition, it is a university town and the town centre has a strong sense of heritage and significant numbers of locally-owned shops, restaurants and cafes. Furthermore,*

*there is a commitment to grow and develop the current cultural offering in the town. The Cultural Quarter was launched in early 2013 and already boasts a museum, theatre complex, art gallery, film house, and a host of supporting hospitality services.*

*Northampton and the surrounding county have low unemployment rates and relatively low levels of social exclusion. This helps to give the town a degree of social cohesion, and increases its attractiveness to people looking for a place to live and work.”*

(Oxford Economics, 2016)

- 3.5.2 The NIC reported its findings to Government in autumn 2016; Northampton played a significant part of this report (executive summary attached as Appendix B). The Government has announced a high level investment plan for the Growth Corridor as part of the autumn statement and Northampton economy will benefit significantly from the infrastructure investment as the Corridor is developed.

### **3.6 Northampton Waterside Enterprise Zone**

- 3.6.1 The Enterprise Zone (EZ) is an essential vehicle for the town’s economic growth; to accelerate sustainable growth in jobs and unlock the potential for commercially-led development and business investment. The EZ will also help to retain and support local business expansion, stimulating enterprise and enhancing competitiveness of the area, as well as strengthening innovation & knowledge assets.
- 3.6.2 The continued development and subsequent success of NWEZ rests upon NBC, SEMLEP, NCC and other partners’ ability to enable the economic growth of the Zone as a whole, including the sites and the businesses within it.
- 3.6.3 Recent examples of the partnership bringing development forwards within NWEZ include the expansion of strategic businesses such as Cosworth and Carlsberg, the provision of infrastructure including a new railway station, increased power supply and broadband, and the start of the relocation and expansion of the University onto a new campus.
- 3.6.4 Pipeline growth routes are proposed through the expansion of Church’s shoes, Freefoam, HellermannTyton, Project Angel, the joining of St James Mill Link Road, the construction of the new office space at FOUR Waterside and the Vulcan Works managed workspace development on Guildhall Road.

### **3.7 Recommendations and Service response.**

- 3.7.1 **The Overview and Scrutiny Committee recommends to Cabinet that:**
- 3.7.2 The Council, together with its partners, develops a Skills Strategy for Northampton. This should include mechanisms for colleges and employers, especially Small and Medium-Sized Enterprises (SME’s) to signpost vacant

apprenticeships across the town; whilst raising the profile of apprenticeships and vocational training in Northampton.

### **3.8. Proposed Service Response:**

3.8.1 Cabinet recognises that skills are intrinsic to health and functionality of the local economy and welcomes the findings of the scrutiny panel. It is also recognised that as a District level authority, the Borough Council does not have a direct remit for the development and implementation of the education or skills agendas. That said, through the Borough Council's commitment to the economic development of the town, the Council should support the skills agenda locally where appropriate.

3.8.2 It is noted that an Area Based review is currently ongoing within the SEMLEP area. The review is part of a national programme aimed at the post-16 education sector. The review has two objectives:

- Clear, high quality professional and technical routes to employment, alongside robust academic routes, which allow individuals to progress to high level skills valued by employers; and
- Better responsiveness to local employer needs and economic priorities, for instance through local commissioning of adult provision, which will help give the sector the agility to meet changing skills requirements in the years ahead, building on the agreements with Greater Manchester, London and Sheffield.

3.8.3 Government state that the policy context means that major reform of post-16 education and training institutions is now necessary, in a way which also addresses the significant financial pressures on institutions including a declining 16-19 population and the need to maintain tight fiscal discipline.

3.8.4 The Government agenda is to move towards fewer, often larger, more resilient and efficient providers. This is expected to enable greater specialisation, creating institutions that are genuine centres of expertise, able to support progression up to a high level in professional and technical disciplines, while also supporting institutions that achieve excellence in teaching essential basic skills – such as English and maths.

3.8.5 The outcome of the Area Based review is likely to have a large influence on the overall skills agenda; however at this time it is difficult to predict the conclusions of the Review. As such it is recommended that at the conclusion of the Area Based Review the Borough Council revisits this Overview and Scrutiny recommendation for the development of a Skills strategy.

### **3.9 Recommendation to Cabinet:**

3.9.1 Cabinet investigates ways that the Council, and its partners, can continue to raise the profile of the economic growth and investment in Northampton through the Northampton Alive Programme, in particular the success of the Enterprise Zone, and work undertaken by larger employers and investors in the town.

### **3.10 Proposed Service Response:**

3.10.1 The Council and its partners continually seek opportunities to raise the profile of the Borough, using the success of the Enterprise Zone and the Northampton Alive programme as leverage to attract further investment.

3.10.2 The Enterprise Zone marketing sub group is tasked with promoting the Enterprise Zone and the wider Borough to national and international investors. There is a Communications Officer position that is paid for by the Enterprise Zone to deliver the marketing objectives of the Group and the overarching Enterprise Zone Board.

3.10.3 Recent Enterprise Zone marketing projects have included:

- The attendance of representatives of the Zone at high profile property events in Manchester and London; including Borough Council officials giving a key note presentation to a delegation of investors, alongside the University of Northampton. The presentation was given at London MIPIM, one of the UK's leading land, property and investment shows.
- Hosting and facilitating visits between international delegations and local companies. This recently included a delegation of Chinese officials and businesses; a local company was awarded a substantial contract following this meeting.
- Regular e-shots and social media activity regarding the successes of the Zone, the Alive programme and also successes of local businesses.
- New signage around the Zone including a large sign that lists some of the key local businesses that faces the railway line south of the station is the first part of the new signage going up around the Zone.

3.10.4 Borough Council officers will continue to explore ways in which to promote the success of Northampton, using achievements as leverage for further investment. The ideal forum to have this discussion will be as part of the agenda on the next Enterprise Zone Marketing group.

### **3.11 Recommendation to Cabinet:**

3.11.1 It is recommended to Northamptonshire County Council and partners that schools and employers work closely to provide work place experiences for young people that are still in education.

### **3.12 Proposed Service Response:**

3.12.1 The Borough Council will engage with the County Council and investigate how to ensure that schools and businesses are able to communicate regarding work experience places.

3.12.2 The Borough Council will investigate how to use its social media platforms to encourage companies to offer work experience positions for young people that are still in education.

3.12.3 As part of the regular business engagement, Borough Council officers will discuss the benefits to young people and businesses of industry work experience.

#### **4. Issues**

4.1 None identified.

#### **5. Choices (Options)**

5.1 Cabinet could choose not to adopt any of the recommendations within this report. As such, business as usual is accepted as the appropriate response to Overview and Scrutiny Panel recommendations.

5.2 Cabinet may choose to adopt some of the recommendations arising in this report.

5.3 Cabinet may choose to adopt all of the recommendations within this report. This would allow Officers to investigate and address the recommendations of Overview and Scrutiny committee. This is the recommended option.

#### **6. Implications (including financial implications)**

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##### **6.1.1 Policy**

6.1.2 None at this stage

#### **7. Resources and Risk**

7.1 There are no financial implications and any action will be covered within existing budgets.

#### **8. Legal**

8.1 The actions recommended by this report lie generally within the Council's general power of competence under the Localism Act 2010 and are also consistent with its powers in relation to economic well-being under the Local Government Act 2000

#### **9. Equality and Health**

9.1.1 None specifically highlighted.

#### **10. Consultees (Internal and External)**

10.1 Internal NBC Officers.

## **11. How the Proposals deliver Priority Outcomes**

- 11.1 The proposals are attributed to the delivery of the Northampton Alive Regeneration programme and the overall economic development of the Borough.

## **12. Background Papers**

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- 12.1 Report of Scrutiny Panel 1 – Health Check of the Local Economy

**John Dale, Head of Economic Development and Regeneration, X7078.**