

Connected, Creative, Competitive Nottingham.

The Nottingham City Deal

UNCLASSIFIED



**Nottingham
City Council**

Nottingham's Potential

Nottingham has many characteristics that mark it out as a great city and provide an indication of its Growth potential. Its economy has a GVA of £12.1 billion, which will expand further through a committed investment of over £1 billion of in a range of significant infrastructure developments in the next three years. Over 50 regional and national headquarters are already based within the city including Alliance Boots, Experian, Capital One, Speedo and E.ON.

In addition, the city has the following advantages:

Quality of Life

- The most energy self-sufficient large city in the UK
- Excellent transport infrastructure
- Big-city nightlife, retail and leisure opportunities in a compact, pedestrian friendly city centre attracting 35 million visitors a year
- Surrounded by beautiful countryside from Sherwood Forest to the Peak District and the Vale of Belvoir

High Skills Base from a Young Workforce

- A recruitment catchment area of 1.1 million people
- Two world-class universities with over 55,000 students and 18,800 annual graduates
- 25% of the population aged between 16 and 24 – the youngest core city

Competitive Cost

- Salary savings are up to 7% on the national average
- Grade A Office costs are some of the most competitive in the UK
- The availability of city-centre sites with significant investment potential

Accessible Location

- Situated in the heart of England, with 90% of England's population accessible within 2 hours due to excellent motorway & rail connections
- Over £1b of investment planned over the next 5 years including two more tram lines, a redeveloped railway station and transport hub
- East Midlands Airport is on the doorstep of the city with connections to over 150 worldwide business destinations.

This potential, however, needs to be tapped. A structure enabling enterprise to flourish needs to be created to mitigate the lack of private sector growth in the post-recession climate. Young people need better access to the opportunities that will be created. We wish to forge a partnership with Government to enable Nottingham to achieve this.

Our Vision for Growth

Our vision is to unlock Nottingham's potential. To this end Nottingham City Council, together with partners in the business community, has developed the Nottingham Economic Growth Plan: our economic strategy to restructure Nottingham's economy. That Plan sets out how we will develop a ***highly skilled, science and technology based, low carbon economy within Nottingham*** by 2020. To support this, Nottingham will need to be ***connected*** internally, nationally and globally. It will need to develop ***creative*** new businesses and become the most ***competitive*** location in the UK for businesses to be based.

This City Deal will be the catalyst for change, through enabling the development of the Nottingham Growth Plan's flagship project; the *Creative Quarter*. The Creative Quarter will encompass a wide ranging economic stimulus package to support the creation and growth of businesses, the retention and maximisation of talent, property occupancy and consumer spend. The Creative Quarter – an incubator without walls – will create a unique enterprise environment, to lead the development of Nottingham's new economy and as an emblem of our long term aspirations for the city.

Our focus on the Creative Quarter is therefore strategic, as the necessary innovation to put Nottingham on the road to a new economy. Future phases will seek to widen the project across other economic and geographic areas of the city.

The Creative Quarter

The Creative Quarter will be the focus for a package of concerted business development activity to enable entrepreneurship to flourish within the heart of Nottingham's city centre. It encompasses the Lace Market, Nottingham's former traditional manufacturing centre and Hockley, a thriving independent retail and leisure centre. Many of Nottingham's emerging growth sectors businesses are already located here and it is where new creative businesses will be encouraged to locate to create a high value clustering effect.

Through the City Deal we will create a package of investment funds to enable businesses in the Creative Quarter to grow. This will be supplemented by business support structures and connections into bespoke apprenticeships. The area will be served by super fast broadband, low carbon energy supply and improved transport links, all enabled through the City Deal struck between Nottingham and government. It will provide a business led regeneration of a significant area within Nottingham with funds used to unlock stalled sites and the Council developing its asset management and business rates strategies to further promote enterprise.

The development and sustainability of the Creative Quarter will be business-led – a principle that we are adopting for economic development across the entire city. It will be strategically managed in partnership with existing key growth sector business hubs. Located in the heart of the Creative Quarter are BioCity, Europe's largest bio-science incubator; a fast-growing creative industries hub employing over 140 people; Confetti Media; and Broadway, an independent cinema and digital production centre. These will feature as part of the Community Interest Company created to manage the Creative Quarter's development.

This Community Interest Company will employ 250 apprentices for businesses in the area as well as involvement in the new incentive package for the many graduates from our universities to start businesses in the Creative Quarter.

The Creative Quarter has the potential to become a powerhouse of business growth and economic development in Nottingham, creating jobs at every level and providing the catalyst for Nottingham's drive towards a new economy.

Realising the Vision

The Creative Quarter vision will be realised through a package of measures outlined below. The funding outlined for each project outlines the total investment required, regardless of source. Further detail on funding is contained in **Annexe 1**.

1. Fostering Enterprise

We will enable enterprise to flourish within the Creative Quarter through providing financial incentives, physical assets and business support structures, to enable our emerging sectors to further develop. This will include the creation of the following financial packages:

- **Venture Capital Fund** – To help early stage growth businesses. From £100k to £1m and in exceptional circumstances up to £5m. This is up to £25m from Government (subject to business case) matched by £20m from Nottingham.
- **Generation Y Fund** – to help young people start in business. Total investment of £1 million matched by £1m from Nottingham City Council.
- **Technology Grant Fund** – Providing grant finance from £25k up to £1m per business to support the exploitation of intellectual property. Total investment of £20 million from the Regional Growth Fund, with local match funding

2. Supporting a High Quality Workforce

To achieve a higher skilled, productive workforce and reduced worklessness levels, we will develop structures to simplify the process of connecting people to jobs. We will also develop strong relationships with education and training providers to ensure that provision and economic need within the Creative Quarter are aligned. We will achieve this through:

- Working with BIS, the Skills Funding Agency and providers via the Nottingham City and County Employment and Skills Board and to strengthen accountability on skills
- Setting up a Skills and Apprenticeships Hub, with funding to increase market penetration to boost take-up and the flexibility to pilot an extension of the Innovation Code to develop new qualifications;
- Working to develop a new programme for enterprise education in schools, building on the work in the Creative Quarter;
- Freedoms and flexibility with Jobcentre Plus to create a single structure for tackling youth unemployment and promoting recruitment and training packages to employers; and
- Increasing capacity to provide Maths, English and Language qualifications to low skilled parents from disadvantaged communities.

3. Developing 21st Century Infrastructure

For Nottingham to realise the full potential of the Creative Quarter, a range of infrastructure development is required, enabling high quality development activity. This includes:

- A programme of transport infrastructure and public realm improvements to fully connect the Creative Quarter, part-financed by Tax Increment Financing;
- This will sit alongside possible national transport upgrades (such as MML electrification or the second phase of HS2) and more immediate investments in innovative network and demand management to minimise congestion and enable growth;
- Infrastructure for super fast digital connectivity within the Creative Quarter and beyond; and
- Work on the Green Deal, including extending the city district heating system to enable businesses to benefit from a Nottingham energy tariff to achieve significant savings.

The Deal

A conservative calculation of the initial cost of the Creative Quarter's development is £125 million. This combines Nottingham's and government's investment to achieve the following Growth Plan targets for the next five years:

- GVA uplifted by 4%;
- 7,000 new jobs created in Nottingham's three emerging sectors;
- From the 6th to the 5th highest retail turnover in the country in five years;
- 50 per cent of the working age population qualified to level 3;
- Super-fast broadband connectivity to the Creative Quarter and Nottingham Enterprise Zone;
- The number of unemployed young people falling by 25%;
- 100% expansion of Nottingham's district heating system, with the development of a Nottingham energy tariff.

Much of the investment for the development of the Creative Quarter will come from within Nottingham. Nottingham City Council will embrace the ability to set localised business rates by introducing new graduated models of business rate levy and rent to stimulate new businesses in the Creative Quarter. We will use both TIF funding models to physically regenerate the area and provide the energy infrastructure that growing businesses require. We are securing £20 million from pension funds and high net worth individuals on the Nottingham Economic Resilience Board, led by Sir John Peace and Nat Puri; this will develop equity funding for growing businesses. Start-up businesses will be offered rent-free periods and low-cost accommodation; the City Council will make available its existing properties in the area to support the creation of new business hubs. We will fund the provision of the Generation Y strategy to enable young people to start in business and extend our Nottingham Jobs Fund to enable more young people to gain paid work experience within the priority sectors within the Creative Quarter. Investment will be made to develop the digital infrastructure for business centres within the Creative Quarter.

Our offer to government extends beyond this investment, and into the governance structures required to enable the Creative Quarter flourish over the medium and long term. We believe that this can only be achieved through a strong business led structure where both local and national government are formal partners and will be incentivised to support the continued success of the Quarter through gaining dividends from the investments that they make. Governance of the Creative Quarter's development will be achieved through the formation of a **Creative Quarter Community Interest Company** where business representation will focus on those with private sector experience in mentoring and investing in Nottingham's growth sectors. It will employ 250 apprentices per year which will be used to provide a flexible work force for the early stage companies looking to grow.

The Community Interest Company will work to the **Nottingham Economic Growth Board**, which will comprise leading individuals from the private and public sectors with a track record of success in their fields.

The Growth Board will set the economic strategy for the development of Nottingham and provide strategic oversight of the Economic Growth Plan. A new structure will be developed underneath it, compromising:

- A high powered ***operational team*** led by a partnership of city organisations to provide daily oversight and momentum to the delivery of the Plan;
- An ***investment monitoring panel*** which will provide a clear and transparent mechanism to ensure that it invests in areas of demonstrable priority;
- Strengthened ***joint planning and transport structures*** between Nottingham City Council and Nottinghamshire County Council ;
- An ***Employment and Skills Board*** across the D2N2 LEP area to implement the new skills strategy.

Our ask of government is to match the investments made by Nottingham City Council and its business partners and to take a share in the dividends created through the success of the Creative Quarter. The Government commitments are summarised in **Annexe 1** and set out in more detail in **Annexe 3**.

Nottingham City Deal Summary

Annexe 1

Vision	To deliver by 2020 a highly skilled, technology and science based, low carbon economy within Nottingham . To support this, Nottingham will need to be connected nationally and globally. It will need to develop creative new businesses and become the most competitive location in the UK for businesses to be based		
Theme	Targets	Realising the Nottingham Vision	Government Commitments
Fostering Enterprise	Creation of Nottingham's Creative Quarter.	<ol style="list-style-type: none"> Structural shift in our economy, based upon: health and life sciences, digital content and low carbon that will attract high skilled jobs. Continue to support the development of sectors which are important pillars of Nottingham's economy such as business services and retail. Focus this work through the development of a Creative Quarter, a growth zone in the city centre for business support and development. 	<ul style="list-style-type: none"> Up to £25m for a venture capital fund for the Nottingham area to help early stage growth businesses, to be matched by at least £20m investment from the Nottinghamshire pension fund and local high net worth individuals. Subject to business case, the possibility of additional venture capital funding from 2014. Establish Nottingham as a pilot area for start-up loans for young entrepreneurs. £1m for Generation Y youth start-up accelerator programme to be matched by £1m from Nottingham. £20m for Nottingham Technology Grant Fund – Providing grant finance of from £25k up to £1m per business to support the exploitation of intellectual property, to be funded through a bid to the Regional Growth Fund, with local match investment.
	Nottingham's GVA up by 4% over the next five years.		
Supporting High Quality Workforce	Creation of 7000 new jobs in Nottingham's three emerging sectors over the next 5 years.	<ol style="list-style-type: none"> Enable local residents to develop the right technical skills for the new jobs created in Nottingham's new economy. 	<ul style="list-style-type: none"> Work with the ESB to strengthen accountability on skills Up to £1m for a Skills and Apprenticeships Hub Notional ring-fencing of up to 300 AGE grants to boost apprenticeships.
	The proportion of the working age population qualified to level 3 will be 50% within the next 5 years.	<ol style="list-style-type: none"> Develop employability skills for children and young people from school age upwards and reduce youth unemployment.. 	<ul style="list-style-type: none"> Use of the Innovation Code to support the delivery of provision and development of new qualifications where gaps exist in the current offer. Flexibility and to develop a Youth Hub to tackle unemployment. Dialogue to develop a new programme for enterprise education in local schools.
	The number of young people that are unemployed falling by 25% over the next four years.	<ol style="list-style-type: none"> Attract and retain graduates to fill the new high-skilled jobs and drive economic development. 	<ul style="list-style-type: none"> Subject to business case, up to £0.3m funding to increase capacity in the Voluntary and Community Sector to deliver qualifications to low skilled parents from disadvantaged communities.
Developing 21 st Century Infrastructure	Superfast connectivity to Nottingham's Creative Quarter.	<ol style="list-style-type: none"> Provide super fast digital connectivity for businesses and residents. 	<ul style="list-style-type: none"> Up to £8m under the New Development Deal for public realm and transport infrastructure in the Creative Quarter, matched by £6.8m of investment from Nottingham City Council.
	20% sustainable energy production by 2020 including expansion of the city's district heating over the next 4 years.	<ol style="list-style-type: none"> Deliver low carbon energy at reasonable, consistent prices. 	<ul style="list-style-type: none"> Working with internet service providers to deliver superfast broadband in the Creative Quarter.
	Improve access and connections to Nottingham and the Creative Quarter.	<ol style="list-style-type: none"> Deliver a first-class 21st century integrated transport system. 	<ul style="list-style-type: none"> Working with Nottingham on its Green Deal, including an expansion of district heating and exploring the potential for renewable heat. Up to £1m for a transport test-bed to encourage people into sustained work.

UNCLASSIFIED

Nottingham City Centre and the Creative Quarter



Detailed Summary of the Nottingham City Deal

This paper provides a detailed summary of Nottingham and Government commitments in the City Deal to unlock the city's full growth potential.

1. Fostering Enterprise

To make Nottingham the best place in the UK to start a business by enabling a structural shift in our economy based on existing sustainable growth sectors of life sciences, green technology and digital content. This outcome will be encapsulated within the new Creative Quarter, which will see these sectors incubated across a geographically critical part of the city. The Quarter will contain a mix of retail, leisure, office and educational space. The Creative Quarter will be a flagship project within the final Economic Growth Plan and provides the potential to benefit the whole city.

Ensuring that Nottingham has a healthy rate of business start-ups and providing the tools and conditions by which they can grow and employ more people is critical to the Economic Growth Plan. Business creation and growth, driven by high performing innovative companies who are able to develop and exploit intellectual property and technology, can enhance the business stock and lead a structural shift in the city's economy by generating new entrants that displace incumbents, forcing out those who are unable to compete. This is a feature of high-performing economies.

We will achieve these outcomes through providing financial incentives, physical assets and business support structures to enable our emerging sectors to further develop, with the Creative Quarter at the heart. Nottingham City Council and partners are committed within existing powers and resources to provide access to physical assets and support for the new enterprises.

Government will support our ambitious proposals by investing alongside Nottingham and its partners to put in place an escalator of capital which can be used to unlock the latent demand for risk finance within these sectors, and specifically within the new Creative Quarter, but also be used to attract further investment from outside the city to make Nottingham the place to start or locate a business within these high value generating sectors.

Venture Capital: As a 'licensed exception', Government will, subject to development of a viable business case and local match funding, invest £25m in a venture capital fund that will focus on viable, investment-ready growth enterprises in the Nottingham area. This fund will make investments in a way that:

- supports growth enterprises to expand;
- lever-in further investment; and
- provides a reasonable return on investment to all investors.

The fund will have a sufficient investment timeframe to deliver a reasonable return to investors (including Government) and for the manager to establish a track record. The term of the fund will be determined by investors with an independent, FSA-accredited fund manager, balancing return on investment with new opportunities to invest in commercially-viable enterprises in the Nottingham area as they grow.

The Business Growth Fund (BGF) will work closely with the fund to give these growth enterprises further attractive options for the long-term patient capital they will require to fulfil their potential. Whilst BGF is a national investor they take a very regional approach, with six offices across the UK and senior investors dedicated to individual regions. Financing from the BGF – equity investments of £2-10 million for a minority stake and a seat on the board of growing companies which typically turn over approximately £5m up to £100m – could be a natural onward stepping stone for the most successful businesses receiving support from the fund.

Generation Y: Nottingham also wishes to boost entrepreneurship by young people, and proposes to launch a programme of support for young people, especially graduates, to become entrepreneurs. Government has agreed to work with Nottingham to make it a pilot area for start-up loans for young

UNCLASSIFIED

entrepreneurs, and to provide up to £1m for start-up accelerator programmes for young entrepreneurs. Nottingham City Council will invest £0.3m to develop the support programme, and provide a fund of £0.7m for small scale capital investment/refurbishment loans to young entrepreneurs in the Creative Quarter.

Nottingham Technology Grant Fund (NTech): this fund will offer grants to health and life sciences, digital content and green/clean technology businesses in Nottingham. NTech will offer grants between £20K - £1m, focused on the development of new technologies and the commercial exploitation of intellectual property, as well as capital investment in equipment or infrastructure. The fund will be delivered through private sector partners with a detailed working knowledge of technology sectors.

NTech forms a crucial element of the broader Nottingham Economic Growth Plan which sets out a series of priorities and actions to stimulate economic growth across Nottingham. This is intended to be funded from a bid to the Regional Growth Fund (RGF) for £20m; while this is not a part of the City Deal, Government recognises the link between this and the overall strategy, with its strong connection to the overall vision for the Creative Quarter and the Nottingham Economic Growth Plan. We hope for a successful allocation of funding in Round 3 of RGF for NTech, the outcome of which will be announced in the autumn.

Nottingham Commitments	Government Commitments
<ul style="list-style-type: none"> • Nottingham City Council and Nottinghamshire County Council commit to securing £10-20m from the Nottinghamshire Pension Fund for a venture capital fund. • Nottingham's private sector commit to investing £10m alongside the equity fund. • Nottingham to consider the case for further investment at a later date, including seeking up to £10m from Government. • Nottingham will commit to operating the fund on an appropriate structure to provide a commercial return to all investors • The Nottingham Economic Growth Board will work with BIS on the appointment of an independent advisory board to oversee overall fund strategy while guaranteeing the independence of the fund manager. • Nottingham City Council commits to investing up to £0.3m to establish the Generation Y Fund and associated support programme. • Nottingham City Council commits £0.7m to a fund for small scale capital investment /refurbishment loans to young entrepreneurs in the Creative Quarter. • Nottingham City Council commits to looking at the opportunity to use property assets which could be used to delivery incubation space in the Creative Quarter. • Nottingham City Council and partners will put in place programmes of activity which will provide access to support and space to support growth enterprises and make them investment-ready. • Nottingham City Council commits to supporting this ambition through new graduated models of business rate levy and rent to stimulate new businesses, and through using TIF funding to physically regenerate this area of the city. • Nottingham City Council will create a new academy to pilot new style apprenticeships at 	<ul style="list-style-type: none"> • BIS will, subject to development of a viable business case and local match contributions, invest £25m in a new equity fund, focusing on emerging high growth sectors. • BIS will work with Nottingham to see whether the core principles of the fund can be first accommodated through a bespoke Enterprise Capital Fund and, if not, explore alternatives. • The fund will focus on supporting growth enterprises in the Nottingham / Nottinghamshire area, with an independent fund manager based in Nottingham. • BIS will work with the Nottingham Economic Growth Board to provide technical advice on the design of the fund, the selection and appointment of an independent fund manager and the applicability of existing government support programmes. • BIS will review its support for the fund in 2014 with a view to further investment at the appropriate scale to ensure continued access to equity finance for growth enterprises in the Nottingham area. • The Business Growth Fund will work closely with the fund to give growth companies further attractive options for the long-term patient capital they require to fulfil their potential. • BIS to work with the Nottingham Economic Growth Board to make the area a pilot for the delivery of start-up loans for young entrepreneurs. • Subject to business case, BIS to provide up to £1m for a start-up accelerator programme for young growth businesses, working though the incubators in the city.

UNCLASSIFIED

<p>14+ and to develop the supply of skills that our emerging sectors will require as their businesses grow.</p> <ul style="list-style-type: none"> • The Nottingham Economic Growth Board commits to working with Nottingham University and its campuses in China and Malaysia to encourage international students to locate businesses in the Creative Quarter, backed by financial support from those countries. 	
---	--

2. Supporting a High Quality Workforce

To create a package of measures to increase economically aligned skills levels amongst the population, particularly focused upon the Creative Quarter; and to develop a flagship service for significantly reducing youth unemployment in Nottingham.

Nottingham has seen an increase in unemployment rates over recent years, with young people aged 18-24 particularly affected. This contrasts with a positive story for 16-18 year olds where Nottingham has lower NEET levels than any other core city. We believe that by taking a more structured approach to reducing 18-24 unemployment; based on a robust client management, we can achieve a similar reduction in youth unemployment by a quarter over the next five years.

Recent studies have confirmed that in Nottingham and the wider D2N2 LEP area there are:

- A mismatch between the most popular subjects chosen by 16-19 year olds in further education and opportunities within the labour market;
- A lack of a connection between information, advice and guidance provided to young people and the needs of employers;
- Some geographical areas, such as Nottingham, where there are relatively high proportions of low skills amongst the population; and
- Variable rates of apprenticeship take up across the area with Nottingham suffering from relatively low apprenticeship take-up.

We wish to change this and by aligning skills provision with economic need. We will do this for both young people and adults through focusing our efforts on the key emerging sectors as well as other sectors with growth potential. We want to invest in constructing an appealing and relevant curriculum, led by business, to appeal to young people. We will provide robust connections to employers to support this, underpinned by Nottingham City Council-funded intelligence regarding future employment requirements. To do this we wish to establish:

- An increase the skills levels and aspirations of young people through:
 - aligning skills provision to economic need;
 - Setting up an Skills and Apprenticeships hub;
 - developing a Nottingham Apprenticeships pathway, building on the Innovation Code; and
 - improving enterprise education in schools;
- A Youth Employment Hub to provide support to 16-24 year olds to find employment in Nottingham;
- Increased capacity in the Voluntary and Community Sector to deliver English, Maths and Language provision, to engage low skilled young parents of children from disadvantaged backgrounds in the City and surrounding area.

Nottingham Commitments		Government Commitments
Skills and Employment Strategy		
<ul style="list-style-type: none"> Employer-led Nottingham City and County Employment and Skills Board to set skills strategy and develop Skills Plan for Nottingham area, working with providers and other partners as appropriate. A commitment to work through the NCCESB to assess provider delivery against the articulation of employer demand. To engage with Nottingham's colleges to prepare a coordinated capital investment strategy. 		<ul style="list-style-type: none"> BIS, SFA and Providers to work with the NCCESB to improve reporting and strengthen accountability within the skills system for delivering agreed skills priorities.
Employer Engagement and Apprenticeships		
<ul style="list-style-type: none"> Funded labour market intelligence service regarding future skills demands (This will be funded through the Core Cities Skills Fund and led by the NCCESB). Set up of an Employer Hub to lead on employer engagement on the ground Nottingham City Council funding of £0.3m for Employer Hub. 		<ul style="list-style-type: none"> Subject to business case, up to £1m to support the development of a Skills/Apprenticeship Hub and increase Apprenticeship uptake locally. Notional ring-fencing of 300 AGE grants, with the opportunity to negotiate possible further flexibilities following a review of the AGE grant due later this year. Using the Innovation Code to support the delivery of provision and development of new qualifications, where current gaps exists, which could become components of current or future Apprenticeship Frameworks using agreed processes.
Youth Hub		
<ul style="list-style-type: none"> Funding of £1.5m for Nottingham Jobs Fund and £2m for NEET reduction from Nottingham City Council. Integrated structure with processes to create opportunities linked to new developments (Section 106). 		<ul style="list-style-type: none"> The freedom and flexibility to align JCP support with local structures to enable the Youth Hub. DWP to work with Nottingham City Council to identify funding for the Youth Hub and work with sector-based skills academies.
Advice, Guidance and Learning		
<ul style="list-style-type: none"> Funded impartial careers advice and guidance service (£2m p.a.). Local resource (£0.1m p.a.) into developing proposals on enterprise education. 		<ul style="list-style-type: none"> Dialogue with BIS and DfE to develop new approaches to enterprise education in schools. Subject to business case, funding to engage more young parents with low skills levels in English, Maths and Language through increased capacity to deliver appropriate within the Voluntary and Community Sector (£0.3m).

3. Developing 21st Century Infrastructure

For Nottingham to realise the full potential of its economic growth prospect and the Creative Quarter, a range of infrastructure development is required, enabling high quality development activity. This includes four main aspects; digital infrastructure, transport, connections to the Creative Quarter and energy infrastructure. All are detailed below.

A) Digital

Growth in creative businesses is increasingly reliant on combining creative skills with digital technology – a common phenomenon across the globe – and our Creative Quarter is now ideally placed to become a

major centre for digitally-enabled creative businesses. Nottingham City Council is currently delivering the 'Ultraband' research project in the area, testing the impact on businesses performance in three business centres provided with 'gigabit' connectivity. There is already a strong level of interest from other businesses to join and extend the Ultraband initiative.

The digital media sector, especially within the Creative Quarter, has particular problems finding digital solutions that meet their current needs and that are easily scalable to meet future needs. It is one of the few areas in Nottingham defined by BDUK as a 'white area' indicating that it has poor existing levels of broadband with no current plans for improvement. This has long been an issue for businesses in the area and the council is aware of recent examples of businesses relocating out of the area because of poor broadband services

Our proposal is to provide that gigabit connectivity by offering 'Fibre to the Premises' for businesses in the defined 80Ha contiguous area covered by the Creative Quarter, and to create a showcase of world class business connectivity which have the potential to support the city's three key sectors. It would also cover the cost of connecting to the adjacent Nottingham Trent University city centre campus, and also benefit the two further education colleges in Nottingham. The proposal will exploit our extensive network of ducting, including along the tram network to create a "digital corridor" which will act as a stimulus for business growth on the sites along the length of the tram network.

As part of a range of measures to expand and develop the sector, we wish to achieve easier access to affordable transformational levels of connectivity. However we also aim encourage local businesses and property managers to take ownership of their own connectivity needs e.g. by delivering their own broadband management solutions. We envisage an area where businesses are able to access transformational levels of connectivity but are also actively developing and creating their own digital enterprises and services.

Nottingham Commitment	Government Commitment
<ul style="list-style-type: none"> • Communications Providers and Nottingham City Council to work together on a new plan to extend broadband to growth businesses in the Creative Quarter. • Nottingham City Council commits to investing its own physical assets, including ducting and street furniture, into an appropriate delivery vehicle to enable their use to develop the broadband network. • Nottingham City Council commits to working closely with existing telecoms providers on demand stimulation. • Make available where appropriate data which can be exploited for commercial opportunities in order to make Nottingham City council the most data transparent city in the UK. • Nottingham City Council will contribute current revenue spend on third party connectivity c£1.5m pa across all our sites as seed funding for a Nottingham Municipal Network. • Nottingham City Council will further develop the City Smartcard to integrate this with transport, education & social care and to act as a token for secure access to local services. 	<ul style="list-style-type: none"> • DCMS to facilitate joint working between Nottingham and Communications Providers on broadband, with a view to bringing superfast connectivity to the Creative Quarter (and the Nottingham Enterprise Zone); and to assist both parties in their joint work to minimise and close any shortfall in requirements.

B) Transport – Keeping Nottingham Moving

Nottingham's transport strategy builds on our past successes in encouraging modal shift and creating the conditions for sustainable growth. Our successful public transport network now carries 76 million passengers a year, of which 10 million use the existing NET Line One tram. Since 2003 the number of

UNCLASSIFIED

public transport passengers has increased by 13%, with congestion contained since 2005 due to high levels of investment in public transport.

This progress will be enhanced when the current large-scale projects are completed, the most important of which are the A453, Phase 2 of NET, the Ring Road Major, Better Buses and the Station hub. In April the innovative Workplace Parking Levy started charging, making Nottingham the only UK city outside London with comprehensive congestion charging measures. We also have a long record of successful measures to encourage behaviour change to more sustainable modes, and over the last 5 years 150 employers have been supported in Nottingham's travel planning activity.

Huge progress has been made in use of technology to manage both transport networks and demand for transport – for example, by successful bus lane enforcement, real-time information, and innovative use of the CityCard (the city smartcard, which has almost universal coverage across the City population) for transport ticketing, leisure and library services in partnership with universities and employers. We have a huge range of offers and discounts attached to the CityCard and a programme of converting City Council services to CityCard access. This enables targeted initiatives to, for example, encourage unemployed young people into work by providing discounted travel and other incentives.

Our focus is increasingly towards the need to support the Nottingham Growth Plan. This means promoting:

1. Improved network and demand management to manage congestion and support the development of new sites such as the D2N2 Enterprise Zone; and
2. Innovative ways of getting Nottingham people to available jobs and training, by improving our already successful Link Bus network to workplaces and improved CityCard targeting;

Nottingham is in a unique position to do this:

- Key elements of transport infrastructure in the city are currently under way and will be transformational once complete
- There is a lot of joint working in D2N2 and the MML group of authorities means that we are better able to tackle intercity connectivity, with improved strategic road and rail, including access to the new East Midlands HS2 station
- We have an excellent and improving public transport system with a soon-to-be City-wide SQBP and integrated smartcard ticketing
- Successful network management enabling congestion management, but with scope for further improvement and refinement
- Comprehensive CityCard coverage with ability to create 'nudges' for modal behaviour change
- A successfully implemented Workplace Parking Levy, with mature and effective travel plans and joint working with employers

For these reasons **Nottingham will become a test-bed for evaluating the effectiveness of a sophisticated integrated transport strategy**. This would enable lessons to be learnt about how well transport network and demand management can be used together to manage a city traffic flows and contribute to growth.

Nottingham Commitment	Government Commitment
<ul style="list-style-type: none"> • Nottingham City will be a test-bed for network management and using transport and non-transport-related incentives to encourage targeted groups and individuals into sustainable work. The results of independent evaluation will be available to inform Government, D2N2 and Core Cities policy. • The South West quadrant of the Nottingham conurbation will be a demonstrator for D2N2 LEP to inform strategic development connectivity between developments in major Growth 	<ul style="list-style-type: none"> • Subject to business case, DfT commits up to £1m of funding for a Nottingham transport behaviour change test-bed to encourage targeted groups into sustainable work. • DfT to facilitate a discussion between Nottingham and Traffic Commissioners regarding the enforcement of the bus Statutory Quality Partnership in the city, with an aim of ensuring the smooth operation of local public transport. • Explore taking forward work to analyse the

UNCLASSIFIED

UNCLASSIFIED

locations (i.e. conurbations, East Midlands Airport, passenger and freight rail hubs including possible HS2 station) and demonstrate of the value of concerted and comprehensive transport demand management to secure growth in an area with restricted road capacity.	benefits of enacting Part 6 of the Traffic Management Act 2004 in Nottingham to allow local enforcement of moving traffic contraventions and facilitate the efficient control and management of traffic.
---	--

C) Connecting the Creative Quarter

As demonstrated by the committed £500 million tram route extensions and the £70 million Station Hub projects, continued investment in major transformational transport schemes benefit the wider Nottingham economy and facilitates sustainable access to areas of new employment particularly for existing car users helping to contain traffic growth and levels of congestion.

The Creative Quarter area is directly served by the existing Lace Market tram stop; NET Phase 2 will further increase the accessibility of the area to include the south and west of the built up area, direct linkage to both University main campuses and connection to Nottinghamshire Enterprise Zone sites. The City's existing Inner Ring Road, though, presents a significant barrier to the expansion of business activity in the area and its surroundings.

An Inner Ring Road Strategy is in place to address these barriers using appropriate treatments to ensure that Primary Pedestrian Routes and bus movements are prioritised and that through traffic is managed in a way to create improved public realm and support business growth. Completion of the Connecting Eastside project (Phase 2) to implement such treatments to the highway network to the south east of the Creative Quarter area is needed to improve bus and pedestrian priority as a means of making the Quarter more permeable, stimulating stalled development activity as well as supporting the redevelopment of Nottingham's prime Eastside Island regeneration site.

The schemes will improve the efficiency and reliability of this part of the transport network, in particular addressing the north-south route to the east of the City which forms part of the Primary Route Network, improve integration between transport modes and improve the public realm further enhancing the attractiveness of the City Centre, and the Creative Quarter in particular, as a place to invest.

Nottingham Commitment	Government Commitment
<ul style="list-style-type: none"> • Committed transport investment in NET Phase 2 (£500 million), Nottingham Station Hub (£70 million) and previous Local Transport Plan and levered investment (£20 million including £6.8 million invested in Connecting Eastside Phase 1) targeted on the City Centre inner ring road strategy. • Match funding from a range of sources including Local Transport Plan, future ERDF bids, Growing Places Fund and developer contributions. 	<ul style="list-style-type: none"> • Government agrees to commit up to £8m under the New Development Deal to support connecting the Creative Quarter.

D) Energy – low cost, low carbon

Nottingham is the most energy self-sufficient city in the U.K, with 11.4% of the city's total energy generated by 'Low Carbon' sources. This firmly means that Nottingham can rightly claim to be the U.K's No.1 Energy City. The City's energy strategy, adopted in 2010, sets out a detailed action plan on developing and delivering 'Low Carbon' energy solutions across the city. The strategy identifies key technologies and programmes required to enable Nottingham to play its part in meeting national and local targets on carbon reduction and low- or zero-carbon energy generation.

Nottingham is the first city in the UK to develop and launch a city-wide 'Energy Map'; this is a support tool to help both domestic customers and planners. The decision tool is a support tool to help planners, as part of a city strategy and helps with the overall vision for a city in terms of delivering energy infrastructure. The

UNCLASSIFIED

UNCLASSIFIED

Council has identified growth areas, both in terms of infrastructure and metering and the ability to collect real-time data to prepare for the next phase of the Green Deal. This reflects the integrated nature of Nottingham's energy planning.

Nottingham's extensive district heating system is maintained and operated by EnviroEnergy, an energy service company wholly owned by the City Council. EnviroEnergy operates the largest combined heat and power (CHP) station in the UK. With a thermal capacity of 80MW, the company currently serves around 4,500 domestic and over 150 commercial heating consumers. The energy strategy is committed to developing emerging technologies such as biomass CHP; anaerobic digestion; and waste-to-energy facilities. Nottingham now has a total of 65km of heating network beneath the streets of Nottingham in addition to private wire supplying companies with discounted electricity; the existing scheme offsets 27,000 tonnes of CO₂ per annum.

Our short-term ambition is to build on this success by developing our district heating network as a key part of our overall City energy strategy. The expansion plans – which will require an investment plan of £12m - are based upon extending the existing network in and around the city centre, complementing other regeneration initiatives such as the Creative Quarter, tram extension, Eastside, Castle Marina and other parts of the city, building upon the proposed Nottingham Energy Park in the north other 'anchor' points.

Nottingham has an exemplary record in delivering energy infrastructure projects, reacting quickly to funding opportunities has placed Nottingham as a leading energy city. During 2009/10 Nottingham received £4m+ funding from the Homes and Communities Agency to install two new district heating networks; both schemes were delivered on time and to budget and now form part of HCA's exemplar case studies.

Nottingham's Commitments	Asks of Government
<ul style="list-style-type: none">• Nottingham offers two full-time members of staff for a 12-week period to ensure the success of a European application.	<ul style="list-style-type: none">• DECC to work with Nottingham to develop expansion opportunities for district heating.• DECC to work with Nottingham on its approach to the Green Deal.• DECC to work with Nottingham to explore the potential for renewable heat.