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Nottingham City Growth Strategy



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Summary

City Growth Strategies (CGS) is a pilot programme, funded by the Small Business Service (Phoenix Development Fund), which promotes a market-led approach to turning round disadvantaged areas, concentrating on economic potential rather than social problems. Nottingham is one of seven pilots which involve business leadership; a robust evidence base; and exploiting business clusters to drive improvements in productivity and local prosperity.

Features of the Nottingham approach include: property strategy; cluster action plans; cross-sector leadership development; business mentoring; and alignment of partner plans.

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<p><i>City Growth Strategies target inner cities and other disadvantaged areas, seeking to exploit economic potential and foster enterprise, not dwell on social problems.</i></p>	<h2 style="text-align: center;">Aims/Objectives</h2> <p>The City Growth Strategy initiative is a pilot programme set up as part of the government's policy for 'enterprise for all', and was instigated by the Chancellor of the Exchequer, Gordon Brown. It targets disadvantaged areas, especially inner cities, seeking to exploit economic advantages which are often overlooked, such as:</p> <ul style="list-style-type: none"> • transport and communications infrastructure, being in an urban environment; • strategic position near to the centre of a large city; • an available but underutilised pool of labour. <p>The programme aims to turn round traditional ways of thinking about social disadvantage and the inner city, promoting enterprise and economic potential rather than dwelling on problems. Core principles of the programme are: engaging the private sector; connecting leaders across sectors; uncovering market opportunities; strengthening existing programmes; and catalysing action that produces results.</p> <p>Nottingham is one of seven pilot areas, benefiting from funding (2002-04) from the Small Business Service (SBS) to research and develop the local strategy and prime implementation. (The other pilots are Plymouth, St Helens, London City Fringe, London Haringey, London Heathrow City and London South Central.)</p> <p>The inspiration for the City Growth Strategies comes from the ICIC (Initiative for a Competitive Inner City), which was set up in the USA in 1994 by Prof. Michael Porter. ICIC have developed the approach in the inner cities, e.g., of Boston, New York and St Louis. ICIC believe that, if business is placed genuinely at the centre of the strategy, much else will fall into place around it as a basis for long-term sustainable renewal.</p> <p>The Nottingham City Growth Strategy was formally launched along with those of the other pilots in October 2003. Its vision sees the future inner city Nottingham as having:</p> <ul style="list-style-type: none"> • a competitive business environment • strong, growing businesses and more of them • a better skilled workforce, better connected to opportunities • a more positive inner city image • benefits of business growth impact on the local community
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<p><i>Inner city wards of Nottingham</i></p>	<h2>Where</h2> <p>Overall, Nottingham has a thriving business community. However, the city falls below the national average in its proportion of small businesses and in its rate of business start-ups. It has a good tertiary education system, with three universities, three FE colleges and a number of sixth form colleges, effective in preparing the workforce of tomorrow, but there are skills shortages in the current workforce.</p> <p>The City Growth Strategy concentrates on the wards of Bridge, Manvers, Trent, St Ann's, Forest, Lenton and Radford. This inner city area has high unemployment (more than double that of the city as a whole) and social deprivation, linked with the decline of the traditional manufacturing industries. The population of this area is about 70,000 and there are about 3,500 businesses, most of which are small or medium enterprises (SMEs). People from black and minority ethnic groups make up about 25% of the population. The city itself is 22nd on the Index of Multiple Deprivation 2000.</p>
<p><i>Nottingham adopted core processes common to CGS pilots, including Strategy and Research Teams and Business Champions.</i></p>	<h2>How did it do it?</h2> <h3>Setting up</h3> <p>The Nottingham City Growth Strategy (CGS) project was initiated in January 2002 under the auspices of the Greater Nottingham Partnership (GNP). The model adopted was common with the other CGS pilot areas, with a Strategy Team representing public and private sector interests, a Research Team, Business Champions and a Project Manager. The Strategy Team has developed effectively as a partnership, with members welcoming the opportunity to work together on a joint project and explore how each could add to the work of the other in addressing the needs of the CGS area.</p> <p>The public sector partners initially led the process of researching and formulating the strategy. They were anxious to develop clear, consistent view of the project and its aims before presenting CGS to the wider business community. They felt that there were serious risks of frustration and disaffection in the business community if CGS was presented before there was a strong story to tell and opportunities for businesses to get involved in practical ways.</p> <p>Two Business Champions, however, were recruited at the outset to help steer CGS and ensure its validity from a business perspective. Both were well known in the Nottingham business community. More</p>

recently the time has been right to increase business involvement at strategy level, through the creation of a CGS Business Group, with eight businesses. Their role is to advise on strategy development and implementation and on on-going engagement of the business community. Business needs and views were also canvassed through survey work (see below).

Research phase

Substantial preliminary research was needed to maximise the value of existing research and identify gaps. The existing knowledge base allowed the project to move quickly in the early stages. The Nottinghamshire Research Observatory, one of the members of the Strategy Team, provided much of the research input, including an employer survey. This found that the main advantages of location in the CGS area were seen as: access to property and to markets, the availability and skills of workers. Prominent constraints included actual and perceived levels of crime and rental costs.

This research phase also identified key, growing clusters:

- food production
- metal manufacturing and electrical goods
- print, media and creative industries
- data processing and IT based businesses

Findings of research on the availability of land for employment uses have stimulated further work to produce the City Growth Property Investment Strategy to address current barriers to business growth and competitiveness. A critical need is to protect employment land against pressures for residential development.

Developing the project – Growth Plan

The partners proceeded to develop the City Growth Plan to deal with the issues and opportunities identified in the research. This Plan sits within the context of GNP's strategic plan and the Core Cities Prospectus. Themes include enterprise development, linkages with the City Centre, access to small business finance, property, ICT and e-business development and jobs access for local people. Cross-cutting topics include recruitment, skills, training, business support and crime against business. Crime in particular is a big problem in the target area, and measures to co-ordinate the business response to crime on industrial estates have been taken. A CGS sub-group is co-ordinating action on this theme.

A Cluster Action Plan is also being developed (see below), although there are local concerns that this significant component of the CGS

model is not wholly appropriate when applied to the specific CGS area. The Nottingham partners have stressed the importance of not concentrating on a small number of clusters at the expense of others, and ensuring that there is action to address issues and opportunities relating to business competitiveness more generally.

Cluster-specific activity

The CGS partners are working on a Cluster Action Plan. This will link to priorities in *emda* (East Midlands Development Agency) strategies and is likely to include action, e.g., on:

- recruitment and retention in the food industry
- supporting ICT suppliers win public procurement business
- developing markets in food tourism
- business and workforce development support for the print, media and graphics sector
- revitalising the engineering sector

The Plan will recognise the need to encourage businesses to consider the benefits of collaboration. The CGS Employer Survey found relatively low levels of interest amongst companies in collaborating to access larger markets; only 23% firms which have never collaborated said they would consider doing so.

Mentoring

The research confirmed that there is an adequate level of business start-up activity in the city, but weaknesses in survival rates. From the outset the Strategy Team argued the need for encouraging and channelling business intelligence and expertise into inner city businesses. With the support of the research on business needs, they propose now to recruit mentors from businesses located outside the CGS area. They also hope that businesses assisted will want to stay in the area, and become involved in wider regeneration, where the Nottingham Business Broker (an NRU-backed pilot charged to support business involvement in the Local Strategic Partnerships and in neighbourhood renewal) will have a role to play.

Civic Leadership

A further component of the approach in Nottingham is the development of Civic Leadership, whereby partners want to foster conditions for effective cross-sector partnership and develop individuals able to play leading roles in regeneration partnerships, healthcare trusts, and non-executive boards, etc. Early evaluation of the associated OnBoard programme highlights its value in networking and personal development.

	<p>Funding</p> <p>The Nottingham CGS pilot is funded by the Phoenix Fund (SBS). Some £1.3m is shared between the seven project areas over the period from January 2002 to March 2004. It is for each area to use this development funding to secure resources for implementing the strategy, through aligning partner budgets and attracting additional resources, e.g., from RDAs, European programmes and the private sector. For Nottingham CGS a key measure of success will be the extent to which partner plans embed CGS actions into mainstream budgets over the next few years. There is also scope to access Neighbourhood Renewal Fund monies through the One City Partnership (the Local Strategic Partnership).</p>
<p><i>Strategy Team led by Greater Nottingham Partnership</i></p>	<p>Who was involved?</p> <p>CGS was instigated by DTI's Small Business Service, drawing on the advice of ICIC and a Resource Team comprising UK-based thematic experts.</p> <p>Nottingham CGS is led by a Strategy Team, under the auspices . This is led by the sub-regional partnership, Greater Nottingham Partnership (GNP), which itself has 24 members drawn from local authorities, private sector, public service agencies and the voluntary and community sector. The Strategy Team includes several local companies, plus:</p> <ul style="list-style-type: none"> • ACAS • Accelerate Nottingham (a local initiative in partnership with BT, working on technology awareness) • Business in the Community • Business Link Nottinghamshire • East Midlands Development Agency • Government Office East Midlands • Jobcentre Plus • Learning and Skills Council Nottinghamshire • Nottingham City Council • Nottingham Development Enterprise • Nottinghamshire Chamber of Commerce and Industry • Nottinghamshire Research Observatory, which provided much of the initial research needed to get the project off the ground. • Partnership Council • Small Business Service (regional office) <p>As with the other CGS pilots, ICIC have helped transfer the US</p>

	<p>model and provided technical support and advice through meetings, telephone and email. The SBS offered advice on procedural matters, and facilitated learning across the CGS pilot areas. They have exercised a light touch, recognising the need for each pilot to develop in ways which best add value locally.</p>
<p><i>Early stage achievements include the development of a strategy with strong partner commitment.</i></p>	<p>What did it achieve?</p> <p>The main achievements to date of the Nottingham CGS pilot has been the development of the strategy with strong partner backing. This was launched as part of a national conference in October 2003 with the Chancellor of the Exchequer and Prof Michael Porter.</p> <p>CGS has already prompted practical action on the ground, e.g., support for co-ordinated partnership working to reduce crime on the New Basford Industrial Area. Partners recognised the need to devote much more effort to reach out to businesses at ‘street level’ in the CGS area, many of whom have had limited contact with business support organisations. Advisers are now being employed with GNP funding to approach and build relationships with these companies, seeking to help them solve problems they face and identify opportunities for collaboration (business-to-business or to work together with public agencies to overcome local barriers to competitiveness).</p> <p>Another example of successful implementation is Mercury House, which provides high specification, IT-enabled incubator space for inner city businesses, funded by CGS/GNP and ERDF. It was fully let within six months of opening, and houses 30 new businesses and 50 ‘virtual’ tenants who can access all the high tech facilities. On-site management and business advice is provided by Nottingham Business Venture.</p> <p>GHK Consulting, as part of their interim evaluation of the CGS programme nationally, found that CGS partnership development in Nottingham has been relatively smooth, with no one organisation playing a dominant role. Public and private sector members of the partnership feel that they have challenged preconceptions and learnt about each other.</p> <p>Future impact assessment</p> <p>In conjunction with CGS pilots in St Helens and Heathrow City (London), Nottingham has developed their thinking about how the success of CGS should be measured. They identify the need to assess the impact of CGS at different levels:</p> <ul style="list-style-type: none"> • operational impacts – projects implemented, and related outputs

	<p>and outcomes</p> <ul style="list-style-type: none"> • process indicators – partnership quality, business engaged, funding secured • attitudinal impacts – changing perceptions by partners and wider community, especially by business to investing in the CGS area • intangibles – improved confidence, culture and image. • overall socio-economic conditions, compared to baseline data. <p>Partners consider that it will take five to ten years to see significant change. They have agreed to introduce a common, IT-based performance management system to help track progress and impact.</p>
	<p>Check list</p> <p>Planning</p> <ul style="list-style-type: none"> • Visit similar initiatives early in the project, to gain from their experience and reduce risks in going down unproductive avenues. Nottingham partners would have appreciated learning from the US experience of CGS before some important decisions were taken regarding their local focus. • Assess the most appropriate spatial scale for targeting a City Growth Strategy approach. Having taken part in a CGS study visit to Boston, members of the Nottingham Strategy Team felt that they should have opted for a larger area of Nottingham. US inner cities are typically much bigger geographically, with larger business communities and scope for critical mass, e.g., for exploiting cluster potential. • Take time to get the ‘business case’ right: the arguments you need to use to approach business for their involvement in local strategies. • Avoid drawn-out planning processes, and demonstrate to business that you have understood their needs and concerns - and are acting on them. <p>Implementing strategies</p> <ul style="list-style-type: none"> • Invest time and energy in reaching out to the SMEs disadvantaged inner city areas. Often they are not part of existing business networks and take little advantage of business support services. But they are important stakeholders and employ many local people: they need to be part of the CGS ‘solution’. • Avoid adding to confusion amongst local businesses. The Nottingham partners have been very keen to avoid presenting

CGS as yet another initiative. Rather they see it as a means of harnessing partner efforts behind the scenes, leading to improved service quality and more effective project delivery.

- Foster understanding that turning round disadvantaged areas will take a long time. But make sure you can always point to progress which generates confidence that this impact will be achieved.

Business engagement

- Provide the right environment for engaging business in dialogue with mainstream agencies and service providers. CGS, with its stress on private sector involvement, was welcomed by local businesses as a great opportunity to have more of a say. Set the tone early on and ensure that both businesses and agencies understand the parameters each other is contending with. Help businesses to understand what real local discretion agencies have and where their discretion and influence ceases. Make sure it is a two way learning process. Nottingham CGS partners feel that they have been extraordinarily lucky in that all partners view the dialogue as such.

Partnership development

- An independent project manager can ease the processes of partnership formation and development. In Nottingham, it helped in the eyes of businesses that the project manager was not employed by any one of the public agencies.
- Invest in creating the climate for longer term partnership working. The OnBoard programme of civic leadership shows promise.

Contacts

Name	Telephone number	Email address
Joanna Irons	0115 952 6734	jo@ironsassociates.co.uk

Various Nottingham CGS documents can be found at www.sbs.gov.uk/citygrowth