



Derby City Council

**REGENERATION AND HOUSING OVERVIEW  
AND SCRUTINY BOARD  
3 JULY 2018**

# ITEM 5

Report of the Strategic Director of Communities and Place

## Derby-Nottingham Metropolitan Strategy

### SUMMARY

- 1.1 To update the Board on the Derby-Nottingham Metropolitan Strategy.

### RECOMMENDATION

- 2.1 To note progress.

### REASONS FOR RECOMMENDATION

- 3.1 The Scrutiny Board has requested an update on progress.

### SUPPORTING INFORMATION

4.1 **Background**

The Metro Strategy was officially launched in April 2017. It recognises that working together achieves a scale, significance and impact that neither city could on its own. Nottingham and Derby individually are ranked outside the top 100 population centres in Europe, yet together the area is one of the top 50. By taking advantage of this, Derby and Nottingham would strengthen their position to establish the national presence and international reputation required to take advantage of future opportunities for foreign trade and investment. As well as being better able to respond to challenges such as Brexit and managing economic risk.

- 4.2 It was originally conceived during the development of a North Midlands Devolution Deal, which proposed a framework to drive economic growth around targeted geographies: Urban, Market Town and Rural. The Metro set out a vision for the major urban area of D2N2, recognising common city interests and ambitions within a wider D2N2. Thus, in the context of D2N2 Strategic Economic Plan, the themes (such as jobs, productivity, promotion, innovation and connectivity) are aligned.

The geographical approach recognised that issues should be tackled at the most appropriate level - with the Derby-Nottingham area as the urban centre of a prospering region.

- 4.3 The original Metro Strategy had five themes for action:

a) **Metro Enterprise** – to promote Derby and Nottingham worldwide to attract new

- investment; support businesses to innovate, diversify and find new markets; increase productivity and strengthen supply chains
- b) **Metro Talent** – to enhance leadership, knowledge and creativity of skilled workers; nurture young people to be ready for work in the 21<sup>st</sup> century
- c) **Connected Metro** – to improve accessibility to the cities through shared development of our transport corridors, application of new transport technologies and better integration with rail and airport interchanges
- d) **Metro Living** – to provide a range of exciting and accessible opportunities for a modern urban lifestyle, befitting of a world-class urban area.
- e) **Efficient Metro** - Protecting and improving public services for all our Metropolitan citizens

The last only added following the feedback from a public consultation on the draft strategy in 2016.

- 4.4 To oversee the development of the strategy a Delivery Board comprising representatives of the two City Councils was established. However, it was recognised that if we were to fully achieve the ambitions in the strategy, a wider group of stakeholders would need to work together. Thus a Strategic Advisory Group was set up drawn from key stakeholders from the universities and the business sector, in order to draw in wider expertise and engagement as the strategy developed.

4.5 **A Challenge from partners**

Over the summer of 2017 the Metro Advisory Group, while agreeing with the overall approach, challenged the ambition of the strategy. The Group felt that more could be achieved and that the strategy itself did not go far enough to understand the economics of the area and or assess what the actual potential of working more formally together could be.

4.6 **The Metro Dynamics Economic Study**

It was difficult to quantify the economics of an undefined metro area because there had been no analysis based around the two cities working together. Thus Metro Dynamics Consultancy was commissioned to carry out an independent economic study, the results of which were published in November last year.

It confirmed there was greater economic potential to be gained if organisations within a broader metro area, defined in the report, collaborated formally. The study suggested that many aspects of the area were already operating in this way and that the area was significantly self-contained. It also concluded that:

- Economic success of the cities brings significant benefits to the wider regional economy
- The Metro area defined in the study, at over 80%, exceeds the ONS threshold for self-containment of 72% for a functioning economic area. This is greater than the Manchester region and similar to West of England or Cambridge/Peterborough
- Unusually for geographically close cities in the UK, their GVA is very similar
- The perceived rivalry between the cities appears to be largely cultural. The structure of their economics is different and there is potential to better exploit how the economies are complementary

- If the Metro increased its productivity growth to the national average, this would equate to an £11bn uplift in GVA by 2030 - over 20% of the £50bn uplift targeted in the new Midlands Engine strategy, whilst the Metro area hosts only 15% of the Midlands Engine population

#### 4.7 **The 2018 Metro Summit**

To help the two Councils and their partners consider how to respond to the report, it was agreed to hold a Summit in January 2018. This gave wider stakeholders a chance to express their views on the findings and recommendations.

A wide range of partners were invited to the Summit, including Scrutiny members, and over 100 people took part, listening to the main speakers and engaging in the thematic discussions on place, talent, infrastructure, enterprise and innovation.

#### 4.8 **A call for collaboration**

The 'traditional rivalry' between Derby and Nottingham (largely centred on sports clubs) means that the two cities do not have a long history of collaboration. The Metro has challenged established behaviours, and the relationship between the two City Councils has grown strongly on the basis on shared interests and mutual gain. We want to take a better evidence based approach and create well-articulated proposals for investment. The Metro seeks to contribute to the success of not just the two cities, but also our neighbouring authorities, the D2N2 Local Enterprise Partnership, the wider East Midlands region and the Midlands Engine. The aim is to deliver strong urban growth, surrounded by equally strong market town and rural prosperity.

It is important to acknowledge that our economy does not recognise administrative boundaries. We need to build relationships where we can make a difference and this inevitably creates complexity but a diversity that is to be embraced.

#### 4.9 **Metro Growth Board**

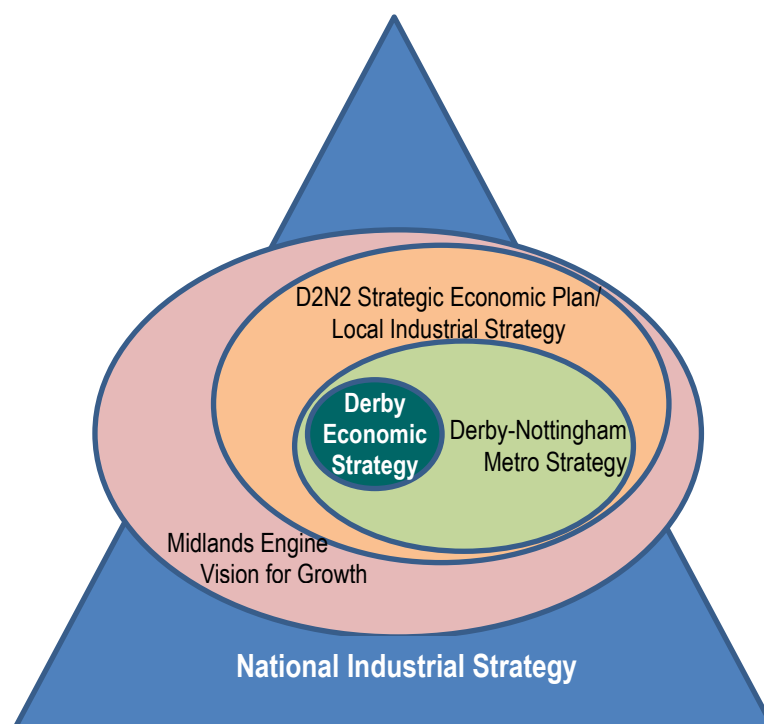
The most immediate response to the Metro Dynamics report was to create a Metro Growth Board. This has now been established, chaired by David Williams of Geldards LLP, who was the Chair of the Metro Strategic Advisory Group.

Membership includes representatives from Rolls-Royce plc, Federation of Small Businesses, Trent Barton, Toyota Motor Manufacturing UK, Boots, East Midlands Airport and the three Universities. The two Council Leaders are the only local authority representatives in attendance. The Board is still in its infancy but aims to further understand the economy of the area and identify the priorities which will form the foundation for a series of key actions and propositions over the coming year.

#### 4.10 **A strong strategic fit**

The Growth Board is genuinely committed to working within the D2N2 LEP. As we increase our depth of knowledge about the economic assets of the cities and their regions, we will inform and be informed by the development of the D2N2 Strategic Economic Plan (SEP). These relationships are strengthened by some overlapping membership with the D2N2 Board.

The diagram below illustrates the fit with local plans and strategies.



#### 4.11 Delivering Derby's Economic Strategy

Derby is one of the strongest, if not the strongest, manufacturing city in the UK. It has global assets and is critical to the productivity of D2N2 and the Midlands Engine.

With its proud industrial heritage, innovation amongst Derby's key businesses has seen the manufacturing sector continue to grow, in contrast to trends elsewhere in the UK where the structural transition towards a service-based economy has often led to shrinking production industries. This means that Derby's jobs base is more concentrated into a smaller number of larger businesses than at wider levels regionally and nationally. While the benefits of these major employers are clear, there is room for further diversification, both in types of employment and business density to ensure the ongoing resilience. Considering our economy alongside that of the Nottingham city region allows us to benefit from the balance and diversity of our sectors. This could help us to avoid the worst effects of future downturns and uncertainties.

We need to understand our own city economy and how working with others can benefit the delivery of our own Economic Strategy. This approach means that we should work across multiple-geographic areas where these are mutually beneficial and aligned to wider regional and national strategic plans.

#### OTHER OPTIONS CONSIDERED

5.1 Not applicable.

This report has been approved by the following officers:

Legal officer  
Financial officer  
Human Resources officer  
Estates/Property officer  
Service Director(s)

David Gartside, Director of Strategic Partnerships, Planning and Transportation

<b>Other(s)</b>	
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Verna Bayliss 01332 643034 verna.bayliss@derby.gov.uk None Appendix 1 – Implications

<b>IMPLICATIONS</b>
---------------------

**Financial and Value for Money**

1.1 None.

**Legal**

2.1 None.

**Personnel**

3.1 None.

**IT**

4.1 None.

**Equalities Impact**

5.1 None.

**Health and Safety**

6.1 None.

**Environmental Sustainability**

7.1 None.

**Property and Asset Management**

8.1 None.

**Risk Management**

9.1 None.

**Corporate objectives and priorities for change**

10.1 The Metro Strategy also supports the Council's Delivering Differently programme and should add value by increasing opportunities for efficiency and effective use of our collective resources.