



INCLUSIVE GROWTH
COMMISSION

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Inclusive Growth in Nottingham

Evidence hearing 3 Writeup
1 November 2016

The RSA Inclusive Growth Commission is running four evidence hearings across the country during the course of its inquiry. The first took place in Sheffield on 29 June, 2016. The second was hosted in Plymouth on 28 September, 2016. The third was held in Nottingham on 1 November 2016. The hearing called upon senior leaders to give evidence to the Commission in a series of three panel sessions.

Each of the panel sessions featured leading figures from within Nottingham and the wider sub-region, and included those from business, public service, academia and the council.

The evidence gathered through the hearing will serve to enhance the Commission's understanding of how the inclusive agenda plays out at a place level, and will be used to inform the development of our findings and recommendations.

The evidence session was chaired by:

Stephanie Flanders

Chief Market Strategist for J.P. Morgan and Chair of the Inclusive Growth Commission

Charlotte Alldritt

Director of the Inclusive Growth Commission and Director of previous City Growth Commission

Ben Lucas

Director at Metro Dynamics and Commissioner for the Inclusive Growth Commission

Pannellists

Session 1:

- Councillor Graham Chapman, Deputy Leader, Nottingham City Council
- Candida Brudenell, Assistant Chief Executive, Nottingham City Council
- Jane Todd OBE, Chair, One Nottingham
- Andrew Redfern, Chief Executive, Framework Housing Association

Session 2:

- Kathy McArdle, Chief Executive, Creative Quarter
- Natalie Gasson, Development Manager, Federation of Small Businesses, Derbyshire and Nottinghamshire
- Professor Eunice Simmons, Senior Pro Vice-Chancellor, Nottingham Trent University

Session 3:

- Sajid Mohammed, Chief Executive, Himmah
- Mike Khouri-Bent, Entrepreneur
- Andrew Sharp, Headteacher, Robin Hood Primary
- John Yarham, CEO, Futures Advice, Skills and Employment

Panel Session One

Councillor Graham Chapman, Deputy Leader, Nottingham City Council – Opening Statement

Cllr Graham Chapman spoke of the key inclusive growth challenges facing Nottingham. In particular he noted three key challenges for local government in devolution and promoting growth. Graham started by describing the clear approach they developed towards economic development as part of the Leaders group for Nottinghamshire. He noted:

- The leaders group for Nottinghamshire got to a stage where it had a clear approach towards economic development. The problem with economic development is that you're supposed to have a lot of levers but local government ended up without any because the system is too complex.
- The leaders group for Nottinghamshire decided to pick off growth sectors on the principle that they create jobs. They viewed jobs as the most important things, rather

than the growth sectors themselves. Their approach focused on giving these sectors support in terms of infrastructure, training, financial access and supporting research and development (R&D). This was done in the hope that it would create clusters which would regenerate themselves.

Graham cited that the problem was not just money, but the way finance operates. Graham highlighted three key problems with finance:

1. Public Sector Net Cash Requirement (PSNCR) and its restriction on investment – Graham questioned the logic in having something like housing restricted. Housing generally appreciates in value and brings in a rent stream; therefore to borrow for housing should not be viewed as though you're borrowing against something that depreciates. What we need to do is look at an investment and look at how productive it is and how it regenerates, rather than what it's physical form is.
2. The assumption that private is good and public is bad - Graham listed Germany as an example of a place where the public sector is a fundamental part of economic growth. The way treasury accounting works leads to the view that if you "open a pizza parlour that's good, but if you open a tram way that's parasitic investment."
3. Capital accounting - Graham stated that the treasury puts a primacy on machinery, "if you touch and feel it we account for it, even though these days real capital is skills and education". The problem with this is that skills and education are treated as short term spend, while the capital for things like HS2 are treated as long term. We are "100 years out on the way we treat capital". If we took a longer term view we would see that an investment in education actually appreciates over time as opposed to investments in machinery which depreciate over time.

Candida Brudenell, Assistant Chief Executive, Nottingham City Council – opening statement

Candida described the different context that local authorities now find themselves in and outlined some of the practical things Nottingham is trying to do in terms of procurement and early intervention. She noted:

- The council was once the 'engine' of the local community. However, now it has had to become the 'oil' and works much closer with its partners. Candida gave an example about the changing role of the council due to cuts from

central government. Candida noted that the council had always worked in a partnership way, but previously the money had come from the council which was accountable for that money. The money is no longer there so in some ways the council are now a more equal partner around the table. This has led to more mature relationships with partners.

- This is a change in psyche that all councils have had to make in order to stay effective in this new world that we live in. This evolved partnership working brings the ability to lever in money which Candida saw as a potential advantage going forward. Greater partnership work allows local authorities to look at a neighbourhood, community, City and wider level and look at all of Nottingham's assets, not just those owned by the council.
- Candida described the need for a greater focus on early intervention. It's too late to focus on creating jobs for kids when they are 14, "we know when kids are aged 4 that they are not ready for school and subsequently won't be ready for work later on". The council's whole investment strategy has been about this, investment in under 3's.
- Candida believes that what we should change at a national level is increasingly focus our investment in pregnant women, believing that what happens up to that child's birth and in their first year steers their whole life. Until there is some investment in early years, for example in maternal mental health, we won't change entrenched issues in our communities. In order to tackle the intergenerational issues that we face in Nottingham our focus has to move properly upstream.
- Nottingham has looked into how they drive social value from their procurement. Nottingham City Council has contracts worth around £220 million through their lifetime. A few years ago, 19 percent of the councils contracts were drawn in the local area, this has been driven up to 75 percent of procurement spend. Nottingham City Council were very careful about how they drove this change in procurement within the law, but were very clear that what they wanted was local jobs, where the living wage was being paid. Jobs that offered proper training and development particularly in undervalued sectors such as the care sector.

Candida was asked about the obstacles stopping councils from procuring more of their services locally.

- Candida mentioned that procurement law is based on EU legislation which is now enshrined in British law, stating that Brexit may be an opportunity to look at that. What Nottingham City Council have done to work

within the law and to not be biased is to be very clear about the things that we value and putting that properly into our specifications. "Sometimes I think Commissioners don't think clearly enough about the money they are going to spend. It's about thinking clearly beforehand and writing your spec in a way that gives added value to the things you are trying to achieve." This is achieved through a weighting exercise that enables you to give some value that goes beyond cost. The City Council do this on a percentage that we break down into quality and cost and within that we have social outcomes that the City Council want to achieve.

“Until there is some investment in early years, for example in maternal mental health, we won't change entrenched issues in our communities

- The panel raised the struggle that councils often face when they bring other groups into the procurement process such as the voluntary sector. Candida described how they would look at the local partners who are delivering the service at the moment and co-produce what it could look like with them before going through a technical procurement process. Candida highlighted that involving more people in the design process is more expensive but can be very important in developing a local workforce.
- Nottingham City Council have also been engaging the business sector and developing a business charter which is about getting businesses to sign up to social value. Businesses are asked to agree to certain things in contract values over a million pounds such as the types of training they will give their workforce.

Jane Todd OBE, Chair, One Nottingham – opening statement

Jane discussed the role of One Nottingham in the city and the importance of strategic plans at a place level. She noted:

- One Nottingham is multi sector strategic partnership for the city incorporating public, voluntary, business and the community sector representatives. It represents all the big agencies in the locality and holds the Nottingham plan. That the city of Nottingham has always worked well in partnership. When the council was told

it was no longer required to have a strategic local plan (SLP), Nottingham decided to keep it.

- As the money has been reduced One Nottingham has tried to be very clear about its objectives and what it's trying to achieve. Following a review last year, One Nottingham came to focus on two things aspiration and fairness. There are three elements of what One Nottingham does:
 - Collaborating
 - Celebrating – eg Nottingham Youth awards, dinners
 - Animating – ie getting things going.
- Jane noted the importance of having a place based plan for Nottingham. One Nottingham was designed as a self-contained holder for all the partnerships and relationships in the area. One problem with policy and funding from central government is that it tends to be issue based. Because of the departmentalization of government, councils subsequently get organised around issues, but people in the local community experience services through place.
- The system has become fragmented with no strategic overview. There is a real importance in having a place plan. A place plan can be at any level but they all need to join up and the Nottingham plan needs to make sense to the local communities, LEPS, the regions and upwards. Once you've got place level plans it helps to stop some of the waste.

Andrew Redfern, Chief Executive, Framework Housing Association – opening statement

Andrew opened by describing Framework Housing Association as a registered housing association and charity. The people that Framework supports are very much on the margins of society with complex needs including problems with drugs, homelessness and mental health issues. Andrew focused on those people who make up some of the most excluded in our communities and raised what inclusive growth means for them. He noted:

- Currently for vulnerable people in particular, there is a shortage of decent and affordable housing. While Framework are primarily concerned with those groups who are most vulnerable, they have developed a wider vision of how the city can grow and how growth can be inclusive and how we can help develop the skills of the people in the city.
- Andrew agreed with Graham's earlier point on the importance of viewing housing as genuine investment. Andrew also agreed with Candida's point stating he believed there had been an evolution in how the City Council goes about its partnership work. "When your relationship

goes beyond providing X amount of service for Y amount of money you have a wider ownership in the good of the city"

- Framework work with about 2000 people across the city, who are very deprived and have complex needs. They tend not to be in work and often a long way away from the labour market. Andrew noted that for the people they work with often their priorities are not finding a job but are to do with housing, social care, and building stability. Once these are secured then you can move towards developing skills.

“When your relationship goes beyond providing X amount of service for Y amount of money you have a wider ownership in the good of the city

- Andrew noted that, wherever you go, you will find a group of very excluded people and it's important to ask what inclusion means to them. Inclusion for these people is about how they can contribute to the communities they are in. For these people it's mainly ill health not fecklessness which leads to their exclusion and we need to ask how can they contribute in a way that helps to structure and build their lives, halting the intergenerational decline in social capital.
- If Brexit was a consequence of widespread disenchantment, then the existence of this group of people is another symptom. The rise of rough sleeping across the country has been really dramatic. Inclusive growth needs to be *very* inclusive, including those at the margins. Inclusive growth needs to go far beyond just finding people a job

Overview of other key points during evidence discussion

The panel were asked if they had done any modelling on the medium term implications for business rates due to the rise in local procurement in Nottingham, asking if it leads to increased revenue.

- Graham stated that that's not necessarily the case. Even if Nottingham took 100 percent of business rates, the city will lose out as London brings in almost as much in business rates as every other city combined. Graham also noted that the Government is 'top slicing' business

rates of about £2 billion a year, so in any case full business rates do not go back to councils.

The panel were asked whether the conversation is about inclusive growth or just growth. The commissioners asked the panel that if we are broadening the economic agenda to talk about inclusion, how is that changing the way we're thinking about growth strategies and how does it change what you're doing already?

- Graham said that the big problem nationally and locally is productivity. The answer to the productivity crisis is capital investment which likely involves automation and the reduction of jobs. "The question is then what do you do with these people without jobs?" Graham stated that the answer may be public services which are labour intensive, with massive demand which isn't going to go away.
- Graham believes the way forward is to create surpluses through higher productivity and then to increase corporation tax, though highlighted the caveat that corporation tax incentivises businesses to pay shareholders rather than reinvest in the firm.

Stephanie mentioned that there is an automation issue, but as an economist you look at a broad balance of growth between highly productive sectors and those for lower skilled workers. The key is offering good quality jobs to lower skilled workers which still offers them a path of progression.

- Candida highlighted short termism both in council and beyond as a real issue. What we don't currently do is ask what will the shape of the city be like in 10-15 years time. How can we ask what the council might look like or what the health and social care sector might be like then? From that, how do we work backwards and ask who might be in those jobs, who do we want to be in those jobs and how to we get them there?
- Candida highlighted the issues faced in some of Nottingham's outer estates where boys at risk of antisocial behaviour are targeted for employment, undervaluing the girls in the area who often have children quite young or care for family members – these skills are not valued.

The panel were asked if one of the benefits of devolution is that it allows local government to take longer term decisions and if there is scope for doing that in the current set up in welfare spending? Despite the bad press and associated problems with the government's troubled families program, was there something in the idea around joined up, intensive and long term support the right one.

- Candida noted that integration is important and key workers are important in linking people into the range of services in that area. Nottingham has a lottery funded programme called Big Steps, Small Changes which focuses investment into 0-3 years. It's a model of early intervention which works with families to change the direction that they might have gone.

What we don't currently do is ask what will the shape of the city to be like in 10-15 years time

- Andrew noted that the premise of the troubled families' approach of bringing services around the need of an individual is a good one. The Opportunity Nottingham programme follows the approach of building services around the needs of an individual, funded by Big Lottery it's trying to demonstrate the effectiveness of a joined up, long term intensive approach in changing someone's life chances over a period of time.
- Andrew's concern is that there have been numerous pilots on these approaches, numerous organisations which have demonstrated their efficacy, without any national strategy on it. Andrew noted that the closest thing we've had to a national strategy was the Supporting People programme. It was a joined up, individually focused programme which was delivering good outcomes which has basically disappeared. The effectiveness of such a programme working with those with the most entrenched problems and furthest from the labour market can't be measured in terms of increased tax returns but in outcomes such as lower substance misuse, less demand on police time, lower levels of antisocial behaviour and reductions in the misuse of hospital time.
- Graham noted that relationships are essential for good devolution. Nottingham has a very strong relationship with Derby. The two cities complement each other with Derby having engineering and Nottingham having a strong public sector and higher education sector. There is a big travel to work mix between the two cities. Graham noted that the problem with Nottingham is that its background is cigarettes, bikes and lace, which is all factory work whereas Derby has an engineering base with different skill levels. With greater collaboration there could be the opportunity for Nottingham to feed people into Derby's engineering sector.

- Graham noted that he would like to see the relationship between Nottingham and Derby more formally structured so that you could pool resources more effectively. “The thing that stops us doing it now is that it’s fragile. If you have a change of regime it could end it.” Graham noted the inefficiency of dealing with two tier authorities. If local authorities were all unitary devolution would be easier.

The panel asked what is the scale of intervention needed in order to make a step change in people’s lives?

- Graham stated that you need double funding. The problem with social investment is that you can’t borrow off the back of it as it’s not cashable, unlike housing. The problem with social bonds is who gets the pay back. There are one or two areas in which Graham believed the council could make it work because the assets are cashable. The first is social housing. “If we took hold of the housing allowance, we’ve modelled it and the council could make it work, because the land values are good enough we could create a whole host of jobs from it.”
- Andrew noted that the cuts have led to the inevitable situation that local authorities are taking out the non-statutory services. The services that are cut are most likely to be the preventative services, the services which have benefits further down the road.
- Candida noted that the current Small Steps, Big Changes programme has £47 million pounds of funding over ten years over four wards which covers a third of the city’s 0-3’s. Candida stated if we timed that by three it would be a good start in creating a step change. It’s a universal model that every family can access. Though Candida noted that it is just one element of it, stating that with adult social care they have a gap of 19 million per year to be able to stand still.

Panel Session 2

Kathy McArdle, Chief Executive, Creative Quarter – opening statement

Kathy outlined Nottingham’s Creative Quarter’s vision for inclusive growth and the development of their thinking since its inception and noted:

- The Creative Quarter is Nottingham’s flagship project for inclusive growth. The idea behind it was to take a small geographical area and create an “incubator without walls”. The City Council identified priority areas for growth and many of them were clustered in the area of the Creative Quarter. The priorities were to focus on the knowledge economy (life sciences, creative and digital industries and the clean tech sector). The intention was that the Creative Quarter and Nottingham as a whole would start to develop increasing levels of knowledge and higher levels of intellectual property.
- The key thinking behind the Creative Quarter is that economic growth needs to be stimulated by three things:
 - Supporting creative enterprises
 - Supporting creative people
 - IP needs a creative place
- There is an interdependence between these three things, therefore it becomes an ecology. You can’t have a creative workforce without a creative place and you can’t have creative enterprises without a creative workforce. The cities of the future will be dependent on the extent to which they can create those three things.
- Good growth has been a part of the Creative Quarter’s values system from the beginning with the Initiative drawing on PwC’s work on good growth and One Nottingham’s symposium on good growth held in 2013. There has been a strong commitment to supporting apprenticeships; supporting young people to become genuinely work ready and ultimately trying to build the practice of inclusive growth as well.
- The concept of good growth was embedded in Nottingham’s growth plan, which recognised that economic development was meaningless unless it benefited the people of Nottingham. The Creative Quarter discovered that there is only so much you can do to facilitate a vision of ‘good growth’ in the city centre. Inevitably, there are communities even in a city the size of Nottingham who are completely disengaged from the city centre.

- After developing a number of successful businesses within the Creative Quarter, the quarter expanded their activities into the outer estates of Nottingham North and established a relationship with the Rebalancing the outer estates project, with the aim of transferring some of the lessons learnt from the Creative Quarter to a wider geography.
- The Creative Quarter moved from a small concentrated geographical model to support hubs of entrepreneurs across the city. The initial businesses that moved into the Creative Quarter had a profile which was largely white, middle class and male. There were not many BME organisations within the Creative Quarter which led the Creative Quarter to work with key hubs in the city to explore how the range of businesses could be diversified.
- The Creative Quarter convened a cultural education partnership for the city, which is about ensuring young people get a high quality cultural offer as part of their education experience. It follows the notion that only through engagement with arts and culture do you create well equipped, well skilled and well-rounded individuals who are the profile of the workforce of the future.
- Kathy stated that inclusive growth can only be achieved by Nottingham becoming a learning city and a learning society. In order to function in the 21st century people need to be literate and numerate, they need to be proficient in coding and they need to have entrepreneurial skills.
- As part of the Nottingham growth plan there was a programme called Growth 100 run by Nottingham City Council and the University of Nottingham, which aimed to up skill 100 entrepreneurs through management, financial and risk management training. Kathy stated that every one of those businesses that went through the programme have scaled up.
- There are local and national challenges to achieving growth at a local level. Locally there can be a lack of coherence and difficulties to do with the local geography. Beyond the local there are national issues, such as current education policies within the Department of Education. National education policy needs a radical review; the current emphasis on subjects doesn't reflect the world of work.
- Fundamentally there has been a severe lack of social investment. Kathy doesn't believe you can achieve inclusive growth without finding a way to recover investment in social structures, social capacity and social networks. Businesses in the city and developers in the city need to contribute to that social investment. They need to find a mechanism in which this can happen and in the form of hard funds, rather than softer

CSR approaches. Big companies also need to be made to pay their taxes as the city needs to increase revenue in order to increase social investment. It is a "scandal that companies like Amazon don't pay into the social system and structures".

- Kathy stated that we need to create a reinvented and reinvigorated third sector and social enterprise sector which has been decimated over the last five years. Every local authority could have an agency to work with businesses to ensure that they deliver real social impact.
- Where we have growth deals, we need equivalent social growth deals potentially coming through LEPs that invest in places and communities. Social growth deals need to look at much longer time frames, a 20 year time frame is more appropriate. People centred services and place centred plans are essential. The mechanism of neighbourhood planning needs to become much more universal. Sneinton, a village in Nottingham has engaged in a really rich neighbourhood planning exercise with community organisers. It should be mandatory for all neighbourhoods to have plans which then feed into the local authority plans.

“ Inclusive growth can only be achieved by Nottingham becoming a learning city and a learning society

- They need clearer governance and accountability. Accountability needs to sit where the responsibility for making the decision sits. Nottingham as a local authority gets constantly blamed for the educational outcomes of the area but over the last five years their authority to impact educational outcomes has waned.

Kathy was asked whether it was important to have more local control over the skills budget and skills agenda or whether there was a need for national standards in education.

- Kathy believes there has been an over emphasis on academic and transmission based learning. "There isn't enough emphasis on problem solving, collaborating, communicating, and working in teams, the soft skills that are actually more fundamental to succeeding in the workplace."
- You can solve the hard skills through qualification frameworks, but you can't address

those 'softer' skills unless you change the culture of learning. That can only be achieved through a shift in the frameworks that are set nationally.

- Kathy's sense is that there is not sufficient communication between the Department for Education and the Department for Culture, Media and Sport. Increasing academisation makes it more difficult to influence schools except at an individual level. Fundamentally assessment drives everything in schools – through changing assessment and qualification frameworks than that filters down to the training of teachers.

The Commissioners stated that one big issue is the lack of visibility of a lot of modern employment. The route to achieve employment is not always clear and presumably requires a different relationship between schools, the locality and businesses. The panel asked Kathy if she has seen that work anywhere.

- Kathy said that she saw this work in the Creative Partnership model which was a national project run by the Arts Council. It was about bringing in specialists to work alongside teachers in supporting project based learning. Kathy also mentioned Nottingham Futures Aspire program which is an education business partnership. Kathy believes its success is in allowing young people to see how the workplace functions and how modern products like software are developed, which is often collaborative, fun, iterative, and uses design thinking. It's a completely different way of working and learning and allows for more permeability between the world of work and education.

Natalie Gasson, Development Manager, Federation of Small Businesses, Derbyshire and Nottinghamshire – opening statement

Natalie outlined the value smaller businesses bring to local communities and the role they could play in helping to achieve inclusive growth. She noted:

- The Federation of Small Businesses represents 170,000 businesses across the UK, including 5,200 in Derbyshire and Nottinghamshire with 1000 of those within Nottingham city centre.
- There is huge diversity in the 5.4 million businesses operating in the UK right now and very different needs for those businesses in relation to skills. Natalie highlighted sole traders as having particularly different needs than other businesses.
- Small businesses have a wealth of untapped potential in terms of the contribution they

could make to local skills development, however due to the huge diversity you have in small businesses it is very difficult for the public sector to tap into that potential. It is much easier for the public sector to collaborate with a large employer like Rolls Royce. Unfortunately, this creates a feeling of disconnection between small businesses and local government.

Small businesses have a wealth of untapped potential in terms of the contribution they could make to local skills development

- Small businesses are best placed to tackle some of the key issues around inclusion and reach those who are disengaged, particularly those people who don't feel like they can go into large employers but could work for a small business which is a part of the local community. In relation to the skills gap, small businesses aren't interested in vocational training. They aren't looking for people with an NVQ, A level, or GCSE, they would rather have someone from the local community who understands their business and who they can train. Small businesses are harder to reach but you have got to invest the time and money. While it's more expensive the benefits are for social inclusion of businesses and of people.
- Natalie commented on the difficulty of devolution to include the voice of all small businesses stating that every one of the 1000 small businesses in Nottingham city will have their own view of devolution. It's easier to include the voice of an organisation like Experian or Paul Smith than that of small business and this leads to bigger and bigger divides where small businesses don't feel like they've been included in this discussion on devolution.
- A difficulty with the public sector is often when working on an issue they want measure if it's working, tinker and intervene. This creates constant churn and can be applied to a number of areas, for example the business support landscape. If you ask small businesses a lot of them won't know where they should go for support.

Natalie was asked about whether you need a small business strategy at all or just a business strategy which is sensitive to the size of a business?

- Natalie commented that the issue is that successes such as the Creative Quarter show

what targeted business support can achieve, but that support is not equal and only applies to some post codes in Nottingham.

- Kathy suggested that we could turn the business support sector on its head and make it much more employer led, with local authorities and agencies helping to create the right environment for businesses to take leadership in and thrive. Currently programmes are much more provider led which focus on feeding knowledge into a business.

Professor Eunice Simmons, Deputy Vice-Chancellor, Nottingham Trent University – opening statement

Professor Eunice Simmons explored the ways in which Nottingham Trent University (NTU) is helping to have a local impact and enrich Nottingham through a number of the activities it's engaged in. She noted:

- Nottingham Trent University has 30,000 students from 140 different countries; the university supports more than 3,000 jobs. The University is one of the top ten employers in Nottingham. NTU was founded in the 19th century as a government institute of design. The rhetoric of the time in the 1840's was identical to now. It was set up because of the skills gap and the opportunities of industry that were starting to emerge. Therefore what is going on now is very core to the universities mission.
- Creating a university of the future is one of NTU's strategic plans and seeks to develop
 1. Creative opportunities – which is the Universities educational offer.
 2. Enriching society which asks how does the university look outwards through its 30,000 students and see what impact it's having on the locality and the wider region.

Eunice outlined a number of things NTU are doing within the university and in the community:

- Nottingham Trent University is currently undergoing a large amount of work to formalise its partnerships which were previously ad hoc compact agreements. They have made agreements with the City Council, the county council, local businesses and NTU co-own Bio city. There has been a lot of strategic partnership building, particularly over the last two years as it has become particularly evident to them that the Council has had to pull away from the work it was doing to create a better Nottingham. Taking the example of the Creative Quarter, it is local leaders such

as the universities which have had to take up leadership as the local authority has had to pull back its investment.

- The university has a local procurement strategy. Environmental considerations are a key part of the universities policy. NTU is the only university in the country to have a gold award from the life index, a heavy audit of all of NTU's activity. It includes every pillar of sustainability such as community cohesion and social sustainability.

“ It is local leaders such as the universities which have had to take up leadership as the local authority has had to pull back its investment

- The university helps businesses with their projects such as environmental auditing and carbon mapping, where students get very involved. Recently 1300 students from NTU's business school went out in their first week around Nottingham and mapped out Nottingham's retail business offer. That was problem based learning, and a lot of what NTU does is experiential learning. NTU has an approach called Learning at Scale which is student centred learning, using flipped classrooms where students learn in a completely different way that isn't transmission.
- Trent institute for learning and teaching (TILT) is a learning and teaching platform where ideas can come from senior management, academics and often from students. A lot of those ideas are involved in the community. Enriching society is becoming a real part of what NTU are doing. NTU has also recently set up Nottingham Civic Exchange – A thinktank supported by the RSA.
- NTU is working hard at a strategic plan which is a bit different and not just about NTU's brand but about the city as a whole. NTU is very secure; it has excellent funding and good student numbers. This financial security has meant that NTU is not concerned about its core business which has allowed it to look outward.
- The Commissioners asked Eunice about the pressure over recent years which has encouraged universities to think more like businesses while, at the same time, there has been a social vacuum open up with the withdrawal of local authorities. How do universities go about managing those two forces?

- Eunice stated that the way of overcoming this tension is to focus on students and offer them the best experience possible. Universities can offer the best experience by working through a compact, local businesses or an SME.
- The Federation of Small Businesses works closely with NTU, including having speakers come in from NTU and provide really thought provoking discussions around how they could work differently for example on social media and new digital technologies. Putting students in touch with older businesses is important. The Federation of Small Businesses research from a few years back showed that there are huge amount of older businesses that still don't have websites. In response, they got students in to talk to these businesses to demonstrate why they needed to do it. The business feedback has always been phenomenal from this relationship.
- NTU are looking at the possibility of a multi-academy trust (MAT). It solves a local problem, it doesn't necessarily solve a schools problem across a wider area. NTU have quite advanced discussions with a number of partners and have been approached by a number of schools. However, NTU has decided to focus on its outreach work. If a child goes on one of NTU's outreach programmes and the university can get them on a work placement, then their background is erased and they get the same life chances as other more advantaged children. Because NTU have this evidence and can do it at scale, they wouldn't deliver it in one small MAT.

Overview of key points during evidence discussion

The panellists were asked what Nottingham's key weaknesses are in its pursuit of inclusive growth

“The major problem is the fragmentation of the education system

The panel asked about the difficulties of doing this work with schools in the current climate.

- NTU has a long history of working with schools. What schools currently can't do is trips so the University subsidise these. NTU's approach is long term with multiple meetings and it's not about aspiration which kids intuitively have, it's about how they get there.
- Natalie stated that where small businesses can add value is if they're well supported. Then the individuals within them grow as well. You get an organic growth and you start to get communities that thrive and that start to look after themselves. There are some fantastic hubs of small businesses such as Forest Fields or Hyson Green. This then affects how the communities feel so Sherwood or Sneinton are two areas which are rich in small businesses and have very strong local identities. This conversely makes it quite difficult for local authorities to do anything there but partnership working offers a real way in to these communities.
- The panel asked Eunice if NTU would consider sponsoring its own chain of academies to solve vertical integration issues. Eunice stated that NTU have looked at that, they have progression agreements and work very closely with the local FE colleges. The area review has led to a merger of the two FE colleges which has slowed down their partnership working a little.
- Kathy suggested the major problem is the fragmentation of the education system. The transition spaces from early years into secondary then FE or HE are not functioning as clearly as they should.
- Natalie suggested fragmented business support as a key issue, noting that there are a whole range of great opportunities out there but it is hard for small businesses who are very time poor to go out and stitch together the landscape. There needs to be a simplification of business support which currently depends on your postcode or how many members of staff you have.
- NTU have a project called the hive which aims at graduate retention in Nottingham, to keep some of the young talent to improve the local economy. NTU are looking at retaining graduates, trying to make it 'stickier' for student's by looking at housing opportunities etc. The hive has been a very successful business incubator for student businesses supported by the federation and others.
- Natalie stated that there is an over focus on high growth businesses and that sustainable business growth is key. Many small businesses set out to support their local community and don't want to be the next Richard Branson with a shop on every high street. A street of franchises loses identity and can lead to disenfranchisement, local businesses support the local community. Natalie would like to see support for sustainable growth from local businesses. These local businesses support community cohesion and are more likely to hire someone straight from college.

- Eunice added that NTU are deploying degree apprenticeships. Those will play to local and regional priorities particularly for the LEP for example. Many of NTU's students come in with hybrid qualifications such as an A level and a BTEC. The new government skills plan is going to disenfranchise those students as it insists on students at age 16 making a choice of whether they're going to be vocational or academic. Government has not modelled students going on that hybrid pathway and "we will be disadvantaged in terms of the diversity of students we get in and students themselves will have far less choice."

Panel Session 3

Sajid Mohammed, Chief Executive, Himmah – opening statement

Sajid gave an overview of his experiences growing up in Nottingham and how it has shaped his views on the inclusive growth agenda and in particular the need to increase social and cultural capital for some parts of the community. He noted:

- Himmah is a social justice charity that works on poverty, race and education issues in the city. Himmah is most famous for its soup kitchen that it runs in partnership with a local synagogue. The soup kitchen is to demonstrate "our traditional values of dignity, compassion and service to others but also reaching out to the wider society to build a more cohesive society."
- Sajid is also co-founder of Nottingham citizens, a member of national council of citizens UK, better known as custodians of the national living wage campaign. He is vice chair of the city of football, a faith advocate on the local strategic partnership, and sits on the PCC's BME steering group.
- Sajid described his story as one of "class, race and gender". There are issues of social and cultural capital which are barriers to inclusion. Economic poverty is not necessarily the key issue, but a poverty of relationships. There is also a representation issue with "not enough people like me in leadership roles."
- Sajid described the history of his family settling in England after the Second World War where his father was headhunted from Kashmir to help with the rebuilding effort. After his father's death when he was two, they moved into social housing where his mother had to provide for them doing piecemeal

in the textiles industry. Sajid described early experiences of eggs and dog faeces getting shoved through their door as they were the only south Asian family on the street. In Hyson green there were two big race riots in Sajid's youth.

“Economic poverty is not necessarily the key issue, but a poverty of relationships”

- Sajid believes the key issues are around relationships, and social and cultural capital. The city is almost 36 percent BME. Looking at the electoral representation in the City we have 10 white males and two white females, something Sajid thinks is probably reflected in the corporate boards and head of staff, something probably reflected in health and something very applicable in the police with four percent BME representation within Nottingham constabulary. Using the formulas in the city, we should be closer to 15 percent representation.
- We have very good positive action schemes. Very well represented in entry level and first steps in public and private sector, but when it comes to senior and leadership roles this drops off markedly. The link between the number of books in a house and someone's academic attainment is an indicator of the importance of cultural capital. Sajid stated "We had no choice but to be entrepreneurially aspirational because of the trouble of getting jobs due to racism." Sajid said there were role models in small businesses around us.
- The resolution to that is co-production which empowers communities. "Someone empowered my mum by taking her to the library."

Andrew Sharp, Headteacher, Robin Hood Primary – opening statement

Andrew highlighted some of the issues facing our education system and the challenges this poses for achieving inclusive growth. He noted:

- There are issues in having a two tier local government system for educational inclusion. Andrew highlighted his own experience of school in a two tier system. He went to primary school in the city, but because the secondary was poorly performing, he ended up going to school across the council border to a better performing school – a pattern which still happens today. Andrew noted there is already selection in our schools – a selection by choice

and aspiration. Parents who know how to go about it will get their children into the best schools. The prior highest attaining are the most likely to cross that regional border. “Nottingham City suffers with it and I’m sure other unitary authorities would say the same.”

- Early intervention is important, starting not when they are born or when they are four but starting at pregnancy with proper health care and health visitors. “Small steps, Big changes is great, but it is a lottery if you can access it as it only currently covers three wards within Nottingham city.” The learning might be rolled out but will the money and programme be rolled out.
- Andrew highlighted the issue with bids and the amount of money and time that goes into them which is often wasted. There are lots of opportunities for funding out there, whether its lottery, charity or state funding but it takes real time and expertise to access it. Too often it’s the same people who manage to succeed in these bids. New multi-academy trusts seem to be very good at getting the money in, meaning independently maintained schools such as Robin Hood struggle to get the money in. There is an inequity in how that money is shared.
- What we need is a coherent education system - Which doesn’t have the same curriculum, but one that is joined and linked. We have early years, then primary, secondary followed by FE and there is very little marrying up between those things and they can actually end up pulling against each other. We can learn from the best education systems, not just those which are the highest performing such as Shanghai and Finland. Places like Holland are selective, but their system is coherent and linked.
- In this country, there is a hierarchy between academic and vocational which gives the impression that if you’re not academic “don’t bother”. It’s a 15 year plan on how to change people’s perceptions around vocational and academic learning, not a 4 year plan which is what the educational cycle comes down too in terms of politics.
- Education is highly politicised. For example, Justine Greening has come in and scrapped the academies plan. We need to get proper educationalists running the system and let’s have a twenty year plan. Then it will be possible to judge how effective our education system is. The government always talk about the best systems: in Shanghai, they teach 40 percent of their time. The 60 percent is for high quality CPD, high quality management and time to reflect and feedback to those learners. We can’t compare with that system if we’re not going to be given that time.

- Robin Hood primary is in Bestwood, an ex-mining area which is predominately white British at 70 percent. The key here is raising social capital. It’s not aspiration raising as all parents want the best for their kids, but they don’t know how to access it.
- Robin Hood primary is involved in lots of the programmes mentioned in the evidence hearing including rebalancing work with NTU, cultural capital raising through the creative education partnership and working with the Arts Council bridge organisation. The key is getting children to access that as early as possible and to understand there is a bigger world out there.

“ The London challenge was successful because it had high quality leadership, great partnership working and investment. If you get those three things across our education system, then you will start to see great things

- The London challenge was successful because it had high quality leadership, great partnership working and investment. If you get those three things across our education system, then you will start to see great things. In education, focus should be on creating a coherent strategy from 0 through to 24 or beyond, great leadership, great partnerships with business and others, with proper investment.

Mike Khouri-Bent, Entrepreneur – opening statement

Mike explored the role of business in helping to achieve inclusive growth discussing how we need to shift the cultural landscape in which businesses operate in order to highlight the value of businesses to local communities. He noted:

- Pathway Care Solutions is one of the most successful BME led businesses in Nottingham, employing around 200 local people. They ran 12 residential settings for children with learning or physical disabilities or with social, emotional or behavioural issues. As well as previously owning Pathway Solutions, Mike sits on the board of One Nottingham, is one of the trustees for the Young curative awards and is vice chair of Nottingham City Homes Housing association

- Let's Move Nottingham provides private rented accommodation predicated on the aspiration to make it available for people who wouldn't normally get it at a rent that is affordable.
- Discussing business support, Mike commented that there is a perception that businesses need support organisations to tell them what to do or to do it for them. "That's not what they want?" Mike commented on the private sector not feeling very valued. On one hand the public sector recognises there is a massive role for the private sector, at the same time there is a duplicity that it also gets dumbed down as profit driven and nothing else.
- There needs to be a cultural infrastructure in which businesses can operate that educates and develops businesses and business owners, particularly small businesses about their contribution and the value of their contribution to communities.
- Pathway decided to engage in placed based recruitment. They deliberately went to local communities and recruited. Pathway were aware of the educational issues in Nottingham and introduced a zero qualification system, where you could come into the organisation without any qualifications and you would be guaranteed an education. Part of the deal was that, if you were given employment, you agreed to sign up to at least an NVQ level 3. They had 200 local people coming in, 75 percent of whom came in with no meaningful qualifications, and all left with at least NVQ level 3.
- It's about engendering an organisation into place based thinking. By recruiting locally their retention rates were very high, all of their homes were either good or outstanding.

“It's not about saying this is your destiny, it's about opening up possibilities and peoples choices

Mike was asked if there were any legal or bureaucratic constraints that stopped them from working closely with the local community or local partners.

- Mike stated that it was mainly about deciding you were going to do it. "As a business, we didn't need support all we needed was the awareness and the understanding and the aspiration." The organisation was quite capable of getting on with it because the economic or commercial aspirations were still achieved and achieved very well as a result of that approach.

Most organisations have their aspiration and their objectives but they are not geographically sensitive.

John Yarham, CEO, Futures Advice, Skills & Employment - opening statement

John explained some of the key challenges facing Nottingham and some initiatives Futures have implemented to address some of them. He noted:

- There are key principles of careers advice: "It's not about saying this is your destiny, it's about opening up possibilities and peoples choices around career decision making and their adaptability." It's also about disruptive technology within the economy and the opportunity for young people to play a role within that through adaptability.
- A seminal piece of work undertaken by the Gatsby Foundation established benchmarks which Futures work to. John listed his three most important. One of the most important for John is combining any personalised guidance with an experience directly with employers and a range of educational institutions. The Aspire project was launched on the back of this with the aim for young people to have at least ten engagements with employers by the time they have left school.
- Transition points are really important in education and Futures see a big disconnect between the objectives of secondary schools and those of FE colleges. Secondary schools are judged on getting students to their highest GCSE levels possible, while it benefits FE colleges to knock students down a level so they can be more successful at that level.
- There is an issue around young people's relationship and connection with employers. Futures have two initiatives aimed at addressing that issue. One is an apprenticeship training agency where Futures Advice holds around 120 apprentices on their books on behalf of local businesses, especially SME's which don't have a HR department and don't have the means to cope with the bureaucracy of taking on an apprentice.
- Futures manages the Nottingham Jobs Hub where they link directly with employers to provide them with a free recruitment service, particularly in development opportunities. Section 106 agreements are drawn with a developer where Futures can use that agreement to prioritise local recruitment.
- An often overlooked issue is tracking and information sharing in localities. There are young people who are not necessarily NEET, but unknown. In Nottingham, they have a very strong focus on ensuring they are in contact with every young person. If someone is

NEET, they will help them get into something meaningful; unfortunately too many young people are below the radar.

Overview of key points during evidence discussion

- Mike mentioned that between the two councils (City and County), Pathway Care Solutions used to do around £5 million worth of business a year and were never once asked how many people they employed from Nottingham and never asked how many people they employed from the most deprived communities. While the council are introducing a business charter for contracts over one million, a lot of the work Pathway Care Solutions tendered for were smaller contracts. The council has the resources to shape business cultural thinking through its procurement strategy.
- Sajid recognised the positives in what the council are doing around procurement but thought they could be a lot more ambitious. Particularly for small BME charities that won't be able to meet some of the strict procurement criteria. The council could use its influence to ensure larger organisations subcontract to smaller organisation in the local area that over time build up their capacity.

The panel were asked whether if there was a 10 or 15 year vision of where Nottingham's local economy is going in the future, it make it easier for businesses and local authorities to build local capacity.

- Sajid stated that the local economy and how the Nottingham pound generates wealth in the city is crucial. He also questioned who is the net benefiter of IP in the city from places like Biocity and the Creative quarter? "Local people aren't seeing the benefits of IP?"
- Mike stated that if he was sitting in the office of the chief executive of the council, he would launch a campaign called the Value of Business that aimed to shape perceptions within Nottingham and within businesses that business is of value. Once the private sector feels valuable, it would then start to define the type of services it needs. The current set up of business support actually encourages organisations to be profit driven as companies are measured in terms of how fast they can grow and how much profit they can make. Business support could be widened to include broader measurements of what the value of business is to a community.
- Sajid added that being entrepreneurial isn't magic, it's a formula that can be taught and is about managing risk and a set of understanding about finance and budgeting. He would like

to see kids over 11 shadowing someone in their summer holidays. There are many business areas that BME leaders won't go into because they lack the social capital and the exposure that makes them think it's for them.

- Andrew noted that kids are currently replicating intergenerational poverty, joblessness, obesity and smoking in certain communities. It comes back to the point that you can't tell people what to do, so you need to show them. "I don't want to preach to my community about what's best for them because I don't know because I've never lived there?"
- Andrew was asked to what extent Ofsted is the enemy. He said that too many leaders in education had allowed them to become the enemy. There needs to be strong leadership which recognises that peer review is more important. Everyone needs an accountability system, that system needs to be transparent and it has to work. There is also an issue in recognising the differences in place, too often a blanket model approach is taken to implementing policies elsewhere.
- Ofsted is uneconomical and is already starting to scale back. With the new chief executive from an Ofqual background, it looks like Ofsted is going to be even more data driven, so that you could do an Ofsted inspection on figures without going through the door. "My argument would always be don't do it for Ofsted, do it because it's the right thing for your school and the right thing for your community." Andrew noted that the best thing Michael Wilshaw has done is said that it's not about what you do or how you do it, it's about what you achieve with those young people in front of you. We have very diverse communities and our education system needs to reflect that.

“ Business support could be widened to include broader measurements of what the value of business is to a community

The panel were asked whether Nottingham is too small and whether devolution needs to create a bigger scale?

- Andrew responded that as an authority Nottingham is too small in terms of its boundaries. "We can't have people who benefit and people who don't from growth in Nottingham. Nottingham North is the place in the country where the least amount of people

go to HE. We can't have that. Its ensuring places like North Nottingham and Clifton are included in the prosperity.“

- The panel were also asked what they would do about FE and misaligned incentives. If you could control it completely at a local level what would you do about it?
- John stated that the issue is that individual FE colleges do their very best, but they are often seen in isolation and the wider system doesn't necessarily recognise the need for that progression and being part of a broader system. It's the transitions into and out of FE that suffers from a lack of support and structure in funding.
- Andrew believes the new merged college in Nottingham provides an opportunity for better connection with business and FE with John Van De Laarschot coming from a business background. The question then becomes how secondary/primary can feed into that.
- Students should come first - if we take it back to student level, so that people in their place are getting the right job and education at the right time, it will make sure that inclusive growth happens. FE shouldn't be about defining pathways to work but about adaptability and mobility as no one growing up now is likely to have a job for life. FE could be the place where they do much more employer engagement and build social and cultural capital in students don't have it in their background.

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About the RSA Inclusive Growth Commission

Launched in April, 2016, the Inclusive Growth Commission is an independent, impactful inquiry designed to understand and identify practical ways to make local economies across the UK more economically inclusive and prosperous. Chaired by Stephanie Flanders, former BBC economics editor and J.P. Morgan Chief Market Strategist (UK and Europe), and building on the success of the RSA's City Growth Commission, the Commission will seek to devise new models for place-based growth, which enable the widest range of people to participate fully in, and benefit from, the growth of their local area.

The RSA City Growth Commission demonstrated how the largest UK cities can drive prosperity through place-based investment and economic policy making, enabled through devolution and new forms of governance and finance. This economic narrative has since driven policy developments, but it has become increasingly urgent to understand how we can deepen and broaden this vision, tackling the entrenched inequalities within and between neighbourhoods that act as a drag on growth, and ensuring that the benefits of this place-based approach are more widely shared.

Find out more and get involved

To find out more about the Commission and view its latest content, visit www.thersa.org/inclusivegrowthcommission or our Twitter on @incgrowth.

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