

International cities: case studies

Nantes

Introduction

Nantes is the fifth largest city in France, located in Brittany to the North-west. It is in the Pays de la Loire region, close to the Atlantic coast. The Nantes metropolitan area has a population of about 600,000 inhabitants, approximately double that of the city of Nantes itself which has 292,718 habitants. Nantes saw significant job losses following restructuring in the ship building industry in 1970s and 80s, but has since reinvented itself as a diverse economy supporting both manufacturing (including aerospace), and strong digital, financial and business services sectors.

Governance

The Mayor of Nantes and the President of the Metropole is Johanna Rolland from the French socialist party. She is a relatively young Mayor at 37. The Nantes Metropole is an early forerunner of a new set of French 'metropoles', or combined metropolitan authorities that were created in France following national legislation in 2014-15. There are now 16 similar metropoles across France, including Grand Paris and Aix-Marseille-Provence, which have been granted additional powers.

The 24 local authorities of Nantes and its surrounding area started working together in the 1960s, and combined together to form an urban community under the name Nantes Metropole in 2001. While it is voluntary for local authorities to delegate power to the combined authority governance level in France, in Nantes, they have delegated as much power as possible – including employment, social, transport and environmental policies. Under the new 2014-15 legislation the Metropole has been further consolidated through a new 'metropolitan pact'.

The city cooperates with the region Pays de la Loire and the Loire-Atlantique '*département*' in its policy delivery. The region is responsible for developing a multi-annual social inclusion strategy, which focuses in part on the implementation of national policies, such as the dissemination of financial support for people with social problems. While the region also has competence to develop economic strategies, the Nantes Metropole largely takes over this responsibility for its own territory, with the region focusing on the peri-urban and rural areas. Employment policies are relatively centralised in France within the public employment service (*Pôle emploi*), while the regions have responsibility for training policy. However there are a number of more local consultative organisations engaged in employment and training delivery– part of what is known as the '*millefeuilles*' of French territorial governance.

Strategy, Vision and Leadership

Nantes's long tradition of collaborative action was partly born out of the need for solidarity during the closure of the ship building industries in the 1980s – with a dominant idea of '*having to cooperate to survive*'. Nantes has also always been an outward-looking city, due to its relatively peripheral location in France, and its large harbour. The city's international perspective has recently been boosted by Mayor Rolland becoming president of the Eurocities network, an international network to support policy exchange.

While a grand metropolitan strategy is not really in evidence, the city has developed a number of pacts (for example the metropolitan pact itself, and an employment pact), which provide a basis

for cross-sector cooperation, in addition to a maritime port strategy.

In working towards greater social inclusion, Nantes gives particular importance to improving access to the labour market to disadvantaged groups through social clauses in public procurement. At the same time, the city is working towards improving broader labour market conditions through better diversity management (including gender equality), and corporate social responsibility. There is thus a strong focus on demand-side interventions, and a recognition of the importance of improving 'outcomes' as well as increasing 'opportunities'.

In addition to prioritising corporate social responsibility, Nantes holds the title of European Green Capital, awarded by the European Commission for its efforts to reduce air pollution and CO2 emissions, for its well-managed public transport system, and for its biodiversity.

Design, Implementation, Monitoring and Impact

Nantes Metropole has a long history of working together across economic and social boundaries. An early instance of integrated policy which was the construction of Nantes' extensive tramway system in 1985. A particular effort was made to ensure that the tram linked in more deprived parts of the city. There is an ongoing concern to achieve coherent policy delivery on the ground to prevent people and firms from being 'lost in the system'.

A number of actions have been put in place to ensure fairer working conditions in the public sector within the city. For example, the Nantes Metropoles government has taken gender equality very seriously, working with the unions to ensure that there is the same wage offered for the same jobs. A particularly innovative action was to ensure that cleaning staff worked normal working hours within the city government. There was a concern that cleaners were having to work anti-social hours, with early start times making childcare and access to public transport, difficult. The new arrangement has worked well, with cleaners and other staff now being more likely to communicate with each other, and cleaners less likely to feel like 'outsiders' in the labour market. Local companies have followed the lead with 25% of cleaning work in the metropole now happening within normal working hours.

Exemplar themes and initiatives

Nantes Metropoles also takes a multi-level approach to improving working conditions and accessibility to labour market opportunity in business, through social clauses within public procurement and a broader campaign to support corporate social responsibility.

Public procurement

Nantes Metropole has developed a strong public procurement (*les marchés publics*) approach since 2004. While there was some initial experimentation in this field in the 1990s (for example around the development of the tramway) this was halted by a clamp down on the use of social clauses by the national government. In 2004/5 new legal possibilities for using social clauses opened up. At the same time, local companies began to argue that price should not be the only factor taken into account by the public sector in awarding contracts.

Within the public procurement policy, it is stipulated that a certain number of hours need to be given to people at a distance from the labour market. Hours are stipulated as opposed to number of jobs to provide greater flexibility for companies to manage the process as they see fit. The required hours are calculated differently for different employment sectors.

Nantes has recently begun to push the boundaries of its procurement policy by taking into account the qualitative aspects of employment conditions in their contracting firms (for example work organisation, training provision, the presence or not of a tutor to 'accompany' and help people settle into the workplace). 35 factors of production are used to help in the assessment of the general work environment, and this issue receives a 15% weighting within the public procurement process. The approach taken in this area had to be carefully worked out within the constraints of legislation.

To implement their public procurement policy, a technical support team has been set up within the government of six people who work on the social clauses and '*engineer all this*'. This team's support is also made freely available to other local employers, including branches of big national employers such as SNCF, who run the national railway system. Each of these employers has adopted the same implementation system, thus avoiding 'reinventing the wheel'.

The city also ensures that there is sufficient external social support to help people to settle into the workplace, and to ensure that any outstanding problems that people may be experiencing (such as housing difficulties) do not impede their employment. This support is often carried out by local labour market integration (or 'insertion') agencies from the public sector, which are mostly national state funded (such as the *Missions Locales* who work with young people). Nantes Metropole has also established a special organisation that helps to combine short-term employment offers into a more sustainable 'career pathway' lasting at least 6-24 months. The organisation 'From interim to insertion' (*De l'Interim a l'Insertion*) forms part of a national network of 'Groupings of employers for labour market integration and training' (QEIQ).

Through their public procurement policy, the Nantes Metropole has achieved 300,000 hours per year worked by people at a distance from the labour market. 50% of people are taken on for contracts of longer than 6 months. The public procurement approach has succeeded in changing working practices and supporting recruitment of more disadvantaged people in several sectors of the labour market – including those of public works, construction, park and green space management, building maintenance and cleaning.

Corporate Social Responsibility

Nantes Metropole is also working more broadly with enterprises to convince them of the value of corporate social responsibility, engaging closely with the Chamber of Commerce. A corporate social responsibility platform has been established that brings together companies, employer networks, trade unions, and non-profits from civil society and which meets every 3 months in the morning (7am-9am). Sub-committees also exist that may meet more regularly.

There are 40-50 different networks on the platform, which has developed its own broad action plan from 2014-20.

One particularly innovative action has been working with local banks to create specific loans for entrepreneurs with social strategies. This scheme has been so successful that they have now persuaded French national banks to take social and environmental criteria into account when they negotiate loans, with Nantes becoming a leader in this case for national policy change. Another focus has been on reforming the way internships are organised in the city, as the informal organisation of internships often favours those in 'insider networks'. Companies are encouraged to advertise on a common website, while some have been branded 'Welcoming companies' for their way of welcoming in new people from all parts of the city.

In bringing businesses on board, Nantes Metropole emphasises the role of diversity in boosting the

productivity and long-term sustainability of businesses. They quote a report by the think tank *France Stratégie* which identified a productivity gap of around 13% on average between companies that set up CSR practices and those that don't²³. While increased productivity may be one driver, moral factors may also be at play. It was identified that the Nantes region hosts many small traditional enterprises that have strong Catholic values, and feel a sense of responsibility to their employees.

Some of the initiatives that the city has tried to implement have been harder to achieve. For example, it was aimed to include a measure for calculating carbon emissions within the public procurement process but this proved too difficult to specify. Rather than create a blanket policy on carbon emissions, the city now aims instead to find specific 'pressure points' in the system where carbon emissions are unnecessarily high – for example in the use of lorry transport – and to work to address these alongside the private sector. Equally an attempt to consider wage inequalities in firms within the public procurement process had caused challenging discussions, with some enterprises identifying that this was 'none of the business' of the public sector.

Synthesis and Conclusion

The Nantes Metropole case highlights the value of local authorities working together to achieve critical mass at the level of the metropolitan region. It also highlights the value of city governments pushing the boundaries set by legislation to achieve ambitious and imaginative local policy objectives. Over time, the city has learnt the necessity of being pragmatic and not dogmatic when working with businesses and other partners such as the unions to achieve their objectives.

In summary, the implications for UK city leaders are that:

- Local authorities can usefully group together to delegate powers to a metropolitan governance level that prioritises both economic growth and social inclusion;
- Employers can be key partners in the drive towards inclusive growth, with the public sector facilitating this process through developing platforms for corporate social responsibility;
- Public procurement is a useful tool for delivering social objectives such as tackling longer term unemployment. It is possible to push the boundaries of the legal framework for public procurement in order to create a broader drive to improve work organisation and quality jobs, albeit within a narrow set of sectors that regularly acquire work from public authorities;
- The local authority can act as a 'first mover' in this area, developing tools and frameworks that can then be passed onto larger private sector employers, with the public sector acting as a trainer and facilitator;
- Small reforms to how a local authority employs people (for example the working schedule of its cleaning staff) can have an important impact on worker's quality of life.

²¹ <http://www.nantes.fr/>

²² <http://www.nantes-developpement.com/economie/secteurs-activites>

²³ <http://www.strategie.gouv.fr/publications/responsabilite-sociale-entreprises-competitivite>