

<b>30 July 2014</b>		<b>ITEM: 7</b>
<b>Planning, Transport and Regeneration Overview and Scrutiny Committee</b>		
<b>SELEP Single Local Growth Fund Update</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> No	
<b>Report of:</b> Matthew Essex, Head of Regeneration		
<b>Accountable Head of Service:</b> Matthew Essex, Head of Regeneration		
<b>Accountable Director:</b> Steve Cox, Assistant Chief Executive		
<b>This report is</b> Public		

## **Executive Summary**

Government economic development policy places a strong emphasis on Local Enterprise Partnerships (LEPs) to drive forward the growth agenda. In 2013 the 39 LEPs, including the South East Local Enterprise Partnership (which includes Thurrock) were asked to prepare Strategic Economic Plans (SEPs) to inform negotiation of a growth deal in each area. The final version of the SEP was submitted in March 2014 and, in July, the Government announced the first round of Growth Deal investment packages.

The Growth Deal includes a number of funding commitments for projects starting in 2015-16, provisional allocations of funding for projects starting in 2016-17 and beyond and commitments by departments and agencies to work with the LEP to drive forward growth. This is matched with a series of commitments made by SELEP partners. Thurrock has been successful in attracting approximately 25% of the new funding announced in the SELEP Growth Deal, including a large provisional allocation to support the widening of the A13.

### **1. Recommendation(s)**

**That the Committee:**

#### **1.1 Note the report and welcome the success that Thurrock has had in attracting Government funding as part of the Growth Deal**

**1.2 Support the on-going work to progress the projects outlined in the deal and to develop proposals for the next round of the Growth Deal investment programme.**

## **2. Introduction and Background**

- 2.1 Local Enterprise Partnerships (LEPs) have been formed by groups of businesses and local authorities across the country to drive forward growth and job creation. In total 39 LEPs have been created including South East Local Enterprise Partnership (SELEP) which includes Thurrock, Southend-on-Sea and Medway unitary authorities together with Essex, Kent, and East Sussex County Councils. SELEP is the largest LEP outside of London and, given its size and diverse nature, a federal model and structure has been adopted with four sub-LEP areas – Essex, Thames Gateway South Essex (TGSE), Kent and Medway and East Sussex. The TGSE federal area includes the unitary authorities of Thurrock and Southend-on-Sea together with Essex County Council, Basildon, Castle Point and Rochford Councils.
- 2.2 The 2012 Heseltine Review ‘No Stone Unturned’ set out a plan to improve the UKs ability to create wealth. The report proposed rebalancing responsibilities for economic development between central and local government and between government and the private sector. In response to the Heseltine review the Government set out its vision to support and encourage growth by devolving resources and responsibility and placing a strong emphasis on the role of LEPs to drive forward the agenda. Proposals included the devolution of some funding streams into a single pot of funding to be made available from 2015 and LEPs were asked to prepare multi-year Strategic Economic Plans (SEPs) to inform negotiation of a ‘Growth Deal’ with central Government. The SEP includes commitments (including funding) from SELEP partners and a number of ‘asks’ of central Government that will, together, form a Growth Deal to deliver infrastructure projects, transport improvements, job creation, new homes and business support. Alongside the development of the SEP each LEP was also charged with drawing up investment plans for European Structural and Investment Funds for the 2014-20 programme period which align with local growth priorities.
- 2.3 In December 2013 Cabinet received a report outlining the development of the SEP and seeking endorsement of the Thurrock Growth Story as part of the Council’s input into the development of the plan. Cabinet also supported the work of officers leading the development of the Thames Gateway input into the SEP, including the development of the Thames Gateway Chapter and the direct dialogue with SELEP partners on project prioritisation and funding.
- 2.4 The final version of the SEP was submitted in March 2014 and, in July, Government announced the first Growth Deals. Alongside the pledges made by SELEP partners the Growth Deal includes a number of commitments made by central Government including funding commitments for projects starting in 2015-16 and provisional allocations of funding for projects starting in 2016-17 and beyond.

- 2.5 The Planning, Transport and Regeneration Overview and Scrutiny Committee is asked to note and welcome the Growth Deal announcement and to support the approach taken to maximise benefit for Thurrock from the investment programme.

### 3. Issues, Options and Analysis of Options

- 3.1 On the 7<sup>th</sup> July the Government announced the Growth Fund allocations to the Local Enterprise Partnerships. SELEP was allocated £442 million made up of the Local Growth Fund award (£208.2m), previously committed funding (£69.5m) and a provisional allocation for projects starting in 2016/17 and beyond (£164.4m). The Growth Deal announcement is divided into four themes - Transport Connectivity, Business Support and Connectivity, Raising Skill Levels and Supporting Housing and Development. The investment proposals for Thurrock and Thames Gateway South Essex are set out in the following tables.

#### Government Investment in Thurrock

Project	Funding allocation
Provisional allocation of funding to improve access to London Gateway from Stanford-le-hope and reconstruction of the A1014	£7.5m
Provisional allocation of funding to improve the Thurrock cycle network	£5.0m
Allocation of £5m for the development of the A13 widening scheme plus up to £75m for delivery 'subject to due diligence and alignment with decision-making on the preferred option for the Lower Thames Crossing'	£80m
<b>Total</b>	<b>£92.5m</b>

#### Government Investment in TGSE

Project	Funding allocation
Capacity improvements along the A127	£35.6m
Integrated Transport Package for Basildon	£9m
Transport works to deliver the Southend Central Area Action Plan	£7m
Investment package to support delivery of the Southend Central Area Action Plan	£6.7m
TGSE Local Sustainable Transport Fund capital funding (funding for the whole of TGSE including Thurrock)	£5m
<b>Total</b>	<b>£63.3m</b>
<b>Thurrock Total</b>	<b>£92.5m</b>
<b>TGSE Total</b>	<b>£155.8m</b>

#### Funding for SELEP wide projects including TGSE

Project	Funding allocation
Growth hub business support and	£0.8k

co-ordination across the LEP	
Skills Capital Funding	£22m
Total	£22.8m

3.2 In addition the Growth Deal includes a number of other commitments made by Government Departments and Agencies. Commitments include:

- Proactive engagement in the long term rail planning process and in rail franchise specification together with encouraging franchise holders to engage with the LEP priorities through the bidding process and beyond
- The Highways Agency engaging with the LEP to help address local priorities
- UK Trade and Industry working with the LEP to help build capability and secure inward investment and to double the number of partnership managers to 16
- The Technology Strategy Board working with the LEP to develop the emerging Growth Hub and explore how the Local Enterprise Partnerships can help drive up local business awareness and engagement in programmes and activities
- Ensuring that local priorities are fed into the operations of the new National Careers Service providers
- Involving the LEP in the procurement of new skills provision, in holding providers to account, in setting allocations and triggering intervention
- Holding discussions with Thurrock Council to further consider increasing the Housing Revenue Account borrowing limit to help support the development of new affordable homes
- The Homes and Communities Agency (HCA) working with SELEP partners to develop housing priorities and options for delivery
- The HCA and the Department for Communities and Local Government working with SELEP partners to discuss proposals for large scale housing development
- The Government Property Unit working with LEP partners to examine the potential to release government land and property to promote local economic growth and/or housing development

## Conclusions

3.3 A significant proportion of the funding announced in the SELEP Growth Deal was allocated to projects in Thurrock. Excluding the previously committed funding the SELEP Growth Deal includes commitments and provisional

allocations of new funding which total approximately £372m. Of this Thurrock can anticipate benefitting from approximately £92.5 million – nearly 25% of the total. In addition Thurrock could receive additional support through funding allocated to the TGSE Local Sustainable Transport Fund, Growth Hub business support co-ordination and the Skills Capital Funding.

- 3.4 Thurrock's success in winning investment through the Growth Deal is reflected in the rest of Thames Gateway South Essex. The investment in the TGSE federal area (including Thurrock) announced in the Growth Deal is over £155m, or approximately 40% of the new funding announced. In addition the area can expect to benefit from a share of the Skills Capital Funding and the Growth Hub business support co-ordination project.
- 3.5 However the Growth Deal is not just about new investment. It also contains important commitments from Government Departments and Agencies that will help to deliver the Council's objective of 26,000 new jobs and 18,000 new homes in Thurrock.

### **Next Steps**

- 3.6 The Council will continue to work with partners across SELEP to deliver the projects funded through the Growth Deal and use the commitments made to deliver growth and prosperity to benefit local residents. Work-streams include: -
- Working with partners across SELEP to further develop proposals for the new European Structural Funds and Investment Programme that align with the Growth Deal and LEP priorities
  - Strengthening governance across the LEP including support for the federal structure set out in the Strategic Economic Plan
  - Developing monitoring arrangements to enable the LEP to track progress on the projects supported, ensure implementation and demonstrate success
  - SELEP will also begin working on a pipeline of new projects and programmes in preparation for the next round of Growth Deals committed to by the Government.
- 3.7 The Council is also working with local partners to develop detailed delivery plans for the A13, Stanford-le-hope and cycle network projects outlined in the Growth Deal.

## **4. Reasons for Recommendation**

- 4.1 The SELEP is an important partner in the delivery of Thurrock's growth ambition. Funding allocated through the Single Local Growth Fund will contribute to the delivery of projects across the borough.

## **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 Development of the Thurrock Council submission to the SEP was overseen by the Growth Board and was widely consulted on across the Council. The emerging priorities were discussed and endorsed by the Business Board. Cabinet endorsed the priorities set out in the Thurrock Growth Story and supported the ongoing work with TGSE partners to develop the Thames Gateway Chapter to the SEP.

## **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The Growth Deal is a mechanism for securing the delivery of the Council's regeneration and growth ambitions detailed in the Corporate Plan, Local Development Framework, Regeneration Strategy and Economic Development Strategy.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Sean Clark**  
**Head of Corporate Finance**

The amounts awarded to Thurrock and the SELEP area is clearly set out in the body of the report. There will need to be funding spent on developing the projects and this can be met from existing resources and amounts within the award identified for this purpose.

### **7.2 Legal**

Implications verified by: **Alison Stuart**  
**Principal Solicitor**

The report is in essence providing an update to Members. Legal advice can be considered on implementation of the projects moving forward.

### **7.3 Diversity and Equality**

Implications verified by: **Rebecca Price**  
**Community Development Officer**

The funding and commitments announced as part of the Growth Deal all seek to promote greater economic growth which will create opportunities for combating deprivation, enabling fairness and increasing community cohesion. Specific projects funded through the deal will be subject to Equality Impact Assessments.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no other significant implications of this report.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

- Appendix 1 - SELEP Growth Deal

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