

WORCESTERSHIRE GROWTH DEAL

The Worcestershire Growth Deal will build on the considerable economic vitality of the county's key sectors (Agri-Tech, Advanced Manufacturing and Engineering and Cyber Security) by improving road, rail and broadband connectivity – creating better links for businesses to markets and helping to kick-start building on key housing and employment sites. The Growth Deal will also help to grow the county's strong engineering skills base, provide more space for high-tech start-ups and growth and help to develop Worcestershire's Growth Hub as the place for business to access support for growth. The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding to focus on three key priority areas as identified in the LEP's Strategic Economic Plan:

- Improving connectivity and resilience across the County
- Enabling employment and housing sites
- Enhancing skills provision and support for business

The Worcestershire LEP has secured **£47m from the Government's Local Growth Fund to support economic growth in the area – with £9m of new funding confirmed for 2015/16 and £20.3m for 2016/17 to 2021.** This includes:

- as part of the Government's ongoing commitment to the Worcestershire LEP a provisional award of a further £10m of funding for projects starting in 2016 and beyond; and
- £7.7m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government **will bring forward at least £70m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £117m for the Worcestershire LEP.**

By 2021, this Deal will create at least 3,000 jobs and allow 1,000 homes to be built.

The Worcestershire LEP brings together Worcestershire County Council, Worcestershire City Council, Wyre Forest District Council, Malvern Hills District Council, Wychavon District, Redditch Borough Council, Bromsgrove District Council, and Further and Higher Education providers: all working together to promote the County's economy, creating jobs and building the conditions for a successful and resilient economy.

Summary of Worcestershire Growth Deal projects and funding

The Worcestershire Growth Deal brings together different funding streams designed to support local growth with a share of the new Local Growth Fund.

Worcestershire LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	9.0*	20.3	29.3
Previously committed funding	3.9	3.8	7.7
Provisional allocation to projects starting in 2016/17 and beyond	-	10	10
Total	12.9	34.1	47.0

**This includes £2.4m to support the extension of superfast broadband in Worcestershire which is subject to conditions set out below.*

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

Worcestershire LEP and central government have agreed to co-invest in the following jointly-agreed priorities:

- **Hoobrook Link Road** - Joint local transport project with Greater Birmingham and Solihull Local Enterprise Partnership enhancing the redevelopment of former British Sugar site and enabling faster transport links for local business.
- **Malvern Hills Science Park** - Development of space for existing high tech / cyber security business and enabling more space for new businesses on the park.
- **Centre of Vocational Education** - Support for engineering apprenticeships and vocational training by providing space and facilities in partnership with a specialist training provider.
- **Southern Link Road** - Key transport improvements tackling congestion and opening up sites for employment and housing growth.
- **Flood Alleviation** - Reduce negative transport impacts on Worcestershire businesses and homes through a package of road resilience improvements to reduce the impacts of flooding.
- **Worcester Tech Park** - Development of new space for manufacturing, offices, research and development and logistics providing and securing jobs and investment.
- **Superfast Broadband** – Extension of the Superfast Broadband Roll Out Programme providing improved broadband internet access to the rural areas of Worcestershire

The following projects have provisional allocations starting in later years:

- **Worcestershire Parkway Station** - a new mainline station for Worcestershire improving connectivity and journey times to major centres.
- **Kidderminster Railway Station** - improvements to the station enabling better sustainable transport links and connectivity for Kidderminster.

Local flexibility over Growth Deal programme:

Local flexibility over Growth Deal programme: The Government recognises the significant steps that Worcestershire LEP have taken to deliver a successful and achievable Growth Deal and that the programme agreed in this Growth Deal represents a step up in the ambition of, and therefore expectations on, the LEP. The LEP will be expected to deliver all the projects in the Deal document and to achieve this the Government will disburse funds to the LEP quarterly in advance – with any changes to projects agreed each quarter. The Cities and Local Growth Unit will work closely with the LEP to resolve any outstanding concerns that will allow the Worcestershire LEP to achieve increased flexibility ahead of the first payments in April 2015.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

The Worcestershire Local Enterprise Partnership Growth Deal

The investment secured by the deal will be focused on several key areas to deliver transformative growth:

Worcestershire Local Enterprise Partnership commitments	Central Government commitments
<p>In order to improve Connectivity and Resilience across the county, Worcestershire LEP and partners will:</p> <ul style="list-style-type: none"> • Invest £10.95m transport improvements in Hoobrook Link Road • Take a more proactive role in consultation on long-term rail planning and franchise specification, and provide a co-ordinating role between constituent local authorities • Take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities • Invest £1m in flood resilience • Deliver improvements to broadband • Progress on the development and delivery of the priority transport schemes identified by the Worcestershire Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources 	<ul style="list-style-type: none"> • Invest £12m of Local Growth Fund to take forward the Southern Link Road Scheme (£2m in 2015/16) • Invest £1.1m of Local Growth Fund in Hoobrook Link Road in 2015/16 • Invest £4m of Local Growth Fund in the Flood Alleviation programme (£0.7m in 2015/16) • A provisional allocation of £2.5m Local Growth Fund to take forward improvements to Kidderminster Railway Station • A provisional allocation of £7.5m Local Growth Fund to take forward Worcestershire Parkway Station • In terms of Worcestershire LEP's ask to work with central government to deliver improvements on frequency and journey time improvements from Worcester to London, the Department for Transport commits to working with the scheme promoters and the rail industry to help guide the development of the business case for this scheme, including an assessment of the impact on journey times of a new station • The Department for Transport and Network Rail commit to more proactive engagement of the Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of the Local Enterprise Partnership and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with the Local Enterprise Partnership as a key local

	<p>stakeholder</p> <ul style="list-style-type: none"> The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth supported by a substantially strengthened economic development and strategic planning capability, and commits to continue building strong relationships and working arrangements both with the Local Enterprise Partnership and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to support local economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above
<p>In order to enable employment and housing sites, Worcestershire LEP and partners will:</p> <ul style="list-style-type: none"> Invest £10.95m Hoobrook Link Road Deliver the Southern Link Road Project Deliver 3,680 jobs, and at least 3,111 houses through these projects The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans 	<ul style="list-style-type: none"> Invest £4m Local Growth Fund in Malvern Hills Science Park (£1m in 2015/16) Invest £5m Local Growth Fund in Worcester Tech Park (£1m in 2015/16) Invest £12m of Local Growth Fund to take forward the Southern Link Road Scheme. (£2m in 2015/16) Invest £1.1m of Local Growth Fund in Hoobrook Link Road in 2015/16 The Government Property Unit will engage with the LEP to examine the potential to release Government land and property to promote local economic growth and or housing development. This would include considering becoming a partner in the proposed Joint Property Vehicle. The Homes and Communities Agency will work with the LEP and the Worcestershire Strategic Housing Officers Group to assist

	<p>with the development of a strategic housing investment plan subject to agreement of governance arrangements with the LEP</p> <ul style="list-style-type: none"> • The Homes and Communities Agency will continue to work with Worcestershire LEP and proactively support the Worcestershire Game Changer programme by: <ul style="list-style-type: none"> ○ Marketing and disposal of the Winyates Triangle Site in Redditch to support the Redditch Eastern Gateway game changer proposal which is currently going through the Home and Community Agency's approval process ○ Consider proposals in relation to Bromsgrove Technology Park to enable market led development ○ Consider proposals to promote further investment in the Malvern Hills Technology Park, subject to outcome of BIS review
<p>In order to enhance business growth Worcestershire LEP commits:</p> <ul style="list-style-type: none"> • To support the delivery of the Growth Hub. The Local Enterprise Partnership commits to provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time. • To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Worcestershire LEP will commit to work with local partners and BT to support delivery. • To support extension of superfast broadband coverage to 95% of UK premises by 2017, Worcestershire LEP will also work with local partners to help ensure match funding is in place for the next round of projects. 	<ul style="list-style-type: none"> • Recognise Worcestershire LEP's interest in deep geothermal and district heating, which is a clear strategic fit with the Government's ambitions for low carbon heating. We welcome the LEP continuing to engage with Department of Energy and Climate Change's Heat Network Delivery Unit to explore potential support for the LEP's proposals through the Heat Network Deliver Unit's funding stream and the engagement of the Heat Network Deliver Unit's commercial and technical experts. Areas that may be considered for support are likely to be around initial scoping, including energy masterplanning and heat mapping. • * Broadband: Provide the flexibility for the LEP to re-allocate underspends on other projects in 2015/16 to enhance delivery of superfast broadband project, retaining the overall allocation to project which have slipped. If there are no underspends of LGF in 2015/16 to support the £2.4m investment, Government will provide further funding up to that level to ensure that the additional superfast broadband is delivered. • Environment Agency, Natural England and

	<p>Forestry Commission will continue to work in partnership with Worcestershire LEP, building on the Local Environment and Economic Development (LEED) toolkit assessment and coordinated through the Local Nature Partnership, focusing in particular on better regulation, supporting the growth of agri-businesses and horticulture in the Vale of Evesham, and enabling the sustainable development of strategic growth sites.</p>
<p>In order to enhance skills provision Worcestershire LEP and partners will:</p> <ul style="list-style-type: none"> • Deliver improvements to the Centre of Excellence for Engineering Training • Continue the constructive dialogue between partners, include Further Education providers and the Skills Funding Agency on skills issues in the county • Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time. • The Government expects Worcestershire LEP to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value. • Local Enterprise Partnerships are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have the ability to link employers with education providers; can have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal. To achieve this, Worcestershire LEP will facilitate stronger linkage between education providers and local businesses. We 	<ul style="list-style-type: none"> • Invest £0.8m of Local Growth Fund in the Centre of Excellence for Vocational Engineering Training • Provide £250,000 funding to the Local Enterprise Partnership for growth hub business support coordination in 2015/16, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government Review on business support and services. • In return, the Government commits to working with Worcestershire LEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in Worcestershire. • Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: • Procurement of new provision: Worcestershire EP will be involved throughout the process and providers' track records against the LEP's requirements will be considered as part of this assessment • Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery. • Allocations and Intervention: In future

<p>will also work with relevant local stakeholders to communicate our priorities and align our offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service.</p>	<p>years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years</p> <ul style="list-style-type: none"> • Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery. • Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.
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As part of the deal, the Worcestershire Local Enterprise Partnership will agree to:

- **Strengthen governance:** The LEP has committed to review its governance arrangements and develop more effective working with Local Authority partners.
- **Ensure implementation and demonstrate success** by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.