

## **LEICESTER & LEICESTERSHIRE GROWTH DEAL**

The Leicester and Leicestershire Growth Deal will drive growth across the area by providing additional funding and leveraging investment to provide new homes and space for businesses, provide high quality skills and training facilities and deliver key transport improvements across the city and county.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on four key priority areas as identified in the LEP's Strategic Economic Plan:

- Enhancing transport connectivity, reducing congestion and enabling the development of major sites for housing and employment
- Investing in skills infrastructure and business support to deliver skills and support that meets employer needs
- Extending the availability of superfast broadband across the city and county
- Investing in flood risk management to reduce the risk to homes and businesses in Leicester.

The Leicester and Leicestershire Local Enterprise Partnership has secured **£80m from the Government's Local Growth Fund to support economic growth in the area – with £20.2m of new funding confirmed for 2015/16 and £40.3m for 2016/17 to 2021**. This includes:

- as part of the Government's ongoing commitment to Leicester and Leicestershire LEP a provisional award of a further £3.3m of funding for projects starting in 2016 and beyond; and
- £16.2m 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 £150m for the Leicester and Leicestershire LEP.**

By 2021, this Deal will deliver at least 1000 jobs and allow 1000 homes to be built.

The Leicester and Leicestershire LEP brings together the local private sector with Leicester City Council, Leicestershire County Council, Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley & Bosworth Borough Council, Melton District Council, North West Leicester District Council and Oadby & Wigston District Council.

### **Summary of Leicester and Leicestershire Growth Deal projects and funding**

The Leicester and Leicestershire Growth Deal brings together different funding streams designed to support local growth, with a share of the new Local Growth Fund the LEP.

<b>Leicester and Leicestershire LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	20.2	40.3	60.5
<b>Previously committed funding</b>	8.1	8.1	16.2
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	3.3	3.3
<b>Total</b>	28.3	51.7	80

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.

**Leicester and Leicestershire and Central Government have agreed to co-invest in the following jointly-agreed priorities:**

**MIRA Partnership Engineering Training Centre Enterprise Zone** - Transport Engineering skills training facility to be delivered jointly by MIRA, North Warwickshire and Hinckley College, University of Leicester and Loughborough University this will provide significant training places each year to address skills shortages in the sector and to increase the number of skilled engineers.

**Leicester Waterside** - Regeneration of derelict and vacant land on the Waterside and Abbey Meadows areas to allow 200 homes to be built.

**Leicester College** - A new building to accommodate Motor Vehicle Engineering training and refurbishment of a building to accommodate Construction training.

**Great Central Railway** - 18 mile extension of Heritage railway from Leicester to Ruddington, construction of new bridge over the Midland Mainline and embankment works

**Local Sustainable Transport Fund Rd 2 (Hinckley)** - Sustainable Transport improvements including footpaths and cycle ways reducing congestion to developments in Earl Shilton and Barwell and improving connectivity between Hinckley and the Enterprise Zone at MIRA Partnership Engineering Training Centre.

**Leicester & Leicestershire Broadband** - Extension to superfast broadband programme, extending coverage across the city and county.

**Leicester Strategic Flood Risk Management** - Programme to reduce flood risk to 2,100 homes and flood damage costs to businesses by £22m and improve cycleways.

**North City Centre Access Investment Programme** - Programme of linked transport and public realm improvement to improve 4km of highways and enable the development of employment and housing sites.

**M1-Junction 22 / A42-Junction 13** - Junction improvements to ease congestion and create capacity to enable the development of 900 homes at Coalville and Ashby.

**Local flexibility over Growth Deal programme:** Leicester and Leicestershire Local Enterprise Partnership has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area, and has established strong financial monitoring procedures and cross local authority collaboration. Government will disburse funds to the LEP annually in advance. The Leicester and Leicestershire Local Enterprise Partnership will be expected to deliver the projects highlighted in the Deal, but will have flexibility over the management of these projects in order to deliver the greatest economic benefits to the area. Any significant changes to the projects will need to be discussed with the Government in advance.

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 Leicester and Leicestershire Growth Deal

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

- Enhancing transport connectivity; reducing congestion; and enabling the development of major sites for housing and employment
- Investing in skills infrastructure and business support to deliver skills and support that meets employer needs
- Investing in flood risk management to reduce the risk to homes and businesses in Leicester
- Extending the availability of superfast broadband across the city and county

### **Enhancing transport connectivity; reducing congestion; and enabling the development of major sites for housing and employment:**

Significant investments will be made to improve transport connections, reduce travel to work times and accelerate the development of key housing and commercial sites. Investments will include £55 million for a major growth opportunity at Waterside and Abbey Meadows and the city centre. This strategic Regeneration Area provides the potential to deliver substantial housing, commercial and cultural developments on a cluster of sites.

Improvements to M1 Junction 22 will improve access, reduce congestion at peak travel times and enable significant housing development, and £13.96m for a series of linked transport and public realm improvements to increase development in the eastern and northern parts of Leicester, by connecting shopping and commercial areas in the Belgrave Road area to the city centre.

<b>Leicester and Leicestershire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Invest £35m in Leicester Waterside Regeneration Area Programme</li> <li>• Invest £5.48m in the Great Central Railway – ‘Bridging The Gap’</li> <li>• Invest £1.94m in the Local Sustainable Transport Fund Round 2: Hinckley</li> <li>• Invest £5m in the North City Centre Access Investment Programme</li> <li>• Invest £16.1m pre-committed transport funding in the M1 Junction 22/A42 Junction 13 Scheme</li> <li>• Invest £1.1m in the M1 Junction 21 and Lubbethorpe SES Access Scheme</li> <li>• M1 J22 – development of employment land and deliver 900 new homes at Coalville and Ashby Create employment land in the Coalville and Ashby area.</li> <li>• Deliver M1-J22/A42-J13 development on time and to budget</li> <li>• The Local Enterprise Partnership and partners agree to the Local Enterprise Partnership to 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £20m in Leicester Waterside Regeneration Area Programme (with £5.5m in 2015/16)</li> <li>• Invest £1.0m in the Great Central Railway – ‘Bridging The Gap’(with £0.5m in 2015/16)</li> <li>• Invest £3.6m in the Local Sustainable Transport Fund Round 2: Hinckley (with £1.54m in 2015/16)</li> <li>• Invest £9m in the North City Centre Access Investment Programme (with £1.96m in 2015/16)</li> <li>• Invest £4.6m in the M1 Junction 22/A42 Junction 13 Scheme (with £2.5m in 2015/16)</li> <li>• Provisional allocation of £3.3m in the M1 Junction 21 and Lubbethorpe SES Access Scheme, starting in 2016/2017.</li> <li>• 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 Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating</li> </ul>

<ul style="list-style-type: none"> <li>• The Local Enterprise Partnership agrees to take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities.</li> <li>• Progress on the development and delivery of the priority transport schemes identified by the LLEP that are fundable within available pre-allocated Local Growth Fund resources</li> </ul>	<p>Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders.</p> <ul style="list-style-type: none"> <li>• The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships 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 bring about much needed 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 23<sup>rd</sup> June 2014 for the new Highways Agency company includes a requirement to co-operate, which will underpin the arrangements described above.</li> </ul>
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**Investing in skills infrastructure and business support to deliver skills and support that meets employer needs:**

The Deal includes a substantial package of measures to ensure that key sectors and sources of growth are supported by investment in high quality skills facilities and business support. This will include a new £11m MIRA Partnership Engineering Training Centre Enterprise Zone and further commitment from the Department for Business, Innovation and Skills (BIS) and UK Trade and Investment (UKTI) to work with Leicester and Leicestershire LEP to support local ambitions for investment on the Enterprise Zone. This will also be supported by further funding for the Leicester and Leicestershire Growth Hub which coordinates and simplifies local business support.

In addition, £4.376m will be invested in the Leicester College Skills and Innovation Village. The expansion of Leicester College’s facilities will provide additional opportunities to develop local skills in priority sectors such as engineering and sustainable construction. The LEP will also have increased influence over careers guidance and adult skills.

This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment, the government provided £4m through the Leicester and Leicestershire City Deal to support youth employment, including through tailored case work support and employer engagement. Alongside this Growth Deal, the Government expects Leicester and Leicestershire to deliver against its commitments towards youth employment.

<b>Leicester and Leicestershire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Invest £1.5m in the MIRA Partnership Engineering Training Centre Enterprise Zone</li> <li>• Invest £2.19m in Leicester College Skills and</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £9.5m in the MIRA Partnership Engineering Training Centre Enterprise Zone (with £5.0m in 2015/16)</li> </ul>

<p>Innovation Village</p> <ul style="list-style-type: none"> <li>• Provide significant engineering training places per year</li> <li>• Increase apprenticeships and progression to Level 4 and 5 accredited skills. Enhanced Level 2 to Level 5 skills to 180 manufacturing learners and 4 additional trainer posts</li> <li>• Provide £0.25m of public and private funding in 2015/16 to support the delivery of the local Growth Hub.</li> <li>• 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</li> <li>• LLEP will facilitate stronger linkage between education providers and local businesses and will also work with relevant local stakeholders to communicate priorities and align 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</li> <li>• LLEP will consider skills implications as part of decision taking on growth strategies</li> <li>• LLEP will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector</li> <li>• LLEP will positively engage the Further Education (FE) and skills sector in key strategic partnerships e.g. Skills and Employment Boards</li> <li>• LLEP will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment</li> <li>• The Government expects LLEP 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</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £2.2m in Leicester College Skills and Innovation Village (with £0.6m in 2015/16)</li> <li>• BIS and UKTI is committed to working jointly with MIRA and the Leicester and Leicestershire LEP to support local ambitions for investment on the Enterprise Zone and also to have a broader range discussion around joint work that could support further investment in the Zone</li> <li>• UKTI will commit to effectively communicate its strategic priorities to the LEP and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment</li> <li>• Provide £0.25m funding to the LEP for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services</li> <li>• The Technology Strategy Board is committed to supporting the LEP in developing the emerging Growth Hub and in exploring how the LEP can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives</li> <li>• The National Centre of Excellence for Information Sharing is hosted in Leicestershire and is driving forward information sharing to support transformation work. DWP is one of the funding partners for the Centre. The Centre will support the LLEP and local councils to define the issues, design the approach, identify the requirements for data sharing, and agree responsibilities. This could include supporting the local place to pilot work on data sharing with Job Centre Plus, and maximise opportunities to use data held by partner agencies to support the delivery and measurement of proposals set out in the SEP. This work will highlight good practice, and be disseminated nationally</li> <li>• Work with LLEP to help ensure that local employer priorities are fed into the operations of the new NCS providers in Leicester and Leicestershire</li> <li>• 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: <ul style="list-style-type: none"> <li>○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment</li> <li>○ Accountability: Providers will be required</li> </ul> </li> </ul>
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	<p>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 designed to explore the mechanisms through which providers will account to LEPs for delivery.</p> <ul style="list-style-type: none"> <li>○ Allocations and Intervention: In future 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</li> <li>● 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.</li> <li>● 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.</li> </ul>
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**Investing in flood risk management to reduce the risk to homes and businesses in Leicester:**

The deal will provide support for a £21.5m, three year programme that will reduce the flood risk in Leicester. The Environment Agency will be responsible for project governance and procurement. It is anticipated that this programme will reduce flood risk to 2,000 homes.

<b>Leicester and Leicestershire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>● Invest £14.0m in the Leicester Strategic Flood Risk Management Strategy</li> <li>● Reduce flood risk to 600 homes. Reduce flood damage costs to businesses.</li> <li>● Protect 1,500 homes from flooding beyond 2016. Reduce flood damage costs to business</li> </ul>	<ul style="list-style-type: none"> <li>● Invest £7.5m in the Leicester Strategic Flood Risk Management Strategy (with £1.5m in 2015/16)</li> </ul>

**Extending the availability of superfast broadband across the city and county:**

A programme of broadband investment will provide the critical platform to diversify and widen business opportunities across Leicestershire. The deal will support the extension of super-fast broadband coverage to an additional premises in Leicester City and Leicestershire.

Leicester and Leicestershire LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Invest £9.91m into Leicester and Leicestershire's Accelerated Broadband programme</li> <li>• Extension of super-fast broadband coverage in Leicester City from 91.9% to 98.4% of premises</li> <li>• Extension of super-fast broadband coverage in Leicestershire from 93.8% to 97.3% of premises</li> <li>• Provide super-fast broadband coverage to SME's across the City and County</li> <li>• Contribution to achievement of <b>£92m</b> GVA by 2021 as a result of public investment in super-fast broadband</li> <li>• Support extension of <b>superfast broadband coverage</b> to 90% of UK premises by 2016, via existing broadband projects, LLEP 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, LLEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £3.1m into Leicester and Leicestershire's Accelerated Broadband programme (with £1.1m in 2015/16)</li> </ul>

**As part of the deal, the LEP will:**

- The LEP and local planning authorities commit to working together to **deliver the housing** provided for in Local Plans.
- **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.