

## CUMBRIA GROWTH DEAL

The Cumbria Growth Deal will build on the existing strengths of the county across manufacturing, tourism, agriculture and logistics that have already seen economic growth of 46.1% between 2002 and 2012.<sup>1</sup> The Growth Deal will support further growth through improving key infrastructure and bring sites forward for housing and commercial development. As a combined and coherent package the Cumbria Growth Deal will provide local people with more training opportunities, new and better jobs, more local housing and better transport to access the opportunities being developed by international and local businesses.

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 the four key priority areas as identified in the LEP's Strategic Economic Plan:

- Advanced manufacturing growth
- Nuclear and energy excellence
- A vibrant rural and visitor economy
- The strategic connectivity of the M6 corridor

The Cumbria LEP has secured **£26.8m from the Government's Local Growth Fund to support economic growth in the area – with £7.8m of new funding confirmed for 2015/16 and £11.2m for 2016/17 to 2021.** This is on top of £7.8m of funding which the Government has previously committed as part of Local Growth Deal funding for the area.

This substantial investment from Government will **bring forward at least £50m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £76.8m for the Cumbria LEP.**

By 2021, this Deal will deliver at least 2,000 jobs, allow 3,000 homes to be built, deliver over 62,000sqm of new or refurbished commercial floorspace and support over 500 learners to acquire skills for employment.

### Summary of Cumbria Growth Deal projects and funding

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

<b>Cumbria LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	7.8	11.2	19.0
<b>Previously committed funding</b>	1.3	6.5	7.8
<b>Total</b>	9.1	17.7	26.8

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

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<sup>1</sup> GVA growth

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

- An **Advanced Manufacturing Technology Centre** at Furness College to equip Cumbrians with the skills to take up the expanding opportunities at BAE and within the supply chain for major manufacturers.
- A package of sustainable transport measures to **optimise connectivity within Cumbria**, particularly around key visitor arrival points and visitor attractions around Windermere and Grasmere.
- The remediation and improvement of the **Barrow Waterfront** site, enabling growth in this key centre of manufacturing.
- **Transport improvements in and around Kendal** facilitating housing development and business growth.
- Junction improvements to increase capacity in **South Ulverston** to support the expansion of GlaxoSmithKline and housing development.
- Supporting the creation of the **Nuclear Technology Innovation Gateway**, an innovation and support centre for the nuclear industry bringing together the National Nuclear Laboratory, research activities from the University of Manchester and other facilities.
- Access improvements to the **Durranhill Industrial Estate** to enable business expansion and the revitalising of this enterprise asset.

**Local flexibility over Growth Deal programme:** The Government recognises the significant steps that the Cumbria LEP have taken to deliver a successful and achievable Local 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 & Local Growth Unit will work closely with the LEP to resolve any outstanding concerns that will allow the Cumbria 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 Cumbria Growth Deal**

The investment secured by the deal will be delivered across the county and across the four priority sectors that the LEP have identified to deliver transformative growth:

### **Advanced manufacturing growth**

Advanced manufacturing is an established feature of Cumbria's economy. In West Cumbria in particular manufacturing employs over 30% of the workforce, far more than the national average. The Cumbria Growth Deal will increase the support and opportunities available to this sector. There has historically been a 'dual' character to the Cumbrian economy, under which the leading manufacturing firms are not fully integrated into the local economy. Through the Growth Deal the LEP will galvanise the supply side of the local economy to better connect local businesses and people to the internationally successful firms in the county, such as BAE, Pirelli or Heinz. This will enable a wider and greater benefit for Cumbria from the enormous manufacturing expansion now in prospect.

<b>Cumbria LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>Secure co-investment of £4.1m in the Advanced Manufacturing Technology Centre from local partners</li> <li>Secure co-investment of £5.5m from public sector partners, including an ERDF allocation of £1.3m, and £1.8m from the private sector in infrastructure improvements in south Ulverston</li> <li>Secure co-investment of £1.8m in Barrow Waterfront</li> </ul>	<ul style="list-style-type: none"> <li>Invest £1.2m in a new Advanced Manufacturing Technology Centre at Furness College (£0.7m in 2015/16)</li> <li>Invest £4.5m to improve access to south Ulverston, supporting manufacturing growth and housing development (£2.3m in 2015/16)</li> <li>Invest £5.5m in the development of Barrow Waterfront in 2015/16 – 2016/17 (£0.5m in 2015/16)</li> <li>The Homes &amp; Communities Agency (HCA) will work with Barrow to support the development and growth of the waterfront and will consider options on how this can be delivered taking into account HCA's contingent assets as they relate to the waterfront</li> </ul>

### **Nuclear and energy excellence**

This priority is based on the nuclear industry and the significant opportunities that will be created by the expansion of decommissioning work at Sellafield, the construction of a new nuclear power plant at the Moorside site adjacent to Sellafield and the co-location in West Cumbria of many of the UK's principal nuclear research bodies and of the University of Manchester's Dalton research facility. The Cumbria Growth Deal will use this as the basis to go beyond the nuclear sector and support business growth across the county, whether linked to nuclear or not, and to use nuclear as a focus for the wider regeneration of West Cumbria, thus tackling long term economic problems dating back at least 80 years.

The key project within the Growth Deal is the development of the Nuclear Technology Innovation Gateway (NTIG). The NTIG will showcase UK excellence in fuels, computing, reprocessing and remote engineering and will incorporate a visitor and educational facility to demonstrate Cumbria's place at the leading edge of nuclear technology and to attract young people to the industry. NTIG will provide a visible expression of nuclear R&D in the UK with Higher Education and the National Nuclear Laboratory (NNL) brought physically together.

<b>Cumbria LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>Secure co-investment of £31.4m in the Nuclear Technology Innovation Gateway from local partners, including £10m from the University of Manchester, £18.5m from the private sector and an allocation of £4m from European Regional Development Fund</li> </ul>	<ul style="list-style-type: none"> <li>Invest £1.5m in the Nuclear Technology Innovation Gateway (£1.0m in 2015/16)</li> <li>Recognise the key role of the North of England in the nuclear sector and welcome the proposal to establish a multi-LEP network to co-ordinate the development</li> </ul>

<p>(ERDF)</p> <ul style="list-style-type: none"> <li>Engage with the emerging Nuclear Network of LEPs across the North of England</li> </ul>	<p>of the nuclear sector in the North of England, and stand ready to support them</p>
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### A vibrant rural and visitor economy

The Lake District is a tourist destination of world-class status and Cumbria has other destinations of major significance, such as the Hadrian's Wall complex, and tourism a key element of the Cumbrian economy. The Growth Deal will enable Cumbria to realise the full potential of tourism, especially in respect of overseas visitors. The LEP will ensure that Cumbria's tourism offer is of a high standard and attracts international visitors through the provision of travel infrastructure, facilities and services, with a focus on the pedestrian experience at key destinations, remembering that most international visitors do not travel by car. This will be supported by a Local Growth Fund investment in a package of bus and other public transport infrastructure improvements along the A591, including, for example a bus / boat / car interchange at Bowness on Windermere and better links between cultural attractions in Grasmere, such as Dove Cottage and the Jerwood Centre.

Cumbria LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>Secure co-investment of £1.25m from public sector partners in improvements around Windermere and Grasmere</li> <li>Secure public and private funding in 2015/16 to support the delivery of the local growth hub, at a level to be agreed</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>To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Cumbria 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, Cumbria LEP will also work with local partners to help ensure match funding is in place for the next round of projects</li> <li>The Government expects Cumbria 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</li> <li>LEPs 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</li> </ul>	<ul style="list-style-type: none"> <li>Invest £2m in 2015/16 in a package of transport improvements to optimise connectivity within the county;</li> <li>The Environment Agency, Natural England and Forestry Commission will offer a single point of contact to Cumbria LEP both directly to the LEP manager and through membership of the Environment Group, and will work with the LEP on any proposal for a partnership agreement.</li> <li>As part of some work on a rural-urban statistical classification, the Government has developed a statistical methodology to identify hub towns with populations of between 10,000 and 30,000 that are likely to serve a rural hinterland. Government will explore how this could be used to influence policy and decision making in future.</li> <li>Provide £300k 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>UK Trade and Investment (UKTI) will commit to effectively communicating its strategic priorities to LEPs 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>The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and</li> </ul>

have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal. To achieve this, Cumbria LEP will facilitate stronger linkage between education providers and local businesses. We 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

- The LEP will consider skills implications as part of decision taking on growth strategies
- The LEP 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
- The LEP will positively engage the FE and skills sector in key strategic partnerships e.g. Skills and Employment Boards

collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.

- Government commits to working with Cumbria to help ensure that local employer priorities are fed into the operations of the new NCS providers in Cumbria.
- 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: LEPs will be involved throughout the process and providers' track records against LEP 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 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
- 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

## The M6 Corridor

The M6 and the West Coast Main Line, which follows a similar route, offer excellent communications northwards to Scotland and southwards to the cities of the North West and the wider English economy. Good communications and an excellent living environment make this an attractive area for new and expanding businesses. The M6 Corridor has, however, faced constraints that have impeded economic expansion. In various places, there is limited land for expansion and limited access to a wider workforce, including those who are currently economically inactive, which has created problems for employers. The Cumbria Growth Deal therefore includes projects which will increase the supply of high quality sites for new or expanding businesses and increase the pace of housing delivery in areas with good transport links to employment opportunities (including sustainable transport).

<b>Cumbria LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Secure co-investment of £1.3m from public sector partners for improvements to Durranshill Industrial Estate</li> <li>• The LEP and partners agree 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> <li>• The LEP and partners agree to the Local Enterprise Partnership 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> </ul>	<ul style="list-style-type: none"> <li>• Invest £2.0m to improve access to the Durranshill Industrial Estate (£1.0m in 2015/16)</li> <li>• Invest £2.3m to increase highway capacity and sustainable transport measures in Kendal (£0.3m in 2015/16)</li> <li>• The Government confirms that £3m will be made available to Cumbria in 2015/16 at the Public Works Loan Board (PWLB) project rate discount of 40 basis points below the standard PWLB rate. This will support strategic infrastructure investment on the MoD Longtown site, which forms part of the overall Growth Deal package creating an additional 830 new jobs and securing £1.3m from public sector partners</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 Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders</li> <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</li> </ul>

<p>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 Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above</p>
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**As part of the deal, the LEP will:**

- **Strengthen governance:** In the preparation for the Growth Deal the Cumbria LEP reviewed their governance arrangements and how their relationships with key stakeholders, including Cumbria County Council, operated. As a result of this review the LEP has implemented a Service Level Agreement with the County Council and have established four sub-groups to oversee the delivery of the Growth Deal. Partners have committed to ensuring that the LEP is strengthened and enhanced through the delivery of this deal.
- **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.