

GLOUCESTERSHIRE GROWTH DEAL

The Gloucestershire Growth Deal aims to develop a local workforce with the skills needed to benefit from the region's growth in engineering, nuclear and low carbon industries. GFirst Local Enterprise Partnership (LEP) has been awarded funding and will get greater influence and freedom to deliver locally tailored services to help businesses start and grow, to improve the transport connections in and around the M5 corridor and to open up new sites for employment and housing.

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

- Providing a highly employable and economically productive workforce that meets the needs of local businesses
- Attracting, retaining and developing successful businesses
- Exploiting opportunities to open-up new sites for development and providing the transport infrastructure to accelerate growth

GFirst LEP has secured **£62.5m from the Government's Local Growth Fund to support economic growth in the area – with £11.7m of new funding confirmed for 2015/16 and £16.6m for 2016/17 to 2021.** This includes:

- as part of the Government's ongoing commitment to GFirst LEP a provisional award of a further £10.4m of funding for projects starting in 2016 and beyond; and
- £23.8m 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 £80m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £142.5m for Gloucestershire.**

By 2021, this Deal will create at least 5,000 jobs and support 1,014 new apprenticeships.

GFirst LEP brings together the business community and local authorities across the County of Gloucestershire, as well as the Higher and Further Education sectors.

Summary of Gloucestershire's Growth Deal projects and funding

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

Gloucestershire LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	11.7	16.6	28.3
Previously committed funding	11.9	11.9	23.8
Provisional allocation to projects starting in 2016/17 and beyond	-	10.4	10.4
Total	23.6	38.9	62.5

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

Gloucestershire and Central Government have agreed to co-invest in the following jointly-agreed priorities:

- **The Growth Hub** – providing businesses in target sectors with advice and skills support they need to grow and activities to improve awareness of career opportunities in STEM (Science, Technology, Engineering & Maths) subjects, apprenticeship take-up, graduate retention and start-up activity in younger entrepreneurs.
- **GREEN (Gloucestershire Centre of Excellence in Renewable Energy, Engineering and Nuclear Skills)** – redevelopment of Berkeley power station to provide a STEM training centre.
- **Growth Zone** – ensuring the availability of employment land around the M5 corridor.
- **Enablers for Growth** – transport projects that will accelerate economic growth across the County:
 - A419 Corridor Improvements
 - Improved access to Berkeley
 - A40 Regeneration Areas - Package 1 - Kings Quarter Bus Station
 - A40 Regeneration Areas - Package 1 - Lydney Transport Strategy

The following projects have provisional allocations starting in 2016/17 and beyond:

- A38 Berkeley Bridges
- A40 Regeneration Areas - Package 1 - Cinderford Northern Quarter Link Road
- A40 Regeneration Areas - Package 2 - Gloucester South West By-Pass
- A40 Regeneration Areas - Package 2 - St Barnabas Roundabout Scheme
- A40 Regeneration Areas - Package 2 - A4063 Staverton Bridge Junction

Local flexibility over Growth Deal programme

GFirst LEP 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. GFirst LEP 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 Strategic Economic Plan. 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 Gloucestershire Growth Deal

The investment secured by the deal will be focused on 3 key areas to deliver transformative growth:

Providing a highly employable and economically productive workforce that meets the needs of local businesses

Government will provide £5m capital funding for the GREEN (Gloucestershire Renewable Energy, Engineering and Nuclear) skills project, matching local private and public funding to redevelop the disused brownfield site at Berkeley into a training centre of excellence which will respond to the growing demand for STEM skills from the renewable energy, engineering and nuclear sectors.

Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government is committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

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.

Gloucestershire LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • GFirst LEP will invest £36.9m (private and public) to support the GREEN project • GFirst LEP will consider skills implications as part of decision taking on growth strategies • GFirst 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 • GFirst LEP will positively engage the FE and skills sector in key strategic partnerships e.g. Skills and Employment Boards • GFirst LEP 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 • GFirst 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 providers ahead of the new service's roll-out in October 2014 in 	<ul style="list-style-type: none"> • Government will invest £5m in the GREEN project • Government recognises that the West of England, Heart of the South West and Gloucestershire LEPs are already working together on nuclear skills to support and capitalise on the significant opportunities at Hinkley Point C. With the Nuclear Industrial Strategy providing the national context for this work, Government commits to continuing to engage with the three LEPs on this agenda via the Hinkley Strategic Development Forum. This will include agreement on the right Governance, strategy and delivery models for the agreed priorities. The vision underpinning this work will add value to the interventions that are already in train through the Hinkley Deal • 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"> ○ 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.

<p>order to augment the service</p> <ul style="list-style-type: none"> • The Government expects GFirst LEP to open up new jobs created by projects funded from 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. 	<ul style="list-style-type: none"> ○ 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 • Government commits to working with GFirst LEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in Gloucestershire.
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Attracting, retaining and developing successful businesses

Gloucestershire's Growth Hub is a new and innovative approach to coordinating local and national provision and target effort to promote science, technology, engineering and maths (STEM) careers and give businesses all the tools they need to succeed. Government has committed £12.1m capital funding and £250k revenue funding to develop the Growth Hub. Visit England will also support the LEP's efforts to strengthen the tourism sector in Gloucestershire.

GFirst LEP commitments	Central Government commitments
<p><u>Growth Hub</u></p> <ul style="list-style-type: none"> • GFirst LEP will provide £32m of public and private funding in 2015/16 to support the delivery of the Gloucestershire Growth Hub, providing businesses in target sectors with the specific business support they need to grow • GFirst LEP will 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 	<p><u>Growth Hub</u></p> <ul style="list-style-type: none"> • Government will invest £12.1m capital funding to develop the Gloucestershire Growth Hub (£5.4m in 2015/16) • Government will provide £250k revenue funding to the LEP for growth hub business support coordination subject to minimum conditions that reflect the position agreed by the Government review on business support and services <p><u>Trade</u></p> <ul style="list-style-type: none"> • 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 <p><u>Innovation</u></p> <ul style="list-style-type: none"> • 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 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 <p><u>Tourism</u></p> <ul style="list-style-type: none"> • Visit England will continue to support the creation of a locally appropriate structure to facilitate tourism support and coordination to

	<p>enable growth in the Cotswolds. This would take the form of advice and expertise from Visit England on the emerging governance and operating model including analysis of options and signposting to other local areas as appropriate for insight and best practice</p> <ul style="list-style-type: none"> • At a stage when it is clear that the structure emerging will be a Destination Management Organisation (DMO) that will meet the criteria for the Destination Management Forum (DMF) and has an appointed representative, Visit England will invite the new to attend the DMF on a temporary basis until the organisation is fully formed and accepted as a formal member • If the locally appropriate structure does not take the form of a DMO, meeting the criteria for the DMF, Visit England will continue to engage with the area and the agreed structure as it does with all local areas which include engagement on marketing activity
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Exploiting opportunities to open-up new sites for development and providing the transport infrastructure to accelerate growth

In order to attract new investment into the County and help existing businesses expand the LEP aim to make well connected land available for development. To support this aim Government will provide £21.6m (of which £15.09m is a provisional allocation) to support a number of transport projects.

GFirst LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • GFirst LEP will work with local partners, the Homes and Communities Agency, and the Highways Agency specifically to explore the potential for development at junctions 9 and 10 of the M5 • GFirst LEP and partners agree that the LEP will 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 • GFirst LEP and partners agree that the LEP will take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities • GFirst LEP will support extension of 	<ul style="list-style-type: none"> • Government will invest in the following transport projects: <ul style="list-style-type: none"> ○ £4.4m for A419 Corridor improvements (£0.1m in 2015/16) ○ £1.2m for Improved access to Berkeley (£0.1m in 2015/16) ○ £4.7m for the A40 – Kings Quarter bus station (£2m in 2015/16) ○ £1m for the A40 – Lydney Transport Strategy (£0.1m in 2015/16) <p>Provisional allocations have been made for the following transport projects starting in 2016/17 and beyond:</p>

<p>superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects led by Gloucestershire County Council, GFirst 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, GFirst LEP will also work with local partners, including Gloucestershire County Council to help ensure match funding is in place for the next round of projects</p> <ul style="list-style-type: none"> • GFirst LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans • Progress on the development and delivery of the priority transport schemes identified by the Gloucestershire Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources. 	<ul style="list-style-type: none"> ○ £2m for A38 Berkeley Bridges ○ £3.8m for A40 – Cinderford Northern Quarter Link Road ○ £2m for Gloucester South West Bypass ○ £1m for St Barnabas Roundabout Scheme ○ £1.6m for A4063 Staverton Bridge Junction <ul style="list-style-type: none"> • The Highways Agency commits to working with Gloucestershire County Council to investigate whether a deliverable solution to the problems on the A417 Missing Link can be found. As part of this, Gloucestershire County Council have commissioned work that will help inform a future business case and the Highways Agency is currently also investigating whether there are lower cost options that could be delivered that could help address some of the issues on the A417. The outcomes of this work should help inform any future business cases that may emerge from Stage 2 of the Highways Agency's Route Strategy process. Stage 2 will prioritise issues on the network for consideration for funding from March 2015 • 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 • The Highways Agency commits to developing more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong
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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 license published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above

- 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
- The Homes & Communities Agency will liaise with LEP and local partners to coordinate its resources to expedite redevelopment of the Ashchurch site subject to the Ministry of Defence's agreement
- The Homes & Communities Agency will work with the local authorities and LEP to help identify and to best use their resources to acquire, de-risk and bring to market surplus public sector land
- The Homes & Communities Agency will work with the LEP to develop a Joint Investment Plan and agree priorities for investment in Gloucestershire
- The Homes & Communities Agency will offer assistance and guidance to the LEP and councils as they develop their plans for the regeneration of the Forest of Dean.

As part of the deal, GFirst LEP will:

- **Strengthen governance** by ensuring investment decisions are robust and represent good value for money, delivery of agreed actions, clarifying how the Local Transport Body (LTB) role will be delivered within the LEP structure and increasing collaboration and joint work between the councils.
- **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.