

## **SOUTH EAST MIDLANDS LEP GROWTH DEAL SUMMARY**

The South East Midlands LEP (SEMLEP) Growth Deal aims to drive growth across the area by investing in high profile strategic projects to deliver the necessary infrastructure to enable new homes to be built and new employment sites to be developed. It will provide support to new and existing businesses to enable them to grow and encourage inward investment, and ensure that young people improve their skill levels and to be better able to deliver the skills tailored to the needs of local businesses.

SEMLEP has secured **£79.3m from the Government's Local Growth fund to support economic growth in the area – with £30.6m of funding confirmed for 2015/16 and £23.9m for 2016/17 to 2021.** This includes:

- As part of the Government's ongoing commitment to the South East Midlands LEP a provisional award of a further £20.6m of funding for projects starting in 2016 and beyond; and
- £14.7m 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 £40m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £119.3m for the South East Midlands LEP**

By 2021, this Deal will create at least 3,000 jobs and allow 4,000 new homes to be built.

This builds on the Government's ongoing support for the SEMLEP area: £4m of funding from the Regional Growth Fund (jointly with Northamptonshire LEP), £18.7m from the Growing Places Fund, and £46m from the Public Works Loan Board to support the University of Northampton's proposed relocation to SEMLEP's Northampton Waterside Enterprise Zone.

The SEMLEP brings the local authorities from Aylesbury Vale, Bedford, Central Bedfordshire, Cherwell, Corby, Daventry, Kettering, Luton, Milton Keynes, Northampton and South Northamptonshire together with businesses, universities, colleges and social enterprises from across the area. This deal will give these partners greater influence over some of the key levers affecting local growth and freedoms and flexibilities to deliver enhanced growth. 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:

- Infrastructure and housing
- Business support and innovation
- Enhancing skills and employment opportunities

### **Summary of SEMLEP Growth Deal projects and funding**

<b>SEMLEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	20.1	23.9	44
<b>Previously committed funding</b>	10.5	4.2	14.7
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	20.6	20.6
<b>Total</b>	30.6	48.7	79.3

The table above includes increases to the Housing Revenue Account borrowing limit for Luton Borough Council by £150, 000 to help support the development of new affordable homes.

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.

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

- **Woodside Link, Bedfordshire:** the building of a new link road in Houghton Regis will enable major employment growth and help reduce congestion north of Luton
- **A421 improvements from Fen Farm to M1 J13, Milton Keynes:** dualling of this stretch of the A421 will allow for housing growth in the area without increasing congestion
- **Smarter Routes into Employment:** will deliver and promote sustainable transport choices within Luton and Dunstable, enabling people to commute sustainably and healthily between home, work and education
- **Northampton College, Daventry Campus:** will deliver a purpose-built campus that provides excellent vocational facilities that engages and inspires students to achieve
- **Leighton Linlade Engineering and Construction Skills Centre:** The new centre will have engineering and construction expertise to train young people and adults to work as technicians in these key sectors
- **Bletchley Station redevelopment, Milton Keynes:** creation of a high quality station gateway that will connect several recent developments and provide a catalyst for further investment.

**Projects with provisional allocations for starts in 2016/17 and beyond**

- **London Luton Airport Surface Access:** improved road access to the Century Park site which provides an important opportunity to grow airport related activity, the aerospace and high end engineering sectors.
- **Joining Up St James's Mill Road, Northampton Waterside Enterprise Zone** (supported by Northamptonshire Enterprise Partnership): creating an additional bypass and improved access leading into the Northampton Waterside Enterprise Zone and improving access to currently underutilised parts of the Zone.

**Local flexibility over Growth Deal programme:** The Government recognises the significant steps that SEMLEP 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 SEMLEP 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 SEMLEP Growth Deal**

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

### **Infrastructure and housing**

<b>SEMLEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>Invest £32m in the Woodside Link, Bedfordshire</li> <li>Invest £11.5m in the dualling of the A421 from Fen Farm to M1 J13, Milton Keynes</li> <li>Invest £0.75m in the Smarter Routes to Employment projects in Luton and Dunstable</li> <li>Invest £2m in the Bletchley Station redevelopment, Milton Keynes</li> </ul>	<ul style="list-style-type: none"> <li>Invest £10m in the Woodside Link, Bedfordshire (£6m in 2015/16)</li> <li>Invest £22.5m (£7m in 2015/16) in the dualling of the A421 from Fen Farm to M1 J13, Milton Keynes</li> <li>Invest £0.8m in the Smarter Routes to Employment projects in Luton and Dunstable in 2015/16</li> <li>Invest £1.5m (£1m in 2015/16) in the Bletchley Station redevelopment, Milton Keynes</li> <li>The Homes and Communities Agency commits to continuing its membership of SEMLEP's Property Development Infrastructure and Investment Delivery Group in order to assist SEMLEP in promoting programmes locally and steering priority developments towards opportunities for funding and support which is available through the Homes and Communities Agency.</li> </ul>
<b>Projects with provisional allocations</b>	
<ul style="list-style-type: none"> <li>Invest £90m in London Luton Airport Surface Access</li> <li>Ensure the necessary permissions are in place to decommission the rail line to enable the Joining Up St James's Mill Rd, Northampton Waterside Enterprise Zone project</li> <li>SEMLEP and partners agree to the Local Enterprise Partnership taking 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>SEMLEP and partners agree to the Local Enterprise Partnership taking 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>Kettering East: SEMLEP will continue to work with Govt and local partners to ensure that information needed for the business case is as robust as possible, and to seeking to maximise local public and private sector match funding to the potential funding package</li> </ul>	<ul style="list-style-type: none"> <li>Invest indicative allocation £20m to London Luton Surface Access</li> <li>Invest indicative allocation of £0.6m for Joining Up St James's Mill Rd, Northampton Waterside Enterprise Zone</li> <li>The Department for Transport will work with SEMLEP, Northamptonshire Enterprise Partnership, the local authorities and local partners to advise them on opportunities to release railway land to assist expansion of the Enterprise Zone. The release of railway land for redevelopment is subject to an independent regulatory process.</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</li> </ul>

process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with Local Enterprise Partnerships as key local stakeholders.

- The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth. It 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 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.
- The Government remains committed to working with local partners through the Kettering East Strategic Partners' Group, which is chaired by the Homes and Communities Agency, to drive forward the delivery of the housing and employment growth at the Kettering East Development. This commitment has already been demonstrated through the provision of funding both in terms of capacity funding for Kettering Borough Council and LIF funding from the Homes and Communities Agency for the private sector developer. We are now committing to ensure progress with the transport proposals for the Kettering East Development, this will be done by the Department for Transport and the Highways Agency taking forward the detailed development of the business case, scheme design, and determination of the appropriate planning process and delivery programme for the proposed new junction, 10a, on the A14. This will allow the consideration of the proposals for future investment decisions. In taking forward the development of the business case, the Government will look to finalise, with all Kettering East strategic partners, the potential funding package for the proposals on Junction 10a and the Weekley Warkton bypass between Government, SEMLEP, Northamptonshire LEP, local authorities,

	other local partners and the private sector developer.
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## Business support and innovation

SEMLEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Provide at least £150k 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>• SEMLEP will produce a proposal outlining how it intends to take forward LEP-University collaboration on the innovation agenda</li> <li>• SEMLEP will develop a proposal for an Enabling Rural Enterprise Programme. This provides an additional and bespoke level of support specifically aimed at businesses in the rural arena.</li> <li>• To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, SEMLEP will commit to work with local partners and BT to support delivery.</li> <li>• To support extension of superfast broadband coverage to 95% of UK premises by 2017, SEMLEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> <li>• SEMLEP will invest £8.8m to extend to the Superfast Broadband project to deliver 100% coverage.</li> <li>• SEMLEP will prioritise any underspends in 2015/16 to support up to £2m further investment in this programme</li> </ul>	<ul style="list-style-type: none"> <li>• Provide £300k funding for the SEMLEP Velocity business support service , subject to Velocity meeting minimum conditions that reflect the position agreed by the Government review on business support and services.</li> <li>• UKTI will commit to effectively communicating its strategic priorities to the LEP and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to sixteen. 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 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.</li> <li>• Defra will work with SEMLEP to help them develop their proposals for locally tailored support for rural businesses, as well as helping them identify possible sources of funding or other support mechanisms, including the use of European funds.</li> <li>• The Defra agencies will offer account manager arrangements to SEMLEP.</li> <li>• Provide the flexibility for SEMLEP to re-allocate underspends on other projects in 2015/16 to enhance delivery of the Superfast broadband project, retaining the overall allocation to project which have slipped.</li> <li>• If there are no underspends of Local Growth Fund in 2015/16 to support the SEMLEP investment, Government will provide further funding up to that level to ensure that the additional superfast broadband is delivered</li> </ul>

## Enhancing skills and employment opportunities

SEMLEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>Invest £8.5m in the rebuilding of Northampton College, Daventry Campus</li> <li>Invest £1.5m in the new Leighton Linlade Engineering and Construction Skills Centre</li> <li>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. SEMLEP will <ul style="list-style-type: none"> <li>consider skills implications as part of decision taking on growth strategies.</li> <li>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>positively engage the FE and skills sector in key strategic partnerships eg Skills and Employment Boards</li> <li>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> </ul> </li> <li>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.</li> <li>To achieve this, SEMLEP 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 order to augment the service.</li> </ul>	<ul style="list-style-type: none"> <li>Invest £6.5m in Northampton College, Daventry Campus (£3.6m in 2015/16)</li> <li>Invest £2.5m in Leighton Linlade Engineering and Construction Skills Centre (£1.5m in 2015/16)</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: SEMLEP will be involved throughout the process and providers' track records against SEMLEP's requirements will be considered as part of this assessment</li> <li>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.</li> </ul> </li> <li>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>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.</li> <li>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</li> </ul>

	<p>Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.</p> <ul style="list-style-type: none"> <li>• In return, the Government commits to working with SEMLEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in the South East Midlands</li> </ul>
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**As part of the deal, the LEP will:**

- **Strengthen governance:** SEMLEP commits to working with its constituent local authorities to review and strengthen the supporting local authority partnership arrangements alongside reviewing the structure and resourcing of the Board and the groups below Board level to ensure the available resources focus on delivery of the Local Enterprise Partnership's objectives for delivering growth. In particular, there will need to be a clear process for evaluating the successful delivery of projects and demonstrating the achievement of value for money, and clear reporting lines to the Board the Growth Fund Task Group and other relevant groups.
- **Ensure good value for money** where local flexibility exists, 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.
- **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.
- **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
- **Local plans:** SEMLEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans
- **NEETs:** SEMLEP will 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 is 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.
- **SEMLEP will continue to work in collaboration with Northamptonshire, Oxfordshire and Buckinghamshire Thames Valley** LEPs to ensure a seamless service to the businesses and residents of the overlapping areas.

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