

GROWTH DEALS 3 FACTSHEET – LONDON LEP

1. How much is the Government investing in the London LEP as part of the Growth Deal programme?

	Growth Deal One (July 2014)	Growth Deal Two (Jan 2015)	Growth Deal Three (Jan 2017)
Local Growth Fund Award	£236m	£58m	£141.28m
Total Award	£435.28m		

2. What will this new funding deliver?

This new tranche of funding will deliver:

- Skills for Londoners Capital Fund – further support to London’s colleges and skills facilities to help Londoner’s gain a wide range of skills that employers’ need, including support for a construction academy scheme and offender learning investment.
- Supporting London’s Local Economies – integrated projects on high streets and London’s employment spaces, including support to create more workspaces, and a crowdsourcing programme open to local community groups and social enterprise to delivery regeneration in their local areas.
- Unlocking Small Sites – an innovative programme that seeks to release small sites at scale, harnessing the skills and enterprise of London’s small and medium developers.
- Air Quality Programme – improving London’s air quality through a commercial boiler scrappage scheme and further grant support to businesses, organisations and Business Improvement Districts to implement measures to reduce pollution from their operations.

3. What has previous funding delivered?

This builds on previous Growth Deal investments in London which have already funded:

- Over £102m invested in 20 projects across London’s FE sector which are projected to provide support to over 120,000 students, deliver nearly 17,000 apprenticeships and deliver over 99,000 metres squared of new or improved learning space
- Seen £20m invested to create or safeguard over 4,000 jobs, support nearly 2,000 business and over 500 pre-starts and create nearly 60,000m² commercial space; and
- Plans to help over 1,000 young Londoners access new, industry approved learning opportunities and 500 University students gain new skills and work experience through SME placements.

4. How will this benefit the local community?

- The Skills for Londoners Capital Fund will support skills providers to offer high quality training and learning opportunities for members of their local communities in local growth industries as well as improving community cohesion and promoting progression to employment and learning through engagement of young people not in employment or training, support to learners with learning difficulties and disabilities improvements to design of public realm.

- The Unlocking Small Sites programme will offer opportunities for community-led housing groups, including community land trusts, co-housing groups and self-builders, to bring pockets of underused land back into use, and provide affordable housing and workspace for local people.
- Supporting London's Local Economies includes a significant increase in funding for the Mayor's innovative crowdsourcing programme, which creates opportunities for local community groups and social enterprises to propose and deliver regeneration projects in their local areas.
- Projects funded through the Business Air Quality Grants Scheme will enhance public health by reducing pollution and exposure to pollution, and supporting active travel.
- Through the Commercial Boiler Scrappage Scheme local businesses will benefit from a less polluted surrounding atmosphere and their staff will be less exposed to poor air quality, resulting in fewer days of work lost to health conditions that are caused or aggravated by poor pollution, such as asthma.

5. How will this benefit local businesses?

- The Skills for Londoners Capital Fund will benefit local businesses by supporting skills providers to offer high quality training in skills that businesses require including apprenticeship training and employee reskilling and upskilling training as well as offering on site support and space for SMEs to develop.
- Access to land has been identified by SME house builders as the most significant barrier to the delivery of new homes.^[1] A key objective of the Unlocking Small Sites programme is to boost the capacity of SME builders and developers by improving ease of access to small, publicly owned sites.
- The Supporting London's Local Economies programme will deliver improvements to high streets and create affordable workspace that will directly benefit London's micro, small and medium enterprises, creative enterprises and start-ups. It is projected to support 3,000 SME businesses, create 100,000 m² of new workspace, and generate 4,000 jobs.
- The Business Air Quality Fund will support businesses in a number of ways, including: supporting them to make efficiencies by optimising vehicle routes and reducing deliveries, supporting them to switch to cleaner vehicles, and supporting them (through the Business Improvement Districts) to enhance their local areas to make them more attractive for walking and cycling.
- The Commercial Boiler Scrappage Scheme will deliver capital investment of around £50m or more in renewable heating systems, helping to sustain work for London's low carbon and heating sectors (installers and manufacturers), in particular many SMEs which will deliver heating installations.

6. How will this Deal help the Government work to deliver one million homes in this Parliament?

The programmes will deliver 700 homes and is likely to support the development of additional homes once individual projects have been identified.

7. Other Sources of Funding for LEPs

This is currently the last round of Growth Deals that will take place in this Parliament. However, LEPs are eligible to bid for many other sources of funding, which they can use to make investments in significant economic projects in their local area.

^[1] http://resources.fmb.org.uk/docs/2016_House_Builders_Survey.pdf

The London LEP has successfully secured significant additional investment which will help to fund a number of projects:

- Growing Places Fund: £110.7m to support growth in London through the Growing Places Fund, enabling targeted investment in infrastructure that unlocks development
- Royal Docks Enterprise Zone funding: £12m to support infrastructure improvements at the Royal Docks Enterprise Zone. This is in addition to projected revenue of c£800m from business rates growth due to be made available to the LEP over the 25 year lifetime of the EZ.
- Regional Growth Fund: The RGF has made two awards in the London area totalling £18.2 million. These awards have attracted private investment of £320.5 million and will deliver 818 jobs by 2022.
- European Structural Investment Funds: €745.4m of European Funding supporting investment in innovation, businesses, skills and employment.
- £1m to support the further development of the London Growth Hub, the LEP's online gateway to business support in the capital.

Communities Secretary Sajid Javid said:

“As part of efforts to deliver an economy that works for everyone, the Government is devolving powers and resources directly from Whitehall to local people who know their areas best.

“That is why we're giving £141 million of new money to London to give businesses the support and opportunities they need to achieve their potential – on top of the £294 million we have already awarded”.

The Mayor of London Sadiq Khan said:

“This funding will be crucial in tackling some of the barriers to local growth currently facing the capital. Ensuring Londoners have a fit-for-purpose skills system is vitally important to meeting London's labour demands and the funding will help deliver that ambition. It will also help small businesses to be greener, reach new customers and access the workspaces they need.”