

LOCAL TRANSPORT BODY MEETING 15 JULY 2016

HERTFORDSHIRE LEP UPDATE

Purpose of the Report

To provide an update to the Local Transport Body about the LEP Strategic Economic Plan and the Growth Deal 3 bidding round

Background

Strategic Economic Plan Review

Over the last few months the LEP has been undertaking a review of the Strategic Economic Plan (SEP). During the course of the review it has been decided by the LEP Board to refine the nature of the review and broaden consultation.

Further Programme Board workshops have been held to progress key issues and wider stakeholder engagement has been undertaken via presentations at Hertfordshire Leaders Group, Hertfordshire Forward Strategy Group and Hertfordshire Public Sector Chief Executives' Group.

There has been broad agreement to the LEP Board view that a fundamental review is not necessary and that the SEP priorities remain correct.

In progressing the SEP, the following issues have emerged as important:

- to **look holistically**, particularly in relation to place
- to further develop Hertfordshire's **innovation ecosystem**
- to include a more **ambitious skills narrative**
- to **engage businesses better** and more consistently
- to engineer an **East-West narrative** alongside the radial one
- to play a central role in any emerging **devolution deal** (if progressed)

It was originally envisaged to combine the SEP review with the Growth Deal 3 timetable. However there is no requirement externally to do so. With this in mind it is proposed that the timescale of the SEP review is extended to the autumn in order that the above issues can be considered in more detail and to enable more formal and wider consultation.

It will also enable the work to reflect other key drivers such as the forthcoming FE Area Reviews and Science and Innovation Audits as well as playing a key role the emerging devolution themes relating to economic growth that the LEP has been engaged in over the past six months. This also includes exploring how the LEP can become more self-sustaining in future.

Growth Deal 3

Following the announcement of a further round of Growth Deals at the LEP National Conference, further guidance was issued to LEPs via a letter from Rt Hon Greg Clarke MP in April 2016. Essentially there is a three stage approach to the third round of Growth Deal funding:

1. Submission of a 'snapshot' (via an Excel Spreadsheet) of key information on potential projects – Deadline **24 June**
2. A Challenge Session with ministers to provide feedback on the each LEP's proposals – **19 July**
3. Final submission of Growth Deal proposals – **28 July**

There is no detailed guidance from Government but the letter (and subsequent correspondence via BIS Local teams) emphasises the following:

- New funding must lead to **additional growth** (i.e. above Round I/II)
- Proposals must be underpinned by **collaboration and reformed governance**
- Greater **private sector investment** is expected
- Proposals must **reflect government's objectives** (e.g. FE Area Reviews, Devolution etc.)
- Allocations will be Informed **by progress on Growth Deal I/II** via the Annual Conversation discussions and recent NAO Audit

In response, the LEP executive distributed a note to partners on 19 May outlining our approach which was essentially marrying two processes:

- **Top down:** the key strategic interventions that were emerging as part of the SEP refresh process
- **Bottom up:** those schemes identified through an early "call for projects" that was launched in September 2015 and considered by the Board in January 2016

A project pro forma form was also distributed and the LEP executive has been working with partners on the development of proposals.

Current Position with Growth Deal 3

1. The LEP Board met on 23rd June and agreed the draft submission to BIS. The Board made a number of detailed comments which were incorporated into the submission. The draft submission included two key elements:
 - a. An overall narrative on progress made, how we are addressing Government priorities and outline of approach
 - b. A Summary Table of prioritised schemes for submission for Growth Deal funds
2. The draft growth deal submission was submitted to BIS by the deadline of **24th June**
3. The summary table plus individual pro formas for transport-related projects goes to the Local Transport Body for discussion on **15th July**
4. Challenge Session with ministers on **19th July**

5. The final submission will be signed off by the LEP chair some time between the Challenge Session with Ministers on 19th July and the final submission date of 28th July
6. The final submission (and accompanying papers) will be submitted to BIS by the deadline of **28th July**

A copy of the current Summary Table is set out below. At the time of writing the GD3 proposals are still a very fluid and challenging process, and work is ongoing on a daily basis, so the information contained in the Summary Table is work in progress and will change. Transport-related projects are highlighted.

Recommendation

The Local Transport Body is asked to:

1. Comment on any of the GD3 projects being developed, with a particular focus on transport-related projects
2. Subject to any comments in 1 above, approve the submission in principle of the GD3 proposal

Adam Wood
Infrastructure Delivery Manager, Hertfordshire LEP

Project Name	Synopsis	Total funding investment	Call on GD3	Outcomes
A1(M) Growth Area				
<p>Stevenage First – Stevenage Railway Station</p> <p><i>Strategic Intervention</i></p> <p>(Lead Stevenage First)</p>	<p>This is a major project to construct a new railway station in Stevenage town centre to replace the existing outdated and inadequate station. The new station is closely aligned with the Government’s trailblazer concept and will significantly contribute to the regeneration of the town centre, stimulate housing growth (including starter home fund schemes), safeguard existing high value jobs and create new ones, and encourage the retention and growth of businesses (especially corporates such as Airbus) in one of Hertfordshire’s key centres of employment.</p> <p>The station renewal scheme will bring operational improvements by enabling the station to handle significantly increased numbers of passengers more safely by addressing existing congestion and safety issues for the long term and helping to better accommodate the planned 5th platform that is part of the Thameslink programme of network improvements. The new facility will offer a much greater and more secure additional income for Network Rail and train operating companies (TOCs) through a greatly improved retail offer that will help tie it more closely to the town and its surroundings. It will also stimulate creation of a new theatre and leisure centre, and enable the transformation of land currently being used for surface level car parking and carriageway that severs the town’s employment and town centre functions into valuable office and retail space by the provision of a multi-storey parking, construction of a new transport interchange better connecting bus, taxi and rail services and encouraging the uptake of sustainable transport to help address congestion issues.</p>	£417.1m	£49.5m	<p>1,881 homes</p> <p>3,222 jobs</p> <p>3,283 car spaces</p> <p>9.66 ha of brownfield land improved</p>
<p>Stevenage Aerospace Science Cluster and Catalyst</p> <p><i>Strategic Intervention</i></p> <p>(Lead Herts LEP)</p>	<p>This is a long term venture that will contribute to the long term regeneration of Stevenage and will complement the investment that is proposed for the regeneration of Stevenage town centre. The focus here is strongly knowledge-based and the spatial focus will be to the east of the railway line, on Gunnels Wood Road.</p> <p>The project itself has three main components (each of which will include development of a detailed business case that addresses market failures and explores issues of viability):</p> <ul style="list-style-type: none"> • Early exploratory discussions with corporates surrounding the possibility of working towards an incubation and open innovation collaboration facility, and/or a make-it facility, for supply chain companies and potential spin-outs; in principle, this could complement the work of the Satellite Applications Catapult at Harwell • Developing a Stevenage Science and Engineering Catalyst with a focus on the provision of advanced manufacturing/engineering skills and techniques which will have a physical presence on Gunnels Wood Road (but will be a resource for the whole of Hertfordshire). This aspect of the programme will work with local providers including colleges and universities to: explore existing skills within this sector, assess existing and likely future market demands, carry out an audit of skills provision offered by FE/HE sector across Herts, and integration/connectivity opportunities resulting from the project • Putting in place a resource to promote and animate the cluster actively – ensuring synergies between the three main strands and raising the profile of the venture as a whole, including to inward investors 	£15.13m	£15.13m	<p>Outputs to be added and are likely to include:</p> <p>New high value jobs</p> <p>Collaboration opportunities</p> <p>Start-ups</p> <p>Businesses assisted</p> <p>Skills development (HE, FE, UTCs, apprenticeships)</p> <p>Brownfield land improved</p>

Project Name	Synopsis	Total funding investment	Call on GD3	Outcomes
M1/M25 Growth Area				
<p>EZ Infrastructure Interventions</p> <p><i>Strategic Intervention</i></p> <p>(Lead EZ Board)</p>	<p>This project proposes upgrades to transport and soft infrastructure that will serve the Enterprise Zone at Maylands Business Park, Hemel Hempstead including concepts that in combination will provide an improvement to existing traffic and travel conditions in the area, improve access to the Maylands industrial area, make journeys by more sustainable modes of travel more feasible and attractive than they are at present and help facilitate planned new development, including growth within Maylands, Spencer's Park and the East Hemel Hempstead development in conjunction with developer-led infrastructure measures.</p> <p>It also includes a study regarding what infrastructure needed to be in place for the development of new greenfield sites on the Enterprise Zone to accommodate the growth and a study to explore an Enviro-tech enterprise centre linked closely with the existing Maylands Business Centre, plus Rothamsted agri-research centre and BRE building research centre</p> <p>In summary these projects are:</p> <ol style="list-style-type: none"> 1. Converting existing roads to 'Quietways' to discourage rat-running / through traffic and make them more attractive routes for cyclists and pedestrians 2. Access improvements to the Nickey Line, a disused railway line which has been redeveloped as a cycle and walking path, and is part of the Oxford to Welwyn Garden City route of the National Cycle Network 3. New / improved pedestrian and cyclist crossing facilities to address existing severance and enhance access to the Maylands area from surrounding residential areas 4. Utilities study regarding what infrastructure needed to be in place for the development of new greenfield sites on the Enterprise Zone to accommodate the growth 5. Enviro-tech enterprise centre feasibility study to be carried out to develop a business case and detailed design work for a proposed new enterprise centre. The new centre will link closely with the existing Maylands Business Centre, plus Rothamsted agri-research centre and BRE building research centre 	£2,080m	£1.092m	<p>Outputs to be determined by WebTAG</p> <p>Note: outputs are for EZ as a whole are:</p> <p>3,400 homes</p> <p>8,000 jobs</p> <p>800 new businesses</p>
<p>EZ Open Innovation Hub</p> <p><i>Strategic Intervention</i></p> <p>(Lead BRE)</p>	<p>The project will lead to the establishment of an enterprise and innovation hub on the BRE campus in South West Herts. The campus comprises 26 hectares adjacent to the M1 motorway near Bricket Wood on a site in the Metropolitan Green Belt.</p> <p>The project will entail the deconstruction of an outdated, structurally-unsound, 1960's office block and its replacement with a new build facility offering incubation space to start-up and early stage SMEs as well as and research functions from larger organisations and global research institutions.</p> <p>The project is part of a wider plan to rationalise the current site and to maintain BRE's reputation as a centre of excellence for the UK construction industry. The building will support research, innovation and enterprise aligned to key strategic needs for BRE, which are in turn aligned to the big challenges faced by the sector.</p>	£12.09m	£3.09m	<p>100 homes</p> <p>150 jobs</p> <p>25 new businesses</p> <p>15 new business collaborations</p>

Project Name	Synopsis	Total funding investment	Call on GD3	Outcomes
Watford Junction Railway Station <i>Strategic Intervention</i> (Lead WBC)	<p>Watford is on an exciting journey of regeneration with four major projects transforming the town and taking it into the 22nd century:</p> <p>Project 1: MLX - work to re-route and extend the Metropolitan Line to Watford Junction has already started. The aim is for the project (formerly known as the Croxley Rail Link) to be completed in 2020. The extension will divert Metropolitan line trains to serve the existing Watford Junction and Watford High Street Stations</p> <p>Project 2: Watford Health Campus - this circa £300million scheme brings together public and private sector to transform a large area of land surrounding Watford Hospital. Over the next 15-20 years, the Watford Health Campus will create an attractive new community that will deliver new jobs, homes, green and public open space and community facilities.</p> <p>Project 3: Cassiobridge Corridor - forming SPA6 of the Core Strategy, this is a multi-dimensional programme of redevelopment comprising the following schemes: Watford Business Park Regeneration; Ascot Road Redevelopment; Croxley View</p> <p>Project 4: Watford Junction - a master-plan is being finalised for Watford Junction. The preferred scheme would see the 14ha site transformed into an urban quarter with 2,771 new homes and 74,000 sqm of office and hotel floor space, supporting retail, education and social infrastructure provision. Critical to the success of this scheme will be a new pedestrian bridge extending from the existing station building across the railway lines landing close to the existing Balmoral Estate. This proposal is for detailed design work for the new station and bridge and development of a detailed funding model</p> <p>Only Project 4 is the subject of a proposal under GD3. The remaining projects are being funded under other regeneration programmes</p>	£250.0m	£1.596m	<p>No direct outputs</p> <p>Note: the study and design work will identify opportunities for delivery of growth and outputs stemming from Watford Junction regeneration such as new urban housing and new job opportunities</p>
Dacorum Campus Phase 2 <i>Key Project</i> (Lead WHC)	<p>The Project will create a flagship campus that provides a sub-regional centre of excellence for local business and people, delivering a broad based Engineering curriculum from Level 1 to Level 3 with specialist routes at Level 3 and above in Electronic Engineering as well as the Software Engineering that underpin new and emerging growth sectors</p>	£14.61m	£5.15m	<p>145 homes</p> <p>3,200 m2 new floor space</p> <p>855 apprenticeships</p> <p>1,029 FT students</p> <p>1,266 PT students</p> <p>513 jobs</p> <p>All skills/jobs outputs are over 3 years</p>
Two Waters Hemel Hempstead	<p>Two Waters is the second key gateway to Hemel Hempstead acting as a major transport hub for the town with two rail stations and two of the busiest road junctions/interchanges in the Borough. Land within this area is currently heavily underutilised and has a great deal of potential to bring forward both residential and employment development.</p>	£1.27m	£1.22m	<p>1,150 homes</p> <p>450 jobs</p>

Project Name	Synopsis	Total funding investment	Call on GD3	Outcomes
<p><i>Key Project</i> (Lead DBC)</p>	<p>This project will include working with private landowners as well as with DBC 12 new businesses owned land, to remove barriers currently stopping development.</p> <p>This project will assist in delivering:</p> <ol style="list-style-type: none"> 1. Hemel Hempstead Station Regeneration and housing delivery (approx. 800 units) mixed use improved station including retail and restaurants 2. National Grid site infrastructure changes – accelerate housing development.(350 units) 3. Two waters access and movement study – infrastructure improvements to unlock the area for further development (similar to the Maylands Growth Corridor work) 4. Detailed master planning of the Hemel Station Gateway site. 5. Feasibility around station relocation and facilitate a “parkway” type station and further employment land 			12 new businesses
A10/M11 Growth Area				
<p>Crossrail II – Waltham Cross Regeneration Opportunities <i>Strategic Intervention</i> (Lead BBC)</p>	<p>Crossrail II represents a substantial opportunity for eastern Hertfordshire: it is likely to be transformational in terms of connectivity with central London (and further south). It should open up opportunities for the businesses and residents of eastern Hertfordshire as a result of agglomeration and specialisation effects. The consequence is that areas which are close to Crossrail stations ought to be well-placed for additional growth.</p> <p>However some of those places – notably Waltham Cross – are currently in need of regeneration, particularly in relation to the town centre.</p> <p>There is a need to bring the opportunity and the need together – recognising that:</p> <ul style="list-style-type: none"> • in relation to Waltham Cross, there is a need to learn from experience elsewhere, particularly in terms of places that have benefited from substantial infrastructure investment (e.g. Ashford in Kent in relation to HS1) • the model that is developed needs to be capable of being rolled out to other “station towns”, whether those benefitting from Crossrail II or those further north that might gain from improvements to the West Anglia Main Line 	£0.2m	£0.1m	<p>No direct outputs</p> <p>Note: the study will identify opportunities for delivery of growth and outputs stemming from Crossrail II such as new urban housing, improved retail offer and new job opportunities</p>
<p>West Anglia Mainline Intermediate Infrastructure Improvements <i>Strategic Intervention</i> (Lead Herts LEP)</p>	<p>Hertfordshire LEP is an active member of the West Anglia Taskforce, working with three other LEPs (GCGP, SELEP and London Enterprise Panel). Overall, the ambition is to ensure that the West Anglia Main Line is upgraded in a manner that anticipates fully the potential synergies with Crossrail II. This will mean that greatly enhanced links from Surrey, across London, and into Hertfordshire will be extended to Cambridge; this in turn should signal significantly enhanced service provision from intermediate stations such as those at Bishop’s Stortford and Broxbourne. Local partners – including Stansted Airport – have indicated a strong level of support for this venture.</p> <p>The intention is to take it forward in three main phases:</p>	£2.2m	£2.2m	<p>No direct outputs</p> <p>Note: the study will identify opportunities for delivery of growth and outputs stemming from WAML upgrading such as new housing and new job opportunities</p>

Project Name	Synopsis	Total funding investment	Call on GD3	Outcomes
	<ol style="list-style-type: none"> 1. A period of developmental work that will commence once it is clear which train operating company (TOC) has been awarded the franchise for the West Anglia Main Line (a decision is expected in the summer) 2. Minor infrastructure improvements to improve reliability 3. Significant investment to extend the West Anglia Main Line from a two-track to a four-track railway (which will in turn increase the frequency of and speed of services, and could be transformative) 			
A10 Buntingford <i>Key Project</i> (Lead HCC Highways)	<p>This project proposes major improvements to the roundabout on the A10 where it meets London Road, the southern exit from Buntingford. This improvement will address capacity issues on the roundabout which will evolve as the result of future development in and around the town and, if not addressed, will cause severe congestion on the A10 itself and within the town. The project will also ensure the roundabout is future-proofed against the need to dual the A10 south of this roundabout in the future although that does not form part of this project.</p>	£2.02m	£1.52m	Outputs to be determined by WebTAG
Essex Road Hoddesdon <i>Key Project</i> (Lead HCC Highways)	<p>This project proposes major improvements to the infrastructure at the gateway to the Essex Road major employment area in Hoddesdon.</p> <p>This will include a new or significantly upgraded bridge over the New River and the road links to either side of it along with all-modes improvements along Essex Road from the Dinant Link Road through to the employment area, with the aim of growing employment opportunities and, critically, improving productivity by enabling much quicker ingress and egress to the business area</p>	£12.36m	£10.91m	Outputs to be determined by WebTAG
County-wide Priorities				
A414 Growth Corridor Study and Strategy <i>Strategic Intervention</i> (Lead A414 Group)	<p>This project proposes developing an overall transport and growth strategy for the A414 transport corridor. The strategy will require a detailed study to examine the transport needs of the proposed and emerging growth options, their implications, and how they can be delivered along the A414 in Hertfordshire between Harlow to the east and Hemel Hempstead to the west.</p>	£1.91m	£1.91m	<p>No direct outputs</p> <p>Note: the study will identify opportunities for delivery of significant growth and outputs</p>

Project Name	Synopsis	Total funding investment	Call on GD3	Outcomes
Skills Equipment & Estate Fund <i>Key Project</i> (Lead Herts LEP)	A grant fund for the purpose of supporting Hertfordshire based skills providers to procure new or upgraded capital equipment items to ensure that they continue to offer skills provision that is relevant to and meets both current and future skill related needs of local employers	£15.0m	£5.0m	1,000 apprenticeships 600 new jobs Note: detailed outputs to be calculated as depends on business case submitted by each FE college
	TOTAL NEEDS CHECKING	£759.855m	£96.275m	