

LOCAL TRANSPORT BODY MEETING 13th October 2016

Growth Deal Round 3 Update

Purpose of the Report

To provide an update to the Local Transport Body about the LEP Growth Deal 3 bidding round.

Background

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 was 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 worked with partners on the development of proposals.

Final Growth Deal 3 Submission

The LEP submitted its GD3 proposition to BEIS by the deadline of the 28th July. The LEP's bid is seeking resources of £87.13m from the Local Growth Fund. This will leverage support from private and public sector partners to create a £524.55m investment package.

Under the proposal we are seeking to advance eight projects. In priority order, these are:

1	Stevenage First: Stevenage railway station redevelopment	Transformative investment in a new railway station for Stevenage GD3 £54.68m
2	Enterprise Zone: Open Innovation Hub	Demolition of a derelict building and replacement with new building to create an enterprise and innovation hub at BRE GD3 £3.06m
3	Enterprise Zone: Infrastructure Interventions	Investment to encourage a modal shift in respect of the EZ, and wider feasibility work GD3 £1.06m
4	Skills Equipment and Estate Fund	Loans/grants for Hertfordshire-based skills providers seeking to upgrade either estate or capital equipment GD3 £9.18m
5	Dacorum Campus Phase II	Investment in a flagship Further Education College campus in Hemel town centre GD3 £5.1m
6	Essex Road, Hoddesdon	Improvements to a bridge to enhance access to an industrial site GD3 £10.79m
7	A10 Buntingford	Improvements to the capacity of a roundabout on the A10 GD3 £1.46m
8	A414 Growth Corridor	Studies to analyse growth capacity and options across the A414 Corridor, a major focus for growth GD3 £1.86m

These projects will support the delivery of a range of outputs/outcomes, including:

- 6,731 homes to be delivered between 2017 and 2031 (of which, 1,462 homes will be delivered between 2017 and 2021).
- 13,133 jobs to be delivered between 2017 and 2031 (of which, 3,687 jobs will be delivered between 2017 and 2021).
- 2,655 apprenticeships to be delivered between 2017 and 2021 (with annual increments in subsequent years).
- 124 new businesses to be created in the Enterprise Zone between 2017 and 2031 (of which, 31 will have been created between 2017 and 2021).

In addition, Hertfordshire LEP is committing to:

- strengthening arrangements for project governance and delivery; for our highest priority project, Stevenage Railway Station, this may require a Local Delivery Vehicle.
- continuing to work with partners to advance a Hertfordshire Devolution Deal.
- continuing to work alongside neighbouring LEPs, particularly in respect of connectivity and growth agendas.
- developing its approaches to monitoring and evaluation, such that impacts are better understood and the learning from our different projects – and from the Growth Deal as a whole – is properly captured.
- continuing to work closely with all our partners and stakeholders, including local councillors, MPs and businesses.

BEIS has subsequently asked for additional information about the Stevenage Station project regarding governance, scalability, track record of delivery and consultation processes.

A decision on GD3 is due by the Autumn Statement on 23rd November. A copy of the submission to BEIS is set out below.



Herts GD3 Narrative
(Final).docx

Recommendation

The Local Transport Body is asked to note this report

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