

THE MARCHES GROWTH DEAL

The Marches Growth Deal supports growth in the three urban centres of Hereford, Shrewsbury and Telford, through investment in critical transport and infrastructure improvements. This will enable the development of housing, employment and mixed use development sites, supporting job creation and allowing new homes to be built.

The Growth Deal will bring together local, national and private funding as well as new freedoms and flexibilities to focus on two key priority areas.

- Enabling and accelerating new housing and employment sites
- Growing the local skills and business base

The Marches LEP has secured **£75.3m from the Government's Local Growth Fund to support economic growth in the area – with £10.4m of new funding confirmed for 2015-16 and £12.3m** for 2016 to 2021. This includes:

- as part of the Government's ongoing commitment to the Marches LEP a provisional award of a further £41.9m of funding for projects starting in 2016 and beyond; and
- £10.7m 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 £20m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £95.3m for the Marches area.**

By 2021, this Deal will deliver at least 6,000 jobs and allow 3,000 homes to be built.

The Marches LEP brings together the Local Authorities and Business Boards for Herefordshire, Shropshire and Telford & Wrekin, and the universities of Wolverhampton and Harper Adams.

Summary of Marches LEP Growth Deal projects and funding

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

The Marches LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	10.4	12.3	22.7
Previously committed funding	2.4	8.3	10.7
Provisional allocation to projects starting in 2016/17 and beyond	-	41.9	41.9
Total	12.8	62.6	75.3

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.

The Marches LEP and Central Government have agreed to co-invest in the following jointly-agreed priorities for 2015-16

- **Telford Growth Package** - Improvements to key junctions; utilities and infrastructure delivering three employment and housing extension sites
- **Hereford City Centre Transport Package** - A new link road, enabling a major mixed-use development, integrated with the city centre, delivering retail, leisure, tourism, employment, housing and other development.

The Marches LEP and Central Government agree the following priorities for 2016-17 to 2020-21

- **Shrewsbury Integrated Transport Package** – Six major junction upgrades on main arterial routes, managing traffic and transport initiatives to reduce congestion.
- **Telford Eastern Gateway** - M54 J4 improvements and on-site infrastructure delivering 31 hectares of serviced employment land only 12 miles from the new Jaguar Land Rover engine plant.
- **Oxon Link Road** – Link road to support the growth of Shrewsbury through two large green-field urban expansions accelerating the release of land for employment and housing.
- **South Wye Transport Package** - Transport improvements to the southern elements of the Hereford transport network which supports the Enterprise Zone and a new housing development.
- **Telford Bus Station** - Relocation of bus station as part of the town centre redevelopment, opening up new retail space and improved connectivity.
- **The Marches Skills Capital Programme** – to support delivery of a programme of projects ensuring the Marches has world class skills training infrastructure and increased capacity to deliver the highest quality training.

Local flexibility over Growth Deal programme: The Government recognises the significant steps that the Marches LEP has 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 the Marches LEP to achieve increased flexibility ahead of the first payments in April 2015.

The Growth Deal does not amount to an endorsement of everything submitted in the Local Enterprise Partnership's 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 Marches Growth Deal

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

Enabling and accelerating new housing and employment sites

A comprehensive package of transport improvements totalling £61.3m over the lifetime of this deal with £10.4m confirmed for 2015-16. Collectively this package supports growth in the Marches three urban centres of Hereford, Shrewsbury and Telford, enabling development of new sites for housing and employment delivering a total of 5,900 jobs and 3,408 houses over the lifetime of this deal. The Government is also offering the Marches LEP and Telford & Wrekin Council the opportunity to continue working with Government to review the case for sharing land sale receipts of agreed Homes and Communities Agency (HCA) assets in Telford over an agreed profile, the local share of which, together with other local investment, would support a Marches Investment Fund and local public and private commitment to economic growth.

The Marches LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Invest £7.07m in the Telford Growth Package. • Invest £21.07m in the Hereford City Centre Transport package. • Work with the Homes and Communities Agency and Central Government to develop a robust business case for sharing receipts for specific Homes and Communities Agency sites in Telford. • Identify the local investment that will contribute towards a Marches Investment Fund (e.g. receipts from the Hereford Enterprise Zone, the LEP's Growing Places Fund etc.) • The Marches LEP and local planning authorities commit to working together to deliver housing provided for in Local Plans. • The Local Enterprise Partnership and partners agree to the Local Enterprise Partnership taking a more proactive role in consultation on long-term rail planning and franchise specification; and providing a co-ordinating role between constituent local authorities. • Take a more proactive role in consultation on long-term strategic road network planning and providing a co-ordinating role between constituent local authorities. 	<ul style="list-style-type: none"> • Invest £10.3m (including £5.0m for 2015-16) in the Telford Growth Package. • Invest £12.4m (including £5.4m for 2015-16) in the Hereford City Centre Transport package. • Enhance the existing relationship between Telford & Wrekin Council and the Homes and Communities Agency we commit to an on-going dialogue with these partners on: <ul style="list-style-type: none"> ○ piloting the expansion of the current arrangements to cover residential disposals; ○ exploring the potential for sharing receipts above an agreed profile between the Homes and Communities Agency and The Marches LEP (subject to detailed negotiation and completion of a positive business case which can demonstrate an acceleration in the disposal of land and at a higher value); and ○ the case for, and scope of, an Investment Fund into which a local share of land sale proceeds might be directed. • 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

	<p>process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders.</p> <ul style="list-style-type: none"> The Highways Agency commits to developing a more proactive and collaborative approach to promoting national and local growth and 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.
<ul style="list-style-type: none"> Invest £7.57m in the Shrewsbury Integrated Transport Package. Invest £1.6m in the Telford Eastern Gateway. Invest £7.98m in the Oxon Link Road. Invest £7.098m in the South Wye Transport Package. Invest £0.6m in the Telford Bus Station. 	<ul style="list-style-type: none"> Provisional allocation of £38.5m for the following later starting projects: <ul style="list-style-type: none"> Shrewsbury Integrated Transport Package (£2.4m) Telford Eastern Gateway (£3.6m) Oxon Link Road (£4.2m) South Wye Transport Package (£27m) Telford Bus Station (£1.3m)

Growing the local skills and business base

This deal includes funding to support creation of a Marches Growth Hub to provide comprehensive and easily accessible information and advice to new and established businesses in the area. In addition, a provisional allocation is identified to support delivery of capital projects to increase the skill base across the Marches through improving infrastructure and capacity to deliver world class training.

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.

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

The Marches LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Provide £100k of public and private funding in 2015-16 to support the delivery of the local Growth Hub. • 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. • To support improvements in skills infrastructure and capacity through projects supported from the Marches Skills Capital funding allocation. • Continue to work with the Skills Funding Agency to develop skills capital proposals under the Skills Funding Agency Assurance framework. • To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, the Marches 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, the Marches LEP will also work with local partners to help ensure match funding is in place for the next round of projects. 	<ul style="list-style-type: none"> • Provide £250k funding to the Marches LEP for Growth Hub business support coordination in 2015/16, subject to the Growth Hub meeting minimum conditions reflect the position agreed by the Government review on business support and services • UK Trade and Industry (UKTI) will commit to effectively communicating its strategic priorities to the Marches LEP and, where possible, help the LEP 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. • 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. • £3.3m 2016-17 provisional allocation to support essential skills capital projects in the Marches
<p>Influencing skills provision and careers advice</p> <ul style="list-style-type: none"> • The Government expects the Marches LEP to 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 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. • The Marches LEP will facilitate stronger linkage between education providers and local businesses. The LEP will also work with relevant local stakeholders to communicate LEP priorities and align the LEP offer to the National Careers Service (NCS) providers ahead of the new service's roll-out 	<ul style="list-style-type: none"> • The Government commits to working with the Marches LEP to help ensure that local employer priorities are fed into the operations of the new NCS providers in the Marches. • 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>in October 2014 in order to augment the service.</p> <ul style="list-style-type: none"> • The Marches LEP will consider skills implications as part of decision taking on growth strategies. • The Marches LEP will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the Further Education (FE) and skills sector. • The Marches LEP will positively engage the FE and skills sector in key strategic partnerships e.g. Skills and Employment Boards. • The Marches 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. 	<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 Government 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.
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As part of the deal, the Marches LEP will:

- **Strengthen governance** by building on the work underway, to review and strengthen the LEPs arrangements for prioritisation, resourcing of the LEP, and local authority collaboration on economic development in support of agreed LEP priorities, across the Marches.
- **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.