

Economic Development Sub-Committee

Item No.

Report title:	Growth Deal Update
Date of meeting:	30 March 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact Growth Deal funding is a key source of infrastructure/project funding for the county. A number of projects are being funded from existing allocations including a major package of transport improvements in Great Yarmouth, development of the Great Yarmouth Third River Crossing and part-funding of the Lynn Sport Access Road in King's Lynn. Securing further Growth Deal funding for priority projects will contribute directly to the County Council's priority of Good Infrastructure.	

Executive summary

Government announced £1.8 billion of Growth Deal funding (the third such round) to 39 Local Enterprise Partnerships in the 2016 Autumn Statement. £151m was allocated to the three east of England Local Enterprise Partnership (LEPs) (New Anglia, Greater Cambridgeshire Greater Peterborough and the South East).

Government confirmed £69m (just under half of the east of England allocation) to New Anglia LEP in February this year. This funding covers the period 2018/19, 19/20 and 20/21. NALEP has a number of streams to which they will allocate the funding. £22m has been identified for capital infrastructure.

The LEP Board will be responsible for allocating funds to specific projects. The decision-making process and timeline has yet to be determined. The LEP is currently devising criteria against which they will develop funding priorities.

Norfolk County Council is working with others to identify priorities and develop the supporting business cases. This will seek to maximise the chances of securing additional growth deal funding to develop and deliver infrastructure priorities across the county as part of Growth Deal 3. A further report will be taken back to Members at the appropriate time for comment and review of the proposed priority projects.

Recommendations:

Members are asked to note the further round of Growth Deal to New Anglia LEP, and that a further report will be brought to committee later in the year setting out a proposed priority list of infrastructure with projects assessed against the LEP's criteria.

1. Proposal

- 1.1. Government confirmed a further £69m allocation from Growth Deal to New Anglia Local Enterprise Partnership, to cover the years 2018/19, 19/20 and 20/21. At present we do not know the profile of this funding stream across each of the years, or the decision-making process and timeline of the LEP Board, which will be responsible for allocating funds to specific projects.
- 1.2. However, local authorities and others are likely to be required to prepare

business case submissions for consideration by the LEP Board with the funds being awarded on a competitive basis. To maximise chances of success, projects will need to demonstrate how they are delivering the LEP's Strategic Economic Plan (ie how they will bring forward jobs or housing growth); and to show that they can be delivered within the funding profiles.

- 1.3. At this stage Members are asked to note the further allocation of Growth Deal to New Anglia LEP and the process that has been put in place within Norfolk County Council to further develop the business cases for the priority projects. A further report will be brought back to members setting out a proposed priority list of infrastructure with projects assessed against the LEP's criteria, which are currently being devised. This can be done once the process and timeline becomes clearer; likely to be towards the end of the year.

2. Evidence

- 2.1. Government has announced £69m Growth Deal funding for New Anglia LEP up until 2021. This will be allocated across a number of funding streams as per the LEP's bid to government:
 - £22m Capital Infrastructure Fund (projects that demonstrably unlock additional growth)
 - £12m Enterprise Zone Acceleration Fund (aimed to initiate development on the EZs)
 - £15m Innovation and Productivity Fund (supporting businesses to be more productive and invest in innovation and the creation of knowledge intensive jobs and business activity)
 - £20m has been pre-committed (£10m to the Norwich Northern Distributor Road and £10m to Lowestoft flood defences).
- 2.2. Perhaps of most relevance for the county council is the Capital Infrastructure Fund. Norfolk has been successful in securing over £30m of Growth Deal for transport infrastructure to date, including for a major package of transport improvements in Great Yarmouth, development of the Great Yarmouth Third River Crossing and part-funding of the Lynn Sport Access Road King's Lynn. The other funding streams are of more relevance to others including businesses. Officers will however be having discussions with the LEP on the use and relevance of these funds for bringing forward projects.
- 2.3. It should be noted that the LEP Board has been asked to agree a contribution of £3.3m – likely to be taken out of the Capital Infrastructure Fund – to bring forward and secure onward delivery of major rail improvements in the Ely area. This contribution will be matched by GCGP LEP and a further contribution from the rail freight industry. The amount of funding remaining in this pot is therefore some £18.7m.
- 2.4. More clarity around the LEP's decision-making process and timing for allocating the available funding to projects will be forthcoming over the summer. The LEP is currently devising criteria against which they will develop funding priorities. A further report will be brought to the Committee once the details of this are known and preliminary work has been done on identifying county council priorities and development of supporting evidence and business cases.

3. Financial Implications

- 3.1. There are no financial implications at present. Development of the business cases and other supporting evidence will be met from existing resources. An element of match-funding towards projects is required to maximise the chances

of securing Growth Deal. Likely sources of match funding include private funding – through developer contributions – or the county council’s local transport plan allocations.

4. Issues, risks and innovation

- 4.1. The key risk to securing Growth Deal for the county council’s priority projects is differences between county council priority objectives and the LEP’s. This risk will be managed via ongoing dialogue between LEP and county officers, ensuring respective priorities are understood and accounted for.

5. Background

- 5.1. Growth Deals provide funds to local enterprise partnerships for projects that benefit the local area and economy. The first wave of Growth Deals was announced on 7 July 2014. Government expanded the deals on 29 January 2015, investing a further £1 billion in local economies across England (known as Growth Deal 2). Round 3 of local growth funding for London, the South East and the East of England was announced on 2 February 2017.

All funding covers the period up to 2021.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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