

## **HERTFORDSHIRE GROWTH DEAL**

The Deal will foster growth in Hertfordshire through investment around its New Towns and by building on its strategic location at the heart of significant UK science assets. The Hertfordshire economic strategy is to drive growth by investing in strategic projects focusing on three growth areas identified around the main transport corridors, A1(M), M1/M25 and M11/A10. Key projects will be funded to support key growth sectors relating to bioscience/pharma and film/TV that are focused around these corridors. Transport infrastructure will be updated to relieve congestion and help meet local infrastructure aspirations.

The Growth Deal, subject to a satisfactory funding agreement, will bring together local, national and private funding to focus on four key priority areas as identified in Perfectly Placed for Business, Hertfordshire's Strategic Economic Plan:

- Enabling flagship sites for housing and employment
- Enhancing transport connectivity across the area
- Growing the skills base
- Growing jobs and providing support for key sectors in the LEP area

Hertfordshire LEP has secured **£199.2m from the Government's Local Growth Fund to support economic growth in the area – with £20.9m of new funding confirmed for 2015/16 and £126.1m for 2016/17 to 2021.** This includes £52.2m 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 £180m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £379.2m for the Hertfordshire LEP.**

By 2021, this Deal will deliver at least 13,000 jobs and allow 17,000 homes to be built.

### **Summary of Hertfordshire Growth Deal projects and funding**

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

<b>Hertfordshire LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	20.9	126.1	147
<b>Previously committed funding</b>	32.3	19.9	52.2
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	-	-
<b>Total</b>	53.2	146	199.2

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.

**Hertfordshire and Central Government have agreed to co-invest in the following jointly-agreed priorities:**

- **Croxley Rail Link** - a transformational scheme that focuses on a new extension of the Metropolitan underground line and new stations at Cassiobridge and Watford Vicarage Road. The scheme offers significant substantial economic impacts for Watford and beyond linking Watford's core business area and town centre with London and stimulating investment in Watford Business Park and Health Campus. The funding for this scheme is subject to Final Approval being secured through DfT's local major scheme process.
- **A1(M) Growth Area Forum/Stevenage** - to accelerate housing delivery in the growth area
- **M11/A10 Growth Area Forum** – to accelerate housing delivery in the growth area
- **M1/M25 Growth Area Forum** – to accelerate housing delivery in the growth area
- **Broxbourne Enterprise** - which will provide much needed space for new and small enterprises in Broxbourne
- **Stevenage Bioscience Catalyst Phase 2** a project to accelerate the second phase of this facility which is driving innovation at the heart of UK bioscience
- **A1(M) Transport Package** - Series of transport schemes including A1 Sustainable Transport Package, A602 local congestion measures, and Buslink 2016
- **M11/A10 Transport package** - Package of schemes including station access improvements, upgrades to the network to improve resilience, Little Hadham Bypass, A602 improvements, A10 network resilience
- **Daniel Hall, Rothamsted** – for improvements of incubator facilities on Rothamsted Research Campus
- **West Hertfordshire College** – re-development of a town centre campus as part of an integrated approach to the regeneration of Hemel Hempstead town centre.
- **M1/M25 Transport package** - Package of transport schemes including A414 Junction Improvements, Hemel Hempstead station forecourt enhancements, and Watford Business Park Pedestrian and Cycle Access Enhancements

**Local flexibility over Growth Deal programme:** Hertfordshire LEP has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area and has established strong financial monitoring procedures and cross local authority collaboration. Government will disburse funds to the LEP annually in advance. The Hertfordshire LEP will be expected to deliver the projects highlighted in the Deal, but will have flexibility over the management of these projects in order to deliver the greatest economic benefits to the area. Any significant changes to the projects will need to be discussed with the Government in advance.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material consideration.

## **The Hertfordshire Growth Deal**

The Hertfordshire Deal focuses on three Growth Areas which have been defined spatially around the principal road and rail corridors of the M1/M25, A1(M) and M11/A10. Alongside these the Deal advances two county-wide initiatives the Hertfordshire Business Growth Programme and Hertfordshire Skills Programme. The investment secured by the deal will be focused on four key areas to deliver transformative growth:

### **Enabling flagship sites for housing and employment**

The Deal includes the establishment of 3 Growth Area Forums to accelerate economic growth across the LEP area. The Deal will invest £18.9m alongside LEP resources to coordinate this new approach within Hertfordshire in order to build the necessary capacity to commission and take forward work with local authorities, developers and other partners.

The Department for Work and Pensions, in partnership with local authorities (LAs) and the voluntary and community sector organisations (VCS), is for the first time intervening early with 16-17 year old NEETs not in receipt of an income based benefit, to help them re-engage with education, employment with training, or training. Hertfordshire LEP is a site of the first part of the pilot, which will test whether the skills, experience and professional links of the Jobcentre Plus work coach can add real value to the offer delivered by LAs to 16-17 year olds, and how effectively they can support NEETs to re-engage in participation. The JCP work coach will offer one to one, individualised support, acting as a single point of contact for labour market advice. This, and three other early tests, will be rolled into a full national pilot from Autumn 2014.

<b>Hertfordshire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Secure private sector investment to accelerate town centre land assembly through a joint venture vehicle in Stevenage and a Growth Area Forum to advance major schemes in the A1(M) Growth Area.</li> <li>• Secure private sector investment to advance plans for major schemes delivering houses and jobs in the M11/A10 Growth Area.</li> <li>• Establish a M1/M25 Growth Area Forum to accelerate economic growth.</li> <li>• The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans. The LEP should commit to supporting the 10 local planning authorities in its area to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their local plans in accordance with the timetable submitted as part of the LEP monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £16m in A1(M) Growth Area Forum/Stevenage (including £2m in 15/16)</li> <li>• Invest £0.6m in M11/A10 Growth Area Forum (including £0.2m 15/16)</li> <li>• Invest £2.3m in M1/M25 Growth Area Forum (including £0.25m 15/16)</li> </ul>

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**Enhancing transport connectivity across the area**

The Deal will invest in a package of transformational measures to support strategic developments, relieve congestion and reduce journey times across the Hertfordshire area. The deal will

- Provide a £50.5m investment package to progress Croxley Rail Link which will provide direct tube access to Watford’s core business area (Clarendon Road) and Watford Town Centre. New stations will be provided at Ascot Road (Cassiobridge) to serve nearby Croxley and Watford Business parks and Watford Vicarage Road to service Watford General Hospital, Watford Football Club and the proposed Watford Health Campus. The funding for the Croxley Rail Link scheme is subject to Final Approval being secured through DfT’s local major scheme process.
- Make a series of improvements on the strategically important A1(M) East Corridor to reduce congestion and provide greater reliability for users of the A1. The package includes a number of sustainable transport measures to provide more realistic alternatives for local trips.
- Enable the completion of an early phase of station access improvements along the M11/A10 corridor and deliver the A120 by-pass at Little Hadham and A602 Stevenage to Ware improvements and A10 Resilience package easing congestion and improving network resilience.
- Support the implementation of a package of transport measures linked to the major M1/M25 growth opportunities. The first tranche is concerned with congestion reduction and travel choice enhancement; specific schemes include A414 Breakspear Way signalisation (on Maylands) and urban realm enhancements in Watford. The second relates to the railway station in Hemel Hempstead and A41 resilience.

<b>Hertfordshire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Co-invest in Croxley Rail Link</li> <li>• Deliver improvements to the A1(m).</li> <li>• Co-invest in a package of transport schemes along the M11/A10 corridor.</li> <li>• Implement a M1/M25 Growth Corridor – West Coast Mainline transport package.</li> <li>• The LEP and partners agree to the LEP to take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities;</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £50.5m to deliver Croxley Rail Link (£4m in 15/16) subject to Final Approval for the scheme being secured through DfT’s local major scheme process</li> <li>• Invest £3.8m in A1(M) transport package (including £1.3m in 15/16)</li> <li>• Invest £48.4 m M11/A10 Transport package (including £4.7m in 15/16)</li> <li>• Invest £15m in a package of transport projects for the M1/M25 (including £0.17m in 15/16)</li> <li>• The Department for Transport and Network Rail commit to more</li> </ul>

<ul style="list-style-type: none"> <li>• The LEP and partners agree to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities.</li> <li>• Progress on the development and delivery of the priority transport schemes identified by the Hertfordshire Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources.</li> </ul>	<p>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 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"> <li>• The Highways Agency commits to developing a more proactive and collaborative approaches 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</li> </ul>
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	<p>requirement to co-operate, which will underpin the arrangements described above.</p>
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**Growing the skills base**

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.

<b>Hertfordshire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Consider skills implications as part of decision taking on growth strategies.</li> <li>• 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</li> <li>• Positively engage the FE and skills sector in key strategic partnerships eg Skills and Employment Boards</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• 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"> <li>○ 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</li> <li>○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we 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.</li> <li>○ Allocations and Intervention: In future years providers'</li> </ul> </li> </ul>

	<p>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</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
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The Deal includes a package of measures to enhance skill levels in the area to enable young people to take advantage of jobs in growing sectors, including engineering, construction and emerging technology.

Through the deal, the LEP will invest in the redevelopment of the West Hertfordshire campus in Hemel Hempstead as part of an integrated approach to the regeneration of the town centre. This will provide a trigger for wider transformational change following a period of prolonged decline for the local economy. The provision of the new Dacorum campus will enable the College to meet the needs and interests of young people, adults and employers and deliver additional engineering, construction and technology qualifications and adult apprenticeships.

<b>Hertfordshire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Deliver a series of skills-related outputs including a new campus in Hemel Hempstead delivering a 90,000 sq ft landmark campus building and a training</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £5m to upgrade facilities at West Herts College (including £3m in 15/16)</li> </ul>

<p>skills programme tailored to the requirements of local employers</p> <ul style="list-style-type: none"> <li>• Enable the regeneration of Hemel Hempstead Town Centre and enhance the economic viability of the town</li> </ul>	
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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.

<b>Hertfordshire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• To achieve this, Hertfordshire will facilitate stronger linkage between education providers and local businesses. We will also work with relevant local stakeholders to communicate our priorities and align our offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service</li> </ul>	<ul style="list-style-type: none"> <li>• In return, the Government commits to working with Hertfordshire to help ensure that local employer priorities are fed into the operations of the new NCS providers in Hertfordshire.</li> </ul>

### **Growing jobs and providing support for key sectors in the LEP area**

A comprehensive package of support for Hertfordshire's key sectors and businesses recognising the county's global excellence in science and technology and its ambition to build an open innovation solution that will deliver high value economic growth. The deal includes new space for businesses at three key sites – Broxbourne, Stevenage and Rothamsted – and the establishment of a business growth hub providing advice and tailored business support to small and medium sized businesses (SME) businesses with the aspiration to grow. Operating from a central location in Hertfordshire, the Hub will work with SMEs to help them find the right business support solution to enable growth. It will offer other business support providers a platform to optimise the uptake of services designed to promote international trade, innovation and business improvement.

<b>Hertfordshire LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Provide high quality flexible managed business accommodation for new and small enterprises in Broxbourne.</li> <li>• Accelerate the second phase of development at the Stevenage Bioscience Catalyst.</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £1.8m in 15/16 in Broxbourne Enterprise Centre.</li> <li>• Invest £3m in 15/16 for Delivery of Phase</li> </ul>

<ul style="list-style-type: none"> <li>• Refurbish the Daniel Hall Building on Rothamsted Research Campus advancing plans, linking in with Hertfordshire's wider ambitions in respect of open innovation.</li> <li>• Provide £0.35m of public and private funding in 2015/16 to support the delivery of the local growth hub.</li> <li>• 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</li> <li>• To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Hertfordshire 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, Hertfordshire LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> </ul>	<p>2 of the Bioscience Catalyst.</p> <ul style="list-style-type: none"> <li>• Invest £0.5m in 15/16 for improvement to Rothamsted Research campus.</li> <li>• Provide £0.35m funding to the LEP for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by. Government review on business support and services.</li> <li>• UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them 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.</li> <li>• 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.</li> </ul>
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**Employment and social value:** The Government expects Hertfordshire 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.

**As part of the deal, the LEP will:**

- **Strengthen governance:** The business-led LEP board brings together local businesses, universities and not-for-profit representatives, with three of the LEP's councils representing the three Growth Areas identified in the wider Strategic Economic Plan. The LEP will continue to use its Programme Boards to manage the implementation of the Local Growth Deal and Strategic Economic Plan bringing in expertise from the wider business community. A programme management committee will be established. The role of this sub-group will be defined in relation to matters of financial probity and the overall progress of major projects.
- **Ensure implementation and demonstrate success,** 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.
- **Communicate the ongoing outputs and outcomes of the deal to the local communities and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy.
- **Ensure good value for money where local flexibility exists,** 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

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.