

SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP GROWTH DEAL

The South East Growth Deal aims to contribute to the Local Enterprise Partnership's Strategic Economic Plan by helping to renew the physical and intellectual capital of the South East. The Deal will focus initially on transport infrastructure and meeting the skills capital requirements identified by the Local Enterprise Partnership but will lay the foundations for increased growth across the South East Local Enterprise Partnership area. It will give renewed impetus to the delivery of much-needed new jobs and homes in the Thames Gateway and in other key growth locations, including at a new garden city of Ebbsfleet and will act as a spur to the revival of the area's many coastal towns.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on four key priority areas as identified in the Local Enterprise Partnership's Strategic Economic Plan:

- Enhancing Transport Connectivity
- Increasing Business Support and Productivity
- Raising Local Skill Levels
- Supporting Housing and Development

The South East Local Enterprise Partnership has secured **£442.1m from the Government's Local Growth Fund to support economic growth in the area – with £64.6m of new funding confirmed for 2015/16 and £143.6m for 2016/17 to 2021.** This includes:

- as part of the Government's ongoing commitment to the South East LEP a provisional award of a further £164.4m of funding for projects starting in 2016 and beyond; and
- £69.5m 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 £190m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £632.1m for the South East LEP area.**

By 2021, this Deal will create at least 35,000 jobs and allow 18,000 homes to be built

The South East Local Enterprise Partnership brings together business, local government and education partners from the counties of Kent, Essex and East Sussex and the unitary authorities of Medway, Thurrock and Southend-on-Sea.

Summary of South East Local Enterprise Partnership Growth Deal projects and funding

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

South East LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	64.6	143.6	208.2
Previously committed funding	19.4	50.1	69.5
Provisional allocation to projects starting in 2016/17 and beyond	-	164.4	164.4
Total	84.8	358.1	442.1

The table above includes the provision of £4.78m loan funding (subject to due diligence) to Camland Hythe Ltd. to accelerate the delivery of 1050 homes on the Martello Lakes site.

The table above includes increases to the Housing Revenue Account borrowing limit for Eastbourne Borough Council by £0.38m to help support the development of new affordable homes. The Government will hold discussions with Thurrock Council and Ashford Borough Council to further consider their bids for an increase in their Housing Revenue Account borrowing limit to help support the development of new affordable homes.

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.

South East Local Enterprise Partnership and Central Government have agreed to co-invest in the following jointly-agreed priorities from 2015-16:

- **33 transport projects across the Local Enterprise Partnership area** - to enable major new developments, address existing pinch points and congestion issues, and encouraging increased use of sustainable transport modes
- **the development of Growth Hubs**
- **improved flood defences at Newhaven**
- **broadband infrastructure in Colchester business parks**
- **a skills capital programme for the South East Local Enterprise Partnership area**

In later years, there is a provisional allocation for transport schemes starting in 2016/17 and beyond:

- widening of the A13 in Thurrock
- a new link road in Canterbury (Sturry Road)
- a new parkway station in Thanet
- an Eastbourne Town Centre access and improvement package
- improvements to the A28 Chart Road in Ashford
- an integrated transport package for Maidstone
- a package of transport works to deliver the Southend Central Area Action Plan (SCAAP)
- a package of Route Based Strategies in Essex covering the A131 Chelmsford to Braintree, A414 Harlow to Chelmsford, A133 Colchester to Clacton, and A131 Braintree to Sudbury
- an integrated transport package for improving access to the London Gateway from Stanford-le-Hope and reconstruction of the A1014
- a Hastings and Bexhill walking and cycling package
- improvements to the Thurrock cycling network
- a Hastings and Bexhill junction capacity and improvement package

Local flexibility over Growth Deal programme: The Government recognises the significant steps that the South East LEP have 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 South East LEP to achieve increased flexibility ahead of the first payments in April 2015. In this context, Government recognises the LEP's intention to establish a South East Fund (SEFUND) and will work with the LEP to help deliver the Fund and bring forward an implementation plan with South East LEP within the next three months.

The Growth Deal does not amount to an endorsement of everything in the submitted Strategic Economic Plan. All development decisions for specific proposals must go through the normal planning process and be guided by the Local Plan, taking into account all material considerations.

The South East Local Enterprise Partnership Growth Deal

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

Enhancing Transport Connectivity

Investment in the transport networks, both local and national, is pivotal for enabling local sites for development, alleviating pinch points and other congestion issues, and increasing use of sustainable modes of transport. Committed and provisional investment for the Local Growth Fund and local investment, and wider commitments, address all three of these aims. New housing and employment sites will be supported and journey times for commuters and businesses will be reduced.

South East Local Enterprise Partnership commitments	Central Government commitments
Projects starting in 2015-16	Projects starting in 2015-16
<ul style="list-style-type: none"> • Invest £11.65m in congestion and pinch point transport projects in Kent and Medway. • Invest £18.25m in integrated and sustainable transport projects in Kent and Medway. • Invest £6.4m in congestion and pinch point transport projects in Thames Gateway South Essex. • Invest £4.0m in integrated and sustainable transport projects in Thames Gateway South Essex. • Invest £17.0m in congestion and pinch point transport projects in Essex. • Invest £11.5m in integrated and sustainable transport projects in Essex. • Invest £9.125m in integrated and sustainable transport projects in East Sussex. 	<ul style="list-style-type: none"> • Invest £19.8m in congestion and pinch point transport projects in Kent and Medway (including £5.4m in 2015/16). • Invest £48.3m in integrated and sustainable transport projects in Kent and Medway (including £13.0m in 2015/16). • Invest £35.6m in congestion and pinch point transport projects in Thames Gateway South Essex (including £1.5m in 2015/16). • Invest £14.0m in integrated and sustainable transport projects in Thames Gateway South Essex (including £5.0m in 2015/16). • Invest £12.0m in congestion and pinch point transport projects in Essex (including £6.0m in 2015/16). • Invest £15.0m in integrated and sustainable transport projects in Essex (including £10.7m in 2015/16). • Invest £5.0m in congestion and pinch point transport projects in East Sussex, all in 2015/16. • Invest £10.7m in integrated and sustainable transport projects in East Sussex (including £0.6m in 2015/16).
Projects starting in 2016-17 onwards	Projects starting in 2016-17 onwards
<ul style="list-style-type: none"> • The Local Enterprise Partnership and local partners provisionally commit funding to the following projects starting in 2016/17 or beyond: <ul style="list-style-type: none"> ○ a Hastings and Bexhill walking and cycling package (£1.7m) ○ a Hastings and Bexhill junction capacity and improvement package (£1.5m) ○ an Eastbourne Town Centre access and improvement package (£4.9m) ○ improvements to the A28 Chart Road in Ashford (£9.3m) ○ an integrated transport package for Maidstone (£6.9m) ○ a new link road in Canterbury (Sturry Road) (£22.7m) ○ a new parkway station in Thanet (£4.0m) ○ an integrated transport package for improving access to the London Gateway from Stanford-le- 	<ul style="list-style-type: none"> • Government gives a provisional allocation to the following projects starting in 2016/17 or beyond: <ul style="list-style-type: none"> ○ a Hastings and Bexhill walking and cycling package (£6.0m) ○ a Hastings and Bexhill junction capacity and improvement package (£6.0m) ○ an Eastbourne Town Centre access and improvement package (£6.0m) ○ improvements to the A28 Chart Road in Ashford (£10.2m) ○ an integrated transport package for Maidstone (£8.9m) ○ a new link road in Canterbury (Sturry Road) (£5.9m) ○ a new parkway station in Thanet (£10.0m) ○ a package of transport works to deliver the Southend Central Area Action Plan (SCAAP) (£7.0m)

<p>Hope and reconstruction of the A1014 (£4.6m)</p> <ul style="list-style-type: none"> ○ improvements to the Thurrock cycling network (£1.1m) ○ a package of Route Based Strategies in Essex covering the A131 Chelmsford to Braintree, A414 Harlow to Chelmsford, A133 Colchester to Clacton, and A131 Braintree to Sudbury (£11.9m) 	<ul style="list-style-type: none"> ○ an integrated transport package for improving access to the London Gateway from Stanford-le-Hope and reconstruction of the A1014 (£7.5m) ○ improvements to the Thurrock cycling network (£5.0m) ○ a package of Route Based Strategies in Essex covering the A131 Chelmsford to Braintree, A414 Harlow to Chelmsford, A133 Colchester to Clacton, and A131 Braintree to Sudbury. (£11.9m)
<p>Other commitments</p>	<p>Other commitments</p>
<ul style="list-style-type: none"> ● The Local Enterprise Partnership agrees to produce a business case in line with its assurance framework which will be scrutinised by the Department for Transport for the Strood Town Centre Journey Time and Accessibility Enhancements scheme. ● The Local Enterprise Partnership agrees 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. ● The Local Enterprise Partnership agrees 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. ● The Local Enterprise Partnership and partners, including Essex County Council, commit to fund technical feasibility work and to produce the outline business case for the M11 Junction 7a scheme. ● The South East Local Enterprise Partnership and local partners will work together and with the Highways Agency to identify an acceptable local funding package to support the A2 Bean Junction and A2 Ebbsfleet Junction schemes. ● The Local Enterprise Partnership and partners (including Kent County Council and Ashford Borough Council) commit to use pre-committed Local Growth Fund allocations and local contributions underwritten by Ashford Borough Council to invest £35.7 million in the major HA project at M20 Junction 10A rather than in the smaller SELEP scheme. ● Progress on the development and delivery of the priority transport schemes identified by the South East Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources. 	<ul style="list-style-type: none"> ● 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 the Local Enterprise Partnership 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 the Local Enterprise Partnership as a key local stakeholder. ● The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth supported by a substantially strengthened economic development and strategic planning capability, and commits to continue building strong relationships and working arrangements both with the Local Enterprise Partnership 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 support 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. ● The Highways Agency will work with the South East Local Enterprise Partnership and partners to conduct necessary technical work required to develop the

	<p>business case for the M11 Junction 7a scheme.</p> <ul style="list-style-type: none"> • The Highways Agency reaffirms its commitment to deliver the A2 Bean Junction and A2 Ebbsfleet Junction between 2015 and 2020 subject to the Highways Agency and South East Local Enterprise Partnership and partners working together to agree the funding package and local contributions. The form and timing of the improvements will take into account the delivery of the Ebbsfleet Garden City and, as appropriate, other major development proposals. • The Highways Agency will commit to deliver the major HA project at M20 J10a and provide funding for the total cost of the delivery of the scheme minus the Local Enterprise Partnership contribution (£35.7 million) and maintain agreed timescales with the South East Local Enterprise Partnership and partners for scheme delivery. • Government commits to provide funding of £5m capital grant from the Local Growth Fund for the development costs of the A13 Widening project. Up to £75m of further funding will be made available from the Local Growth Fund subject to due diligence and alignment with decision-making on the preferred option for the Lower Thames Crossing. • The Department for Transport, Highways Agency and Network Rail commit to continue working with local partners on the joint planning and delivery of schemes for improved accessibility to and connectivity along the Stansted-Cambridge Corridor. • The Department for Transport commits to work with the Local Enterprise Partnership to develop further the business case for the Dover Waterfront - Town Centre Links scheme, to identify more clearly the costs and benefits arising directly from it and also to understand better the inter-relationship with the Port's Dover Western Docks Revival scheme.
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Increasing Business Support and Productivity

The South East has a dynamic business environment. Through the federated areas, the South East Local Enterprise Partnership will have a market-driven approach to business support, with a focus on Small and Medium Enterprises (SMEs). Building upon the learning and experience of the Southend-on-Sea Growth Hub funded through its City Deal, the Local Enterprise Partnership will use this to inform the delivery of signposting services and business engagement. In addition, the Local Enterprise Partnership will support business through proactive engagement with UK Trade and Industry and the Technology Strategy Board. The Local Enterprise Partnership will also support superfast broadband roll-out to businesses.

South East Local Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Invest £3.0m in a Kent and Medway Growth Hub • Invest £51.1m in Southend Central Area Action Plan (SCAAP) - Growth Hub and Victoria Avenue 	<ul style="list-style-type: none"> • Invest £6.0m in a Kent and Medway Growth Hub, including £1.0m in 2015/16. • Invest £6.7m in Southend Central Area Action Plan (SCAAP) - Growth Hub and Victoria Avenue

<p>Improvements.</p> <ul style="list-style-type: none"> • Invest £7.5m in Newhaven flood defences. • Invest £0.3m in Colchester NGA Broadband for business parks. • 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 • Provide £400,000 of public and private funding in 2015/16 to support the delivery of the Growth Hub, and leverage at least £5.0m from other local sources. • Support the extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects. The Local Enterprise Partnership 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 Local Enterprise Partnership will also work with local partners to help ensure match funding is in place for the next round of projects. 	<p>Improvements (including £0.1m in 201/16).</p> <ul style="list-style-type: none"> • Invest £1.5m in Newhaven flood defences (including £0.75m in 2015/16). • Invest £0.2m in Colchester NGA Broadband for business parks in 2015/16. • Provide £800,000 of revenue funding in 2015/16 for Growth Hub business support co-ordination, subject to minimum conditions that reflect the position agreed by the Government review on business support and services. • UK Trade and Industry will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UK Trade and Industry will double the number of Partnership Managers to 16. This will ensure that UK Trade and Industry can work more closely with LEPs and help build their capability to secure more inward investment. • The Technology Strategy Board commits to developing a strong and effective relationship with the Local Enterprise Partnership to build on the valuable role the Local Enterprise is playing in promoting and supporting innovation. The Technology Strategy Board is committed to supporting the Local Enterprise Partnership in developing the emerging Growth Hub and in exploring how the Local Enterprise Partnership can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.
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Raising Local Skill Levels

Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government and the South East Local Enterprise Partnership are committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

This includes investment in improving the estate condition of Further Education colleges, as well as investing in new infrastructure to support training provision aligned to the local areas economic growth sectors. In addition, the Local Enterprise Partnership, local partners and Government will work together to improve information, advice and guidance for young people regarding education, skills and employment. All parties will also work together to lower the number of young people not in employment, education or training. The Government expects South East Local Enterprise Partnership 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.

South East Local Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Invest £44.0m in a South East Local Enterprise Partnership Skills Capital programme (in years 	<ul style="list-style-type: none"> • Invest £22.0m in a South East Local Enterprise Partnership Skills Capital programme (including £11m

2015/16 and 2016/17).

- The Local Enterprise Partnership will facilitate stronger linkages between education providers and local businesses. The Local Enterprise Partnership will work with relevant local stakeholders to identify and communicate local priorities, and communicate and align the local offer to the National Careers Service providers ahead of the new service's roll-out in October 2014 in order to augment the service.
- The Local Enterprise Partnership will consider skills implications as part of decision taking on growth strategies.
- The Local Enterprise Partnership 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 and skills sector
- The Local Enterprise Partnership will positively engage the Further Education and skills sector in key strategic partnerships e.g. Employment and Skills Boards
- The Local Enterprise Partnership 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.

in 2015/16).

- The Government commits to working with the Local Enterprise Partnership to help ensure that local priorities are fed into the operations of the new National Careers Service providers in local area.
- 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:
 - Procurement of New Provision: The Local Enterprise Partnership will be involved throughout the procurement process (e.g. co-commissioning skills with the Skills Funding Agency through use of its European Social Funding match funding); and providers' track records against its requirements will be considered as part of this assessment.
 - Accountability: Providers will be required through their funding agreements with the Skills Funding Agency to explain to the Local Enterprise Partnership details of its provision and planning and we are testing ways in which it can be most effectively held to account for being responsive to local economic priorities.
 - Allocations and Intervention: In future years providers' records in delivering to Local Enterprise 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 three national Skills Incentive Pilots in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to the South East Local Enterprise Partnership in future years.
- Government will set out revised information for the Local Enterprise Partnership on how they can take advantage of this approach and options for seeking advice if provision is not responsive to its needs. The Skills Funding Agency will publish information during summer 2014 on how the Local Enterprise Partnership can influence the use of all skills budgets in its local area, 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 Local Enterprise Partnerships 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 the Local Enterprise Partnership with a data set that updates

them on the provision delivered in their areas.

Supporting Housing and Development

The South East has some of the greatest housing supply pressures in the country. Along with investment in transport to enable housing sites, key local and central government partners will proactively work together, share information and plan and deliver innovative solutions. In addition to increasing housing supply and affordable housing levels, priorities for the Local Enterprise Partnership include coastal communities and housing for older people.

South East Local Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • The Local Enterprise Partnership commits to working with all Local Authorities to: <ul style="list-style-type: none"> ▪ 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 Local Enterprise Partnership monitoring, given the position on local plan-making in the area and the challenges relating to effective strategic cross boundary working, supporting the 32 local planning authorities in its area. ▪ Identify large and priority sites, including the blockages associated with them, to be brought forward for development across the Local Enterprise Partnership area; ▪ Make their local public asset data publically available (including to the Government Property Unit) by April 2015 and agree to the Right to Contest and challenge from the Government Property Unit; ▪ Publish Asset Management Strategies by April 2015; ▪ Review local planning processes to simplify them for commercial and housing development; ▪ Review the potential for Community Infrastructure Levy and publish schedules where appropriate; and ▪ Review the potential for the pooling of strategic economic development spend. 	<ul style="list-style-type: none"> • The Homes and Communities Agency commits to work with the Local Enterprise Partnerships and Local Authorities on the development of their housing priorities and options for delivery. • The Homes and Communities Agency and the Department for Communities and Local Government has approved flexibility on the Strood Riverside Site to allow the Public Works Loan Board loan to go forward to enable the site to deliver nearly 600 housing units and deliver a return to Homes and Communities Agency and the Council (subject to Her Majesty's Treasury approval). • The Department for Communities and Local Government welcomes the Local Enterprise Partnership and its partners to discuss proposals for large scale housing development with officials. • The Government Property Unit commits to engage with the Local Enterprise Partnership to examine the potential to release government land and property to promote local economic growth and / or housing development. • The Government has an existing programme of support for large scale housing developments, including through the Homes and Communities Agency's ATLAS team, and Department for Communities and Local Government's large sites infrastructure fund, local authority capacity fund and garden cities programme. Local authorities are welcome to discuss proposals for large scale housing development with officials in the Homes and Communities Agency and Department for Communities and Local Government to determine what support may be available.

As part of the deal, the LEP will:

- **Strengthen Governance:** review the structure and resourcing of the groups below Board level, including area partnerships, to ensure the available resources focus on delivery of the Local Enterprise Partnership's objectives and that there are clear reporting lines to the Board from officer groups. Agree monitoring metrics by September 2014 and reporting arrangements with the Government by December 2014.
- **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.