

GREATER CAMBRIDGE GREATER PETERBOROUGH STRATEGIC ECONOMIC PLAN

To: Cabinet

Date: 15th April 2014

From: Executive Director: Economy, Transport and Environment

Electoral division(s): All

Forward Plan ref: N/a **Key decision:** No

Purpose: To update Cabinet on progress with developing a Strategic Economic Plan (SEP) led by the Greater Cambridge Greater Peterborough Enterprise Partnership (LEP) area and to seek endorsement for this, as set out in Appendix 1.

Appendix 1 is available alongside this report on the County Council's website and in the bundle of supporting documents for this meeting, sent separately to Cabinet members and placed in all Group rooms.

Recommendation: It is recommended that Cabinet:

- a) Note progress on developing the Strategic Economic Plan led by the Greater Cambridge Greater Peterborough Enterprise Partnership
- b) Endorse the Greater Cambridge Greater Peterborough Enterprise Partnership's Strategic Economic Plan included in Appendix 1
- c) Note the Council's concerns about the level of revenue funding support for major scheme development and authorise officers to pursue this issue in the ongoing negotiations with the LEP and Government.

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1. PURPOSE

- 1.1 This report provides an update on the progress of finalising the Strategic Economic Plan (SEP) led by the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPLEP) and seeks Member endorsement of this plan, which is included in Appendix 1.

2. BACKGROUND AND PROCESS

- 2.1 The Government is keen that LEPs are at the forefront of driving forward economic growth, and are devolving responsibilities and funding to LEPs through a new £2bn per annum Local Growth Fund (LGF) from 2015. To secure this funding, LEPs are developing Strategic Economic Plans (SEP) which clarify the vision, and interventions required to support growth.
- 2.2 This SEP will form the basis for each LEP area to agree a 'Local Growth Deal' with Government for bidding into the Single Local Growth Fund. The Local Growth Deal funds will be used to deliver the Local Strategic Economic Plans.
- 2.3 The Government expects LEPs to draw on a range of resources to fund the priorities identified in their Strategic Economic Plans, including:
- Private sector investment and Local Authority funds
 - Revolving funds such as the Growing Places Fund
 - Public Works Loans Board borrowing
 - Match funding from local partners and surplus public assets.
- 2.4 The GCGPLEP submitted a first draft SEP in December 2013 to the Department for Business, Innovation and Skills (BIS). Ministers provided feedback in February confirming that LEP areas will need to make a strong case through their SEP for the oversubscribed Growth Fund, including clarifying key deliverables for 2015/16 and what they will unlock and how they will be supported by local contributions.
- 2.5 Discussions are continuing with the GCGPLEP and partners to finalise the SEP for submission to Government by 31st March 2014. The final SEP is expected to be signed off by the LEP Chair ahead of submission. The LEP will have submitted the final SEP by the time Cabinet consider this for endorsement on 15th April 2014.
- 2.6 After submission, the Government will undertake a formal assessment of the SEP. Partnerships with stronger SEPs will be better placed to receive greater levels of funding from the Growth Deal. The strength of the bids is expected to be assessed on how far they deliver economic benefits, are deliverable within the timescales, and levels of local support, including local contributions.

3. THE SEP AIMS FOR INVESTMENT

- 3.1 The SEP (Appendix 1) outlines the vision and rationale for investing in this area, which is one of the fastest growing areas nationwide, with a world renowned educational offer and globally significant expertise and clusters for research, technology, advanced manufacturing and innovation. The aim of the SEP is to

ensure a world class environment for businesses to invest, locate and grow here.

- 3.2 The SEP is vitally important in terms of securing investment for the LEP area towards driving economic growth. This builds on the area's core strengths, aiming to create an economy with 80,000 major businesses and 100,000 new jobs by 2025. The SEP stresses the importance of this area for economic growth. Alconbury Weald Enterprise Campus is also identified as a primary location for investment.
- 3.3 The SEP builds on and complements the City Deal aims for the Greater Cambridge area, and outlines key deliverables and investment aims across the LEP area including the Greater Cambridge area.
- 3.4 There are five priorities set out for the SEP as outlined in the table below. Transport is the most significant in terms of its role as a key enabler of growth. Digital connectivity is also key in terms of supporting growth, the aim being to create a test bed for digital innovation, ensuring new developments are 'future enabled' and that smart technology is used to improve capacity and reliability.

Priority	2015/16 (£119m)	Long Term 2015-2021 (£518.1m)
Digital	£5.5m	£59.6m
Transport (plus £14m agreed)	£61.9m	£260.6m
Skills	£12.2m	£64.3m
Innovation & Incubator	£28.2m	£76.4m
Business Growth	£11.2m	£57.2m

(Extract from draft SEP Executive Summary Mar 2014)

- 3.5 For transport, the Shadow Local Transport Body (LTB) has developed a programme of key schemes to 2021 that best support economic growth. The Government has emphasised the need to focus on 2015/16 shovel ready schemes, and some £42m is being sought for major schemes, of which some £25m is being bid for Cambridgeshire for 15/16. Key schemes proposed include:
- A428 to Cambridge - bus priority £750k
 - Bus priority on A1123 Huntingdon to St Ives £4m
 - Wisbech access improvements (scheme development 15/16)
 - Ely Southern Bypass £14m
 - Kings Dyke, Whittlesey and Stanground £7.5m
 - March junctions improvements £700k
 - Chisholm Trail – new crossing over the River Cam £1.5m.
- 3.6 £9m is being sought for smaller scale transport schemes which help improve accessibility, and a further £6m for sustainable transport projects aimed at promoting modal shift on particular corridors: A10 south, Wisbech /A47 and A428 corridors.
- 3.7 The LTB endorsed the programme on 7th March 2014 to recommend this for inclusion in the SEP. However the LEP will make the final decision on priorities and funding. The final version of the SEP will clarify deliverables, and will demonstrate links between prioritised investment packages and deliverables for housing and jobs. This drafted version of the SEP will also include more details on local funding for prioritised schemes. Negotiations with Government will

continue and a Growth Deal offer is expected in July. The funding and Growth Deal will commence from April 2015.

- 3.8 Further to drafting this report, the LEP confirmed that the SEP has now been submitted and the final version is included in Appendix 1. While we are pleased that the SEP includes the transport programme largely as was endorsed by the LTB, we do have concerns regarding one important element which differs significantly to the original ask by the LTB. This relates to revenue funding sought for Major Scheme development, where some £4.5m had been sought for this work during 2015. However, the final SEP includes a significantly reduced revenue ask of £1.2m for scheme development work across the LEP area.
- 3.9 Reducing the revenue ask has significant implications for cash strapped authorities like Cambridgeshire. Without adequate revenue funding to undertake the costly business case and scheme development work to progress schemes to a 'shovel ready' state, progress could be delayed and a reduced number of schemes may be delivered.
- 3.10 Negotiations with Government are expected to commence imminently and the need for adequate revenue to support scheme development work will be raised. This support is critical to ensuring that work can be undertaken in a timely manner to enable schemes to be progressed for delivery early, and for a robust and deliverable programme to be in place in support of the continued economic prosperity of the LEP area.

4. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

4.1 Developing the local economy for the benefit of all

The Local Growth Fund negotiated through the SEP will help provide funding and investment towards schemes that best support local economic growth.

4.2 Helping people live healthy and independent lives

SEP priorities on transport and digital connectivity will support people to lead more independently through improved accessibility.

4.3 Supporting and protecting vulnerable people

Investing in infrastructure helps support improved accessibility for all.

4.4 Ways of working

The Council has and will continue to work closely with the LEP on the SEP and priorities to ensure alignment on aims and ensure the most efficient use of resources to support the overall vision for growth and prosperity.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource and Performance Implications

Funding from the Local Growth Fund should help with delivering some of the Council's key priorities related to supporting growth.

5.2 Statutory, Risk and Legal Implications

There is a risk that less funding will be available through the Growth Deal process which could impact on deliverability of key priorities. This could result in more funding being required from other sources, such as prudential borrowing or local contributions. Priorities would need to be established. However if funding is not forthcoming, this could impact on what can be delivered and growth.

5.3 Equality and Diversity Implications

There are no significant implications for this strategy.

5.4 Engagement and Consultation Implications

There is no statutory requirement for the County Council to consult on the SEP as it is the responsibility of the LEP. However officers have been working closely with the LEP and partners to inform the SEP. Members have also been closely involved through the Local Transport Body to develop a programme of transport Schemes for recommendation for inclusion in the SEP.

5.5 Public Health Implications

There are no direct significant public health implications. However securing investment in healthy sustainable travel options should help deliver health benefits.

Source Documents	Location
GCGP LEP - SEP	http://www.gcgp.co.uk/?s=Strategic+Economic+Plan