

**GREATER CAMBRIDGE GREATER PETERBOROUGH LOCAL TRANSPORT BODY
UPDATE ON GROWTH DEAL ROUND ONE & PROCESS & PROGRESS WITH
PREPARING FOR ROUND TWO**

To: **Shadow Local Transport Body Board**

Date: **15th October 2014**

From: **LTB Steering Group**

1. INTRODUCTION

- 1.1 This paper updates Members on the outcome of the first round of Local Growth Deal Funding for the GCGPEP area for 2015 onwards, and on the process and progress with preparing for the next round of funding.
- 1.2 Members are also asked to note the list of transport projects for the GCGP LEP area from 2016/17 in **Appendix 2** and provide feedback. This is being used as a basis to help inform and bid for the Round Two growth deal funding

2. MAJOR TRANSPORT SCHEMES FUNDING BACKGROUND

- 2.1 In 2013, the LTB secured £14.1m towards the agreed LTB priority major schemes as outlined in the Table below. However, the committed Major Schemes funding was 33% less than indicative levels as Government were keen to ensure funding was available for competitive bidding in a Local Growth Fund to support economic growth in Local Enterprise Partnership (LEP) areas. Subsequent to this, our LEP, the Greater Cambridge Greater Peterborough LEP (GCGPEP) developed a Strategic Economic Plan (SEP) for this area as a means of securing growth deal funding to support the vision and strategic objectives for the area. Although the SEP sought funding towards a programme of schemes, the principal focus was on shovel ready schemes in 2015/16.

Table 1 Local Transport Body Major Schemes Funding

Promote	LTB Major Scheme	Capital Cost Estimate	LTB Confirmed Contribution
CCC	A142 Ely Southern Bypass	£30.7m	£6m
CCC	A605 Kings Dyke	£13.5m	£3m
CCC	Soham Station	£6.15m	£1M
PCC	Bourges Boulevard	£7.5m	£2.1M
PCC	A47/ A15 Junction 20	£7.0m	£2M
PCC	VMS/ ITS improvements (PCC)	£5m	£0

- 2.2 The Shadow LTB considered and recommended a programme of transport schemes for submission as part of the SEP submission in March 2014 see <http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Agendaltem.aspx?agendaltemID=9441> .This was developed and assessed by the LTB

Steering Group, however the final decision on recommending priorities for Growth Deal funding was made by the LEP who pulled together a single prioritised list across the range of projects including transport, skills, business support, economic development and digital.

3. GROWTH DEAL ROUND ONE OUTCOME

3.1 On 7th July, Government announced that the Greater Cambridge Greater Peterborough LEP has secured £71.1m from the Government's Local Growth Fund to support economic growth in the area – this figure includes;

- Local Growth Fund award of £17.1m confirmed for 2015/16 and £20.4m confirmed for projects from 2016/17 to 2021
- A provisional allocation of £19.5m for projects starting in 2016 and beyond.
- The previously allocated £14.1m LTB funding (as outlined in Table 1)

3.2 In terms of transport investment, Growth Deal funding has been allocated to the following key transport interventions:

- £5m - A605 Whittlesey Access phase 1 (King's Dyke) (including £2.5m in 2015/16)
- £3m in A47 Junction 20 (including £2.5m in 2015/16)
- £10.5m in Bourges Boulevard (including £3m in 2015/16)

3.3 In addition, £1m was committed to support the development of a package of measures to support growth and improve accessibility in and around the town of Wisbech. In addition, up to £10.5m has been provisionally allocated for scheme delivery from 2016/17 for the Wisbech Access Strategy, on condition that the development work results in an acceptable and deliverable package of transport measures

- Provisional allocation of £9m to St Neots to the Cambridge Public Transport project starting beyond 2016/17, subject to provision of full business case
- The A142 Ely Southern Bypass was identified as a high priority project. However this was not awarded growth deal funding for 2015/16 as this did not have planning permission. Nevertheless, as part of the Growth Deal, Government committed to looking at this to explore funding options as part of the future local Growth Fund allocation decisions if planning permission was granted. Planning permission was granted on 8th September 2014, and we have now had confirmation that the Secretary of State will not call this in, therefore the local decision stands, and officers are exploring the potential to secure Growth Deal funding for this priority project.

3.4 Overall the amount of funding secured for this area was disappointing, and especially for transport as a key enabler of growth given that this is one of the

fastest growing areas in the country and a net contributor of GVA. Indeed, the original ask was for closer to £50m during 15/16 for transport as part of an overall LEP ask of £119m. However, the reality is that there was less funding available in the Single Local Growth pot than originally expected: When the tail of current commitments and specific funding streams is removed, the amount open for competitive bidding was thought to be closer to £1bn.

- 3.5 Nonetheless, we have been seeking feedback from Government to see how the outcome might be improved for Round Two of the Growth Deal. Government outlined that they would like to see a better link between the SEP vision/ strategy and the priority projects and a clear rationale on how the projects support growth, with evidence of deliverability. They want greater focus on the key priority projects rather than spreading our ask across a range of projects for the whole area. However, the feedback also suggested that the majority of projects included first time round were considered strong and should be resubmitted for consideration for round two.
- 3.6 In terms of funding for the successful projects, Government intends to sign a funding agreement in Sept/Oct. This will be a simple confirmation of the grant amounts in the Growth Deal document ([found here](#)). Successful projects in Round One will be included in an Implementation Plan (more detailed milestones/risk assessments which will be signed off by the LEP October Board meeting. The Local Transport Board (evolving into a GCGP Local Transport Panel) is expected to take oversight of transport project delivery.
- 3.7 Government is still working on the combined Assurance Framework it intends LEPs to use to satisfy Government of due diligence over projects. However Dft has also requested that all current Assurance Frameworks be signed off, ahead of this and the now signed off version of our Assurance Framework is included separately for Board Members information.
- 3.8 The Government currently proposes only providing the funding on a quarterly basis, starting in April 2015 until governance and joint working arrangements have been strengthened further. Once these conditions have been satisfied, funding is expected to be allocated as an annual block grant.
- 3.9 To satisfy such conditions, the Shadow LTB is proposed to become a GCGP Local Transport Panel as part of the GCGP governance structure (see separate paper). In addition, improved public sector partnership working arrangements have been put in place to support with Round Two of SEP: Local Authorities partners agreed to pull together their staff resources under a named officer to drive their contribution to Round Two. Arrangements are in place and working well with a Core Strategic Group steering input and wider Delivery Group encompassing key professionals across housing/jobs/ infrastructure and skills supporting input and assessment of Round Two bids.

4. PROCESS & TIMESCALES FOR GROWTH DEAL ROUND TWO

- 4.1 The Government has already commenced the bid process for Round Two, and intends to confirm the outcome in December this year (i.e. Autumn

Statement). It isn't clear how much of the £2bn pot for 16/17 remains available for bids. However the reality is that with significant commitments, alongside the new allocations, the available pot is likely to be less than Round One.

- 4.2 Given the short timescale for submission of a Round Two bid, the LEP agreed to undertake a more focused approach working with partners. The Government confirmed that it does not require the Strategic Economic Plans (SEP) to be revised for Round Two.
- 4.3 Bids have been refreshed taking on board feedback from Government outlined earlier. Bidders have also been asked to clearly link their outcomes to the SEP and job/homes/skills delivery. The LEP has also issued a call for additional capital proposals that meet the criteria.
- 4.4 In addition, a short and succinct narrative is being prepared to be submitted alongside the prioritised list of projects. This will clearly articulate the importance of this area in terms of growth in the wider south east, including the barriers and what is needed to address these and facilitate growth. Government is also expecting that the Round Two bid will better address the economic impacts of housing, both in the context of overall delivery across the cities of Peterborough, Cambridge and the market towns, and in the context of housing (un)affordability in Cambridge.
- 4.5 This time round, partners agreed the need for greater focus on the key centres for growth and projects that help drive the local economy. There is agreement that this should be a set of clearly prioritised 'shovel ready' projects, with a high level of agreement from partners, and that projects represent good value for money and the delivery risk is managed. Essentially Government want to be convinced that these are priority projects and that we are not 'spreading the jam too thinly' in our bid for funding.
- 4.6 From this work a single prioritised list will be pulled together, across themes. Proposals are being assessed against jobs/homes/skills outcomes, leverage, deliverability, and ambition/fit with SEP. The Core Strategic Group of partners has met to critically review bids against the criteria themes. In addition, an independent review group have been invited to contribute to the project review process to assess the prioritised list for this LEP area. The next stage is for the prioritised recommendations to be presented to Local Authority Leaders on 16th October ahead of the LEP Board on 27th October,
- 4.7 In order to inform consideration of priorities, the LTB transport programme has been refreshed and updated. This now includes the list of approved projects as part of SEP 1 and projects identified as bids for SEP 2. Recommended schemes in priority order have been identified by each of the partner organisations in the programme included in **Appendix 1**.
- 4.8 For example, on the basis of the criteria set out; Cambridgeshire recommend the following priority schemes for 2015/16 and 2016/17;
 - Ely Bypass
 - Science Park Strategic Link
 - Hunts Capacity for Growth (Feasibility Study & A141 Junction improvements and A1123 Bus Priority)

- 4.9 Similarly, Peterborough recommends the following priority schemes for 2015/16 and 2016/17;
- Riverside Opportunity Area
 - Eastern Industries (Fengate and Parnwell Way improvements)
 - Junction 18
- 4.10 The following two projects are jointly recommended as priorities for Cambridgeshire and Peterborough;
- Cambridgeshire & Peterborough Sustainable Futures
 - Whittlesey Access Area (Phase 2 and 3)
- 4.11 Rutland has separately submitted a couple of priority proposals including “Station Road Industrial estate” for a feasibility study and access improvements for the Station Road Industrial Estate in Uppingham.
- 4.12 Further information on the proposals is included in Appendix 1. This clarifies some of the headline scheme details and benefits. More detailed proformas have been submitted to the LEP for consideration to help inform the single prioritised list that will be submitted to Government by end of October.
- 4.14 There is no clarity currently regarding what funding will be available, and it is recognised that not all the proposals will secure funding at this time. However, the programme outlines some of the key major transport schemes for the LEP area needed to support growth (while recognising there are additional schemes in the Cambridge area many of which are being considered for City Deal funding). The programme identifies a pipeline of major schemes, and those that remain unfunded at this time will be treated as reserves and considered for progression as and when funding becomes available in line with the Assurance Framework. However, it should be recognised that there is a significant need for investment in transport infrastructure to support the continued growth and prosperity of this area which is one of the fastest growing nationwide. This is especially given the recent significant reductions in local authorities transport budgets which reduces scope locally to progress schemes unless there is access to alternative funding sources.
- 4.15 A prioritised list of recommendations will be presented to the Local Authority Leaders on 16th October and the LEP Board on 27th October. Once the LEP Board has approved the final prioritised list this will be submitted to Government for consideration by end of October.

5.0 RECOMMENDATIONS

- 5.1 Members are asked to note the progress to date and proposed process and provide feedback on the outline programme (Appendix 1) and recommendations in section 4.8 – 4.11. Feedback from the Board will be provided to the Leaders meeting and LEP Board, ahead of the LEP Board taking decisions on priorities for submission to Government by end of October.