

**GROWTH DEAL ROUND TWO UPDATE**

To: **Local Transport Body Board**  
From **Greater Cambridge Greater Peterborough Enterprise Partnership (Adrian Cannard)**  
Date: **15 December 2014**

**1. INTRODUCTION & BACKGROUND**

- 1.1 This report seeks to update Members on progress with the second round of Growth Deal funding. The Government indicated in the autumn that it was considering moving quickly into a second round of bidding for Growth Deal (mainly focused on 2016 onwards) but also looking at opportunities to use Government underspend on early delivery of projects (transport, skills and economic development). No formal process was announced, but Local Enterprise Partnerships were encouraged to submit information on possible bids.
- 1.2 GCGP undertook work to develop the 'pipeline' of bids and make an informal submission to Government. As well as the involvement of business representatives, a 'Senior Sponsors' group of Local Authority senior officers was established to help identify projects and develop outline bids. That group identified a range of projects and, bearing in mind the likely limited scope of eventual funding, assessed and prioritised a small number for the greatest strategic fit with the GCGP's aspirations. These were discussed by the LA Leaders' Group and recommendations made to the GCGP Board. At the last meeting of the LTB a range of transport schemes were considered for their suitability to inform that process. All this work fed into the GCGP Board agreeing a prioritised bidding list and submitting that to Government in November.
- 1.3 Conscious of the current requirements of the transport accountability framework, and the window of opportunity before the Government announced the formal bid process, some additional work was commissioned to assess the priority projects (subject to a separate report to this meeting).
- 1.4 In many respects the entire LEP network was surprised and disappointed by the outcome of the Autumn Statement. In essence the announcement confirmed that an extra billion is available through the Growth Deal process. However this news contains a further message about the profiling of this money. As can be seen from the table below reflecting funding that will be available nationally, this message is pretty stark, not least in the early years of the new Government. This has significant implication for the projects we have submitted, not least as there is no money profiled for 2015/16. We also understand that the opposition has indicated that it will honour this profile too.

£m	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Profile	0	164	150	150	268	268	1000

- 1.5 Having received this news and debated the matter at the GCGP Board we have agreed to pursue the following routes
- a) Express concern about the way this profile will limit growth and cause a backlog of infrastructure issues in a fast growing area and the clear northern bias contained in the Autumn Statemen;
  - b) Explore other routes to establish whether projects can be funded in other ways;
  - c) Work with MPs to promote our top priority proposals to see if we can establish whether any other pots of money exist within departments.
- 1.6 We understand that the next step is a letter from Greg Clark MP to LEP chairs in the near future on this. We will continue to promote our schemes to Government. However, given the limited scale of new funding, we will have to consider the profiling of the bid spend. Of immediate concern is the approach we adopt to our priority transport scheme in Round Two, which is the Ely Bypass (indeed it is the priority project overall). No money is available from Round Two for 15/16 where we asked for £4m for Ely Bypass, and £12m in 16/17 would represent a significant proportion of the national pot, above what might be expected if any form of population metric is used by Government. The profile is complicated by the inclusion of what was to be LTB funding (where there is a local commitment to funding part of the Ely Bypass).
- 1.7 The GCGP Board also agreed a new approach to infrastructure planning yesterday afternoon. Through the established ‘Senior Sponsors’ group we will be developing a prioritised, evidence-based approach on the major strategic issues facing the area. We will bring details of this to the next meeting. Attached to this report is the round two overview that we are using as a short lobbying document, this is accompanied by a longer spatial narrative copies of which are being printed and if available will be brought to the meeting on Monday.

## NEXT STEPS AND RECOMMENDATION

- 1.8 Board Members are asked to:
- note the scope of the Round Two Growth Deal
  - agree that officers prepare a reprofiled funding schedule that incorporates the LTB pre-allocated schemes and Round One and proposed Round Two schemes, updated to reflect current delivery milestones and likely funding envelope.