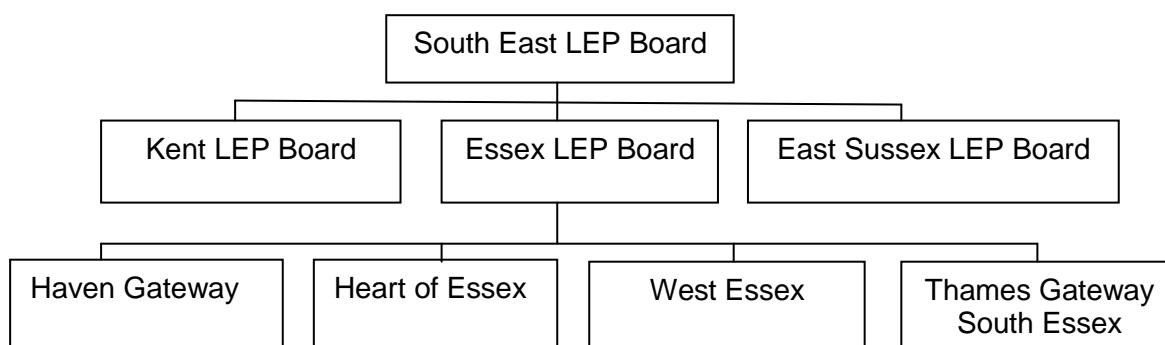


The South East Local Enterprise Partnership – Growth Deal and Strategic Economic Plan		Agenda No: 7a
Corporate Priority:	Boost employment, skills and support business Securing appropriate infrastructure and housing growth Promoting and improving our town centres	
Portfolio:	Prosperity and Growth	
Report presented by:	Councillor Chris Siddall	
Report prepared by:	Peter Smith, Head of Economic Development	
Background Papers:	Public Report	
None		
Options:	Key Decision: No	
To confirm support for the South East Local Enterprise Partnership’s Growth Deal and Strategic Economic Plan.		
1. Background – the South East Local Enterprise Partnership		
<p>1.1. In the coalition agreement, the Government committed to establishing Local Enterprise Partnerships (LEPs) to replace the Regional Development Agencies. In June 2010 the Government invited businesses and councils to come together to form local enterprise partnerships whose geography reflects economic areas of England.</p> <p>1.2. The South East Local Enterprise Partnership (South East LEP) was one of 39 partnerships approved by the Government, bringing together a Board of 40 key leaders from business, local government and further and higher education. It has an ambition to create the most enterprising economy in England through exploring opportunities for enterprise while addressing barriers to growth.</p> <p>1.3. Covering Essex, Southend, Thurrock, Kent, Medway and East Sussex, the South East LEP is the largest strategic enterprise partnerships outside of London, with a combined population of 3.9 million people, and more than 130,000 businesses supporting more than 1.3 million jobs.</p> <p>1.4. At the South East LEP Board meeting on 13th December 2013, the Board agreed proposals to move to a federated model. This involved the establishment of 3 local Boards for Essex, Kent and East Sussex involving representation from</p>		

businesses, local authorities, Universities and Colleges.

- 1.5. Under this new federated model, the South East LEP Board continues to set the strategic direction for the whole of the LEP area, but the local Boards will be responsible for the delivery and monitoring of activity. This federated model has been used to develop the Strategic Economic Plan as set out below.
- 1.6. The Haven Gateway Partnership was created in 2001 by a group of partners across North Essex and South Suffolk in order to promote the area as a distinct economic sub region based upon its strong links with the Haven Ports of Felixstowe and Harwich. Currently the Partnership includes Essex County Council, Braintree, Colchester , Tendring, Maldon , Mid Suffolk and Babergh Councils; the port authorities; and the University of Essex. The Partnership supports its partners, through evidence backed advocacy and selective project work, to drive economic growth more generally in support of the New Anglia and South East Local Enterprise Partnerships. The Chairman of the Haven Gateway Partnership (George Kieffer) is also Vice Chairman of the South East LEP.
- 1.7. In particular, the Haven Gateway Partnership has developed and promoted a campaign for investment in the A120 growth corridor. This recognises the importance of Stansted Airport as an economic driver and the role that the A120 plays in linking this international airport to international ports and the wider regional economy.
- 1.8. Haven Gateway is one of four Essex 'sub-regions' that provide input to the Essex Board as set out in Diagram 1:

Diagram 1: South East LEP and Federated Model



2. Single Local Growth Fund and Strategic Economic Plans

- 2.1. The Government has decided that the LEPs should play a key role in directing investment through the next round of European (EU) Structural Funds (6.2 billion Euros over the period 2014-2020) and, following recommendations by Lord Heseltine, should have responsibility for channeling a range of UK Government funds amounting to £2 billion per annum, through a newly created Single Local Growth Fund from 2015.
- 2.2. For the 2014-2020 funding period, the European Regional Development Fund, the European Social Fund and part of the European Agricultural Fund for Rural Development, will be combined into the European Structural and Investment

Funds Growth Programme for England.

2.3. In order to access the Single Local Growth Fund and the new EU Structural Funds, the Government has required all LEPs to prepare two strategies and to submit them for its approval – a Strategic Economic Plan (SEP) and a European Structural and Investment Fund Strategy (SIF). The Government has announced that it intends to negotiate “Growth Deals” with the LEPs through which it intends to secure match funding and defined growth related outputs in return for its input, which can include freedoms and flexibilities as well as funding. The simplified timetable for the development of these plans is as follows:

Date	Strategic Economic Plan	EU Structural and Investment Fund Strategy
7 October 2013		First draft strategies submitted by LEPs
By end of October 2013	LEPs to provide progress reports	
October onwards	Iterative discussions with Government on strategies	
December 2013	LEPs to submit first draft Strategic Economic Plans	
January 2014		LEPs to submit final EU strategies
March 2014	LEPs submit final Plans and negotiations begin	LEPs develop detailed project pipeline
July 2014	Growth Deals signed	EU Funds available for spending on approved projects
April 2015	Growth Deals start and funding available	

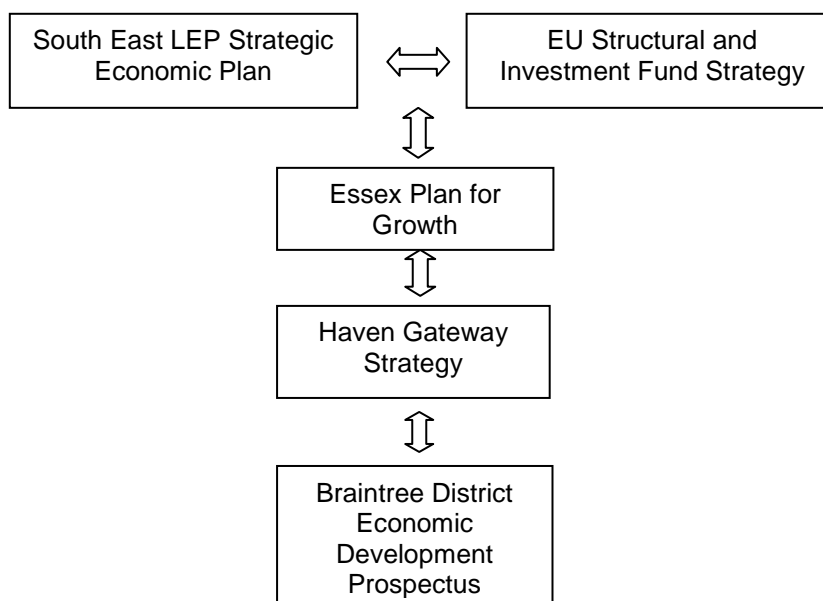
2.4. A preliminary draft of the South East LEP Growth Deal and Strategic Economic Plan – ‘Innovation Driving Prosperity’ – was submitted to Government in December 2013 and initial Government feedback has been provided to the LEP.

3. The South East LEP Growth Deal and Strategic Economic Plan

3.1. The process for developing the South East LEP Strategic Economic Plan has involved the sub regions of the LEP (East Sussex, Essex and Kent) developing their parts of the Plan under a common format and priorities. In Essex, this has involved developing the Essex Plan for Growth which, in turn, has been developed through the four sub-regions of the County: Haven Gateway; Heart of Essex; West Essex; and Thames Gateway South Essex. The Haven Gateway Partnership has developed its own Strategy to feed into the Essex Plan for Growth and South East LEP plans. Development of the LEP Strategic Economic Plan, the Essex Plan for Growth, and the Haven Gateway Strategy has been

supported by the same consultants – Shared Intelligence, who are also supporting New Anglia LEP to produce their Strategic Economic Plan. This is set out in Diagram 2:

Diagram 2 South East LEP Strategic Economic Plan and supporting plans



3.2. The Plan covers a six year period (2015 to 2021) and sets out the following ambition:

- To generate a further 200,000 private sector jobs
- To increase the annual rate of growth of GVA to 3.1%
- To complete 100,000 new homes
- To deliver the Thames Gateway stimulus package

3.3. The Growth Deal makes the case for Single Local Growth Fund investment of £1.2 billion (£200m per year over 2015/2021), promising to lever in £10 billion pounds of investment (£1.2 bn Single Local Growth Fund; £165m EU Structural Funds; £2.4bn public investment; £6.3bn private investment). The key mechanism for funding proposed is a South East Fund (SEFUND). The Government is particularly interested in how the Single Local Growth Fund will be used to produce additional economic and housing growth.

3.4. The Plan sets out four priorities to deliver the LEP's ambition:

- Accelerating growth through innovation and enterprise
- Creating competitive locations through transport, broadband and property investment
- Building a 21st century workforce
- Enabling Housing Growth

4. Essex priorities

4.1. At the insistence of the Thames Gateway South Essex Partnership, the Essex chapter of the Strategic Economic Plan excludes the Thames Gateway South

Essex sub region which is included in the Plan as a separate chapter. The Government has indicated that it would rather see a Thames Gateway chapter that also includes Kent and Medway. This reflects the priority given in the Plan to delivering the Thames Gateway package and is an issue of concern to the Haven Gateway Partnership and partners in the remainder of Essex.

4.2. The Essex input to the Plan is framed around 3 growth corridors in line with government feedback:

- The Haven Gateway Growth Corridor – A120
- The Mid-Essex Growth Corridor – A12/ GEML
- The London-Stansted-Cambridge Corridor – M11/ WAML

4.3. The Haven Gateway element of this input is contained at Appendix 1

5. Haven Gateway priorities

5.1. In the Haven Gateway, locations for growth are identified at: Skyline II employment site and the Panfield Lane development in Braintree; the Colchester Northern Gateway area; Colchester Town Centre; and the University of Essex Knowledge Gateway.

5.2. Strategic infrastructure schemes identified are: Great Eastern mainline upgrades; the A120 corridor (including Galleys roundabout); and a Haven Gateway Integrated Transport Package (including a Braintree transport and town centre improvements package)

6. District Delivery Projects

6.1. Detailed decisions about project funding have not been made at this stage in the process; negotiations underway between the Government and the South East LEP focus on priority areas and themes in the Strategic Economic Plan. However, the Plan does include reference to projects and activities that will deliver those Plan priorities and the LEP needs to demonstrate to Government that it has a delivery programme of projects that are well developed, offer value for money, have clear economic outputs, and above all clearly deliverable. A set of Essex-wide projects has therefore been developed and initial priority setting work undertaken to help demonstrate deliverability and economic impact. This includes key projects in Braintree District, as set out below. Delivery of these projects would contribute towards the District's Core Strategy priorities of delivering 14,000 jobs by 2026, and support the delivery of housing growth in the District.

6.2. *Skyline II* – an 18.5ha employment site (an extension of the successful Skyline development) on the Great Notley interchange of the A120. The project has the potential to create 1100 direct, and over 1000 indirect jobs and bring over £47m in private sector investment. Development is expected to commence in 2016/2017 and be completed in 2019/2020. This project would also contribute to the infrastructure, skills and employment and innovation and enterprise priorities identified in the Plan. Single Local Growth Funding of £2m is sought to forward fund infrastructure work.

Panfield Lane employment site – a mixed use development that will deliver 600 new homes and 2800 jobs. This project would also contribute to the infrastructure, housing, skills and employment and innovation and enterprise priorities identified in the Plan. Single Local Growth Funding of £2m is sought to forward fund infrastructure work allowing development of the site to commence in 2016/2017

A120 pinch point package - relieving congestion by improvements to access to Freeport and Braintree Town Centre from the West. This project would contribute to the infrastructure and skills priorities identified in the Plan. A £9m contribution from the Single Local Growth Fund is sought which would enable the project to be delivered by December 2016.

Braintree Town Centre - a major regeneration scheme in the heart of Braintree Town Centre. This project would also contribute to the infrastructure and skills and employment priorities identified in the Plan. £5m Single Local Growth Funding is sought to enable the project to be brought forward

Witham Enterprise Centre - developing an Enterprise Centre in Witham to provide 25 enterprise start-up units directly creating 100 jobs, and conference and training facilities and business advice and support that would create 500 jobs. The enterprise units would create an income stream to enable the Centre to be self-sustaining without on-going revenue support. This project would also contribute to the infrastructure, housing, skills and employment and innovation and enterprise priorities identified in the Plan. A £2m contribution from the Single Local Growth Fund is sought to help deliver the scheme by Summer 2019.

Braintree/ Witham rail loop - the construction of a passing loop on the Witham-Braintree Branch line to improve the frequency and reliability of services, through working with Network Rail and future rail franchisees. This project would contribute to the infrastructure, priority identified in the Plan.

7. Government feedback and next steps

7.1. Government feedback on the draft Strategic Economic Plan has indicated that a more explicit focus on corridors of growth would strengthen the Plan. This strengthens the contribution that the Haven Gateway Partnership promoted A120 Corridor makes towards the Plan delivery, and specifically the Skyline II, Panfield Lane, Braintree Town Centre regeneration and A120 pinch point projects.

7.2. At the Council meeting on 16th April 2012, Council approved the allocation of £5m New Homes Bonus to major infrastructure projects across the District to support current and future growth. The willingness of the local authority to make a financial contribution towards the key infrastructure projects outlined in this report will be a significant factor in determining whether these projects are supported as part of the delivery mechanism for the Strategic Economic Plan. It is therefore proposed to bring a report to Cabinet in June 2014 seeking approval for the allocation of New Homes Bonus to support the specific projects outlined in this report, and any further major infrastructure projects identified that will deliver sustainable growth.

Decision:

To confirm support for the South East Local Enterprise Partnership's Growth Deal and Strategic Economic Plan and note the implications of the Plan for the economic development of the District.

Purpose of Decision:

To provide information to Cabinet on the South East Local Enterprise Partnership's Growth Deal and Strategic Economic Plan, to outline the implications of the Plan for the District, and to seek Cabinet support for the Plan

Any Corporate implications in relation to the following should be explained in detail

Financial:	Funding that is allocated by the South East LEP to projects that support delivery of the Strategic Economic Plan (including Single Local Growth Fund and European funding), will be dependent upon securing both private sector and public sector match funding. As major infrastructure projects, there is an opportunity to fund, or part fund the District Council contribution to these projects through New Homes Bonus. Approval for the allocation of New Homes Bonus funds to support specific project delivery will be sought at a future Cabinet meeting.
Legal:	Legal services will be consulted as appropriate on project proposals that support the delivery of the Strategic Economic Plan.
Safeguarding	There are no direct safeguarding issues arising from the proposals set out in this report.
Equalities/Diversity	District projects that support the delivery of the Strategic Economic Plan will have a positive impact on equality and diversity, through improving access to employment for District residents, including those not in employment, education or training (NEET).
Customer Impact:	None at this stage.
Environment and Climate Change:	Wherever possible, projects that support the delivery of the Strategic Economic Plan will seek to reduce carbon emissions and protect the environment.

Consultation/Community Engagement:	Projects developed to support the delivery of the Strategic Economic Plan support the priorities identified in the in the Braintree District Economic Development Prospectus 2013-2026. The Prospectus was subject to extensive consultation in Summer 2013 prior to approval on 25 th September 2013.
Risks:	The Prosperity Project Board will oversee, advise and make recommendations on the risks associated with projects that support the delivery of the Strategic Economic Plan. Failure to ensure delivery of those projects would represent a strategic risk to the Council, making the District less attractive as an inward investment location, failing to secure the growth of existing businesses, and failing to deliver new jobs that would enable sustainable growth.
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Haven Gateway input to the South East LEP Strategic Economic Plan (working draft)**1. The Haven Gateway Growth Corridor – A120**

Located in the North of Essex, the Haven Gateway Growth Corridor includes the districts of Braintree, Colchester and Tendring. It is connected by the A120 which links Harwich International Port in the East to Stansted Airport and the M11 in the West. There are significant economic opportunities across a range of sectors located within this corridor.

It is one of the key international gateways to the UK; home to Harwich International Port, one of the UK's leading multi-purpose freight and passenger ports, and supporting the neighbouring port of Felixstowe. Consequently our growth plans will have an impact across the low carbon and renewables, offshore wind energy, manufacturing and logistics sectors. Planned developments, such as Pond Hall Farm and Harwich Supply Base Ltd (and the major port development at Bathside Bay in the longer term) will help to unlock further growth around the Haven Ports for 2021 and beyond.

Development of the University of Essex Knowledge Gateway will deliver a world class resource to support the digital culture and creative sector; and through development in the care and life sciences sector Tendring is working to establish the district as a genuinely innovative 'trailblazer' for the UK.

Colchester will accommodate significant future growth, with development planned for the town centre and the Northern Gateway. Enabling activities including River Walls Improvements and Colchester NGA Broadband for Business Parks will also be crucial in unlocking the growth potential in the area.

Braintree District is also home to major employment sites, and further developments including Braintree Town Centre Regeneration, Witham Enterprise Centre, Skyline 120, Panfield Lane Innovation and Enterprise Business Park and the expansion of Ignite Enterprise Centre will create many new jobs in the area.

The development of the A120, in particular dualling sections which are currently single carriageway, will dramatically improve connectivity and access along the corridor, unlocking growth and enabling both Harwich and Stansted to realise their economic potential.

As a result, in addition to the impact of work to support business and innovation across Essex, we will, by 2021, directly deliver over 13,400 new jobs and over 14,700 homes in the Haven Gateway Growth Corridor. We will also have unlocked the potential for a further 28,200 jobs and 22,700 homes through our enabling investment in infrastructure.

Longer term activities, including proposals to designate Harwich as a Centre for Offshore Renewable Engineering (CORE) location and achieve Assisted Area Status for Tendring will help to attract additional investment and further increase economic

activity across the area. There will be significant additional growth beyond 2021 as a result.