

11 December 2013		ITEM: 16 01104258
Cabinet		
South East Local Enterprise Partnership – Strategic Economic Plan		
Report of: Councillor John Kent, Leader of the Council		
Wards and communities affected: All	Key Decision: Non-Key	
Accountable Head of Service: Matthew Essex, Head of Regeneration		
Accountable Director: Steve Cox, Assistant Chief Executive		
This report is public		
Purpose of Report: This report seeks to update members on the development of the South East Local Enterprise Partnership's Strategic Economic Plan and gain views on the Thurrock based projects being promoted within the Plan		

EXECUTIVE SUMMARY

Following the recommendations made in the Heseltine Review, Government is creating a £2bn per annum national Single Local Growth Fund (SLGF) which, together with the £5bn European Structural and Investment (ESIF) funds, will be devolved down to Local Enterprise Partnerships to direct against locally developed growth priorities. In order to access these funds all 39 Local Enterprise Partnerships are being invited to develop multi-year Strategic Economic Plans (SEP) setting out the measures that they intend to implement along with the freedoms and flexibilities needed to secure significant local growth.

Thurrock sits within the South East Local enterprise Partnership (SELEP), which is planning for an allocation of £1bn from the SLGF and has been given a provisional allocation of £165m from the (ESIF). The Council has prepared a powerful growth narrative for Thurrock, based on the Community Strategy priorities, and the Borough's nationally significant growth and regeneration programme, to secure as much of this funding as possible for the Borough. It is using this narrative with partners across Thames Gateway South Essex to prepare an ambitious and compelling Thames Gateway chapter in the SEP. Thurrock project packages are summarised in paragraph 3.7.

In parallel the Council is also working hard to ensure that Thurrock's ambition and voice is being given rightful prominence in new governance arrangements being debated by SELEP. This includes representation at SELEP Board meetings for the

Council and the Thurrock Business Board as well as a direct working relationship between Thames Gateway South Essex and SELEP.

The first draft of the Strategic Economic Plan is due to be submitted on the 19th December 2013. Members are invited to comment upon the priorities identified within the Thurrock Growth Story to inform this submission.

1. RECOMMENDATIONS:

That Cabinet:

- 1.1 Endorse the priorities identified within the Thurrock Growth Story in support of the Council's input into the development of the South East Local Enterprise Partnership's Strategic Economic Plan.**
- 1.2 Support the Council's continuing work with Thames Gateway South Essex partners to prepare its input to the SEP's Thames Gateway chapter and continue its direct dialogue with SELEP on project prioritisation and funding.**

2. INTRODUCTION AND BACKGROUND:

- 2.1 The Government set out its vision for supporting and encouraging local growth in its response to Lord Heseltine's Review. Central to this vision was the devolution of resources and responsibility to 'those places which can demonstrate credible and compelling economic leadership, in pursuit of growth'. In promoting greater devolution, Government placed a strong emphasis on the role of the 39 Local Enterprise Partnerships (LEPs) to plan, coordinate and drive the delivery of local growth through the development and, ultimately, implementation of multi-year Strategic Economic Plans (SEPs).
- 2.2 Based upon the content of the SEPs it is anticipated that Government will negotiate a Growth Deal with every LEP through which each will be able to seek freedoms, flexibilities and influence over resources from Government and a share of the new Local Growth Fund to target their growth priorities. The Government expects to allocate around £1bn of the Local Growth Fund on a competitive basis in 2015/16 and has indicated that the Fund will be worth at least £2bn a year. Alongside the Local Growth Fund, every LEP has also been charged with drawing up investment plans for over £5bn of European Structural and Investment Funds (SIF) (an amalgamation of European Regional Development Fund and the European Social Fund) for England for the period 2014-2020.
- 2.3 The first draft of the SIF investment plan was submitted in November 2013 and LEPs are to submit a first draft of the SEP to Government by the 19th December 2013 with final versions submitted in March 2014. Negotiations on the potential Growth Deal are expected to run through to July 2014 when Local Growth Fund offers will be made to LEPs. The programme will then go live in April 2015.

2.4 Thurrock sits within the South East Local Enterprise Partnership (SELEP); the largest LEP outside of London which spans Essex, Southend, Thurrock, Kent, Medway and East Sussex. Officers are playing a central role in the development of the SEP to ensure that Thurrock's significant growth agenda is properly reflected in the SEP and that Thurrock secures the resources necessary to secure its delivery.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

3.1 Following the principles of localism already established through initiatives such as the local retention of Business Rates, Enterprise Zones and City Deals, SEPs seek to give local areas greater freedom and resources to identify their own priorities for growth and define the mechanisms through which those priorities are addressed. Unlike historic regeneration programmes (Single Regeneration Budget or New Deal for Communities etc) they are not expected to be based on single projects; rather they should seek to address growth across whole LEP areas through a coordinated package of interventions focussed on identifiable economic geographies rather than administrative boundaries.

3.2 The key principle is that Growth Deals will be a *'partnership between the Government and LEPs, where Government will respond to the offers made by LEPs in pursuit of the shared objective of growth'*. Whilst Government has not sought to define what it considers to be acceptable growth, other than through references to housing, transport and skills, the make-up of the Single Local Growth Fund gives some idea of the anticipated focus. The majority of the Fund (55% of the £2bn in 2015/16) is derived from pooling existing transport funds with the balance made up of Further Education Capital, a top slice from the New Homes Bonus and a pot of match funding for the European Social Fund.

3.3 The Government envisages that growth deals will include:

- Greater influence over key levers affecting local growth and freedoms and flexibilities;
- A share of the Local Growth Fund for LEPs to spend on delivery of their SEP; and
- Commitments from LEPs, local authorities and the private sector on their resources and levers for delivery of the SEPs, including through:
 - Better use of local authority assets to unlock resources to be reinvested in growth;
 - Commitments to pro-growth reforms, for example a coordinated approach to the development of local plans by local planning authorities across the relevant economic geography; and
 - Commitment to collective decision making involving all local authorities within a LEP.

3.4 Members will be aware of the ongoing discussions across SELEP on the future structure and governance arrangements of the LEP. The changing governance position, geographic scale of SELEP and the fact that ultimately

the SEP will be a deal brokered directly between the LEP and Government have all presented significant challenges to Thurrock and others in engaging with the SEP process. Recognising the need to articulate Thurrock's case as strongly as possible irrespective of the final governance position, officers have concentrated on developing a strong, stand-alone narrative around Thurrock's key asks which, to date, has been fed in to a wider Thames Gateway South Essex document which itself is feeding into a Thames Gateway chapter in the SEP. Thurrock officers have also led the development of the South Essex document, securing external consultant support, to ensure that this is as strong as possible and adequately reflects the sub-regional priorities.

- 3.5 The Council is also providing direct support to SELEP by leading SELEP's transport workstream, working with partners across the whole area to prepare transport priorities for inclusion in the SEP that support and enable economic growth.
- 3.6 The Thurrock narrative is summarised below. The full document draws heavily on the Council's well established policy base including the Community Strategy, Local Development Framework, Community Regeneration Strategy, Housing Strategy and Economic Development Strategy to restate Thurrock's ambitious growth programme based around the five existing Growth Hubs (Purfleet, Lakeside, Grays, Tilbury and London Gateway) together with a new sixth Growth Hub at Thames Enterprise Park (the site of the former Coryton Oil Refinery).
- 3.7 The Thurrock Growth Story seeks around £357m of Government funding matched by c.£386m from the Council and partners (in the form of cash and assets) to secure the delivery of the £6bn growth agenda described in the local Development Framework which will create 26,000 new jobs and 18,500 new homes. If supported in full this programme would include:
 - Accelerating Innovation, Productivity and Enterprise Growth
 - Supporting the further development of the creative industries at High House Production Park;
 - Supporting the growth of green technology and energy firms at Thames Enterprise Park; and
 - Increasing the scale of Thurrock's existing Business Support programme.
 - Providing skills for a Globally Competitive Economy
 - Developing a Skills Academy for Transport and Logistics;
 - Building a Higher Education Network linked to innovative sectors; and
 - Developing a package of targeted interventions to get more local people into employment.
 - National Road and Rail projects
 - Increasing capacity to deliver the full solution for M25 Junction 30/31;

- Widening the A13 to remove a clear capacity constraint on further growth; and
 - Delivering a package of measures to reduce the severance effect of level crossings on Thurrock communities.
- Implementing Local Transport improvements
 - A package of measures to address congestion at Lakeside and support expansion/diversification of the Lakeside basin;
 - Enhancements to local transport to significantly increase the accessibility of London Gateway;
 - A package of measures to support the regeneration/growth of Grays Town Centre and address the impact of the level crossing;
 - Sustainable Transport schemes including the expansion of rapid bus routes and improvements to the cycling network; and
 - Upgrading the A1306.
 - Developing Housing for Economic Growth
 - A major programme (valued at more than £1bn) to address historic infrastructure deficits through the growth of Thurrock's Thames-side Towns; Purfleet, Grays and Tilbury;
 - A programme to kick start housing growth in other parts of the Borough through the use of Council assets or direct development; and
 - A programme to offer support to private landowners to secure the delivery of much needed housing on stalled sites.

3.8 As noted above, the first draft of the SEP is due to be submitted to Government on the 19th December 2013. It is anticipated that, following this submission, further details will be released on the likely scale of funds available to LEPs and from this it will become clear how much of Thurrock's programme is likely to be supported through the SEP. In anticipation of this, officers are already working on assessments of value for money and prioritisation. Any projects ultimately delivered through SEP funds would be subject to further reports to Cabinet seeking specific approvals to proceed.

4. REASONS FOR RECOMMENDATION:

4.1 The SEP will be the primary route through which funds for in support of regeneration/growth, including for transport schemes, will become available in the future. Members are invited to comment upon the priorities identified within the Thurrock Growth Story to support the Council's final submission to the SEP.

5. CONSULTATION (including Overview and Scrutiny, if applicable)

5.1 Development of the Thurrock Growth Story has been overseen by the Regeneration Board and has been widely consulted on across the Council. The emerging priorities have been discussed and endorsed by the Business Board where it has been a standing item on the agenda since May 2013.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 6.1 The freedoms, flexibilities and funding which could potentially be secured through the SEP are key mechanisms for securing the delivery of the Council's regeneration and growth ambitions as detailed within the Corporate Plan, Local Development Framework, Community Regeneration Strategy and Economic Development Strategy.

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Sean Clark**
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Although this submission sets out an ambitious programme, a great deal of the Thurrock resource is already committed in projects such as the development of Purfleet. Should the submission be successful in full or in part, there will be further reports to Members setting out the financial implications when known.

7.2 Legal

Implications verified by: **Alison Stuart**
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The provisions of the Local Government Act 2000 require every local authority to prepare a community strategy for promoting and improving the economic, social and environmental well-being of their area and contributing to the sustainable development in the United Kingdom.

The Secretary of State has extensive powers (s5 of the Local Government Act 2000) by statutory order to amend, repeal, revoke or disapply any statutory provision which frustrates the achievement of well being in relation to all local authorities, particular local authorities or particular descriptions of local authority.

The present Secretary of State has promoted a variety of sizes of LEP with a policy of crossing representational boundaries to promote functional economic areas.

7.3 Diversity and Equality

Implications verified by: **Samson DeAlyn**
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Reducing inequality, reconnecting marginalised communities and combating deprivation are all key parts of the Council's growth agenda. The measures outlined within the Thurrock Growth Story all ultimately seek to promote greater economic activity and provide routes through which local people can benefit from that activity. Specific project proposals will be subject to Equalities Impact Assessments in their development.

7.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

- None

APPENDICES TO THIS REPORT:

- Appendix 1 – Summary of the financial packages

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