

1st December 2015

Agenda Item: 5

REPORT OF THE CORPORATE DIRECTOR, PLACE**LOCAL GROWTH FUND ROUND 3 PROPOSALS****Purpose of the Report**

1. To update Committee on proposals submitted or supported by Nottinghamshire County Council for the anticipated round 3 of the Government's Local Growth Fund programme.

Background

2. To date, there have been two rounds of the Government's *Local Growth Fund* (LGF) programme, which invests capital funds in infrastructure schemes that will deliver housing and employment growth in local areas. Local Enterprise Partnerships (LEPs) have a key role in promoting potential Growth Fund schemes to the Government. For rounds 1 and 2, D2N2 implemented a bidding process with input from the two Economic Prosperity Committees and external assessment of proposed schemes by Gleeds. The bidding process has evolved through the rounds and is now structured around the D2N2 Single Assessment Framework, which effectively scores bids against criteria under the headings of strategic fit, deliverability and value for money. The focus in rounds 1 and 2 was on schemes that could deliver quickly so that D2N2 and its partners could then evidence that the area had a strong pipeline of capital schemes that could be delivered in a timely manner.
3. The following Nottinghamshire schemes were agreed in rounds 1 and 2 of the LGF programme. Their current status in terms of D2N2 Infrastructure and Investment Board approval is noted:

Round 1 – projects start in 2015-16

- Harworth access road (approved)
- Better Broadband for Nottinghamshire (approved)
- Vision West Notts University Centre (approved)
- Newark Southern Link Road (pending approval)
- Sustainable transport packaged – D2N2 wide (pending approval)

Round 2 – projects start in 2016-17

- A46 Corridor (pending approval, possible acceleration of this scheme)
- Sherwood Growth Corridor (pending approval)
- Worksop Vesuvius / A57 / A60 (pending approval)

4. Cllrs Meale and Greaves are the County Council's representatives on the D2N2 Infrastructure and Investment Board and are therefore involved in decision-making on schemes that are put forward for support.

Local Growth Fund round 3

5. As yet, there have been no formal announcements of a further round of LGF. It is anticipated that an announcement will be made in the Comprehensive Spending Review (CSR) on the 25th November, a verbal update on which will be offered at the Committee meeting. It should also be noted that the implications of the proposed D2N2 Devolution Deal on LGF allocations for the area are not yet known.
6. In spite of the lack of any Government announcement on a third round of LGF, the D2N2 Local Enterprise Partnership initiated an 'expression of interest' process earlier in the summer for projects that would be likely to start in 2017-18. This was to ensure that the D2N2 area has a strong pipeline of capital schemes ready for a Government announcement, and that work on business cases and feasibility for proposed schemes could be started in advance of formal bidding rounds being announced.
7. The County Council facilitated a series of meetings with economic development leads from local authority partners over the summer with a view to tabling a list of proposed priority schemes at the Nottingham and Nottinghamshire Economic Prosperity Committee in September. This was in line with the initial D2N2 deadline of the end of October for expressions of interest.
8. In its call for proposals the D2N2 LEP outlined a series of key principles that it would be looking for bids to respond to:
 - a. Deliverability – schemes that are 'end-to-end' would be prioritised. By this, the LEP means that schemes with relevant consents and land ownership in place and preferred developer partners would be prioritised;
 - b. Funding type – loans are the preferred funding arrangement for D2N2, so that investment can be recycled in the future. Where proposals are fundamentally about acceleration of planned schemes, loans are the more likely outcome. Schemes that wish to have grant funding will need to be able to demonstrate a very clear viability gap;
 - c. Strategic fit / impact – the LEP is keen to see fewer, more impactful schemes put forward in any forthcoming round;
 - d. Housing only schemes could be proposed, but mixed-use schemes more likely to be prioritised
9. The Nottingham and Nottinghamshire Economic Prosperity Committee acknowledged that a number of schemes were being developed by partners and agreed to support their submission. For Nottinghamshire (excluding the city area), these are:
 - i. Town Centre Growth Programme – up to £20 million LGF to support a £61 million scheme of investment in Nottinghamshire's

town centres. Focussed on employment outcomes and business growth – not on retail and public realm

- ii. Robin Hood Line extension – £14 million contribution towards a £20 million scheme requested
- iii. Sherwood Forest Visitor Centre - £0.75 million contribution towards £5.3 million scheme requested
- iv. A57 / Retford / Creative Village (Worksop) - £8.3 million contribution towards three Bassetlaw DC schemes requested
- v. Real time bus information package - £10.3 million contribution towards £61 million scheme requested (Nottingham and Nottinghamshire)
- vi. Gamston Sustainable Urban Extension – £3-5 million to be requested. Enabling infrastructure, particularly on A52 / Gamston Lings Bar.

10. As referenced above, there are a number of uncertainties to be clarified at the time of drafting this report, not least the scale of any announcement of LGF resources via the CSR. It is understood that the D2N2 LEP has appointed a firm of consultants to support the evaluation of the applications and this will be done initially in consultation with the Infrastructure and Investment Board partners, with a report being taken to the LEP Board in January 2016. This process will be undertaken in consultation with the Nottingham and Nottinghamshire Economic Prosperity Committee.

11. A further update will be offered to Committee once the full outcome of the Devolution Deal process and the implications of this on LGF resources becomes clear.

Reason(s) for Recommendations

12. To ensure that Committee is kept informed of investment proposals for significant capital schemes in the county.

Statutory and Policy Implications

This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

Financial implications

None at this stage.

RECOMMENDATIONS

13. It is recommended that Economic Development Committee notes the content of this report.

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Corporate Director, Place

For any enquiries about this report please contact:
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Constitutional Comments
This report is for noting only.

Financial Comments [SES 18.11.2015]
There are no specific financial implications arising directly from this report.

Background Papers
None

Electoral Division(s) and Member(s) Affected
All