

**Report to the City of  
Nottingham and  
Nottinghamshire Economic  
Prosperity Committee**

**22<sup>nd</sup> July 2016**

**Agenda Item: 5**

**GROWTH DEAL 3 SUBMISSION**

**Introduction**

The LGF 3 submission is underpinned by a strong pipeline of capital projects for delivery and the LGF3 submission will be presented to Government on 28 July, 2016. We are asking a meeting of the D2N2 Leaders to support the application on 22 July, 2016. The draft submission (snapshot) was considered by the D2 and N2 joint committees and the Investment and Infrastructure Board in mid-June.

**Submission Criteria**

In emphasising the competitive nature of the programme, Greg Clark MP sent a letter to all LEP Chief Executives on 12 April, 2016 outlining the submission criteria required for LGF3. The following key criteria were extracted from the letter:

- Greater levels of private sector investment are expected in this round of Growth Deal funding rather than previous.
- Previous rounds delivery will be taken into consideration including value for money and assurance of proper uses of funding.
- Additionality from the last rounds of funding is important so LEPs need to emphasise that new outputs are being delivered in the area.
- Strong levels of governance need to be demonstrated – those with a mayoral model would be at an advantage.

**Proposed Key Themes**

Our submission (a draft of which is included with this report) highlights 5 key themes which we believe will drive economic growth over the next 5 years.

**HS2 Readiness** – the ability to act strategically and tactically including the establishment of an HS2 development company to acquire and develop strategic sites to deliver the East Midlands HS2 Growth Strategy

Eg Foundry Park

**Skills** - Investing in our skills infrastructure to particularly to deliver flagship facilities to support STEM subjects and rail, creative and digital sectors

Eg Rail centre, Confetti

**Innovation** - Supporting private sector productivity growth through commercialising innovation and developing our Enterprise Zones  
Medicity, Med tech campus

**Accelerating private sector development** - Enabling regeneration and housing through facilitating stalled development  
Coalite, Woodville/Swadlincote regeneration, Vesuvius

**City renewal and town centres** - Delivering Derby/Nottingham Metro strategy including a new performance venue for Derby, Nottingham Southern Gateway, a town centre programme

The key themes will be delivered through an LGF ask of **£107m for the D2N2 LEP area** to deliver 12,910 jobs, 1705 Homes and 7015 learners.

### **Ministerial Challenge Session**

The ministerial challenge session to discuss the D2N2 Growth Deal will have taken place on 19 July, 2016. Peter Richardson is unable to attend so Ian Morgan has agreed to attend together with Councillor Rhodes, who will be able to offer some verbal feedback to the Economic Prosperity Committee meeting.

### **Initial feedback (from civil servants) was as follows:**

- The LEP is encouraged to ensure that the final submission demonstrates a clear sense of priority in terms of challenges to be addressed or opportunities to exploit in the D2N2 area, linking back to the original Strategic Economic Plan, setting out how strategic government priorities are being aligned to local ambitions and how, through the Local Growth Fund or other means, the LEP is seeking to maximise the impact of those proposed priorities.
- How engagement with the private sector is being strengthened (with a focus on SMEs), how private sector leverage is being maximised and represents a greater level of investment than in previous rounds being more clearly explained.
- The Secretary of State's letter also made clear in his letter that strong proposals from LEPs would include details of how LEPs and the local area are collaborating together. The LEP is encouraged to set out its position on cross boundary working and overlaps, both as a LEP and as a wider economic area.
- Finally, the LEP may also want to set out how it intends to respond to the emerging themes coming out of the Science and Innovation Audits and Area Based Reviews.

The LEP should also consider:

- Developing the details of its themes to ensure a strong narrative for all the themes.
- A clear illustration of the success of the current growth deal programme.
- A commentary on the progress made towards a Combined Authority and Devolution.
- How the proposal can be viewed in context with the Local Transport Majors bid.

Baroness Williams of Trafford will want to hear the ambition within the proposal and will be particularly interested in the HS2 related elements, and the skills elements with a keen interest in pre-NEETs and troubled families. The LEP should also be prepared to discuss its plans to ensure the loans that will be available to developers through the Home Building Funding and LGF can be most effectively used together to unlock housing sites and deliver more homes.

**Recommendation(s)**

It is recommended that the City of Nottingham and Nottinghamshire Economic Prosperity Committee endorses the submission of the D2N2 Growth Deal 3 proposal to government on 28<sup>th</sup> July 2016.