

Appendix 2.6

Growth Deal Award Letter, July 2014

STOKE-ON-TRENT AND STAFFORDSHIRE GROWTH DEAL

The Stoke-on-Trent and Staffordshire Growth Deal will open up five key employment sites identified in the Stoke-on-Trent and Staffordshire City Deal which was agreed with Government in March 2014. The Growth Deal will also build the new Stafford Western Access highway to ease congestion into Stafford and make further employment and housing sites viable.

The Growth Deal will, subject to a satisfactory conclusion of the funding agreement, bring together local, national and private funding as well as new freedoms and flexibilities to focus on the key priority areas as identified in the Local Enterprise Partnership's Strategic Economic Plan:

- Opening up access to key employment sites identified in the City Deal
- Improving connectivity and easing congestion and
- Sector growth and a skilled workforce.

Stoke-on-Trent and Staffordshire Local Enterprise Partnership has secured **£82.3m from the Government's Local Growth fund to support economic growth in the area – with £13.6m of funding confirmed for 2015-16 and £14.1m confirmed for 2016-17 to 2021**. This includes:

- As part of the Government's ongoing commitment to the Stoke-on-Trent and Staffordshire LEP a provisional award of a further £34m for projects starting in 2016 and beyond; and
- £20.6m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £19m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £101.3m for the Stoke-on-Trent and Staffordshire area.**

By 2021, this Deal will create at least 5,000 jobs and allow 1,000 new homes to be built.

The Stoke-on-Trent and Staffordshire Local Enterprise Partnership brings together Stoke-on-Trent City Council, Staffordshire County Council, Cannock Chase District Council, East Staffordshire Borough Council, Lichfield District Council, Newcastle-under-Lyme Borough Council, Staffordshire Moorlands District Council, Stafford Borough Council, South Staffordshire Council, Tamworth Borough Council, Staffordshire Chambers of Commerce, Burton and District Chamber of Commerce, Chase Chamber of Commerce, Lichfield & Tamworth Chamber of Commerce, Federation of Small Businesses, Keele University and Staffordshire University.

Summary of Stoke-on-Trent and Staffordshire Growth Deal projects and funding

Stoke-on-Trent and Staffordshire LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award*	13.6	14.1	27.7
Previously committed funding	7.4	13.2	20.6
Provisional allocation to projects starting in 2016/17 and beyond	-	34	34
Total	21.	61.3	82.3

*this includes LIF, HRA and competitive

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

The Government will hold discussions with Cannock Chase District Council to further consider their bid for an increase in their Housing Revenue Account borrowing limit to allow affordable homes to be built.

Stoke-on-Trent and Staffordshire Local Enterprise Partnership and Central Government have agreed to co-invest in the following jointly-agreed priorities:

- Build a new access from the A500 to reduce congestion and improve access to the **Etruria Valley Enterprise Area** and the City Centre.
- Bridge widening and local road improvements in Lichfield to access the Cappers Lane employment area and the **Lichfield Park employment site**.
- A new roundabout junction on the A34 to improve access to the **Meaford employment site**.
- New traffic controlled access and road widening for the **Bericote Four Ashes employment site**.
- Improvements to the **Branston Interchange** including signalisation of the roundabout and widening of the A38 slip roads.
- Build the new **Stafford Western Access Route** to ease congestion in Stafford and facilitate further employment and housing growth.
- A **Local Sustainable Transport Package** for Stoke-on-Trent and Staffordshire which will improve connectivity and reduce congestion, including projects to introduce smart ticketing, improve bus punctuality and improve city centre and urban traffic management.
- An **Advanced Manufacturing Skills Hub** that will provide the skills and engineers required for local priority sectors and grow traineeships and apprenticeship opportunities.

Local flexibility over Growth Deal programme: The Government recognises the significant steps that the Stoke-on-Trent and Staffordshire LEP have taken to deliver a successful and achievable Local Growth Deal and that the programme agreed in this Growth Deal represents a step up in the ambition of, and therefore expectations on, the LEP. The LEP will be expected to deliver all the projects in the Deal document and to achieve this, the Government will disburse funds to the LEP quarterly in advance – with any changes to projects agreed each quarter. The Cities & Local Growth Unit will work closely with the LEP to resolve any outstanding concerns that will allow the LEP to achieve increased flexibility ahead of the first payments in April 2015.

The Growth Deal does not amount to an endorsement of everything submitted in the Strategic Economic Plan. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

The Stoke-on-Trent and Staffordshire Growth Deal

The investment secured by the Growth Deal will be focused on the following key areas to deliver transformative growth:

- Opening up access to key employment sites identified in the City Deal
- Improving connectivity and easing congestion and
- Sector growth and a skilled workforce.

Opening up access to key employment sites identified in the City Deal

This Growth Deal builds on the Stoke-on-Trent and Staffordshire City Deal which was agreed in March 2014. The City Deal will deliver the UK's first at-scale, low carbon, heat network system in Stoke-on-Trent establishing a new and local approach to energy production, provide local and incoming businesses with support to develop the next generation of products and materials, and bring employers and education together to ensure residents have the skills and training that individuals and businesses need to drive the economy forward. In addition to this, the City Deal identified the housing and employment sites that existing or new businesses needed to expand into. The top five priority employment sites are being taken forward through this Growth Deal.

Stoke-on-Trent and Staffordshire LEP commitments	Central Government commitments
Invest £2.6m in the following projects: <ul style="list-style-type: none"> • Etruria Valley Enterprise Area (£2.5m) • Meaford employment site (£0.1m) Secure £4.8m from the private sector for the following projects: <ul style="list-style-type: none"> • Lichfield employment site • Bericote Four Ashes employment site • Meaford employment site 	Invest £11.6m in the following projects: <ul style="list-style-type: none"> • Etruria Valley Enterprise Area (£2.4m) • Lichfield employment site (£4m) • Meaford employment site (£4.2m) • Bericote Four Ashes employment site (£1m) Provisional allocations of £22.1m for: <ul style="list-style-type: none"> • Branston Interchange (£6m) • Etruria Valley Enterprise Area (£16.1m) Pre-committed Local Growth Funding of £8.2m for: <ul style="list-style-type: none"> • Etruria Valley Enterprise Area (£8.2m).

Improving connectivity and easing congestion

Stoke-on-Trent and Staffordshire LEP commitments	Central Government commitments
Invest £4m in the following projects: <ul style="list-style-type: none"> • Stafford Western Access Route (£2m) • Local Sustainable Transport Package (£2m) Secure private sector funding of £5.8m for the following projects: <ul style="list-style-type: none"> • Stafford Western Access • Local Sustainable Transport Package • Take a more proactive role in consultation on long-term rail planning and franchise specification, and provide a co-ordinating role between constituent 	Invest £16.1m in the following project: <ul style="list-style-type: none"> • Stafford Western Access Route (£16.1m) Provisional allocation of £5m for the following project: <ul style="list-style-type: none"> • Local Sustainable Transport Package (£5m) Pre-committed Local Growth Funding of £8.2m for <ul style="list-style-type: none"> • Stafford Western Access Route • The Department for Transport and Network Rail commit to more proactive engagement of the Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an

<p>local authorities.</p> <ul style="list-style-type: none"> • Take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities. • Commit to work with local partners and BT to support delivery to support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects. • Work with local partners to help ensure match funding is in place for the next round of projects to support extension of superfast broadband coverage to 95% of UK premises by 2017. 	<p>enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with Local Enterprise Partnerships as key local stakeholders.</p> <ul style="list-style-type: none"> • The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.
---	---

Sector growth and a skilled workforce

Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government is committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

Stoke-on-Trent and Staffordshire LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Invest £1.9m in an Advanced Manufacturing Skills Hub. • The LEP will provide a clear model for establishing a growth hub that joins up national, local, public and private business support and provides a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time. • Open up new jobs associated with the Local Growth Fund to local unemployed and the long-term unemployed working closely with local and national back to work initiatives. This is part of a wider 	<ul style="list-style-type: none"> • Invest £6.9m in an Advanced Manufacturing Skills Hub • Government will provide £250,000 funding in 2015-16 for the delivery of the local growth hub subject to minimum conditions that reflect the position agreed by the Government review on business support and services. • The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and

<p>expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value.</p> <ul style="list-style-type: none"> • Local Enterprise Partnerships are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have the ability to link employers with education providers, can have strategic influence over skills supply, and have the ability to coordinate local services towards a shared goal • Facilitate stronger linkage between education providers and local businesses and work with relevant local stakeholders to communicate local priorities and align the local offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service. • Consider skills implications as part of decision taking on growth strategies. Clearly articulate and evidence skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector. Positively engage the FE and skills sector in key strategic partnerships e.g. Skills and Employment Boards. Recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment. 	<p>initiatives</p> <ul style="list-style-type: none"> • UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI will double the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment. • Government through the Skills Funding Agency will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> ○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment ○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery. ○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope, subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years • Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery. • Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess
---	--

	responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.
--	--

As part of the deal, the LEP will:

- **Strengthen governance:** The Stoke-on-Trent and Staffordshire LEP is committed to reviewing its governance arrangements by March 2015. This work has already begun with a clear focus on governance arrangements that allow for effective and speedy decision making, absolute transparency, clear delegations and accountability, and strong monitoring of programme delivery. The new arrangements are being considered by the LEP Executive Board over the summer of 2014 with an aim to begin implementation of the new arrangements throughout the autumn. This new approach will allow the LEP to hold delivery partners to account for progress against project milestones and budgets on a monthly basis through business led programme delivery boards, with the LEP holding ultimate accountability and decision making on funding allocations. This approach combined with the freedoms and flexibilities afforded through the Growth Deal will provide the business led LEP with the flexibility to reallocate resources within the scope of the agreed programme, in consultation with central government, to ensure the LEPs, ambitious plans for economic growth are achieved.
- **Ensure implementation and demonstrate success,** by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.