

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 17 MARCH 2015

REPORT BY EXECUTIVE MEMBER FOR STRATEGIC PLANNING  
AND TRANSPORT

HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP (LEP)  
MEMBER UPDATE 2015

WARD(S) AFFECTED: ALL

**Purpose/Summary of Report:**

- To provide a fact based update about the work of the Hertfordshire Local Enterprise Partnership (LEP) with information relating to funding levels and their sources, funding structures, projects identified for support and potential opportunities for East Herts.

**RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY**

**That:**

<b>(A)</b>	<b>Corporate Business Scrutiny give consideration to the report on the Herts Local Enterprise Partnership (LEP) now that a funding settlement has been agreed with Government; and</b>
<b>(B)</b>	<b>The Executive be advised of any recommendations.</b>

1.0 Background

1.1 This report updates the Member briefing on Hertfordshire Local Enterprise Partnership (LEP) provided for the Corporate Business Scrutiny Committee on 8<sup>th</sup> July 2014. The previous update contained information about the LEP Structure, the Strategic Economic Plan (SEP) and the European Strategic Investment Fund (ESIF). The report also cited potential projects that might benefit the District.

1.2 Since the last report the Government has agreed a financial settlement with Herts LEP known as the Growth Deal funded through the Single Local Growth Fund. The Government has set aside a total of £12bn to revitalise local economies via the 39

Local Enterprise Partnerships between 2015 and 2021. In July 2014 it announced a total of £6bn of funding of which Hertfordshire LEP was awarded £199.2m.

1.3 This report identifies the structure that will facilitate investment and specifies projects that the LEP intends to fund.

2.0 Report

2.1 **The Growth Deal**

2.2 Herts LEP is organising its programmes around four key themes and three geographical Growth Areas.

2.3 Key themes

1. Enabling flagship sites for housing and employment
2. Enhancing transport connectivity across the area
3. Growing the skills base
4. Creating jobs and supporting core sectors

2.4 Growth Areas and Growth Area Forums

2.5 The focus of the Growth Area Forums (GAF's) is to develop an economic vision for the sub-areas of the County. The proposed format of the Forums is to host biannual large, multi-stakeholder events to include Local Authorities (from the Forum geographical location), local businesses, key stakeholders such as HE Colleges, Research Institutes and Government Agencies. Each Forum will be chaired by a Local Authority LEP Board member and will report directly back to the main LEP Board.

2.6 The Growth Area Forums will also be a mechanism for the LEP to update stakeholders on its performance annually including progress in relation to SLGF projects. Task and Finish Groups will also be established to progress key priorities between each GAF where necessary.

2.7 Enabling flagship sites for housing and employment

2.8 The Growth Areas have been defined spatially around key transport corridors and Hertfordshire's towns.

2.9 A1(M) Growth Area Forum (Stevenage, Letchworth, Baldock, Welwyn Garden City, Hatfield, Hitchin)

- 2.9 M1/M25 Growth Area Forum (Watford, Hemel Hempstead, St Albans, Radlett, Elstree and Borehamwood, Bushey)
- 2.10 M11/A10 Growth Area Forum (Hertford, Hoddeston, Ware, Broxbourne, Cheshunt, Waltham Cross, Bishops Stortford)
- 2.11 The investment will help coordinate these growth areas, which span multiple local authority boundaries, and ensure that the Forums can build capacity to commission and take forward key projects.
- 2.12 Enhancing transport connectivity across the area  
Transport packages, totalling £67.23m of investment will be implemented across the county's Growth Areas. This funding is intended to reduce congestion on roads, improve access to rail transport and facilitate public transport, cycling and walking.
- 2.13 A1(M) Growth Area will be allocated £3.8 million to 2020/21, including £1.3 million in 2015/16 to reduce congestion and improve public transport.
- 2.14 M1/M25 Growth Area will be allocated £15 million to 2020/21, including £170,000 in 2015/15 to improve public transport, walking and cycling throughout Hemel Hempstead and town centre improvements for Watford.
- 2.15 M11/A10 Growth Area will be allocated £48.43 million to 2020/21, including £4.68 million in 2015/16. Proposals include improving access to rail transport, improvements to the Little Hadham bypass for the A12 and proposals to ease congestion on the A602
- 2.16 Growing the skills base  
Ensuring that people have the skills that local employers need is among the top priorities for the LEP. £5 million of funding has been earmarked to improve skills provision throughout the county.
- 2.17 West Hertfordshire College will be provided with £5 million investment to 2020/21 (including £2 million in 2015/16) to upgrade existing facilities at the Hemel Hempstead campus, creating a 90,000 sq ft building and further creation/development of an employer-led training programme.
- 2.18 Creating jobs and supporting core sectors  
The LEP will provide support for SMEs throughout the county by providing them with the additional space that they need to grow.

The Growth Deal will also provide funding to advance Hertfordshire's expertise in the life sciences and pharmaceuticals industries.

- 2.19 Stevenage BioScience Catalyst Phase 2 to be allocated £3 million investment to accelerate the second phase of development at the UK's first 'open innovation' (a type of knowledge sharing) science park.
- 2.20 Broxbourne Enterprise Centre will provide 20,000 sq ft of space for new and small enterprises within the Hoddesdon Business Park, using £1.8 investment in 2015/16.
- 2.21 Rothamsted Research Centre, Daniel Hall Building will receive £500,000 in 2015/16 to improve the Daniel Hall Building, kick starting plans for a science park building on existing expertise in plant and soil science.

### 3.0 **Growth Deal Expansion**

- 3.1 The Government has also awarded £22.3m additional funds for 2016-2021 to Hertfordshire LEP bringing the total secured so far for a wide range of projects to £221.5m.
- 3.2 The projects announced as part of this expansion are:
- 3.3 An Evergreen Infrastructure Growth Fund of £12.5m which will support regeneration projects, new homes and jobs. Whilst the criteria for this fund has yet to be developed Herts LEP anticipate that some of it could be used to support infrastructure, innovation or skills projects around Bishops Stortford. The funding could be grant or loan depending on the viability of the development being supported. A briefing session on this fund has been set up for HCC and East Herts officers.
- 3.4 Hatfield to receive £6m to regenerate the town centre which is expected to create 241 new jobs and 97 new homes.
- 3.5 Oaklands College, Welwyn Garden City to be allocated £0.8m to fund at least 100 new science and technology apprenticeships
- 3.6 North Herts College to be allocated £0.4m for a Design and Innovation Centre , which will give small and medium-sized manufacturers access to state of the art equipment and engineering skills training.

3.7 University of Hertfordshire to receive an allocation of £2.5m for an innovation hub which will link SMEs with the academic and research facilities at the University.

#### 4.0 **Infrastructure and the East Herts District Plan**

4.1 The Council will prepare an Infrastructure Delivery Plan (IDP) to identify the infrastructure necessary to support the development set out in the District Plan over the next twenty years. The IDP will set out what infrastructure is needed, where it is needed, when it is needed, who will be responsible for delivering it, and where the funding will come from. The IDP is likely to identify funding gaps for some items of infrastructure, and the Council may need to bid for funding to fill these gaps. Using the evidence set out in the IDP, the Council will work with the Local Enterprise Partnership (LEP) to identify potential sources of public funding, whether in the form of grants from central government or other funding sources. It is likely that the LEP will be receptive to bids which are aligned with the objectives set out in its Strategic Economic Plan for Hertfordshire.

#### 5.0 **European Union Funding Opportunities**

5.1 Herts LEP has been allocated £61.5 million from European Structural Investment Funds (ESIF) for the period 2014 – 2020. The LEP's ESIF Strategy has been approved by Government and the first open call for projects was issued in March 2015. This funding comprises three elements. Each of these funding themes will require match funding (usually on a 50-50 basis).

5.2 A European Social Fund (ESF) allocation of £30 million. This funding will provide support for skills and social inclusion and will provide bidding opportunities for Further Education establishments including Hertford Regional College. A significant proportion of this money will be used to fund projects delivered by the Skills Funding Agency, the Department of Work and Pensions and the Big Lottery as part of the Governments "Opt In" arrangements.

5.3 A European Regional Development Fund (ERDF) allocation of £30 million. This funding will be focused upon SME Competitiveness and Innovation. There is an opportunity for East Herts to help develop projects that will deliver business advice and support and business incubation provision.

5.4 It is expected that the Herts Growth Hub will be partially supported by ERDF funding. The Hertfordshire Growth Hub is a service, matching established businesses that possess the drive and the potential to grow, with support and expertise to help them achieve their business ambitions. The service will operate on an outreach basis. It is important that this opportunity is made available to the businesses in East Herts that need support. When funding for this project has been signed off by the Government the project will recruit a team of advisers to deliver the service.

5.5 European Agricultural Fund for Rural Development (EAFRD) allocation of £1.52 million.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

Link to Herts LEP website

<http://www.hertfordshirelep.com/>

Hertfordshire Local Enterprise Partnership Member Briefing July 2014.

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