

**Resources and Fire & Rescue  
Overview and Scrutiny Committee**

**18 May 2016**

**Update on LEP funding opportunities**

**Recommendations**

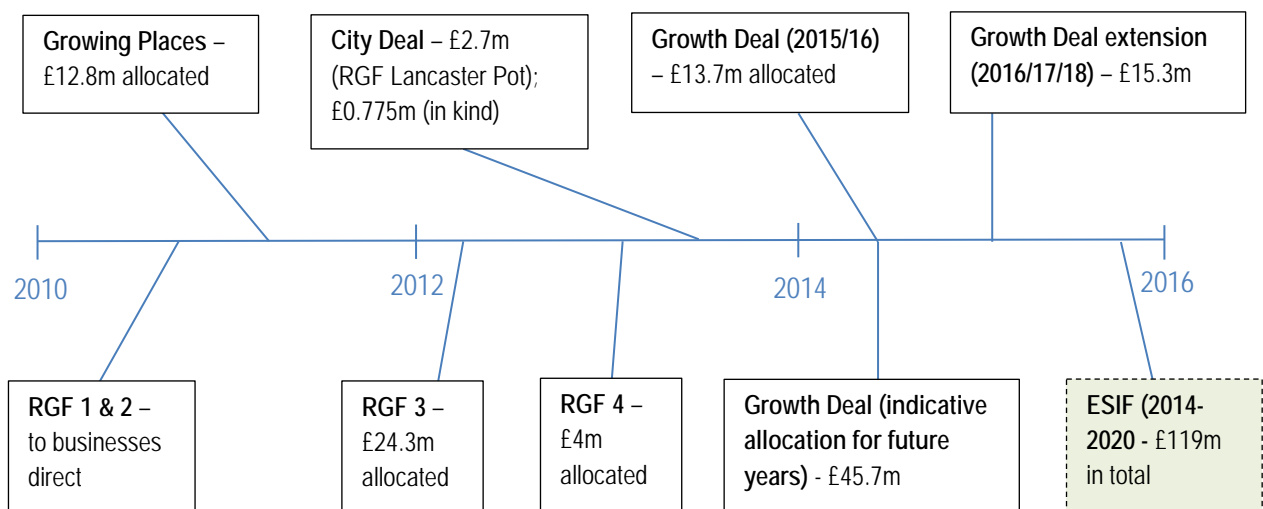
That Resources and Fire & Rescue Overview and Scrutiny Committee:

- a) Note the contents of this report
- b) Consider the best way for Members to actively engage in the development and shaping of the pipeline of projects and the Warwickshire Growth Plan to position Warwickshire to respond to funding opportunities.

**1 Background**

1.1 The funding available to support local economic growth activity has changed significantly since the announcement of the closure of Regional Development Agencies in 2010 and their replacement with a network of Local Enterprise Partnerships (LEPs). The funding secured to-date via the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) is summarised in Figure1 below:

Figure 1: Summary of funding secured to date



- 1.2 The predominant fund is now the Local Growth Fund. The Local Growth Fund, which was one of the key outcomes from Lord Heseltine’s review (“No Stone Unturned”) in 2012, combines into a single pot the range of government funding that supports economic growth. This includes Department for Transport resources for major projects, funding previously allocated for the Regional Growth Fund, and skills capital funding from BIS/ Skills Funding Agency; and currently amounts to around £2bn per annum for England for the period 2015/16-2020/21.
- 1.3 The Growth Fund is made available to LEP areas via Growth Deals. Growth Deals are agreements between the local area and central government on shared economic priorities, and detail the commitments being made by both parties to enable and facilitate economic growth. Strategic Economic Plans (SEPs) provide the basis for LEP areas to bid into the Local Growth Fund. SEPs should set out the overall, long term strategic vision for the area, the key priority investment areas, and detail how the various partners and stakeholders in the local area will work together and align their existing resources to support growth under a common strategy.
- 1.4 This report provides an update on the Growth Deal so far, the next round of Growth Deal funding, and how the Council has been developing a pipeline of projects in order to maximise future opportunities for Warwickshire.

## 2. Coventry and Warwickshire Growth Deal and Growth Deal Extension

- 2.1 The Coventry and Warwickshire Strategic Economic Plan set out a significant request for funding from the Local Growth Fund. In July 2014, the CWLEP area was allocated £13.7m of net new funding through the Local Growth Fund in 2015/16 (20.8% of what was requested in the Growth Plan), and has an indicative allocation of £45.2m for 2016/17 onwards (19.3% of what was requested). These capital allocations are detailed in Table 1 below.

**Table 1: Capital allocations through the Local Growth Fund**

PROJECT	2015/16		2016 onwards	
	Asked for £m	Received £m	Asked for £m	Received £m
North-South Rail & Coventry Station <i>(includes funding for NUCKLE 1.2)</i>	15.9	4.9	15.5	15.1
Stanks Junction Improvement <i>(part of a wider A46 N/S Corridor scheme)</i>	3.1	0	55	3.1
A5 Corridor <i>(contributions to the Highways Agency project to dual part of the A5)</i>	0	0	2	2

PROJECT	2015/16		2016 onwards	
	Asked for £m	Received £m	Asked for £m	Received £m
Connectivity to UK Central, Birmingham Airport & HS2	0.6	0	19.9	19.6
Coventry City Centre road access ( <i>part of a wider Housing &amp; Local Access scheme</i> )	2	2	34.4	3
Ansty Grow-on Space	7	4.7	0	2.4
Apprenticeship Centre at Warwickshire College ( <i>part of wider AME Skills Capital scheme</i> )	4.95	1.3	25	0
Progress House, Stratford-on-Avon ( <i>part of wider Increasing business start-up &amp; sustainability rates scheme</i> ) – <i>will fund the conversion of an SDC premise into a business incubator centre</i>	0.3	0.5	2.5	0
Skills Centre at Coventry City College ( <i>part of wider Skills Capital request</i> )	2.08	0.3	12.5	0
<b>TOTAL</b>	<b>35.93</b>	<b>13.7</b>	<b>166.8</b>	<b>45.2</b>

- 2.2 As LEPs cannot be the accountable body for these resources, the CWLEP Board agreed that Coventry City Council should undertake this role on behalf of the CWLEP.
- 2.3 The CWLEP area – through the C&W Local Transport Body – was also **previously allocated £14.4m** of funding for major transport projects for the period 2015/16-2018/19. This has been incorporated into the Growth Deal, with a flat rate allocation of £3.6m per year for the next four years. The CWLEP Board have previously agreed that all this funding should be utilised for transport activity, and the C&W Local Transport Body agreed that £3.49m of this funding should be allocated to the NUCKLE Phase 2 (Kenilworth Station) in 2015/16. The remaining funding is expected to fund other transport priorities that were set out in the Strategic Economic Plan but were unsuccessful in securing Local Growth Fund monies.
- 2.4 In the Autumn of 2014, LEPs were asked to submit bids for additional Growth Fund resources for 2016/17 and 2017/18, and in January 2015, the CWLEP area was awarded an additional £15.3m for the following projects:

- An Investment programme to bring forward key employment sites for development (e.g. Friargate and further employment land around J12 M40), enabling business growth and creating new job opportunities.
- A fund that will support local businesses to make major capital investments, develop buildings and infrastructure or access new technologies that will facilitate business growth and job creation.
- Capacity improvements at the Coton Arches roundabout in Nuneaton, which will facilitate housing and employment growth (including at the flagship Bermuda Park employment site) and improve access to Nuneaton town centre.
- New facilities at FE Colleges to deliver skills as demanded by local employers.
- A new centre to deliver R&D activities developing new steel products that will service key sectors such as Automotive, Aerospace, Rail, Defence and Energy.
- The development of a new technology to bring motorway and local road traffic systems together with cloud based systems, to improve local journey times on important routes, by giving drivers live information enabling them to switch routes and modes.

2.5 These new projects will be implemented from early 2016/ 2017 onwards.

### **3. Further Growth Deal Funding and WCC activity**

3.1 Moving forward, it would seem that the Local Growth Fund will be the focus of any further resources. The Government have just announced an allocation of a further £1.8bn of Local Growth Funding nationally, which LEP areas will be able to bid into. The Government have stated that bids need to be submitted to Government by the summer recess and it is likely that the funding will be available for the period 2018-2021.

3.2 The CWLEP, in anticipation of a potential future call for Growth Fund funding, issued a call for expressions of interest (EOIs) in Summer 2015. 67 EOIs were received, and after an appraisal and prioritisation exercise by the CWLEP, 47 projects were invited in February to develop detailed full business cases for further consideration by the CWLEP in advance of submission to Government in the summer.

3.3 Warwickshire County Council recognised last year the need to develop a strong pipeline of future projects so that we were ready to respond to relatively

short time-scales to submit applications for funding. As a result, we have worked with our Districts and Boroughs to develop a “Warwickshire Growth Plan”. This Plan analyses the key challenges and opportunities facing the Warwickshire economy, identifies ten key programmes of activity, and provides a pipeline of potential projects that could be undertaken to help drive and support economic growth within the county. The ten programme areas are split into five thematic;

- 1) Access to Employment
- 2) Business and Innovation Warwickshire
- 3) Green Economy Warwickshire
- 4) Keeping Warwickshire Moving
- 5) Welcome to Warwickshire

and five geographic:

- 1) Unlocking Atherstone’s Potential
- 2) A Greater Leamington
- 3) Growing Rugby
- 4) Stratford-upon-Avon Gateway to Culture
- 5) Transforming Nuneaton

3.4 The Growth Plan is a “live” document, with new ideas and projects to be added to it on an ongoing basis. The pipeline projects within the plan range from well-developed projects that effectively “ready to go”, to high level ideas of things that we might want to do at some point in the future. These projects are not just Warwickshire County Council schemes, and also include ideas and schemes from our Borough & District Council’s and other key partners and stakeholders (including the private sector).

3.5 Project ideas contained within the Growth Plan were reviewed against the call for EOIs for Local Growth Funding, put out by the CWLEP last year. Ideas that met the broad criteria (capital funding, ability to deliver jobs and growth, linked to the SEP) were developed into proposals, grouped where appropriate under strategic programmes linked to the above ten themes. It is important to note that these ideas were at various different stages of thinking – some were very well developed whilst others were simply at the concept stage. A list of the EOIs submitted to the CWLEP is provided in Table 2 below. The table also indicates those that have been asked by the CWLEP to be developed into full business cases and, at the time of writing, which projects the Council is intending to submit for further consideration. There were too many projects for Warwickshire County Council to effectively develop full applications for all of them, so officers undertook a prioritisation exercise based on fit with the

funding criteria, deliverability, and the timescales associated with the funding opportunity.

- 3.6 Member approval will be sought as the CWLEP appraisal and prioritisation process progresses and which projects could be funded becomes clearer. It should be noted Local Growth Funding will only contribute a proportion of the total costs (c. 50%), and that match funding is required. The funding package for each project will be detailed as part of this approval process but could come from a range of sources.
- 3.7 In February 2016, the CWLEP also launched a call for applications for local authority infrastructure funding. This is utilising some outstanding funding from the Coventry & Warwickshire Growing Places Fund (see Figure 1 above) and funding secured for infrastructure projects in the Growth Deal extension (para 2.4 above). In total, £4m is available and can support infrastructure projects such as:
- Measures that improve access to employment sites
  - Highway improvements
  - Land purchase
  - Bringing redundant buildings back into economic use
  - Flood defences which open up employment sites.
- 3.8 In all cases, projects must demonstrate strong links to the creation of new jobs, and the stimulation of the Coventry and Warwickshire economy. The maximum grant available for each available project is £1m. The deadline for project applications to the CWLEP was 8<sup>th</sup> April 2016.
- 3.9 The Warwickshire Growth Plan was again used to identify potential project applications for this call for infrastructure funding. Officers undertook analysis as to those projects that had the best fit with the funding criteria set and therefore the most likely to be successful, and were the most deliverable within the required timescales of the fund. The following applications were therefore submitted for consideration:
- B4100 Dual Carriageway (M40 J12) [Stratford District]
  - A46 Expressway (M6 to M40) – A46 Link Road Phase 1 [Warwick District]
  - A46/ A425 Stanks [Warwick District]
  - Getting West Nuneaton Moving: Bermuda Connection [Nuneaton & Bedworth]
  - Unlocking Nuneaton Town Centre – Infrastructure Requirements [Nuneaton & Bedworth].

- 3.10 Member approval will be sought as the CWLEP appraisal and prioritisation process progresses and which projects could be funded becomes clearer.
- 3.11 Moving forward, officers are keen to develop a mechanism with which to actively engage with Members over the contents and evolution of the live Warwickshire Growth Plan, to help shape and inform existing project ideas and to bring forward new ones. A discussion as to the best/ most appropriate format for this would be welcomed, and the Committee are therefore asked to consider this.
- 3.12 Financial Implications: As mentioned in paragraph 3.6 the Local Growth Fund only contributes as proportion of the costs of any scheme (c. 50%). The County Council approval process, before any scheme can proceed, requires a report outlining both the total cost of the scheme and how the full scheme is to be financed to come before Members for approval.

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillor Neil Dirveiks, Councillor Izzi Seccombe, Councillor Nicola Davies, Councillor Peter Fowler, Councillor John Appleton, Councillor John Horner, Councillor Kam Kaur and Councillor Matt Western

**Table 2: Local Growth Fund EOIs submitted to CWLEP with recommendations from WCC officers on which projects should be developed as full business cases and submitted to the CWLEP for further consideration**

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
CSW Broadband	Warwickshire County Council	Extend roll out of superfast broadband	County-wide	Local Project	Develop full business case
Cycle Coventry and Warwickshire	Coventry City Council & Warwickshire County Council	Cycling provision extension	North/South corridor (MIRA to Kenilworth)	Local Project	Develop full business case
Coventry Strategic Urban Capacity	Coventry City Council & Warwickshire County Council	A444 North-South Corridor - Addressing local congestion pinch points on the A444 corridor to improve local connectivity, linkages to the strategic highway network and the reliability of public transport services. There are four schemes planned in the Coventry sector	Coventry / Nuneaton & Bedworth	Strategic	CCC decision as lead applicant
Evereux Development Site	Warwickshire County Council & Rugby Borough Council	Investment to unlock town centre site for retail, leisure and residential uses to create new gateway to Rugby, and support town centre development (4958m <sup>2</sup> )	Rugby Borough	Local Project	Further work required – Not take forward at this stage
Rugby Parkway Station	Warwickshire County Council	New rail station on outskirts of Rugby along Crick Road	Rugby Borough	Strategic	Develop full business case
Avon Mill/Hunters Lane	Warwickshire County Council	Improvements to key junctions Avon Mill roundabout and Newbold road/Hunters Lane junction	Rugby Borough	Local Project	Develop full business case
Rugby Cycleway	Warwickshire County Council	This project will deliver approximately 7 kms of new high quality cycle routes connecting three major development sites in Rugby with the town centre, rail	Rugby Borough	Reserve Project	N/A



Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
		station and the wider cycle network within the town.			
Gaydon- Leamington Cycleway	Warwickshire County Council	This project will deliver cycling infrastructure improvements to an approximately 9km cycle route connecting Leamington Spa to Jaguar Land Rover, Aston Martin Lagonda and the proposed major residential development at Lighthorne Heath	Warwick District / Stratford District	Reserve Project	N/A
A452 Europa Way Corridor	Warwickshire County Council	Principal route from the M40 into Leamington Spa and Warwick and serves as a key gateway to both towns. The project seeks to upgrade the entire route to reduce congestion and enable a number of substantial development sites to come forward in the vicinity of the corridor.	Warwick District	Strategic	Develop full business case
Birmingham Road Growth Corridor	Warwickshire County Council	The project seeks to implement a number of enhancements to help reduce congestion on the corridor and improve access for visitors, residents and business premises. It will help unlock the key town developments in the Canal Quarter and the major mixed use Stratford Gateway scheme.	Stratford District	Local Project	Develop full business case
NUCKLE 3.1 Nuneaton Station	Warwickshire County Council & Coventry City Council	Creating a new rail connection under the west coast mainline to enable a new through train Leicester to Coventry without the need to change at	Nuneaton & Bedworth	Strategic	Promote via Midlands Connect

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
		Nuneaton.			
Bath Street Gyrotory	Warwickshire County Council	Proposed transport development in the Old Town area of Leamington Spa, Warwickshire to improve vehicular, pedestrian and cyclist access between Leamington railway station and the town centre	Warwick District	Local Project	Not take forward at this stage
Leamington Creative and Digital Quarter	Warwick District Council & Warwickshire County Council	Unlocking the commercial and cultural potential of this important but underdeveloped area – which also represents the town's southern gateway from the rail station and M40. This will be done through careful land assembly, imaginative building remodelling and refurbishment, and improved transport/mobility infrastructure.	Warwick District	Local Project	WDC decision as lead applicant
A46 Stoneleigh Expressway	Warwickshire County Council, Coventry City Council & Warwick District Council	Full grade separated roundabout and revised slip road arrangements at the junction of the A46/C32 Stoneleigh Road, along with reconfiguration of the nearby C32 Stoneleigh Road/Dalehouse Lane junction	Warwick District	Strategic	Develop full business case
A452 A46 Leamington Corridor	Warwickshire County Council	Capacity and highways improvements aimed at reducing congestion and boosting economic growth along the corridor which is the key gateway to Leamington Spa from the A46 strategic road network.	Warwick District	Local Project	Delivery unlikely to be possible until after HS2 – Develop as longer-term scheme

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
HS2/UK Central/BIA Connectivity	Warwickshire County Council	The project aims to improve local connectivity to key transport infrastructure and major employment opportunities including the proposed HS2 interchange, BHX, UK Central and the NEC. In addition, WCC consider that the project will help to mitigate the local construction traffic impacts of HS2	North Warwickshire	Strategic	Delivery unlikely to be possible until after HS2 – Develop as longer-term scheme
A444 North-South Corridor	Warwickshire County Council	The A444/College St (A444CS) scheme comprises capacity enhancements in order to stimulate and enable economic growth in the north-south corridor and address serious congestion issues on the highway network	Nuneaton & Bedworth	Local Project	Develop full business case
Hinckley to Nuneaton Cycle Route	Warwickshire County Council	This project will deliver a high quality 3.5km dedicated cycle route between the A5 and Nuneaton town centre, connecting the new residential development on the A47 The Long Shoot with the rail station and major employment sites in both Nuneaton and Hinckley	Nuneaton & Bedworth	Local Project	Not take forward at this stage
Nuneaton town centre (Highways)	Warwickshire County Council	The scheme encompasses a number of highway initiatives to facilitate connectivity for all road users accessing and travelling through the town centre, and manages the free flow of traffic on this strategic corridor.	Nuneaton & Bedworth	Strategic	Develop as joint business case for Nuneaton town centre

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
Unlocking Nuneaton's Potential (Flood risk)	Warwickshire County Council	The aim of the project will be to reduce flood risk to central Nuneaton, safeguarding businesses and existing employment in the town centre while also unlocking areas for residential development.	Nuneaton & Bedworth	Local Project	Develop as joint business case for Nuneaton town centre
Growing Nuneaton Town Centre (Land acquisition)	Warwickshire County Council & Nuneaton and Bedworth Borough Council	The acquisition of land to enable the growth and development of Nuneaton Town Centre and allow the town centre to take advantage of the opportunities coming from investment in the local area - creating sites, highway network improvements, improve visitor welcome	Nuneaton & Bedworth	Local Project	Develop as joint business case for Nuneaton town centre
Bermuda Connectivity/Unlocking West Nuneaton	Warwickshire County Council	The Project focuses on the improvement of Bermuda Bridge situated over the A444, opening the bridge to all traffic accompanied by supporting complementary highway measures aimed at mitigating the impact on the local highway network. This would create an approximate 1.3 mile additional highway link between West Nuneaton and Griff Roundabout	Nuneaton & Bedworth	Local Project	Develop full business case