

Lancashire Growth Deal July 2014

The Deal

The Lancashire Growth Deal is a 6-year package of new investment worth over £370m, agreed between Government and the Lancashire Enterprise Partnership (LEP), which will realise the growth potential of the whole of Lancashire. It is made up of £234m from the Competitive Local Growth Fund and £140m from public sector partners and the private sector.

The Lancashire Growth Deal aims to create between 3,500 and 5,000 new jobs and safeguard almost 3,000 jobs, as well as the delivery of between 3,200 and 5,500 new homes and between 120,000m² and 200,000m² of new commercial floorspace.

This substantial new investment will build on the LEP's established growth priorities, including the Enterprise Zone (EZ), Preston, South Ribble and Lancashire City Deal, Boost, Superfast Lancashire, and Growing Places investment fund, as well as key economic assets including Lancashire's internationally recognised universities, colleges and high value business clusters.

The Lancashire Growth Deal focuses on improving transport connectivity through the implementation of a strategic transport investment programme to release the economic and housing growth potential of Preston, East Lancashire, Lancaster, and Skelmersdale in West Lancashire. It will also strengthen cross-boundary connectivity with neighbouring city regions and maximise the local advantage of national infrastructure initiatives such as HS2.

It also recognises the importance of a renewed Blackpool to Lancashire by delivering a combination of skills, transport, housing, and investment interventions aimed at supporting and sustaining growth in the visitor economy, capturing new economic opportunities in the energy sector, and addressing local housing market challenges.

The LEP's Strategic Economic Plan (SEP), which underpins the Lancashire Growth Deal, sets out the LEP's growth ambitions for the next 10 years. However, the LEP will work with local and national partners to ensure new priorities for economic growth are positioned for future investment opportunities as part of national funding initiatives.

Funding Allocations

Of the £134m Competitive Local Growth Fund allocation, £85m is committed to funding schemes commencing in April 2015/16 through to 2016/21. A further £49m has been provisionally allocated to support delivery of schemes commencing in 2016/17 and beyond.

Through successful negotiation of the Preston, South Ribble and Lancashire City Deal in 2013, Transport for Lancashire (TfL) secured a 10-year funding allocation from the Department for Transport worth £106.9m (6 years committed, 4 years indicative). The Lancashire Growth Deal provides certainty that the funding for those key schemes identified in TfL's agreed programme commencing post 2015/16 (Preston Western Distributor, A6 Broughton Bypass and Blackpool to Fleetwood Tramway Extension) can be drawn down over the next 6 years to enable the accelerated delivery of the schemes, including two major City Deal transport schemes.

Lancashire Enterprise Partnership Competitive Local Growth Fund Allocation	
Funding for 2015/16	£36.4m
Funding for 2016/17 to 2020/21	£48.6m
Provisional allocation for schemes starting in 2016/17 and beyond	£48.9m
Previously committed transport funding	£100m
Total	£233.9m

Priority Funding Schemes

Government and the LEP have agreed to co-invest in 13 jointly agreed priorities:

- *Blackburn to Bolton Rail Corridor:* This project will deliver line improvements to support an enhanced train frequency between Darwen, Blackburn, Ribble Valley and Manchester, thus supporting greater commuting journeys into Manchester and improved opportunities for those travelling into Lancashire from Greater Manchester.
- *Blackburn Town Centre Improvement:* The project comprises a range of small scale interventions linked to the Blackburn Town Centre Transport Strategy and will underpin existing town centre developments, including the Cathedral Quarter and the Freckleton Street Knowledge Zone.
- *Boost:* Further investment for business support co-ordination through Lancashire's established business growth hub.
- *Centenary Way Viaduct Maintenance, Burnley:* The project will bring about essential maintenance and repairs to this key bridge structure in Burnley, enabling it to operate to full capacity and support town centre growth.
- *Burnley - Pendle Growth Corridor:* This project targets junction and other transport improvements to release additional site capacity and enable quicker movement of goods, services and people through this key economic corridor.
- *Blackpool Bridges Maintenance:* The project will repair 11 defective bridge structures across Blackpool which are either failing or have restrictions placed on them, thus ensuring key corridors to the resort remain open.
- *Blackpool Heritage Visitor Attraction:* The project will create a new tourist attraction based around Blackpool's resort heritage, proposed for the Winter Gardens.
- *Blackpool Integrated Traffic Management:* The project will provide an Intelligent Transport System (ITS) that will reduce pedestrian/vehicle conflict on the Promenade by offering alternative routes and improving public transport performance, whilst supporting the illuminations and other event management.
- *East Lancashire Cycle Network:* This project will enable better cycle access between major residential areas and places of employment.
- *Lancashire FE Skills Capital:* A programme of investment in Energy and Engineering facilities and estate renewal of poor quality college accommodation.
- *Lancaster Health Innovation Park:* This project will establish new facilities and a test space for companies carrying out product and service development in collaboration with the university and healthcare bodies.
- *M55 to St Annes Link Road:* The project will provide a new road connecting the south of Blackpool to the north of St Annes, creating a positive impact upon future employment sites (including Whitehills and Blackpool Airport), new housing growth (Heyhouses) and the visitor economy, including future hosting of the R&A Open Golf Championships.

- *Preston City Centre to Bus Station Improvements:* The project will enable the extension of the Fishergate public realm improvements from their current point to the bus station, integrating the city's two public transport hubs and supporting future development and modernisation of both the rail and bus stations and a greater number of journeys.

Central Government has agreed provisional allocations for the following priorities in 2016/17 and beyond:

- *Preston Western Distributor:* This project will link the A583/A584 to the motorway network via a new junction (Junction 2) on the M55, improving access to the Warton site of the Lancashire EZ and enabling the comprehensive development of the North West Preston strategic housing location.
- *A6 Broughton Bypass:* This project will provide critical congestion relief on the A6 to the north of Preston, also unlocking housing sites and enabling full development of new and future employment sites in Preston East.
- *Blackpool Town Centre Green Corridors:* This project will create green infrastructure corridors to Blackpool Town Centre, improving gateway and arrival points into the town itself.
- *Blackpool to Fleetwood Tramway Extension:* This project will extend the existing Blackpool tram network to Blackpool North Railway Station, creating seamless rail provision for visitors to Blackpool and residents of the Fylde Coast.
- *Darwen East Distributor Route:* This project will provide a new road that will support significant new housing development to the east of Darwen.

Wider Asks, Offers, Freedoms and Flexibilities

In addition to securing a package of new investment worth over £370m, the Government has committed to a number of wider asks, offers, freedoms and flexibilities including:

- Government support to Blackpool and the LEP in developing a targeted local pilot focused on addressing skills challenges faced by disadvantaged learners with multiple barriers to employment and, subject to agreement on proposals, make funding and flexibilities available within the Adult Skills Budget;
- £26m made available to Lancashire by Government in 2014/15 and 2015/16 at the Public Works Loan Board (PWLB) project rate discount of 40 basis points below the standard PWLB to support strategic infrastructure investment in Blackpool, including acquiring and redeveloping housing sites;
- Government offer to work with local partners to establish Blackpool as a home for energy regulators;
- Government support to local partners to establish Blackpool and the Fylde College as a National College for the energy sector;
- Government to hold discussions with West Lancashire Borough Council to further consider their bid for an increase in their Housing Revenue Account borrowing limit to help support the development of new affordable homes;

- Government and the Technology Strategy Board commitment to working with the LEP and the Lancashire EZ to facilitate discussions with the High Value Manufacturing Catapult regarding possible engagement and to help local partners develop the strengths of the sector in line with local ambitions;
- Government has committed, subject to due diligence, £6m of loan funding to accelerate the delivery of over 1,000 new homes on the Standen Strategic Site in Ribble Valley;
- LEP and partners agree to the LEP taking a more proactive role in consultation on long-term rail planning, including evidencing the case for enhanced connectivity between both East Lancashire and Skelmersdale and neighbouring city regions, franchise specification and performance management, and providing a co-ordinating role between constituent local authorities; and
- Government commitment to ensuring that the LEP and Blackpool receive the support they need from Whitehall to deliver the Lancashire Growth Deal with Greg Clark, Minister for Cities, holding 6-monthly ministerial meetings with local MPs, the LEP and the Leader of Blackpool Council.

Moving Forward

As part of the Lancashire Growth Deal, the LEP will review and strengthen supporting resources for the LEP, in relation to improving local authority partnership arrangements to deliver LEP priorities, including the pooling and aligning of resources across all of Lancashire's local authorities.

On behalf of the LEP, Lancashire County Council will act as the accountable body for the Growth Deal, with responsibility for managing the overall funding programme.

The LEP will also closely monitor the implementation and success of the Lancashire Growth Deal through a monitoring and evaluation framework agreed with Government, and regularly communicate progress in delivering the Deal to the wider public.

The LEP will now work with Government and local partners to prepare a Delivery and Implementation Plan.

For further information on the Lancashire Growth Deal contact:

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