



north east combined authority

Economic Development and Regeneration Advisory Board

Thursday 1st October 2015 at 10.00 am

Meeting to be held: Committee Room, Civic Centre, Sunderland, Burdon Road, SR2 7SN

www.northeastca.gov.uk

SUPPLEMENTAL AGENDA

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6. Regional Investment Plan	1 - 6

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To All Members

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North East Combined Authority

Economic Development and Regeneration Advisory Board

DATE: 1 October 2015

SUBJECT: Regional Investment Plan

REPORT OF: Economic Development and Regeneration Thematic Lead

EXECUTIVE SUMMARY

This report provides an update on progress to develop a Regional Investment Plan.

RECOMMENDATIONS

The Advisory Board is requested to receive the update for information and provide views on the development of the Plan.

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1 Executive Summary

- 1.1 The report provides an update on progress to develop a Regional Investment Plan.

The Advisory Board is requested to receive the update for information and provide views on the development of the Plan.

2.0 Background

- 2.1 The Economic Development and Regeneration theme takes lead responsibility for coordinating efforts to enhance the region's important economic assets and to develop new ones that will promote growth. To do this job effectively requires a thorough understanding of the range of existing and proposed economic assets and their potential.

- 2.2 Opportunities may arise to secure public investment in loan or grant form that can be invested in new economic projects or to improve existing assets. These have included:

- the Local Growth Fund, which is allocated by UK Government to LEPs on a competitive basis;
- European funding, which in the new programme [2014-2020], will be allocated according to the priorities of the national European Social Fund and European Regional Development Fund programmes for England guided by regional allocations to LEP areas;
- the Growing Places Fund, launched in 2012, which has been allocated to LEPs competitively on the basis of grant and / or revolving loan fund;
- the Regional Growth Fund which is accessed directly from Government by private sector companies with eligible projects;
- funds managed by the Homes and Communities Agency relating to housing development or strategic employment sites.

3.0 The New Approach

- 3.1 These funding rounds are often launched with little prior notice. Because of the Government's own spending cycles, calls for bids may often be limited to projects that are able to begin and complete within a period of one or two years. Through the devolution discussions, the NECA and its partners are making strenuous efforts to secure greater certainty of funding over a much longer period.

- 3.2 In order to understand the potential for enhancing the region's economic assets, work has been undertaken to collate the proposed private and public sector projects relating to important employment sites and housing sites across the region. All seven local authorities have been involved in this work, which has been led by Durham County Council. This work has:

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- Produced a database of draft projects relating to employment sites and housing sites over roughly a 10 year period. The aim is for these to be classified and prioritised to inform programmes of projects for NECA/NELEP to consider and put forward for relevant bidding rounds.
 - Given a clear picture of the extent, potential impact and scale of readiness of the proposals currently in development relating to economic assets.
 - Begun to produce a spatial narrative that links employment growth to housing development in a coherent way and one that will help inform future transport developments and strengthen the region's case for coordinated and devolved investment.
- 3.3 The NECA Economic Directors have asked the Planning and Housing Officer Group to undertake the above work and produce the desired outputs for consideration. Detailed progress for each is given below.
- 3.4 A pipeline of both employment sites and housing sites has been developed to underpin this approach. These investments build upon and strengthen our integrated employment locations, recognise the diverse nature of the regional economy and aim to enhance connectivity of our places. Both schedules have been compiled by the Local Authorities and collated centrally. The sites identified illustrate a brief overview, type of investment, planned output/outcomes, whether or not public investment is required, delivery timescales, planning status and barriers to development.
- 3.5 The housing sites have been reviewed by the HCA to assess deliverability and consider the delivery of housing sites over the next ten years, set against funding arrangements (gap and repayable). Further work is still required to undertake a deliverability assessment of the employment sites. This assurance assessment will require Local Authorities to revisit sites identified as high priority, ensuring all site/project information is update to date and suitable assumptions applied for deliverability so a combined assessment can be undertaken. Options for undertaking this work are currently being considered.
- 3.6 The draft spatial narrative sets out the spatial approach to delivering more and better jobs and more and better homes across the NECA area. A strong housing, employment and urban core offer is critical to securing the North East's sustained economic growth and achieving the ambitions as set out within the Strategic Economic Plan. The approach will help encourage the right quality and quantity of development in the right places to meet demand and aspirations, building on our well connected infrastructure, cities, settlement pattern and areas of opportunity. The narrative will demonstrate the shared ambitions across NECA to build on our collective strengths and recognise the potential of our economic assets in achieving economic and housing aims. The enhancement of our infrastructure and development opportunities will support the operation of labour markets and trade and connect people and places across the NECA area. It takes as its starting point the commitment to promote economic growth, supported by investing in

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places. This recognises our key drivers for growth and emphasises the relationship between places and infrastructure centred on our cities, main transport routes, connected settlements and more outlying rural and coastal areas.

- 3.6 Already, the work on developing a list of prospective employment sites has been fruitful. In his July Budget, the Chancellor of the Exchequer announced that a further round of Enterprise Zones would be created and invited local authorities to work with their Local Enterprise Partnerships to come forward with suitable candidate sites that would drive growth. In this round there would be more consideration given to rural and coastal areas, but applications were welcome from all areas and those with the strongest business cases would succeed. The draft database of sites was a helpful starting point from which to identify a suitable set of candidate sites within the NECA area. The Government's deadline was Friday 18th September and there was a special meeting of the NELEP Board on Wednesday 16th September to decide which sites to put forward, NECA Leadership Board having first considered the candidate sites at its meeting on Tuesday 15th September.

4.0 Next Steps

- 4.1 Further work will be undertaken on the database of projects and the spatial narrative by the Economic Directors Group and then the suite of projects will be presented to the ED&R Advisory Board and subsequently to the NECA Leadership Board. It is intended that both the project database and the spatial narrative will inform the prioritisation of projects either for future funding calls or the allocation of expenditure from devolved budgets.

5 Potential Impact on Objectives

- 5.1 The report sets out a proposal that will support the NECA in meeting its objectives.

6 Finance and Other Resources

- 6.1 There are no specific resource implications arising from this report.

7 Legal

- 7.1 There are no specific legal implications arising from this report.

8 Other Considerations

8.1 Consultation/Community Engagement

There are no issues arising from this report for consultation.

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8.2 Human Rights

There are no specific human rights implications arising from this report.

8.3 Equalities and Diversity

There are no specific equalities and diversity implications arising from this report.

8.4 Risk Management

There are no specific risk implications arising from this report.

8.5 Crime and Disorder

There are no specific crime and disorder implications arising from this report.

8.6 Environment and Sustainability

There are no specific environment and sustainability implications arising from this report.

9 Background Documents

9.1

North East Strategic Economic Plan – More and Better Jobs

10 Links to Plans in the Policy Framework

10.1

This report links to the Strategic Economic Plan and other plans in the Policy Framework.

11 Appendices

11.1

None.

12 Contact Officers

12.1

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13 Sign off

- Head of Paid Service

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- Monitoring Officer ✓
- Chief Finance Officer ✓