

## **D2N2 GROWTH DEAL**

The D2N2 Growth Deal will build on the area's clear strengths by investing in a number of major projects in the LEP's priority sectors - including advanced transport engineering and life sciences. The D2N2 LEP brings together the core city of Nottingham and the key city of Derby with the counties of Nottinghamshire and Derbyshire – home to vibrant market towns and large numbers of businesses. This Growth Deal offers opportunities to both cities and counties, with a range of projects to support growth covering priorities including transport, skills, flooding and innovation.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding, as well as opening discussions on a range of new freedoms and flexibilities focused on skills and employability and rural business growth which is based around 3 priority areas:

- Enabling innovation-led growth
- Enhance transport, employment sites and housing
- A D2N2 Skills Deal

D2N2 has secured **£174.3m from the Government's Local Growth Fund to support economic growth in the area – with £31.6m of new funding confirmed for 2015/16 and £69.5m for 2016/17 to 2021.** This includes:

- As part of the Government's ongoing commitment to D2N2, an indicative award of a further £30.4m of funding for projects starting in 2016 and beyond; and
- £42.8m 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 £380m of additional investment from local partners and the private sector. **Combined together this will create a total new investment package of £554.3m for the D2N2 area.**

By 2021, this Deal will deliver at least 18,000 jobs, allow 8,000 homes to be built and support over 147,000 learners.

The D2N2 LEP brings together: Nottingham City Council; Nottinghamshire County Council; the seven Nottinghamshire district Councils; Derby City Council, Derbyshire County Council and the eight Derbyshire district councils, with local businesses, universities, colleges and business membership groups.

### **Summary of D2N2 Growth Deal projects and funding**

This Growth Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund, gives local partners the backing to focus on local priorities.

<b>D2N2 LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	31.6	69.5	101.1
<b>Previously committed funding</b>	15.8	27.0	42.8
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	30.4	30.4
<b>Total</b>	45.4	127.0	174.3

The table above includes the provision of £2m loan funding (subject to due diligence) to Commercial Estates Projects Ltd to accelerate the delivery of 430 homes on the Penniment Farm, Mansfield site,

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.

**D2N2 and Central Government have agreed to co-invest in the following jointly-agreed priorities:**

- **Infinity Park, Derby** – Developing this important employment site through site access and remediation including flood alleviation. This investment will support the competitiveness of the local supply chain through local sustainable transport measures. It will also improve access to the local labour market
- **Bioscience Expansion, Nottingham** – expansion of floorspace next to Biocity to accommodate growing firms and allow space for new start-ups
- **Nottingham Skills Hub** – project to integrate FE provision and employment opportunities across the city to meet the demands of business. It will provide a new College building in the heart of Nottingham's Creative Quarter, with employment sites in communities, which will complement existing Work Programme, Youth Contract, Employer and Apprenticeship Hubs
- **Nottingham Broadmarsh / Southern Gateway** – transport strategy to allow expansion of the southern side of city centre, including transformation of Broadmarsh shopping centre and improved connection to station
- **Newark Southern Link Road** – a new single carriageway road linking the A1 and A46 on the south side of Newark, serving a major urban extension on south side of Newark
- **Chesterfield Centre for Higher Level Skills** – the new Centre for Higher Level skills will deliver a huge change in higher level skills opportunities and support the economic growth of businesses and the workforce in Chesterfield and North East Derbyshire
- **Vision University Centre, Mansfield** – The Vision University Centre will create a new teaching and learning space with state of the art facilities to support local people gain higher level vocational skills. Creating opportunities to access higher level skills locally will support increased progression among young people and ensure employers can access the higher level skills they need
- **Harworth access road** – junction improvements to enable employment and housing development at Harworth
- **D2N2 Sustainable Travel programme** – the Cycle City Ambition Package in Nottingham, the Connected and Cycle City and City Centre Placemaking projects in Derby, all of which will improve links for cyclists, pedestrians and other within D2N2's urban areas
- **Our City Our River, Derby** – a Strategic Flood Defence scheme, complemented by a further Super Connectivity Cycle route, to unlock development along the Derwent in Derby.

**Local flexibility over Growth Deal programme:** The Government recognises the significant steps that the D2N2 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 D2N2 to achieve increased flexibility ahead of the first payments in April 2015.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. 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.

D2N2 LEP and Central Government view this deal as the first step in a multi-year process that will enable the LEP to secure further funding allocations in future years. As part of this process, additional projects will be considered for funding. This includes but is not limited to LEP priority projects such as the D2N2 sustainable transport programme where we have been able to make an initial commitment to begin the programme.

## The D2N2 Growth Deal

The D2N2 Growth Deal focuses on three key elements of the local economy:

**Enable innovation-led growth:** The Deal will provide investment in some of Derby and Nottingham’s most important economic areas, to create space for more of the area’s most creative and innovative businesses. In Nottingham’s renowned Creative Quarter, the Deal will improve local infrastructure, building on the work of the Nottingham City Deal. BioCity, one of Europe’s most successful biotech incubators, will undergo a major expansion, allowing its most successful companies to expand while creating space for new start-ups to emerge in their place.

In Derby, the Deal includes a flagship £13m investment in Infinity Park, which will bring allow Derby’s hugely successful manufacturing industry to grow even further. Infinity Park will build on Derby’s position as one of the UK’s key centres of advanced manufacturing, and help the city to attract suppliers to the likes of Rolls-Royce, Bombardier and Toyota.

Government will work with the LEP to extend the Enterprise Zone from Nottingham to Derby, offering more opportunity for business growth. In addition, Nottingham University will be the site of one of four pilot University Enterprise Zones, with Government investing £2.6m in the site. Government will invest in the Nottingham Enterprise Zone sustainable transport package, to link the enterprise zone to the Nottingham tram extension.

To ensure that businesses across Derbyshire and Nottinghamshire feel the benefits of these investments, the Deal will also greatly expand D2N2’s Growth Hub, bringing simpler, more effective support and advice to businesses across the area. In addition, to support the delivery of broadband across the area, funding will be committed to a broadband programme. The Deal will also boost small and medium enterprises (SMEs) take up of broadband vouchers under the Superconnected Cities programme in Derby.

<b>D2N2 LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Secure £196m of investment in Infinity Park.</li> <li>• Secure £19m of investment in BioCity.</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £13.7m (£4.5m in 2015/16) in Infinity Park subject to DfT business scrutiny prior to delivery</li> <li>• Invest £6.5m (£5.5m in 2015/16) in expanding BioCity</li> </ul>
<p><b>Enterprise Zones</b></p> <ul style="list-style-type: none"> <li>• Develop a robust business case for extending their Enterprise Zone into Infinity Park in Derby.</li> <li>• Steer delivery of the University Enterprise Zones (UEZ) within the context of the Strategic Economic Plan as agreed with the Department of Business, Innovation and Skills (BIS) as part of enhancing Higher Education (HE)/ business interaction in the area.</li> </ul>	<p><b>Enterprise Zones</b></p> <ul style="list-style-type: none"> <li>• Work with D2N2 LEP on their plans to extend the existing D2N2 (Nottingham) Enterprise Zone into Infinity Park Derby to accelerate growth. Details of this extension will be discussed over the coming months.</li> <li>• Provide £2.6m contribution to support delivery of a UEZ.</li> </ul>
<p><b>Growth Hubs</b></p> <ul style="list-style-type: none"> <li>• Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time</li> <li>• Provide £225k of public and private funding in 2015/16 to support the delivery of the local</li> </ul>	<p><b>Growth Hubs</b></p> <ul style="list-style-type: none"> <li>• Provide £525k funding to the LEP for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services.</li> <li>• A named contact in the Department for Environment, Food and Rural Affairs (Defra) will facilitate engagement with D2N2 LEP to help them build on the experiences of the pilot Rural Growth Networks to develop their own proposals for</li> </ul>

<p>growth hub.</p>	<p>locally tailored support for rural businesses, as well as helping them identify possible sources of funding or other support mechanisms, including the use of European funds</p> <ul style="list-style-type: none"> <li>• UK Trade and Investment (UKTI) will commit to effectively communicating its strategic priorities to LEPs and wherever possible to 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.</li> <li>• The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs they can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.</li> </ul>
<p><b>Broadband</b></p> <ul style="list-style-type: none"> <li>• To support extension of superfast broadband coverage to UK premises by 2016, via existing broadband projects, D2N2 LEP will commit to work with local partners and BT to support delivery.</li> <li>• To support extension of superfast broadband coverage to 95% of UK premises by 2017, D2N2 LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> <li>• D2N2 will invest £9.64m into the broadband projects.</li> <li>• D2N2 will prioritise any underspends in 2015/16 to support up to £4.8m further investment in this programme</li> <li>• LEP and Derby City Council will commit to boosting SME voucher take-up as part of the Superconnected Cities Programme. To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, D2N2 LEP will commit to work with local partners and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, D2N2 LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> </ul>	<p><b>Broadband</b></p> <ul style="list-style-type: none"> <li>• Provide the flexibility for D2N2 LEP to re-allocate underspends on other projects in 2015/16 to enhance delivery of the D2N2 broadband projects (4.8m), retaining the overall allocation to project which have slipped.</li> <li>• If there are no underspends of Local Growth Fund (LGF) in 2015/16 to support the investment, Government will provide further funding up to that level (4.8m) to ensure that the additional superfast broadband is delivered.</li> </ul>

**Enhance transport, employment sites and housing:** The Deal will inject significant investments into key infrastructure projects across Derbyshire and Nottinghamshire. Worth £32.25m in total, these investments will improve cycling and sustainable transport links, upgrade critical sections of the road network and alleviate flood risks across the area. As well as making it easier for people to get around, these investments will clear the way for some key employment and housing sites, creating jobs and 7000 homes. In addition, Government will make available £10m of Public Works Loan Board finance as a loan to the LEP at a discount rate.

Derby and Nottingham will get substantial sustainable transport packages, with a particular emphasis on making it easier for people to cycle around the cities. The major Our City, Our River project in Derby will help to unlock high quality development and manage flood risks along the Derwent. A £10.3m investment in Nottingham’s Broadmarsh district will help to complete the regeneration of the southern entrance to the city.

Meanwhile, the Deal will also bring a Southern Link Road in Newark, helping to alleviate congestion and provide new employment opportunities. The Harworth Access Road will also help to create jobs in Harworth and Bircotes, in conjunction with Sheffield City Region LEP.

<b>D2N2 LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Secure £93m of investment in the Our City, Our River project</li> <li>• Secure £152.6m of investment in the Broadmarsh regeneration area</li> <li>• Contribute £19.3m to the Newark Southern Link Road</li> <li>• Contribute to the Harworth £1m Access Road</li> <li>• Invest £3.28m in the Nottingham Cycle City Ambition Package</li> <li>• Invest £15m in Derby Cycle City and Derby Vibrant City Placemaking</li> <li>• Confirm the indicative borrowing profile and other projects to be funded with the PWLB loan with Government.</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £12m (£2m in 2015/16) in Our City, Our River</li> <li>• Invest £10.3 (£3m in 2015/16) in Nottingham Broadmarsh</li> <li>• Invest £7m (£1m in 2015/16) in the Newark Southern Link Road subject to Highways Agency confirmation of at least medium VfM</li> <li>• Invest £1.1m (£0.6m in 2015/16) in the Harworth Access Road</li> <li>• Invest £6.1m (£3m in 2015/16) in the Nottingham Cycle City Ambition Packag</li> <li>• Invest £6.4m (£1.1m in 2015/16) in Derby Cycle City and Derby Vibrant City Placemaking subject to DfT scrutiny of business case prior to delivery</li> <li>• Confirms that a total of up to £10m will be made available to D2N2 in 15/16 at the new Public Works Loan Board (PWLB) project rate discount of 40 basis points below the standard PWLB rate. This will support strategic infrastructure investment, including in the Enterprise Zone, which forms part of the overall Growth Deal package. D2N2 will confirm the rest of the package that will be supported by this investment and an indicative borrowing profile with HM Treasury</li> <li>• The Homes and Communities Agency (HCA) will work with the LEP, local authorities and other partners - as far as possible and within programme criteria - on an ‘Accelerated Development’ programme of strategic site development where HCA, local authorities &amp; LEP will aim to align or integrate land and funding initiatives (i.e. Growing Places Fund (GPF), Local Growth Fund (LGF), Local Infrastructure Fund (LIF), rural initiatives) to support housing and commercial development.</li> </ul>

<p><b>Provisional allocations to projects starting in 16/17 and beyond</b></p> <ul style="list-style-type: none"> <li>• Invest £3.2m in the A61 corridor, Chesterfield</li> <li>• Contribute £2m to the Enterprise Zone Sustainable Transport package</li> <li>• Contribute 14.6m to Rolls Royce Hucknall</li> <li>• Invest £6.19m in the Sustainable travel programme</li> </ul>	<p><b>Provisional allocations to projects starting in 16/17 and beyond</b></p> <ul style="list-style-type: none"> <li>• Invest £12.8m in the A61 corridor, Chesterfield.</li> <li>• Invest £6m in the Enterprise Zone sustainable transport package.</li> <li>• Invest £5.8m in Rolls Royce Hucknall</li> <li>• Invest £5.8m in further elements of the D2N2 Sustainable Travel Programme</li> </ul>
	<p><b>High Speed Rail 2 (HS2)</b></p> <ul style="list-style-type: none"> <li>• The Government recognises the commitment, enthusiasm and proposals set out in the D2N2 SEP for maximising the economic benefits of High Speed Rail 2 (HS2).</li> <li>• In the published consultation on HS2, the route for Phase Two included stations at Leeds, Manchester Airport, Manchester City Centre, Sheffield Meadowhall, and Toton. Department for Transport (DfT) and HS2 Ltd are considering the responses to the consultation, along with Sir David Higgins' recommendation to accelerate the benefits of HS2 to the Midlands and the North by extending the line to Crewe. Ahead of the Secretary of State for Transport announcing the outcome of that consultation, Growth Deal support will focus on Phase One locations.</li> <li>• Through Growth Deals, Government has established a package of support which will be provided to all HS2 station LEPs once the route is announced. Government commits to working with and supporting Phase Two LEPs to develop their HS2 Growth Strategies once the final decision on Phase Two is published. This will include the development of detailed proposals which LEPs can put forward for financial or other support through future Growth Deals. In the meantime, D2N2 will work with Phase One LEPs and Government officials to co-design an approach to developing and delivering HS2 Growth Strategies.</li> </ul>
<ul style="list-style-type: none"> <li>• The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans. The LEP should commit to supporting the 17 local planning authorities in its area to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their local plans in accordance with the timetable submitted as part of the LEP monitoring framework.</li> </ul>	
<p><b>Transport freedoms and flexibilities</b></p> <ul style="list-style-type: none"> <li>• The LEP and partners agree to the Local Enterprise Partnership to take a more</li> </ul>	<p><b>Transport freedoms and flexibilities</b></p> <ul style="list-style-type: none"> <li>• The Department for Transport and Network Rail commit to more proactive engagement of the Local Enterprise</li> </ul>

<p>proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities.</p> <ul style="list-style-type: none"> <li>The LEP and partners agree to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities</li> </ul>	<p>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 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 LEPs as key local stakeholders.</p> <ul style="list-style-type: none"> <li>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 over.</li> <li>The Department for Transport commits to working with D2N2 and the Greater Lincolnshire Local Enterprise Partnership and partners to help achieve the objective of increased service frequency between Lincoln and Nottingham via Newark. If local funding is provided to operate incremental rail services for three years and services prove successful, the Department for Transport commits to considering funding service levels thereafter.</li> </ul>
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**The D2N2 Skills Deal:** Besides investing in Derbyshire and Nottinghamshire’s physical infrastructure, the Deal will also invest heavily in local people. Raising skill levels is a priority for the area, and the Deal will greatly improve the quality of Further Education (FE) colleges available to provide those skills.

In Nottingham, the flagship £30m Integrated Skills Hub will provide a new, single place where people can get all of their learning needs met. By bringing together colleges and training providers in one place, this investment will increase the range of options on offer and help more people improve their career prospects. It will also help to transform south central Nottingham. The LEP will continue to work with the Skills Funding Agency (SFA) and Government to secure suitable flexibilities to build on the substantial skills capital investment announced in this Deal.



Meanwhile, the deal will also provide new opportunities in Chesterfield, where a Centre for Higher Level Skills will improve the quality of qualifications on offer to learners. In Mansfield, the Vision University Centre will help to provide more high level training.

The Deal also focuses heavily on social inclusion by supporting the important Rebalancing the Outer Estates project in Nottingham North. This project will develop a wide range of new solutions to tackle problems of worklessness, isolation and family breakdown in estates on the edge of cities. The project will get local businesses more involved in college education, and will look at how local and national resources can be spent more effectively to help more people into work.

<b>D2N2 LEP commitments</b>	<b>Central Government commitments</b>
<p><b>Skills capital</b></p> <ul style="list-style-type: none"> <li>• Create an Integrated Further Education Hub, securing £30m of investment,</li> <li>• Secure £3.4825m to deliver the Chesterfield Centre for Higher Level Skills</li> <li>• Secure £5.227m for Vision University Centre Mansfield</li> </ul>	<p><b>Skills capital</b></p> <ul style="list-style-type: none"> <li>• Invest £30m (£5m in 2015/16) in the Integrated Nottingham Skills Hub</li> <li>• Invest £3.5m (£1.4m in 2015/16) in the Chesterfield Centre for Higher Level Skills</li> <li>• Invest £2.6m (all in 2015/16) in the Vision University Centre, Mansfield</li> </ul>
<p><b>Careers and support for learners</b></p> <ul style="list-style-type: none"> <li>• Facilitate stronger linkage between education providers and local businesses. We will also work with relevant local stakeholders to communicate our priorities and align our 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</li> <li>• Work with Government and other partners to co-design, test ideas and learn from the disadvantaged learners pilot</li> </ul>	<p><b>Careers and support for learners</b></p> <ul style="list-style-type: none"> <li>• Work with D2N2 to help ensure that local employer priorities are fed into the operations of the new NCS providers in D2N2</li> <li>• Support D2N2 LEP in developing a targeted local (ward level or lower) 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. Pilots will consider how local partners can work together to improve outcomes</li> </ul>
<p><b>Rebalancing the Outer Estates</b></p> <ul style="list-style-type: none"> <li>• Develop the "Rebalancing the Outer Estates" project, an evidence-based programme of interventions and flexibilities beginning in Nottingham North. This programme will get more people into work, raise education and skill levels, and map then make better use of local assets and spending <ul style="list-style-type: none"> <li>○ The Rebalancing project will provide lessons, data and evidence which can be applied to other urban areas. D2N2 will commit to supporting other areas to develop similar programmes.</li> <li>○ The project will bring together a broad</li> </ul> </li> </ul>	<p><b>Rebalancing the Outer Estates</b></p> <ul style="list-style-type: none"> <li>• Cabinet Office, DCLG, DWP and BIS commit to working with D2N2 where appropriate to develop strong proposals and flexibilities for Rebalancing the Outer Estates and to helping to put these proposals into action where there is a strong case for doing so <ul style="list-style-type: none"> <li>○ Government will provide seed funding where appropriate to support the development of the Rebalancing project</li> <li>○ Government will provide advice and access to expertise to help the Rebalancing project develop strong, appropriate proposals</li> <li>○ Government will work with D2N2, the project and the</li> </ul> </li> </ul>

<p>local partnership, including the LEP, Nottingham City Council, social enterprises and voluntary and community sector organisation, businesses, New College Nottingham, community groups and others to work on Rebalancing Nottingham North</p> <ul style="list-style-type: none"> <li>○ Local partners will put resources and funding into the Rebalancing project wherever possible</li> </ul>	<p>What Works network to evaluate programmes effectively and maximise the useful evidence available to take workable ideas to scale</p>
<p><b>NEETs</b></p> <ul style="list-style-type: none"> <li>● The Government expects D2N2 LEP to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value.</li> </ul>	<p><b>NEETs</b></p> <ul style="list-style-type: none"> <li>● This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment the Deputy Prime Minister launched the Youth Contract for Cities in November 2013 providing local areas with devolved funding to boost employment opportunities for young people. As part of this, Nottingham was awarded £3m from the Government to develop its youth employment programme, including through the extension of the Joint Integrated Employer and Apprenticeship Hub. Alongside this Growth Deal, the Government expects Nottingham to deliver against its commitments towards youth employment.</li> </ul>
<p><b>Working with the Skills Funding Agency</b></p> <ul style="list-style-type: none"> <li>● The LEP will consider skills implications as part of decision taking on growth strategies.</li> <li>● The LEP will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector</li> <li>● The LEP will positively engage the FE and skills sector in key strategic partnerships e.g. Skills and Employment Boards</li> <li>● The LEP will 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</li> </ul>	<p><b>Working with the Skills Funding Agency</b></p> <ul style="list-style-type: none"> <li>● 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"> <li>○ 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</li> <li>○ 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.</li> <li>○ Allocations and Intervention: In future year's providers' records in delivering to LEP requirements will be taken</li> </ul> </li> </ul>

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** through a thorough review of how effective and efficient the current local government support and partnerships are and by ensuring that all Local Authorities work together to strengthen local partnerships and deliver strategic planning priorities.
- **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.
- **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
- **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.

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.