

£58M EXPANSION OF GROWTH DEAL BOOSTS LOCAL PLAN FOR LONDON ECONOMY

The London Local Enterprise Panel has agreed an expansion to its Growth Deal with the Government which will see an extra £58m invested in the capital between 2016 and 2021. This is in addition to the £236m of funding committed by the Government on 7 July 2014. Over the lifetime of its Deal (2015-2021) the Local Enterprise Partnership estimates that up to 8000 new jobs could be created, 5000 new homes built and that it has the potential to generate £190m public and private investment.

Key features of the expanded deal include:

- A further £38m for the London Enterprise Panels' capital investment programme for colleges and further education providers in London to ensure facilities are available to support first class training that meets employers' needs
- £20m to deliver jobs and growth through a competitive programme to encourage London's High Streets and employment areas to become more vibrant and diverse.

The London Growth Deal is part of a long term plan to devolve at least £12 billion from central government to local economies. The plan aims for every part of the country to be a motor of growth for the national economy – building on the strength of London.

Quotes

The Prime Minister said:

“Giving local communities the power and the money to unlock growth and development and make the spending decisions that work for them is a key part of our long-term economic plan to secure a brighter future for Britain and ensure a recovery for all.

“And this is happening right here in London, with more money announced today for key projects to boost the local economy as part of the multi-million pound expansion of the Government's Growth Deals. And because the money will be in the control of a partnership of local community, business and civic leaders it means it will go on the things that really matter to people and businesses here.

“That is what Growth Deals are all about, backing local people and investing in the infrastructure, housing and skills that will drive forward local economies, create more jobs and opportunities for hardworking people and supercharge all parts of our country.”

The Deputy Prime Minister said:

“A quiet revolution is underway in London and across the Great British regions, as Growth Deals signal the death of the culture where Whitehall calls the shots. I’ve seen for myself the difference it makes to give London more power over skills, over business support, over infrastructure spending.

“I am delighted to announce the expansion of the London Growth Deal today.

“The Coalition Government has been relentless in our efforts to sort out the public finances and set firm foundations for growth. Growth Deals help create a stronger economy and a fairer society by boosting local economies, and providing more jobs, better transport and affordable homes.”

The Mayor of London and Chair of the London Enterprise Panel, Boris Johnson, said:

“This extra cash will deliver real change and new opportunities in communities across the capital. We’ve got some fantastic proposals in the pipeline that will not only reinvigorate our town centres and colleges, but help people to learn, earn and fill thousands of new jobs.”

Deputy Chair Harvey McGrath said:

“The release of capital funding for London’s further education estate is a huge step forward in ensuring providers are delivering the skills that London’s residents and businesses need from state of the art facilities. We are now working with providers, London’s boroughs and businesses to build a pipeline of projects for the next three years, and look forward to discussing further years of funding through future Growth Deal funding rounds.”

On the funding for high streets and places of work the Chair of London Councils, Mayor Jules Pipe said:

“Boroughs are hoping to use the £20million for London’s high streets to build on existing programmes which help traders adapt to the changing needs of shoppers and the local community. They are also looking forward to the opportunity to invest in more affordable space for start-ups, so they have somewhere to set up and grow their business.

“All in all, this funding will help keep the economic lifeblood of London flowing, which will benefit everyone, while the £38 million will help young Londoners better prepare for the labour market.”

FACTSHEET

1. How much is the Government investing in London as part of the Growth Deal?

	Initial Growth Deal (July 2014)	Expansion – additional funding awarded (Jan 2015)	Total Expanded Growth Deal
Local Growth Fund	£236m	£58m	£294m

2. What proposed projects will this new tranche of funding deliver?

- Funding beyond 2016/17 for the LEP's programme of capital investment in colleges and skills facilities, helping Londoners gain the skills that employers need, including in growth sectors such as the digital and creative sectors.
- A competitive programme to continue the revitalisation and diversification of London's High Streets and employment areas, providing jobs, workspace and improved infrastructure.

This adds to the projects that were announced in July 2014, including:

- £55m for 15/16 and an indicative £65m in 16/17 for investment in a competitive programme to improve colleges and further education facilities in London, supporting the London Enterprise Panel's priorities for jobs and growth.
- Funding for an additional programme to raise levels of digital skills.
- Agreement that the Government and London LEP will work together to explore how resources can best be used to help deliver apprenticeship opportunities in London.
- An increase in the Apprenticeship Grant to Employers from £1,500 to £3,000 for small to medium sized enterprises in London employing a young person aged between 16 to 24.
- Work to enhance the National Careers Service in London, including: extension of the National Careers Service face-to-face provision to disadvantaged 16 to 19 year olds not in employment, education or training supported by London's

European Structural and Investment and Youth Employment Initiative Funds; and Government working with London to help ensure local employer priorities are fed into the operations of the new National Careers Service providers.

- Pilot programmes agreed with Government to explore new ways to support hard to reach groups into sustained employment.

- Support from Government for increasing affordable homes across London through:
 - Exploring the potential to release government land and property to promote local economic growth and/or housing development.
 - Increasing the Housing Revenue Account borrowing limit to help support the development of new affordable homes by £32.3m across seven London boroughs.
 - Provision, subject to due diligence, of £8.68m of loan funding through the Local Growth Fund (Housing Infrastructure) to The Croydon Gateway Limited Partnership to accelerate the delivery of 625 homes on the Ruskin Square site in Croydon.

The LEP will also oversee a £70m programme of New Homes Bonus within London's boroughs in 2015/16, which will work to boost jobs and growth.

3. How does this benefit the people of London?

This addition to the Growth Deal will promote growth in London and the ability of Londoners to contribute to and benefit from growth by:

- Continuing the programme of improvements to the skills capital estate, giving Londoners' access to 21 century skills development facilities
- Providing jobs and helping make businesses more competitive
- Enhancing High Streets to provide more vibrant local areas.

According to estimates by the LEP, London's total Growth Deal could bring to London:

- Up to 8,000 Jobs
- 5,000 homes
- Up to £190m additional public and private sector investment

4. What is the benefit for local businesses?

Businesses will benefit from an uplift in skills levels resulting from a further investment of £38m in 21st Century skills facilities supporting key growth areas for

London's economy. They will also see increased competitiveness and growth arising from a £20m investment in better and more diverse High Streets and employment areas, with improved public realm and infrastructure as well as better and innovative work space.

5. Facts and figures

The Growth Deal builds on significant recent investment in growth opportunities in London including:

Growing Places Fund total allocation: £111m, which is already being invested to support growth

£12m to support infrastructure improvements at the Royal Docks Enterprise Zone

Regional Growth Fund: London LEP area has to date received £9.3m investment from the Regional Growth Fund, and could also benefit from £3.0m invested in neighbouring LEPs

£200m provided to London for 20 Housing Zones, to be matched by the Mayor's Affordable Housing Grant.

£200m from the Government's Affordable Rent to Buy scheme to support affordable housing through the Mayor's London Housing Bank

Agreement to the regeneration of 4 estates in London funded from the £150m Estate Regeneration Fund

A £141m investment announced in the Autumn Statement 2014 to support development by the London Legacy Development Corporation and the Mayor's Olympicopolis project to redevelop the Queen Elizabeth Olympic Park.

Agreement from HM Treasury to a £55m loan to support the rail extension to Barking Riverside.