

Title: Expressions of Interest to the Local Enterprise Partnership

Summary: Enterprise M3 (EM3), the LEP for the local area, has invited outline expressions of interest for projects from across its sub-region for Local Growth Funding (LGF). Together with partners, the Borough Council submitted two expressions of interest in accordance with the EM3 timetable of 31st March 2016 for the following projects:

- (i) Camberley town centre public realm and High Street improvements.
- (ii) Yorktown and Watchmoor public transport improvements.

Should the expressions of interest be approved, business cases will be required, as will match funding. At such time the Council will need to consider how to meet any financial commitment.

Portfolio: Transformation

Date Portfolio Holder signed off report: 24th May 2016

Wards Affected: St. Michael's, Town

Recommendation

The Executive is advised to RESOLVE:

- (i) To note the bids presented to the Local Enterprise Partnership; and
- (ii) To agree, in principle, to make a funding contribution to the Camberley Town Centre Public Realm and High Street improvements, if they are approved by the LEP.

1. Resource Implications

- 1.1 The requirement to offer an element of match funding in order to secure funding from the Local Growth Fund (LGF) will raise a resource issue for the Council should the EM3 Board decide to advance the projects submitted. EM3 has residual LGF funding and is seeking to support sustainable transport projects in the Blackwater Valley, and Surrey County Council is the highways authority for the area. Therefore, although it submitted the public transport improvements expression of interest in conjunction with the Yorktown and Watchmoor Business Association, the Borough Council has advised both EM3 and the County Council that the funding for the project should be met by those two organisations, without any Borough Council contribution.
- 1.2 The exact level of funding commitment for the Camberley town centre project is not known at this stage and will not be quantified unless the EM3 Board decides to request business plans to be drawn up. At such time a further report will be brought back to the Executive setting out a detailed cost/benefit analysis along with proposals for how the Council might meet its element of match funding. A 1% 'administration fee' will be levied by EM3 to assess all expressions taken forward to the preparation of business cases for LGF grant applications. EM3 advise that the administration fee amounts can be added to the overall cost of funding applications.

- 1.3 Members agreed local contributions to support projects awarded LGF by EM3 from the 2014 funding round for improvements to Camberley town centre, the A30 (Meadows Gyrotory and London Road approaches towards the town) and A331. These works were supported as part of the Camberley Package. The expressions of interest for additional funding would support the Camberley Package and bring further economic benefits to the town and local area.

2. Key Issues

- 2.1 The March 2016 Budget made £1.8bn of Government funding available to LEPs through the Local Growth Fund to support infrastructure, transport, skills and other related projects. The funding will become available later in 2016 and all 39 LEPs will be able to bid for a share of the funding for projects in their areas. Although the exact dates for LEPs to bid for funding haven't been published by the Government, EM3 is seeking to gauge the level of expressions it will receive to give it an idea of how much to apply for, and published a prospectus seeking expressions of interest for funding for projects to be submitted by 31st March 2016.
- 2.2 The outline expressions of interest submitted by the Council and partners contained very broad brush figures; £6m for project (i) Camberley town centre public realm and High Street improvements; and, £4m for project (ii) Yorktown and Watchmoor public transport improvements.
- 2.3 For illustrative purposes if the overall cost of project (i) were indeed £6m then the Council's match funding element may be a total of £1.5m; 25% of the overall cost of the project in line with EM3 requirements. 25% would come from the County Council and 50% from the LEP. For a, likely, three year project, this may equate to £0.5m per year for three years for the authority.
- 2.4 Highways projects are the responsibility of county councils and project (ii), therefore, would fall to Surrey County Council to match fund the local element of the project along with EM3, at (an estimated) £2m per organisation.
- 2.5 In addition to the release of funds later this year, Enterprise M3 still has around £17m of unallocated funding from the 2014 LGF funding release. This money is specifically to support sustainable transport projects in the Blackwater Valley. EM3 has advised that it is keen to improve public transport and travel to work options across the Blackwater Valley, from Aldershot to Camberley and sustainable transport projects able to demonstrate they could commence in 2016/17 could be funded from the residual £17m, rather than waiting for the assessment process for the 2016 funding release. It is felt that by including lunchtime bus provision to Camberley town centre from the business parks there is sufficient connection between the two expressions of interest to enable both to demonstrate sustainable transport benefits.
- 2.6 There are a number of transport expressions currently being developed across the sub-region that fit with EM3's overall aims and this has led to the Borough Council, Rushmoor and the two county councils submitting their own individual expressions of interest, but also referencing those from the other areas as part of a wider transport package of measures for the Blackwater Valley.

- 2.7 The Executive will recall that LGF funding has previously been awarded to the Council and the 'Camberley Package'. At the last funding round in 2014 LGF was awarded to highways and infrastructure schemes for the town centre and surrounding areas. The 2016 expressions of interest build on this work and would further enhance the local area which has been designated by EM3 as a 'Step Up' town; an area with the potential to develop and grow.

3. Options

- 3.1 Members have the option to:
- (i) Agree the principle of local contributions subject to the clarifications as set out above; or
 - (ii) To not agree the principle of local contributions.

4. Proposals

- 4.1 It is considered that the scheme for which a local contribution should be supported in principal is the Camberley town centre public realm and High Street improvements scheme.
- 4.2 It is also proposed that the Borough Council does not offer financial support to the Yorktown and Watchmoor public transport improvements project.
- 4.3 As stated, the Council has not worked out detailed costs or delivery plans for the proposed projects and has only submitted an expression of interest at this stage. However, the LGF funding represents an opportunity to deliver significant public realm and other improvements for the town in keeping with the Council's corporate objectives and set out in policy documentation listed elsewhere in this report.
- 4.4 In 2014 LGF funding was given by EM3 for highways and infrastructure work in and around the town centre and approaches to Camberley. The 2016 submissions augment and build upon the original funded projects.
- 4.5 Members are asked to agree the principle of local contributions for the reasons set out in this report.

5. Supporting Information

- 5.1 The Council already has an extensive body of policy documentation in place that set out measures for improvements to the public realm, pedestrian prioritisation and other infrastructure including: the Camberley town centre Area Action Plan; the Camberley Vision; the Camberley Masterplan and Public Realm Strategy; and, the Economic Development Strategy. These documents have recently been joined by a town signage and a Camberley High Street review. The signage review sets out recommendations to improve the signage to the town from approach roads along the A30, and around the town to improve connectivity between the various pedestrian thoroughfares. The High Street review recommendations included inward investment measures and initiatives such as a shop front improvement scheme. Both additional reports have been used in conjunction with existing policy papers to support the Council's expression of interest submissions.

- 5.2 With regard to the expression of interest for public transport improvements to the Yorktown and Watchmoor area; businesses consistently say key barriers to growth include poor connectivity and congestion. Commercial agents report that potential inward investors are put off coming to Camberley because of the lack of a bus service for the business parks. Agents also say there are problems attracting companies out of London because journey times can't be guaranteed, Camberley is seen as difficult to get to; and public transport provision as not coordinated or reliable.
- 5.3 The Yorktown and Watchmoor Business Association has spoken before of its desire for a bus service linking the two business sites with train stations in the area to make it easier for staff to get to and from work. Some companies on the business parks run their own shuttle services to do this at their own cost.
- 5.4 The introduction of a morning and evening rush hour bus service, run by the local provider Stagecoach, will have a specific remit to ferry commuters to and from Blackwater, Farnborough and Camberley train stations. The service will be coordinated with train arrival times by upgrading, where required, real time travel information available to service providers and commuters to ensure buses are waiting at train stations when trains arrive.

6. Corporate Objectives And Key Priorities

- 6.1 The Council's 2020 Corporate Strategy states its second objective as: We will sustain and promote our local economy so that our people can work and do business across Surrey Heath.
- 6.2 In addition, Key Priority 2 is to assist with the improvement of economic growth. We will achieve this through:
- Using prudential borrowing opportunity to improve sustainability & growth;
 - Maximising income returns from our reserves, through effective investment strategies;
 - Maximising the potential for appropriate construction-led growth in the Borough; and
 - Delivering the Economic Development Strategy Action Plans.

7. Policy Framework

- 7.1 The policy framework is as set out in the policy documents listed in Paragraph 5.1 above.

8. Legal Issues

- 8.1 There are no legal issues at this expression of interest stage.

9. Governance

- 9.1 Not required at this stage.

Annexes	None
Background Papers	As set out above
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Consultations, Implications and Issues Addressed

Resources	Required	Consulted
Revenue	✓	
Capital		
Human Resources		
Asset Management		
IT		
Other Issues	Required	Consulted
Corporate Objectives & Key Priorities	✓	
Policy Framework		
Legal	✓	
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing	✓	

Review Date:

Version: