

REPORT TO:	CABINET 20 January 2013
AGENDA ITEM:	6
SUBJECT:	Maximising Croydon's growth potential within London and the South East
LEAD OFFICER:	Tony Antoniou, Director of Regeneration, Development and Environment
CABINET MEMBER:	Cllr Jason Perry, Cabinet Member for Planning Regeneration and Transport
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT:	
There are clear links to the priorities outlined in the Core Strategy, Economic Development Plan and Housing Plan.	

FINANCIAL IMPACT
There is no direct financial implication for the Council associated with this report.
FORWARD PLAN KEY DECISION REFERENCE NO.:
This is not a key decision.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

Cabinet is asked to note:

- 1) Priorities and themes emerging as a result of the collaboration with Croydon's involvement in two Local Enterprise Partnerships (LEPs).
- 2) Governance and working arrangements which drive the Croydon agenda for partnership working with two LEPs.
- 3) That officers will explore proposals to establish partnerships with which to take initiatives under the Single Growth Fund forward.

Cabinet is recommended to agree:

- 4) Investment priorities for Croydon's through both LEPs with relation to the Strategic Economic Plans.

2. EXECUTIVE SUMMARY

Croydon has been positioning itself as a central focus point of economic priority within London and the South East. Over the last 3-years it has worked closely with emerging plans from Local Enterprise Partnerships which were established to review the geographical boundaries of the functioning economy.

Croydon links the rest of London and the Coast to Capital region through its transport connections from Gatwick Airport to Brighton and Hove, a workforce that moves freely and through a strong and growing cluster of creative digital and IT businesses.

The powerful economic drive of Croydon must capitalise on potential opportunities through the business community, its vertical supply chains, a talented workforce and diverse communities. Croydon should compete on an international level and use its links with Coast to Capital and the London Enterprise Panel to support the role of international gateway to the region.

By addressing the impact of growth on regional infrastructure, investment in A23 is taking place. The Council has ambitions to achieve higher levels of economic growth and position Croydon as one of the capital's major centres for inward investment. Working with major companies and major developers through the Develop Croydon Forum it is clear that investment in the strategic road infrastructure that serves the Croydon Opportunity area (COA) will enhance our offer to investors and developers and improve the perception of Croydon to businesses and residents alike.

3. DETAIL

3.1 Local Enterprise Partnerships

3.1.1 The main focus of the Local Enterprise Partnerships (LEPs) through 2013 / 14 is the preparation of the Growth Deals with central government departments to support local economic growth. This growth will be delivered based on the identified priorities of the region in which they cover.

3.1.2 The Government and LEPs will negotiate Growth Deals on the basis of the LEPs Strategic Economic Plan (SEP) which needs to be produced by end March 2014.

3.1.3 The first draft of the SEP with headline objectives and projects will be submitted by each LEP to central Government on 18th December 2013 followed up with a full plan at the end of March 2014.

3.1.4 The Government has given LEPs (LEPs) responsibility for the delivery of a large part of the European Structural and Investment Funds for 2014-2020.

3.1.5 The London LEP is keen to work with a wide range of partners to develop and deliver its investment strategies. As part of this work it held a consultation event for social, economic and environmental partners.

3.1.6 The Growth Fund which supports the SEPs for England in 2015/16 is worth £1bn. This Growth Fund sits alongside the EU Structural and Investment Fund as well

as additional transport and infrastructure funds. In subsequent years, the proportion of the Growth Fund which is open to competition grows, to the point where £2bn is expected to be made available.

3.2 London Enterprise Panel

3.2.1 The London Enterprise Panel is the local enterprise partnership for London. Chaired by Mayor of London Boris Johnson, the LEP is the body through which the Mayorality works with London's boroughs, business and Transport for London to take a strategic view of the regeneration, employment and skills agenda for London.

3.2.2 The purpose of the London Enterprise Panel is to advise the Mayor of London on action to support and promote London's economic development and wealth creation, including through its regeneration, housing, skills and other social or environmental improvement.

3.2.3 Because of London's unique governance arrangements, the LEP's role is not the same as that of the LEPs that have been established elsewhere in the country. For example, in London, the functions of the former London Development Agency (the Regional Development Agency for Greater London) have been folded into the Greater London Authority and will not be taken on by the London Enterprise Panel. The Panel will therefore have an advisory role and work within the framework set by the London Plan and other Mayoral strategies.

3.2.4 The LEP has set a Jobs & Growth Plan for London and is in the process of agreeing a strategy for use of London's allocation of European Structural & Investment Funds. The LEP also contributes towards the delivery of the Mayor's Economic Development Strategy, Transport Strategy and the London Plan.

3.3 London Enterprise Panel Strategic Priorities

3.3.1 The Panel has chosen to focus on four key strategic priorities:

1. Skills & employment - to ensure Londoners have the skills to compete for and sustain London's jobs
2. Small & medium sized enterprises - to support and grow London's businesses
3. Digital creative, science & technology - for the capital to be recognised globally as world leading hub; for science, technology and innovation, creating new jobs and growth
4. Infrastructure - to keep London moving and functioning.

3.3.2 For Croydon to realise its ambitions to be a major economic hub within London it needs to provide a business infrastructure that is competitive with the best in London and the south east. For businesses and for visitors (both leisure and business) a high quality digital infrastructure is essential and considered to be a minimum requirement for modern cities. Croydon has had successful engagement with the London Enterprise Panel to roll out Phase 1 of the Ultrafast Broadband Vouchers for Croydon SMEs.

3.3.3 To ensure future opportunities can be grasped Croydon has begun to engage with the London Enterprise Panel to highlight key priorities around skills and employment as well as support to businesses.

3.4 Coast to Capital

3.4.1 Coast to Capital covers the geographical region of Brighton and Hove, London Borough of Croydon, Gatwick Diamond, Lewes and West Sussex. Within this area is considered there are five interlocking business environments. Each of the five interlocking local economies has its own attributes and particular challenges and opportunities, but is bound together by transformational potential to create an integrated high performance economy.

3.5 Coast to Capital Priorities

3.5.1 There are nine emerging themes of Coast to Capital, each of which focuses on a set of priorities to deliver the growth agenda. These themes are:

1. Gatwick Airport: Job creation, international markets, Infrastructure to support international businesses, housing supply, digital connectivity.
2. London: Transport and digital links, universities, supply chains.
3. Growth and Opportunity Areas: International standard business locations, job growth, digital connectivity, premises, planning environment, skills, innovation, higher education and private sector investment.
4. Backing Business Growth: Enterprise formation, enterprise education, international trade, business visitors, foreign direct investment, links to targeted growth markets, incubation/enterprise centres and co-worker spaces, access to finance, target sector growth.
5. Innovation Networks: Connected digital, automotive electronics, biomedical and healthcare.
6. Skills: employer involvement, higher level skills, advanced technical skills, leadership and management skills, creating demand for skills, high quality provision, co investment from employers, labour market intelligence and information, advice and guidance.
7. Growth is Digital: Broadband access and speeds and mobile technologies.
8. Infrastructure: A six year transport investment in specific programme and a 15 year high priority programme, flood defences, waste water capacity.
9. Housing: Housing completions and supply, affordable housing, making best use of existing stock, unlocking infrastructure, new ownership and funding mechanisms.

3.6 Progress against Strategic Economic Plans

3.6.1 In the development of the SEP several milestones have been made:

- The first draft of the EU Structural and Investment Funds strategy has been submitted
- A comprehensive evidence assessment based on published data sources has been completed
- The Skills Strategy has been developed for consultation

- A Strategic Housing Review has been undertaken
- A Transport Working Group has met and the development of a package of transport investments to support growth is underway
- A governance working group has been meeting and is refining potential options for governance structures
- A full programme of consultation with partners is underway, including a fresh approach to engagement of the voluntary & community and social enterprise

3.7 Funding Priorities for Croydon

3.7.1 Croydon has focused its infrastructure requirements on Coast to Capital while progressing agendas relating to Skills and Employment through EU funding with London Enterprise Panel.

3.8 Transport

3.8.1 Croydon has requested a full seat on the Transport Board in order to influence the decision on funding allocations. This will ensure that Croydon is in a position to drive any local requirements. As part of the Single Growth Fund, Croydon will request a financial contribution to improvements to the road network in and around COA including the improvements at key locations on the A23 corridor linking Croydon to the rest of the Coast to Capital region. The quantum of ask will depend on the negotiations and representations made at the Infrastructure Committee (the committee that reports to the Coast to Capital Board on Infrastructure projects and funding) and Coast to Capital Board along with the total amount available in the fund.

3.9 Housing

3.9.1 The Single Local Growth Fund includes a housing element – specifically a proposal to pool a proportion of the New Homes Bonus which is under consultation. The Government guidance on Growth Deals also suggests that public sector assets such as land and buildings might be pooled – and this might create a wider and more attractive co-investment proposition for private sector investors.

3.9.2 Croydon has identified the following possibilities to support housing challenges across the region:

- Ways to address the housing challenge through innovative ownership and funding mechanisms (e.g. revolving funds) and enabling works to get development moving
- Support mechanisms to promote more integration of housing and employment delivery through measures to unlock mixed use sites

3.9.3 As part of the Council's 5 Year Housing Delivery Plan, approved by Cabinet in September, 130 development sites have been identified. The next stage is for these sites to be appraised for their potential to contribute to both housing and employment growth, including some land and buildings within the Council's ownership. From this appraisal a portfolio of sites will be recommended to Coast to Capital for support with accelerated development.

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

There are no direct financial implications arising from the recommendations of this report.

2 The effect of the decision

The Council is not making any financial commitments but the decision will allow the authority to influence how resources delivering the borough's economic development, housing and transport agenda are delivered.

Approved by: Richard Simpson, Director of Finance and Assets, Chief Executive Department.

5. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

5.1 The Council Solicitor comments that legal services will work with officers in respect of the proposals to establish a partnership with which to take initiatives under the Single Growth Fund forward and will offer advice on governance issues in that regard.

5.2 Approved by: Sean Murphy, Principal Corporate Solicitor (Regeneration) on behalf of the Council Solicitor & Director of Democratic & Legal Services.

6. HUMAN RESOURCES IMPACT

6.1 There is no human resources impact resulting from the Economic development plan and Skills and employment plan.

6.2 Approved by: Adrian Prescod, HR business partner, on behalf of the Interim Director of Workforce.

7. EQUALITIES IMPACT

7.1 There are no significant equalities impacts arising from this approach. It is aimed at generating economic growth in terms of increasing the scope of the economic area to take advantage of opportunities relating to increased employment, business growth and borough development.

8. ENVIRONMENTAL IMPACT

- 8.1 Bringing further investment and increasing the business base will inevitably have an impact on the environmental sustainability of the town centre and the borough as a whole. Approving any major developments or projects requires a comprehensive environmental impact statement.
- 8.2 The Council has a commitment to address environmental sustainability as an integral part of all activity.

9. CRIME AND DISORDER REDUCTION IMPACT

- 9.1 By delivering economic activities the Council and its partners will make Croydon more user friendly particularly tackling areas of neglect and inactivity.
- 9.2 Creating growth opportunities in the borough and surrounding area will contribute towards tackling current levels of crime and preventing future crime to happen through partnership work with agencies like the Police and third sector organisations.

10. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 10.1 Approving the approach will demonstrate the Council's commitment to facilitating and delivering economic growth across the borough. It will also ensure that the Council proactively supports the delivery of inward investment initiatives, business support and growth projects alongside employment and skills interventions.

11. OPTIONS CONSIDERED AND REJECTED

- 11.1 The following options were considered

Withdraw from one LEP – this approach would reduce the opportunity afforded to Croydon through involvement in both LEPs and is not recommended.

Work alongside both LEPs to ensure Croydon is best positioned for growth opportunities in London and the South East supporting both LEP agendas.

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BACKGROUND DOCUMENTS: none