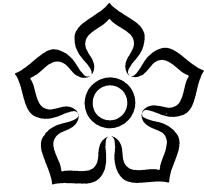


Planning, Transportation and
Economic Development



Leicester
City Council

Economic Development, Culture and Tourism Scrutiny Commission Briefing

Date: 27^h March
From: Andrew Smith
Tel/Ext: 7201

City Deal Update

The Leicester and Leicestershire City Deal Expression of Interest

Following submission of an expression of interest in January 2013 (see Appendix) the Cabinet Office has now agreed that the Leicester and Leicestershire City Deal proposal can be taken forward for more detailed development.

Agreeing the City Deal

1. City Deals will be agreed by Government in batches as opposed to concluding and announcing all 20 City Deals in one go. Leicester and Leicestershire City Deal negotiations are to be concluded by the end of 2013.

2. The key dates are as follows:
 - March – July: Leicester and Leicestershire continue to develop the evidence base and propositions to strengthen the City Deal
 - August – October: Intensive City Deal negotiations with Government
 - October/November: Leicester and Leicestershire City Deal team will present the City Deal final proposal to an ad-hoc Ministerial Group (AMG) including the Deputy Prime Minister and Cities Minister
 - By end of 2013: Detailed implementation planning and conclude negotiations

Constructing the City Deal

The final deal itself will comprise:

- **Flagship policy:** Main policy/policies that seek to tackle our identified “central economic challenge” outlined in the Expression of Interest i.e. unlocking and accelerating the development of employment sites through provision of site infrastructure and use of public sector land including Homes and Communities Agency land.
- **Proposals/Policies linked to local Economic Strategy:** The City Deal also allows us to develop a small number of complimentary proposals/policies, that are linked to other priorities in the local Economic Strategy.

The flagship policy will be constructed by accessing relevant policy levers in the core package and additional freedoms/flexibilities above-and-beyond the levers sets out in the core package.

Other priorities, drawn from the Economic Strategy, that we wish to tackle through the City Deal will be able to draw on relevant proposals within the core package. The package was released on 8th March and includes potential activity connected with infrastructure, private sector growth and the labour market. Further work will need to be carried out to assess the relevance of these core package issues to the local economic context.

The **finalised deal** would comprise our flagship policy proposal and policies for a further 5-7 local economic priorities.

Ministers have stated that there will be no automatic entitlement to the policy levers within the core package. When constructing the City Deal all areas will need to “make the case” as to why they need the package of policy levers being requested.

Stakeholder engagement

A key task will be to show the extent of private sector input into the City Deal – both in shaping the focus of the deal and crucially, in securing active commitment from the private sector in delivering the deal (money, resources, expertise etc).

Governance

A strong governance model will be required for the City Deal. The model needs to enable binding decision making and reassure Ministers that the City Deal will be delivered. Further discussions will be needed with local partners to consider alternative options that will be fit for purpose for the local context.

Next Steps

A meeting of the City Deal officer group will be held later in March to develop a programme timetable for development of the final City Deal. The group will also consider the applicability of the core package offer, governance options and staffing capacity to finalise City Deal package.