

**NORTH YORKSHIRE COUNTY COUNCIL**

**21 JULY 2010**

**STATEMENT OF THE DEPUTY LEADER OF THE COUNCIL AND  
PARTNERSHIPS AND ECONOMIC DEVELOPMENT PORTFOLIO HOLDER  
COUNTY COUNCILLOR JOHN WATSON OBE**

**YORKSHIRE FORWARD IN-YEAR BUDGET CUTS**

As part of the national requirement by Government for Regional Development Agencies (RDAs) to make budget reductions totalling £270m, Yorkshire Forward (YF) was asked to find around £44.745m of programme savings in the 2010/11 financial year. A list of proposals was submitted to Ministers, who have now agreed £40.3m of savings.

The programmes and projects in North Yorkshire affected are -

Rural Access to Opportunities Programme – cut by £106,500
The total YF contract value is £1.47 million. It is anticipated that this cut can be accommodated although some renegotiation of the contract will be required. This will still leave around £20,000 to spend this year and £161,000 in 2011/12 if the same level of saving is made in the final year.
Sub regional support North Yorkshire – cut by £23,000
This relates to the York & North Yorkshire Partnership Unit's role work on communication, development, briefings and reports. It seems that only a proportion of this cut is applicable to the Partnership Unit but that it has yet to be quantified how much.
Key Account Management (KAM) - £508,000 regionally (Defer)
Part of this relates to the KAM contract that was to have been delivered in partnership through the County Council, the City of York Council and Harrogate Borough Council. For now, Yorkshire Forward is providing a degree of KAM support via their in-house KAM staff.
Scarborough Futurist Site - £289,550 (Defer)
Scarborough Spa and Town Centre Link - £800,000 (Defer)

A number of the pan-Regional programmes and projects that have been cut or deferred will also impact on the County. Particularly worth highlighting are -

- £3million from Business Link, half of which will be a cut and half of which is a deferral of expenditure;
- Programmes run by Business Link, such as the Large Company R&D Award Scheme at £1.417million which are to be deferred;
- Regional Events Programme – a £750,000 contribution towards key regional events, to have been delivered through Welcome to Yorkshire, has been cut.

We will continue to monitor the impact of the cuts and of the expenditure deferrals which may well of course become cuts in due course given the current reshaping of economic development delivery arrangements.

## **EMERGENCY BUDGET - KEY ECONOMIC DEVELOPMENT MESSAGES**

Contained within the Coalition Government's Emergency Budget were a number of new or confirmed measures and policies that are of interest from a regional and local economic development perspective. These include –

### **Business Finance**

A new Enterprise Capital Fund of £37.5million will be introduced to provide additional equity finance for small businesses;

The Enterprise Finance Guarantee will be increased to provide £200million in additional lending for small businesses until 31 March 2011;

A Growth Capital Fund will be established to provide growth capital in the £2-10million range to fast-growing SMEs not currently served by the market;

The Government will publish a Green Paper on business finance before the summer recess.

### **Furnished Holiday Lettings**

The proposal inherited by the Government to repeal the special tax rules for furnished holiday lettings will not be implemented. A different approach will be consulted upon over the summer. This is an issue over which the tourism industry was very concerned and is helpful for North Yorkshire given the strength of our visitor economy.

### **Regional Growth**

To support private sector enterprise and investment in those regions that are particularly reliant on the public sector the Government will –

- Set up a three year scheme to help new businesses by substantially reducing their employer National Insurance Contributions;

- Create a £1 billion Regional Growth Fund to fund regional capital projects in 2011-12 and 2012-13. Both private bodies and public-private partnerships will be able to bid for funding by demonstrating that their proposal will bring in private investment and support sustainable increases in private sector jobs and growth in their area.

A White Paper will be published later in the summer setting out plans for a new approach to sub-national growth. This will provide further clarity over what will follow on from the Regional Development Agencies, which are to be formally abolished. Linked to this the Secretary of State for Business, Innovation and Skills, Vince Cable, and the Secretary of State for Communities and Local Government, Eric Pickles, have written to Local Authorities asking for proposals for **Local Enterprise Partnerships** to be submitted by 6 September. It is envisaged that these will bring local authority representatives and business leaders together to set out local economic priorities and tackle issues such as planning and housing, local transport and infrastructure priorities, employment and enterprise and the transition to a low carbon economy. The Local Government North Yorkshire and York have agreed to the principle of establishing a LEP for the sub-region and this is now being scoped further.

## **Rural**

Three pilots to bring superfast broadband to hard-to-reach areas are to be funded. The case for introducing a fuel duty discount in remote rural areas is under consideration.

## **NORTH YORKSHIRE AND YORK SUB-REGIONAL STRATEGY**

At its meeting of April 2010, the LGNNY Leaders Board committed to prepare the first North Yorkshire and York Sub-Regional Strategy (SRS). Work on this document is now underway led by the York and North Yorkshire Partnership Unit in close liaison with the County Council, particularly the Economic and Rural Services and Highways services within BES.

Work to produce a Project Plan for the SRS is now underway, with the first key milestone being to produce a first draft document for consultation by October 2010. The aspiration for the Strategy is to be a streamlined document (around 20 pages) which is strongly prioritised and works as an advocacy document. It will seek to establish a clear vision for the sub-region and its component sub-areas, and set-out our key policy priorities through taking an integrated and cross-cutting approach to a range of different themes, including:

- Economy & Skills
- Housing
- Transport
- Spatial Planning
- Quality of Life and Equalities
- Climate Change and Environmental resources

The development of the Strategy provides an opportunity to draw together an Economic Development Strategy for the sub-region as a whole which is strongly integrated with other thematic issues. In looking to achieve integration across thematic issues the Strategy will use place and geography as it's main integration tool, by recognising that different types of issue operate at different geographies across North Yorkshire and York.

In order to make the best and most efficient use of resources, much of the research and evidence base work already initially being undertaken for the Integrated Regional Strategy, and for thematic workstreams such as the draft sub-regional housing and transport strategies, and well as the Local economic Assessment, is being harnessed to enable rapid progress to be made in preparing a strategy tailored to the specific issues of our sub-region.

I will report further progress in developing the NYY Sub-regional strategy in due course.

### **TOURISM DELIVERY ARRANGEMENTS**

There have previously been various concerns raised over the operation and effectiveness of the Area Tourism Partnerships for the Moors and Coast and for Harrogate and the Dales. We are now working with Welcome to Yorkshire, the District Councils, the National Park Authorities, and private sector representatives from each Partnership to review the current operating model. It is anticipated that the present Area Tourism Partnerships will be replaced by a joint Local Authority/private sector Advisory Board or Boards. As soon as the detail has been worked up and agreed with partners, I will report more fully on the new delivery arrangements.

JOHN WATSON