

LOCAL GOVERNMENT NORTH YORKSHIRE AND YORK

28 JANUARY 2010

YORK AND NORTH YORKSHIRE LOCAL ENTERPRISE PARTNERSHIP

Purpose of the report

1. This report pulls together the various strands required to take forward the establishment the York and North Yorkshire Local Enterprise Partnership and seeks the views of LGNYY on a number of issues

Background

2. Following on from the agreement to send an outline proposal for a LEP to the Government in September, the last meeting of LGNYY agreed 7 principles on taking forward the LEP. The principles were
 1. It is intended to establish a YNY LEP as the most appropriate vehicle for taking forward local authority collaborative work on economic development as set out in the proposal document (i.e. for the identified actions)
 2. The YNY LEP should be aligned with Government's expectations of the role of a LEP
 3. The private sector should be leading the LEP and set the pace
 4. Private sector forums at City, Borough and District level should be the primary source of private sector board members and the establishment of effective forums, where they do not exist, is a key priority.
 5. Not all local authorities will be directly represented on the LEP board
 6. The East Riding should be invited to take a full part in the YNY LEP from the beginning
 7. Local authorities, where appropriate, should support the work of the YNY LEP through the development of a shared economic development service.
3. At the end of October the Government issued a White Paper confirming that much of business support activity, including EU funding management, of the RDAs and Business Links will now be managed from the centre in a much reduced form. Technology Innovation centres will be established but these will be around centres of national significance and be very limited in number. Reference is made to LEPs being involved in business advice but there are no resources for this.
4. LEPs themselves will have little direct responsibilities but act as coordinators (e.g. of Regional Growth Fund proposals) and as recognised bodies to make representations to Government and to explore opportunities for economic development. They will also be involved in developing strategic planning frameworks for investment including housing and transport. Whilst LEPs might in future attract other responsibilities their role is more limited than might have been expected at the start of the process. The lack of control over any resources is the most obvious point in this respect.
5. The critical difference for the York and North Yorkshire LEP is that the plan is to merge the Partnership unit and County Council economic development staff will provide the private sector a capacity to provide local leadership to a wide range of economic development activities as well as fulfilling the Government's perspective for a LEP.

What will the LEP do?

6. Within that context the LEP proposal identified nine areas of action as follows
 1. To invest in the role of York as Economic driver for the sub region
 2. Secure investment in the provision of broadband including next generation
 3. Promote enterprise and raise aspirations
 4. Invest in business tourism and the visitor economy
 5. Support for a coastal regeneration
 6. Reduce the barriers restraining high growth businesses
 7. Support the food and the agricultural sector
 8. Enable the care sector to meet rising needs
 9. Deliver rural programmes
7. The appendix to this paper sets out in more detail those activities and the current actions but some of the key points are
 - Study on planning and investment issues in the York sub area underway
 - Science City York applying for regional growth fund resources for Bio refinery
 - Broadband UK investment funding for next generation broadband and regional growth fund /ERDF bid for further resources
 - Regional growth Fund bids being prepared for Whitby and Scarborough projects
 - Food Businesses in Leeming bar being supported for new waste water treatment plant
 - This LEP seeking to ensure continuity of Yorkshire Forward's work on food and agriculture
 - Private business in care sector keen on establishing a mini LEP.

Recognition

8. At the same time as the White paper was launched, 24 LEPs were recognised by the Government. YNY LEP was not expected to be in that list because of the acknowledged weaknesses in the involvement of the private sector. Since then a small number of other LEPs have received recognition.
9. DCLG requested a progress report in early December with a view to further consideration of recognition and this was sent in December. The current advice is that this LEP is nearing recognition but there is a requirement for letters of support from the private sector and these are being sent. Recognition may be forthcoming in February. The chair of the steering group, Shaun Watts, President of the York and North Yorkshire section of the chamber has written to Government urging recognition.

The private sector position

10. A key consideration in October was to secure much more private sector engagement than had been the case of the work to date and to put the private sector in a leadership position. A Steering group for the LEP was formed and has met twice. It involves the Leeds, York and North Yorkshire chamber of Commerce, the Federation of Small Business, the Country Landowners Association and the National Farmers Union along with

11. There have been a number of meetings with the private sector, to discuss the LEP idea. From these and from advice in the Steering group participation in the LEP is seen as a 'hard sell' although attitudes do vary. Some parts of the private sector see the opportunity this presents. It is clear that the initial timetable of submitting proposals to Government by September did not allow enough time for private sector engagement, which might have addressed this issue.
12. In terms of appointing private sector board members the steering group advises that from its own informal contacts that recognition is seen as vital before private sector businesses might make a commitment and that a process should not start until recognition has been achieved.
13. It is also clear that local mechanisms for working with the private sector are critical and will play a key role in ensuring the success of the York and North Yorkshire LEP.

Matters for Consideration

14. Leaders discussed many of these issues below on an informal basis at the District Council Network in December. This group then asked Chief Executives to bring a proposition to this meeting on the issues for the structure of the Board and particularly local authority representation. The report also covers other matters on board recruitment etc that have been considered by the steering group.

Board structure

15. The LEP steering group has suggested that the aim should be for a board of 14 members as an ideal size, affording a balance between representation and effectiveness. The ratio for a board of 6 public sector and 8 private sector members along with a private sector chair is generally accepted as the starting point.
16. One issue that will need to be addressed is the legal status of the board. The Government is not proposing to legislate for a special status. There will need to be a parallel process of determining its legal entity/status over the next few months during which time the Board would be in a shadow form. In many ways its legal status may emerge from what it wants to do.

Local authorities

17. Chief executives are proposing that the local authority representation on the LEP board (at Leader level) from York and North Yorkshire should be the two upper tier Councils, the City of York and North Yorkshire County Council and three representatives from the District Councils, a total of 5. These should be drawn from the functional geographies namely the Coast, the Leeds City region (Craven , Harrogate and Selby) and the Rural area (Hambleton, Richmondshire and Ryedale). If that is agreed then a representative from those groupings need to be appointed during the period when the private sector representatives are being appointed.

East Riding

18. The issues that East Riding Council sees as important for their involvement in this LEP are their role in the economic development and infrastructure investment for York in the context of connecting the City to its wider hinterland and common interests around rural, market towns and food and agricultural industry. The economic linkages between the East Riding and the City of York are strong, and the inclusion of the East Riding will allow cross boundary issues to be dealt with through the formality of a LEP in addition to the existing processes. East Riding want to be full and active members of both the steering group and the Board and would like to be represented at Board level from the beginning.
19. There were concerns about whether they might have a board seat at the expense of a York and North Yorkshire authority (and East Riding advise that they would not want to be placed in that position) but this would be avoided if the proposal in the previous section is accepted, namely to have 5 of the 6 local authority representatives from York and North Yorkshire. There would be other options such as observer status or to consider this matter later once the Board is established. The presence of East Riding Council would however add strength to the LEP and provide greater weight to our advocacy on the issues set in the previous paragraph.
20. LGNYY is asked to consider how it wishes to proceed on this matter.

Higher education

21. It was suggested at the District Council Network that Higher Education should have seat on the Board. There is a strong rationale for that in that HE is a critical driver for the economy and there is a need to support the institutions in York and Hull (through the Scarborough campus) continue their investment and develop their role through out the sub region in driving forward innovation and the knowledge economy. Further Education also has an important role in that respect but HE is more of a driver. Any HE representative should also be asked to facilitate connectivity to further education.
22. This matter has not yet been discussed with private sector representatives at the Steering Group and this is important in creating the new relationships. There are clearly other interests that might also want to be represented.
23. LGNYY is however asked how it would like to see this taken forward and this can be relayed to the Steering Group. One option is to allocate a board place as the board is established, raising the numbers to 15. The other is to place the issue in the hands of the board when it is established. Because of the need to be aware of other interests , it is this course of action that is recommended.

Private sector board recruitment

24. The Steering Group considers that more weight should be given to sectors rather than geographical representation but there is recognition that a good geographical mix is also achieved. Clearly achieving connectivity with the private sector in each local authority area is important and getting this right will be a key issue for the appointments panel as part of the process of achieving a high quality board. The steering group will need to discuss this further and will benefit from the intention that local authority representation

Sector Group	Business interest/type group
<ul style="list-style-type: none"> • Food manufacturing • Tourism • Land/ agriculture • High Growth manufacturing • Care sector 	<ul style="list-style-type: none"> • Broadband champion • Champion of Enterprise • Small business • Not for profit/social enterprise • Rural

25. It would be expected that board members are running active businesses in York and North Yorkshire but there would be an openness to consider other applicants. Appointments would be for up to three years.

26. It is suggested that the approach of the Leeds City region is followed in terms of advertising and seeking a letter setting out the interests of the applicant and a CV.

27. Ideally the process should be launched as the publicity is generated when recognition is announced. There would also be a road show of meetings, PR and the use of business networks to raise interest.

28. The steering group needs to consider the appointment process in more detail including how the appointments panel is structured. The current proposition is that a panel of five with two leaders and three private sector representatives should be the way forward.

Chair

29. The steering group suggest that the same board appointment process also applies for candidates for the chair. The intention would be to appoint the chair and then involve the chair in the appointment of board members. This was the approach in the Leeds City Region.

30. The chair clearly needs to command the respect of the private sector and will come from a private sector background. Ideally they should have a business in York and North Yorkshire but an exceptional candidate from further afield should not be ruled out.

Steering group

31. It is intended that the steering group should cease to exist once the board is in place. Private sector representatives have asked for a higher level of local authority representation and it is intended that a number of chief executives/strategic directors will join the group. It is expected that it will need to meet monthly until May. Clearly leaders had concerns about their own involvement and the Chief Executives consider that it would be helpful if a leader was involved as well. This is included in the recommendations.

Conclusions

32. This report seeks LGNYY input on a number of issues namely

- a. To agree to a board structure of 14 members and a private sector chair to include 6 public sector members**

- b. To agree to local authority representation as set out in para 17**
- c. To determine whether the East Riding should be invited onto the board from the start.**
- d. Noting that there is a need for discussion with the private sector on whether there should be an extra seat for Higher Education, this matter should be addressed by the board once it is established.**
- e. To consider the proposition for the appointment of private sector board members and the chair and to support the proposal of a panel made up of 2 local authority leaders and 3 private sector representatives**
- f. To agree that there should be a leader on the steering group and to make that appointment.**

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York and North Yorkshire Local Enterprise Partnership Progress on LEP Actions

The LEP proposal for York and North Yorkshire identified 9 actions that would be core to the work of the LEP. The following provides a brief progress report on what action has taken place to date.

LEP Activity Progress (January 2011)

LEP Actions:	What:	Activity so far:
To invest in the role of York as Economic driver for the sub region	<p>Ensure effective planning and investment in transport, housing and labour markets in York and its hinterland.</p> <p>Promote Innovation via Science City York to support the continued growth of science based industries.</p> <p>Maximise and realise the potential of strategic City centre investment sites.</p> <p>Continue to raise and develop the high quality tourism and cultural offer in and around York.</p> <p>Develop and grow the Higher Education and Further Education provision within the City.</p>	<p>Draft report produced on the spatial planning issues effecting planning and investment in transport, housing and labour markets in York and its hinterland.</p> <p>This will help formulate a strategic framework for investment for the area.</p> <p>A proposal being led by Science City York for a Yorkshire bio-refinery is being pursued through the Regional Growth Fund. A bid is being submitted to the first round on 21st January 2011.</p>
Secure investment in the provision of broadband including next generation	<p>Support the development of superfast broadband coverage across all parts of the sub region.</p> <p>Support businesses to maximise the benefits from broadband</p>	<p>North Yorkshire awarded £6-10 million from Broadband UK to support the development of superfast and next generation broadband to York and North Yorkshire.</p> <p>An ERDF and RGF funding bid has been prepared and currently being submitted.</p> <p>A private/public sector group is currently being established to develop further the potential of this investment.</p> <p>Exploring further project to promote business adoption of ICT. Potential for submitting a bid to round 2 of the RGF.</p> <p>Commercial investment likely in York and Harrogate centres.</p>
Promote enterprise and raise aspirations	<p>Encourage and promote enterprise as an ambition for young people</p> <p>Ensure high quality start up business advice</p> <p>Support micro businesses</p> <p>Promote mentoring for new enterprises</p>	<p>Mapping out current activity and what works.</p> <p>Discussion planned to develop a programme of activity to encourage and promote enterprise.</p> <p>Looking to establish a 'mini' LEP to take this further</p>
Invest in business tourism and the visitor economy	<p>Promote and support business tourism within Harrogate, York and Scarborough</p> <p>Support and encourage cultural and visitor product development in York, Moors, Dales and Coast</p>	<p>A report is due shortly exploring and setting out the current and future position of tourism and highlighting the critical issues facing the sector.</p> <p>This has involved discussions with key tourism businesses and players across York and North Yorkshire.</p>

	<p>Promote localised marketing of the cultural and tourism offer</p> <p>Support 'Yorkshire' branding and marketing</p> <p>Improve and develop the skills base</p> <p>Raise the quality of existing businesses and encourage and develop start ups.</p>	<p>This will aim to facilitate a way forward and a future programme of activity.</p> <p>National Railway Museum bid to RGF being made in Round 1.</p>
Support for a coastal regeneration	<p>Develop a package of investment to support the regeneration of the coast including transport and housing</p> <p>Reduce the levels of deprivation, worklessness and improve skills</p>	<p>Proposals being developed by Scarborough for innovation centre and expansions to Whitby Business Park for future rounds of RGF.</p> <p>Additional specialist support has been provided to assist Scarborough.</p>
Reduce the barriers restraining high growth businesses in rural areas	<p>Improve and develop skills and premises to support high growth businesses (advanced manufacturing, digital and engineering) in rural areas</p>	<p>Some early scoping work has been carried out.</p> <p>Need to ensure effective key account management and business intelligence.</p> <p>Further work to be scoped and potential for future enterprise support programme through RGF.</p> <p>Food businesses and utilities companies brought together at Leeming Bar to discuss how the major infrastructure/service issues can be resolved and explore potential for RGF. Some significant progress is being made on this initiative.</p>
Support the food and the agricultural sector	<p>Promote and support local food producers</p> <p>Assist food companies to overcome barriers to growth</p> <p>Ensure that the skill needs of food and agricultural businesses are met</p> <p>Support the farming and agriculture sector across North Yorkshire</p>	<p>Food industry group being established to take the food and agricultural sector agenda forward. A position statement on support for the sector is currently being prepared.</p> <p>Discussion held with Deliciously Yorkshire. Possible role for YNY LEP to lead on this sector across the region.</p>
Enable the care sector to meet rising needs	<p>Raise aspirations and skills within the health and social care sector</p> <p>Promote and encourage new enterprises and social enterprises within this sector.</p>	<p>Positive discussions held with private sector industry body for York and North Yorkshire to explore their interest in working under LEP umbrella.</p> <p>Significant potential to be explored here for new enterprise and involvement of voluntary sector.</p>
Deliver rural programmes	<p>Maximise the economic value from North Yorkshire's exceptional environmental assets</p> <p>Conserve the area's special environmental qualities</p> <p>Deliver effective rural 'development' programmes that address the issues affecting the York and North Yorkshire's rural areas.</p>	<p>DEFRA to centralise RDPE activity.</p> <p>Watching brief at this stage but need to discuss with East Riding and others a possible way forward.</p>