

**Local Government North Yorkshire and York**  
**8<sup>th</sup> March 2013**  
**LEP Strategic Plan**

**1. Purpose of the Report**

1.1 To update the group on the York, North Yorkshire & east Riding Local Enterprise Partnership and the development of a 5 year Strategy for Growth

**2 Background**

- 2.1 Local Enterprise Partnerships have been asked by government to develop a 5 year Growth Strategy which will have the opportunity to access various sources of funding including a single pot (amount yet unknown) and also be the strategic framework against which future EU Funds will be invested.
- 2.2 Attached with this paper is the LEP Board Paper to be discussed at the 1 March LEP Board meeting and outlining the following;
1. Performance against 12/13 LEP Plan targets
  2. Proposed 13/14 LEP Plan targets
  3. The framework for developing a 5 year strategy for growth.
- 2.3 In developing the LEP Growth Strategy it is imperative that we demonstrate
- Priorities driven by private sector growth opportunities
  - Public/Private partnership from the bottom up
- 2.4 A task & finish group approach will be taken to develop the key elements of the strategy and to ensure public/private consultation
- 2.5 The timescale to develop the outline strategy and governance framework is by September 2013. This is primarily driven by the need to align with the future EU funding programme which will run from 2014-2020.
- 2.5 The Growth Strategy will require sign off by both the LEP Board and the Leaders Forum
- 2.6 The LEP Chair and Chief Operating officer will give a verbal update on the feedback from the LEP Board.

**3. Recommendations**

That the Leaders comment on the attached paper and in particular;

LEP performance to date; and

Support and comment on the plan to develop a 5 Year Growth Strategy

## YORK, NORTH YORKSHIRE & EAST RIDING LOCAL ENTERPRISE PARTNERSHIP BOARD

**BOARD MEETING: 1 March 2013**

**REPORT PRESENTED BY: James Farrar**

### **BUILDING A 5 YEAR GROWTH STRATEGY – RESPONSE TO THE AUTUMN STATEMENT**

#### **1. Purpose of Report:**

This report is in 2 parts. Section 1 is focused on delivering the existing LEP Plan and proposes targets for 13/14. Section 2 provides an update on the development of a 5 year Growth Strategy.

#### **2. Sensitivities**

None

#### **3. Existing LEP Plan – Proposed targets for 13/14 Executive Summary**

Whilst a broader growth strategy is being developed, delivery of the existing LEP Plan must remain a priority. The following tables summarise the performance against plan in 12/13 and proposed 13/14 Key Performance Indicators and deliverables.

#### **12/13 Performance to date**

Objectives:	Priority Activities:	Measures of success:	
		2012-13 target	2012-13 Performance to Date
Support and encourage small businesses to grow	Promote <b>growth opportunities</b> and build <b>business confidence</b>	1-1 support available for all businesses within 30 minutes drive	Achieved – Free Mentors available across the LEP Area.
	Facilitate easy access to good quality <b>business support</b>	1000 Businesses accessing support	Achieved -1062 as at 18 Feb
	Ensure that <b>businesses</b> have the right <b>skills &amp; abilities</b> to grow	Proportion of businesses using next gen broadband	Uncollectable
		In Year 2 when the 1-1 support is in place we will measure Jobs created	N/A

Provide support for major business growth opportunities	Ensure that benefits for the local economy are maximised from the <b>proposed new potash mine</b>	Major investments to commit to expenditure targets within a 50 mile radius of the mine	<b>Not yet achieved.</b>
	Work with Local Authority partners to <b>deliver Inward Investment Opportunities</b>	Open up 12 hectares of land to attract investment  Jobs created through inward investment	Funding secured to develop Whitby Business Park  300 through supporting City of York
	Establish an <b>Agri/Food/Biomass innovation</b> centre that will attract new investment and jobs into the area	Develop an Agri/Food/Biomass investment plan	<b>Not yet achieved FERA Masterplan complete. Campus Business Plan Market Testing underway</b>
Be recognised as a strong voice for local business at a local and central government level	Ensure <b>Rural, Coastal &amp; City of York</b> are at the forefront of new growth opportunities	Construct & lobby for a deal for our businesses with government	Deals currently at City level – LEP 5 year strategy supersedes.
	Secure appropriate <b>funding</b> to deliver our <b>strategic objectives</b>	Lobby government on key issues: Rural Connectivity	Broadband – Formal Partnership in place with NYNET re delivering superfast business support across NY. E-Riding to address
	Be effective in <b>communication</b>	Future EU Funding  Rural Growth  Clear collaborations with neighbouring LEP's	Future EU Funding to be aligned with LEP Strategy  LEP strategy to address Rural Growth  Also £2.2m Skills Funding Achieved  Leeds City Region – Apprenticeship Hubs & Universities  Humber – Visitor Economy  Tees Valley – Potash

**PROPOSED 13-14 TARGETS**

Objectives:	Priority Activities:	Measures of success:	
		13-14 Board KPI's	Supporting Deliverables/Measures
Support and encourage small businesses to grow	Promote <b>growth opportunities</b> and build <b>business confidence</b>	2000 Businesses Supported (Event attendees, mentees, programme beneficiaries & receivers of support via website)	200 mentees
	Facilitate easy access to good quality <b>business support</b>		2 Events per district per quarter
	Ensure that <b>businesses</b> have the right <b>skills &amp; abilities</b> to grow	25,000 Businesses Assisted (Website visits)	No. of businesses supported through Broadband Support Programme
			No. of businesses supported through Visitor Economy Programme
			No. Businesses supported through skills package
			Visits to website
			No. partner events on website each month
			No. partner referrals
			No. business insights shared each month
			Opens & clicks of ebulletins
			Size of business database
			Proportion of businesses making positive change following LEP event

Objectives:	Priority Activities:	Measures of success:	
		13-14 Board KPI's	Supporting Deliverables/Measures
Provide support for major business growth opportunities	Ensure that benefits for the local economy are maximised from the <b>proposed new potash mine</b>	Major investments to commit to expenditure targets within a 50 mile radius of the mine	Agreement secured with Potash re local expenditure
	Work with Local Authority partners to <b>deliver Inward Investment Opportunities</b>	100 Business in supply chain development programmes	Potash Supply Chain programme implemented
	Establish an <b>Agri/Food/Biomass innovation</b> centre that will attract new investment and jobs into the area	Jobs created through inward investment  FERA Campus Plan Implemented  Growing Places Fully Invested	FERA supply chain programme implemented  FERA/Sand Hutton Campus Split secured  HCA Investment into LEP priority sites secured  Transport Investment into A64 Junction secured  £5m+ Regional Growth Fund bid secured & launched
Be recognised as a strong voice for local business at a local and central government level	Ensure <b>Rural, Coastal &amp; City of York</b> are at the forefront of new growth opportunities	5 Year Strategy for Growth Delivered, signed off by LEP Board & All LA Leaders including securing government approval	Strategy Developed to include; <ul style="list-style-type: none"> <li>· Strategic Plan</li> <li>· Outcomes &amp; Impacts</li> <li>· Partnering Arrangements</li> <li>· Support &amp; Technical</li> <li>· Governance &amp; Transparency</li> <li>· Finance &amp; Funding</li> </ul>
	Secure appropriate <b>funding</b> to deliver our <b>strategic objectives</b>		
	Be effective in <b>communication</b>		

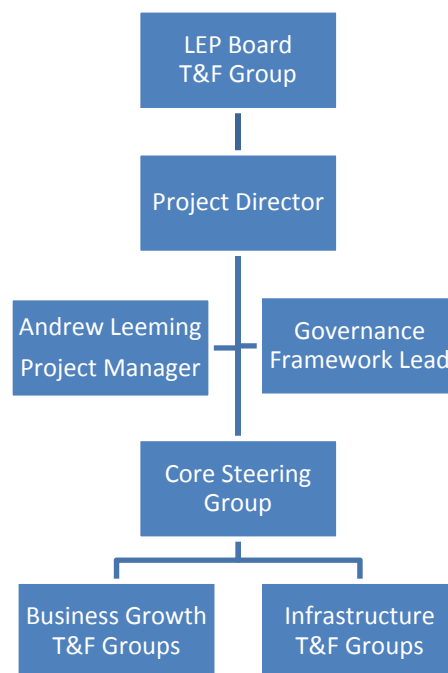
## 5. Developing the Growth Strategy

### 5.1 Structure

Focus since the last Board discussion has been on planning, collating evidence and identifying key consultees for each strand of activity.

Until funding is formally confirmed from BIS we are unable to recruit/procure additional resource. This is expected Mid-March. Andrew Leeming from the existing secretariat will move across to support the development of the strategy, building on his existing knowledge and experience.

We are therefore looking at the following structure to deliver the strategy;



**LEP Board T&F Group** – We recommend the LEP Chair is supported by two Board Members (1 Public Sector, 1 Private Sector) to oversee the process.

**Project Director** – responsible for the overall delivery of the strategy, investment plans and liaison with both Local stakeholders and Central Government. We will need to procure this post. We do not wish to outsource this work to a consultancy, however are looking at freelance consultants who may be willing to work ‘inside’ the LEP to deliver the strategy. Three potentials have been identified. Suitable candidates will be subject to an interview with the LEP Board T&F Group.

**Governance Framework Lead** - He would develop the performance and management framework including governance, decision making, accountability, Performance framework, partnership approach to neighbouring LEPs etc

**Project Manager** – Responsible for the day to day delivery of activity including task & finish groups and collation & interpretation of existing evidence base

**Core Steering Group** – To provide challenge, direction, support and resource to the delivery of the project. Membership to consist of;

LEP - Project Lead & Andrew Leeming

Major Business Networks – IOD, NFU, W2Y, Chamber, FSB, CBI

LA Chief Exec Reps – To be confirmed

A core function of this structure is to clearly demonstrate public / private partnership ‘from bottom up’ across all agendas.

### **Business Growth T&F Groups – Key outcome a Business Growth Investment Plan**

1. Business Growth – Building on the existing LEP plan to increase the sectoral and spatial elements. Major Networks are key partners in terms of market research, strategy development and delivery. Local Authorities delivering Business Support will be consulted as part of this process.

2. Business Skills – This area requires significant development. It will focus on high level apprenticeships and skills within a business. Developing a suitable workforce and basic level apprentices will fall within the employability agenda.

3. Green Economy – CO2 Sense – We will commission CO2 Sense, A Community Interest Company, to develop this element of the strategy, building on their sector expertise and knowledge of funding streams.

4. Employability – Your Consortium – A consortium of Charitable, Social Enterprise & Community Interest Companies are providing a proposal to lead this element on behalf of the LEP. This will include engagement with both local authority and private sector partners.

### **Infrastructure T&F Groups – Key outcome an Integrated Infrastructure Investment Plan aimed at releasing or stimulating growth.**

1. Housing – Investment Plans in place individually for North Yorkshire, York & East Riding, the remit will be to identify where investment in key strategic sites is required to release development and/or will support major business growth.

2. Transport – Devolved Local Transport Bodies have been developed and have approved governance structures in place. They are responsible for identifying priorities and delivering additional transport funding devolved to a local level by the Department for Transport. These would be the delivery vehicles for any transport investment achieved. Rob Miller from the LEP sits on the Board for the North Yorkshire LTB. For our LEP area the transport bodies are:

North Yorkshire

West Yorkshire & York

Humber

Additionally, North Yorkshire, York & East Riding have detailed transport investment plans identifying transport priorities.

A current gap in our evidence is private sector priorities with regard to transport.

The LEP has been awarded £138k from Department for Transport and Rob Miller will direct how best to invest this to deliver this aspect of our plan.

3. Market Towns - Market Towns are an important feature across our LEP area and in the face technology advances, changing behaviours, changing planning rules and a struggling high street retail sector, we need to consider the future role of Market Towns.

Much work has been done nationally through the Portas Review and Yorkshire Forward invested heavily in this agenda. This wider strategy is an opportunity to address this key issue across our LEP area.

We will deliver two pilot towns based on current national best practise, to develop a framework and criteria for assessing future investment.

## **5.2 LEP Strategy Content:**

The key sections to the strategy would be;

1. Strategic Economic Plan
  - Thematic
  - Spatial
  - Outcomes and impacts
2. Partnering Agreement & Neighbouring LEPs
3. Support & Technical
4. Governance and Transparency
5. Finance and funding

## **5.3 Governance & Prioritisation**

A potentially complex aspect to the strategy development will be the governance. This is for a number of reasons outside our control:

1. A lack of clarity of what any 'single pot' will be, the process for bidding or how it will be devolved. It is likely to be mid 2013 until this becomes clear, however as detailed in section 5.4 – this is just one of a number of funding streams.
2. National discussions regarding EU Funding and how they wish it to be managed. European Funding is complex in its governance and audit requirements. It is important to note EU Funding will be allocated on a formula basis and not a competitive process. The value of this to our region is currently unknown.
3. Overlapping LEP Boundaries and City Deals in Leeds City Region & Hull and Humber

In addressing this, wherever possible we will look to use existing governance structures to support or deliver the activity (e.g Local Transport Bodies), however we require a governance structure which provides;

- Framework for governance, decision making and accountability.
- An investment platform for all funds – and specifically European Structural Funds
- A "Partnering Agreement" will set out the terms of any collaborative deal with our LEP (This will be used for partners such as overlapping LEPs, Rural Development Programmes, national SME support programmes.

**Both the LEP Board and Local Authority Leaders need to sign up to this framework**



#### 5.4 Financing the prioritised investments:

The plan will identify what activity needs to happen to maximise the growth in our LEP area. We will then need to identify how that activity will be funded. Whilst the exact details of any single pot available is to be confirmed, a range of other potential funding sources exist, which could be used to deliver the priorities.

Potential Funding sources:

Fund	What it delivers
EU Funding RDPE (EARDF)	On and off farm support; business support; community economic development
EU Funding EMFF	Support for a sustainable marine economy; support for fisheries diversification
EU Funding ESF (skills)	Skills and (possibly) higher skills support
EU Funding ERDF	80% of ERDF to be invested in SME support; R&D and Innovation; low carbon (20% of the 80% on the latter)
Homes & Communities Agency	(increasingly) investment to unblock economic development
DfT	Investment in major transport schemes
Technology Strategy Board	Investment in close to market innovation led SMEs; knowledge transfer partnerships, Small Business Research Initiative
Growing Places	Recyclable loans to blocked infrastructure projects.
Regional Growth Fund	Grants to businesses
Financial Engineering Instruments	Range of financial support (mainly loans) to companies
Business Support (Growth Accelerator etc)	Targeted support to SMEs (mainly web-based, but some face to face mentoring)
Local Infrastructure Fund/IUK	Loans, guarantees and equity to blocked but high impact infrastructure projects
SFA adult skills budgets	Funding FE and other training providers
Work Programme (and ESF matched employability)	Job preparation and work skills; social inclusion

## **Project Timeframe:**

The key date is: Draft strategy & EU framework to be in place **September 2013**

Critical milestones/Deliverables:

March – April 2013:

- Funding confirmed & Project Lead recruited
- Evidence Base collated
- All T&F Group objectives finalised
- LEP Board T&F Finalised
- Core Steering Group Established
- Operational T&F Groups formed & SWOT Analysis completed
- Green Economy & Employability outsourced contracts finalised
- All Local Authorities consulted.

May-June 2013

- Draft governance framework & prioritisation criteria presented
- Outline strategy structure developed
- Integrated Investment Plans formulated
- Core Steering Group Challenge process to T&F Groups

June-Sept 2013

- Strategy Drafting
- Investment pipeline development

## **6. Financial:**

The LEP is to be awarded £250k per annum to develop and manage this strategy. Details are expected Mid March 2013. The following outline budget is proposed

Project Team (Proj Director & Governance Mngr)	£100,000
Green Economy Strand	£15,000
Employability Strand	£10,000
T&F Group Activites (est.7x£5k)	£35,000
Development Manager for Potash/FERA (Backfilling A Leeming)	£50,000
External Advice/Contingency	£40,000

## **7. Recommendations:**

The Board

- Accept the LEP Plan Targets for 13/14
- Comment on the Strategy Development Plan
- Agree the members of the Board Main Strategy Development T&F Group
- Identify T&F Groups they wish to be involved in
- Agree the outline budget