

BOARD MEETING: 18th July 2014

REPORT PRESENTED BY: James Farrar

TITLE OF PAPER: YORK, NORTH YORKSHIRE & EAST RIDING LOCAL ENTERPRISE
PARTNERSHIP - IMPLEMENTING OUR GROWTH DEAL

Summary:

Below is a paper outlining the Growth Deal received from government, together with key an outline plan moving forward addressing projects receiving investment and also planning for future priorities. This will be discussed at the LEP Board on 17th July.

We are already working with Local Authority partners on those projects receiving funding, however I would welcome LGNYY input on;

1. Progressing those not supported
2. Developing future strategic priorities

Additionally, as part of the deal;

‘The LEP commit to supporting the nine local planning authorities in its area to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their Local Plans in accordance with the timetable submitted as part of the LEP monitoring framework; and

The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans’

LGNYY input is requested on how the LEP can most effectively work with Local Authorities to deliver on this agenda.

The LEP Board Paper is below:

BOARD MEETING: 17th July 2014

REPORT PRESENTED BY: Andrew Leeming

TITLE OF PAPER: INFRASTRUCTURE – IMPLEMENTING OUR GROWTH DEAL

Purpose

This paper provides more information on the details of the Growth Deal secured with government, together with an outline plan of actions moving forward. It addresses three key issues:

3. Implementation of projects receiving funding
4. Progressing those not supported
5. Developing future strategic priorities

1. Deal Headlines

The Growth Deal fact sheet is provided under separate cover:

The LEP has secured a growth deal from Government with £110.1m funding 2015-2021. Within this is £34.1m for 2015-16 and in addition we have secured £0.3m for a Growth Hub. This result provides full funding for 13 of our top 15 projects.

This represents 60% of the funding requested for specific projects in the period 2015-2017.

Key elements are:

Table 1: Projects receiving funding;

Investment by Project	Funding Profile			
	2015/16	2016/17	Future Years	Total
	£m	£m	£m	£m
Business Growth				
Business Growth Hub	0.3	0	0	0.3
National Agri-Food Innovation Campus.	0.3	2	6	8.3
York Bio-Hub.	1	1	3	5
Skills Capital				
Harrogate College.	4	0	0	4
Askham Bryan College - Agricultural Skills	1	0	0	1
Askham Bryan College -Engineering Centre.	0.6	0	0	0.6
Strategic Sites				
Housing growth at Scarborough.	2.3	0	0	2.3
Growth at Catterick Garrison.	1.2	0	0	1.2
Housing and employment at Northallerton.	1	5	0	6
Housing and Employment Growth Site at Selby - LGF	2.4	3	2.6	8
Housing and Employment Growth Site at Selby HCA Loan	3.5	0	0	3.5
Transport				
Newlands Bridge Drax-M62	1.5	0	0	1.5
North Yorkshire Road Maintenance Scheme	0	5	19	24
East Riding Road Maintenance Scheme	0	6	10.7	16.7
Pre-allocated transport funding				
1. Bedale Bypass (£18.4m)	15.5	0	12.5	28
2. York-Harrogate Rail Improvements (£9.6m)				
Total	34.6	22	53.8	110.4

Additionally the Government has committed to opening discussions with the LEP right away on its priorities for the next round of Growth Deals. This provides an opportunity to plan now and target major investment into key strategic priorities, such as A64, congestion around York & Harrogate and A1079.

Government has also set out its expectations of LEPs and their commitment to us.

Additional asks/commitments are;

LEP Commitment	Central Government Commitment
Business Growth	
1. Provide a clear model for co-ordinating and simplifying business support.	1. UKTI will work more closely with LEPs to secure inward investment 2. The Technology Strategy Board commit to working closely with LEPs on the innovation agenda.
Skills	
1. Enhance careers information, advice and guidance by facilitating better linkage between education and local businesses. 2. Recognise where the private sector has a responsibility to invest in skills 3. Commit to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people	1. National Careers Service providers to reflect local employer priorities 2. Skills Funding Agency, will ensure that provision meets local priorities by; <ul style="list-style-type: none"> i. Involving LEPs in the procurement of new provision ii. Making providers accountable for meeting local economic priorities iii. Considering providers track record against LEP requirements in future allocations 3. Government will improve the provision of skills data for LEPs
1. Support the nine local planning authorities in to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their Local Plans in accordance with the agreed timetable; 2. The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans; 3. The LEP takes a more proactive role in consultation on long-term strategic road and rail planning and franchise specification. 4. To support extension of superfast broadband coverage to 95% of UK premises by 2017.	1. Homes and Communities Agency will work with LAs and partners on extra care schemes 2. Homes and Communities Agency will work with partners to meet the aspiration of at least an additional 90 rural homes 3. The Department for Transport and Network Rail commit to more proactive engagement of the LEP in the long-term rail planning process. 4. The Highways Agency commits to developing a more proactive and collaborative approach to promoting national and local growth
Governance	
1. Strengthen governance including formalising the three programme board and aligning to the local approval structure for EU Structural & Investment Funds. 2. Establish a Local Growth Team comprising the LEP Secretariat and key local delivery partners. 3. Ensure implementation and demonstrate success, by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. 4. Ensure value for money by developing robust	

processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014

5. Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders

2. Milestone for projects receiving funding in 15/16

Work will continue with local partners to develop successful projects to ensure they are deliverable on time, on budget.

<p>Phase 1 July 2014 - October 2014</p>	<ul style="list-style-type: none"> • Review capacity & resources considering asks and investments within the Local Growth Deal award • LEP secondees finalised • Governance <ul style="list-style-type: none"> ○ Assurance Framework finalised ○ Project management monitoring framework developed ○ Evaluation plan developed ○ Review governance with Local Authorities including support for Local Plans • LEP Programme Boards consider outcome of Local Growth Deal & future priorities • Full detailed project plans are produced for each Growth Deal project together with risk register, and appraised by the secretariat • Sign Growth Deal with government
<p>Phase 2 November – January 2015</p>	<ul style="list-style-type: none"> • Project plans finalised and approved • Contracting
<p>Phase 3 April 2015 onwards</p>	<ul style="list-style-type: none"> • Local Growth Funding received from government • Delivery to start on first round of infrastructure projects

3. Projects not receiving funding in this Growth Deal

All projects submitted within the LEP Bid were a priority for the LEP area. We therefore need to continue to work with partners to consider alternative ways to deliver these projects.

The LEP will have some flexibility over how it utilises its funding, however any significant changes will require Government approval. We do not anticipate there will be any major slippage in 2015/16, however continuing to develop a pipeline of good quality, ready to go projects, will ensure we are able to respond to any unforeseen delays in projects.

Feedback will be sought to identify which projects

1. Passed the quality threshold and did not receive funding because there was not enough to go around
2. Did not deliver sufficient economic impact / value for money
3. Were not considered 'shovel ready' and deliverable

We will then work with partners to understand the short term implications of not receiving funding and alternative opportunities to progress schemes

Milestones

July 2014	<ul style="list-style-type: none">• Feedback from Government on each project
Aug-Oct 2014	<ul style="list-style-type: none">• Options analysis with Partners to identify alternative funding opportunities• Shared action plan developed for sites.

Recommendation 1: LEP Board to agree the milestones for both projects receiving funding and those not receiving funding in the Local Growth Deal

Government has committed to starting work immediately on future priorities. This provides an opportunity to reflect on the LEP Strategy and to target high impact future investments which will maximise growth.

It is clear from the lessons learnt during the preparation of this Growth Deal that we need to be smart in identifying future infrastructure investments and to ensure they are developed and investment ready.

Strategic sites and transport schemes can take several years to develop to a stage where they are investable. We need to work with local partners now, to identify and agree priorities. By identifying future priorities early and working closely with government through the process we can help de-risk the investment and also best position projects to access funding from a range of sources other than the LEP.

The challenge we have is the cost of developing projects to be investment ready is both costly and has a long lead in time. For example, for a transport scheme you are typically talking 10% of the scheme cost. With Local Authority budgets continually under pressure, it is increasingly hard for them to invest up front with no guarantee of funding if they get the site ready.

If we look at our emerging strategic priorities we know there is a significant amount on development work to make these happen and it is unlikely they will happen without public funding.

The LEP don't currently have any revenue funding to help, however the £8m Olympia Park investment is repayable and once it is repaid it can be used as revenue.

Discussion Point:

We need to start planning now to deliver a high quality bid for Local Growth Fund 2.

Once we agree our primary strategic priorities, should we consider some level of future contribution to the development costs, if Local Authorities are willing to invest up front to get the sites investment ready. We would utilise some of the returns from the Olympia Park £8m repayable investment

The LEP Strategy identifies its growth towns with initial five year development plans. These Plans began to identify the future aspirations for Growth and the barriers to achieving this. Further development of these Plans to target critical infrastructure investment forms a key part of developing this LEPs future infrastructure Plan

Our growth towns are;

Selby, Harrogate, York, Malton, Northallerton, Catterick, Scarborough, Bridlington, Skipton, Beverley, and Harrogate,

In addition, whilst we have secured longer term funding through the existing growth plan for highways maintenance, we need to ensure our strategic transport priorities are developed to be ideally placed for the next Local Growth Deal. In particular these are;

- Investing in A64 and A1079 to improve connections from the Yorkshire Coast to York and the A1/M1
- Congestion around Harrogate and York is a major barrier to growth. Working closely with Local Authorities and Department for Transport to plan and invest long term to address these strategic transport challenges is crucial to delivering growth in these centres.

Milestones

July – Sept 2014	<ul style="list-style-type: none">• Review Growth Town Plans & Strategic Transport Plan for future priorities• Begin future growth deal conversation with government
Oct – Mar 15	<ul style="list-style-type: none">• LEP Programme Board agree future priority investments• Create development plans for future priority investments

5. Business Growth Hub

All LEPs included a bid for revenue funding for a Growth Hub within their Local Growth Fund submissions, however the Local Growth Fund was entirely capital. Subsequent to submitting the Local Growth Deal bid, LEPs were asked to submit a separate bid for a Growth Hub to support small and micro businesses. We have been successful in securing £300k for the Growth Hub for 2015/16.

Whilst this funding is initially for 1 year, the expectation is this will be extended beyond 2015/16. In order to maximise the performance of the Growth Hub, we are required to develop the model in this financial year. We have already started work, supported by BIS and the Design Council to design our Growth Hub model. This work was done in partnership with business networks, business support organisations, professional intermediaries and banks.

We now need to develop the concept further, developing the digital infrastructure, recruiting staff and training partners and intermediaries. It is proposed to allocate up to £100k from the LEP Core funds to develop the Growth Hub to be fully operational by 1 April 2015. David Kerfoot, LEP Board member and lead for Small Business Support will oversee and sign off expenditure up to the £100k limit.

Recommendation 2: LEP Board to allocate up to £100k to develop the Small Business Growth Hub. David Kerfoot to provide sign off for all expenditure.

6. Neighbouring LEP Investments

In addition to the money secured within our Local Growth Deal we are supportive of the investment to be delivered by neighbouring, overlapping LEPs to deliver growth in our LEP area. The following investments have been secured through neighbouring LEPs

Scheme	2015/16	2016-21	Total
Humber LEP – East Riding Investments			
Goole College Skills Modernisation	0.43	0.32	0.75
Hull & Holderness Flood Defences	1.5	1.5	3
Humber North Bank Flood Project Package	0.7	27.57	28.27
Hull East Coast Mainline Rail Electrification	1.5	6	7.5
Pre Allocated Transport – Bridlington Integrated Transport Plan	5.75	0	5.75
HCA Loan – Land off Low Moor, Brough (Also referenced in our deal)	8.6	0	8.6
Leeds City Region LEP Investments			
Craven – Horsebridge Close Housing, Skipton	0.85	0	0.85
York – York Central	1.65	0	1.65
York Outer Ring Road	TBC – Part of £180m West Yorkshire Transport Fund		
York Bio-Hub – Supporting our £5m investment	1.0	2.0	3.0

7. Key Risks

The LEP has secured a good deal. The key risk is failing to deliver with the reputational damage and negative impact on future investment secured.

Capacity remains a significant risk – We are continuing to review resources in light of the Local Growth Deal announcement, in particular the additional asks from government around engagement with national partners on the skills agenda and on consulting with Local Authorities to support the duty to cooperate with Local Plans. The expectations on the LEP as a consultee on a broad range of subject areas is significant.

Further to previous discussions the LEP is finalising five 0.5fte secondments from Local Authorities to support deliver of our strategy and the investments.

Action: A full review of the secretariat will be brought to the next Board.

Delivery - Each Programme Board (Business Growth, Skills, Infrastructure) will be responsible for implementing their investments. As part of developing delivery Plans, they will develop a risk management plan for their investments. These documents will be submitted to the LEP Board by December 2014 and subsequently on a quarterly basis.

Financial – There is some flexibility with funding to allow the LEP to flex between projects to achieve greatest impact, however this requires government approval. Project management will include robust financial management and monitoring to report progress to both the Programme Boards and the LEP Board.

8. Recommendations

- a. Agree the process and milestones outlined in this paper**
- b. Discuss the opportunity for the LEP to contribute to future development costs**
- c. Agree to allocate upto £100k to develop the growth hub, subject to David Kerfoot sign off for individual costs.**

YORK, NORTH YORKSHIRE AND EAST RIDING GROWTH DEAL

The York, North Yorkshire and East Riding (YNYER) Growth Deal supports the area's ambition to become a national and international centre for the science of food, agri-tech and bio-renewables. The Deal also builds on a strong local track record in supporting small and micro businesses to thrive and grow, and addresses the key issues of housing availability and affordability in key growth towns across the LEP area, as well as raising skill levels and improving the existing transport network to support growth.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on four key priority areas as identified in the LEP's Strategic Economic Plan:

- Business Growth Investment;
- Investing in Infrastructure;
- Creating skilled and inspired people;
- Ensuring the existing transport network promotes growth and low carbon goals.

The York, North Yorkshire and East Riding LEP has secured **£110.1 from the Government's Local Growth Fund to support economic growth in the area – with £18.8m of new funding confirmed for 2015/16 and 22.6m from 2016/17 to 2021.** This includes:

- As part of the Government's ongoing commitment to the YNYER LEP a provisional award of a further £40.7m for projects starting in 2016; and;
- £28m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £100m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £210.1m for the YNYER LEP area.**

By 2021, this Deal will create at least 3,000 jobs and allow 4,000 homes to be built.

The York, North Yorkshire and East Riding LEP brings together the business community and local authorities across North Yorkshire County Council area (comprising the district/borough councils of Craven, Harrogate, Selby, Ryedale, Scarborough, Hambleton and Richmondshire) and the unitary authority areas of the City of York and the East Riding of Yorkshire.

York North Yorkshire East Riding LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	18.8	22.6	41.4
Previously committed funding	15.5	12.5	28
Provisional allocation to projects starting in 2016/17 and beyond	-	40.7	40.7
Total	34.3	75.8	110.1

The table above includes the provision of £3.460m loan funding (subject to due diligence) to BOCM PAULS Ltd to accelerate the delivery of 844 homes on the Olympia Park, Selby site.

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion Euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

YNYER LEP and Central Government have agreed to co-invest in the following jointly-agreed priorities:

- **Housing and employment growth projects along the A1/A19 growth corridor** - projects include Town Centre and housing growth at Catterick Garrison; housing and employment growth in Northallerton; and Housing Growth at Olympia Park, Selby;
- **Housing Growth at Middle-Deepdale in Scarborough** - supporting the development of 1,350 mixed-tenure new homes;
- **National Agri-Food Innovation Campus and York Bio Hub** - key projects supporting the LEP's ambitions to be a global leader in food, agri-tech, and bio-renewables;
- **Investing in the college estate** - including developing world-class facilities in Agri-tech and engineering at Askham Bryan College, and new and upgraded facilities at Harrogate College;
- **Maintenance of the existing road network to promote growth** - including the Newland Bridge Maintenance Scheme.

Local flexibility over Growth Deal programme: The York, North Yorkshire and East Riding LEP has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area, and has established strong financial monitoring procedures and cross local authority collaboration. Government will disburse funds to the LEP annually in advance. The York, North Yorkshire and East Riding LEP will be expected to deliver the projects highlighted in the Deal, but will have flexibility over the management of these projects in order to deliver the greatest economic benefits to the area. Any significant changes to the projects will need to be discussed with the Government in advance.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

The YNYER Growth Deal

The investment secured by the deal will be focused on four key areas to deliver transformative growth:

Business Growth Investment: the Growth Deal will:

- Support the £17m transformation of the DEFRA Food and Environment Research Agency (FERA) into the National Agri-Food Innovation Campus creating up to 800 new jobs and injecting £100m into the economy of the LEP area.
- With Leeds City Region LEP, support the £49m BioHub project at the University of York creating highly-flexible laboratory business incubation/grown on space to drive the growth of the bio-renewables sector.
- Provide support in 2015/16 for the YNYER Business Support Growth Hub

YNYER LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time 	<ul style="list-style-type: none"> • Invest £8.3m in the National Agri-Food Innovation Campus, with a commitment to £0.3m in 2015/16, and a provisional allocation of £8m in future years; • Invest £5m in the York Bio-Hub, with a commitment to £1m in 2015/16, and a further provisional allocation of £4m in future years; • Provide £0.3m revenue funding to the LEP for growth hub business support coordination in 2015/16, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services. • UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment. • The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology

	Strategy Board programmes and initiatives.
--	--

Investing in Infrastructure in YNYER area: the Growth Deal will:

- Support housing and employment growth ambitions on the A1/A19 Growth Corridor by investing in major strategic development sites in Northallerton, Catterick Garrison, and Selby creating 3,694 new homes;
- Invest in major mixed-tenure housing development in Middle-Deepdale in Scarborough creating 1,350 new homes;
- The Government recognises the particular housing needs identified across the LEP area and the importance of working with the LEP and partners to help meet their aim of doubling housebuilding and tripling delivery of affordable housing for York, North Yorkshire and East Riding. It commits the Homes and Communities Agency to work with the LEP, local authorities and other housing partners to find solutions to deliver local strategic housing priorities and outcomes in response to the priorities identified in the SEP and Local Growth Deal Implementation Plan including work on older persons and rural housing. The LEP and local planning authorities also commit to getting up-to-date Local Plans in place, deliver effective strategic planning by working together and across boundaries, and ensure delivery of housing in Local Plans;
- The YNYER LEP (and its partners) and DfT (and its agencies) commit to working together proactively on longer-term rail planning and franchise specification;
- The YNYER LEP (and its partners) and DfT (and its agencies) commit to working together proactively on long-term strategic road network planning to support local economic growth;
- The LEP will also work with local partners to support extension of superfast broadband coverage across YNYER.

YNYER LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Deliver with partners up to 5,044 new homes; • The LEP commit to supporting the nine local planning authorities in its area to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their Local Plans in accordance with the timetable submitted as part of the LEP monitoring framework; • The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans; • The LEP and partners agree to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities; • The LEP and partners agree to take a more proactive role in consultation on long-term strategic road network 	<ul style="list-style-type: none"> • Invest £2.3m in 2015/16 in road and other transport improvements to enable housing growth at Scarborough Middle-Deepdale project; • Invest £1.2m in 2015/16 in junction improvements to enable growth at Catterick Garrison; • Invest £6m in a link road and a new bridge to enable housing and employment growth at Northallerton, with a commitment to £1m in 2015/16, and a provisional allocation of £5m for future years; • Invest £8m in road improvements and site remediation to enable housing and employment growth at Olympia Park, Selby, with a commitment to £2.4m in 2015/16, and a provisional allocation of £5.6m in future years; • In addition, subject to due diligence, Government will provide £3.5m of loan funding through the Local Growth Fund

<p>planning and provide a co-ordinating role between constituent local authorities;</p> <ul style="list-style-type: none"> • Progress on the development and delivery of the priority transport schemes identified by the YNYER Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources; • To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, YNYER LEP will commit to work with local partners and BT to support delivery; • To support extension of superfast broadband coverage to 95% of UK premises by 2017, YHYER LEP will also work with local partners to help ensure match funding is in place for the next round of projects. 	<p>(Housing Infrastructure) to BOCM PAULS Ltd to accelerate the delivery of 844 homes on the Olympia Park, Selby site;</p> <ul style="list-style-type: none"> • For reference only, subject to due diligence, Government will provide £8.6m of loan funding through the Local Growth Fund (Housing Infrastructure) to Redrow Homes developer to accelerate the delivery of 750 homes on the Land Off Moor Road, Brough site. (This funding is included in the Humber LEP's Growth Deal); • The Homes and Communities Agency will work with LAs and partners on extra care (3 schemes for extra care provision submitted by providers through the AHP 2 bid round); will continue to work with NYCC on further Extra Care; and will support proposals to come forward through continuing market engagement; • The Homes and Communities Agency will continue to work with partners to identify sites and delivery partners to meet the aspiration of at least an additional 90 rural homes and a network of rural housing support staff for the LEP area. Via external and local funding and a flexible approach to interventions the Homes and Communities Agency, the LEP, registered providers, and local authorities will seek to maximise delivery of affordable housing in the rural areas of York, North Yorkshire and East Riding; • The Department for Transport and Network Rail commit to more proactive engagement of the LEP in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the LEP as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders; • The Highways Agency commits to developing
--	--

	<p>a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with LEPs and the LEP Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each LEP with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support LEPs at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.</p>
--	---

Creating skilled and inspired people: the Growth Deal will invest in:

- An £8m part new build, part refurbishment of Harrogate College safeguarding the future of vocational education in the area;
- Developing world-class facilities in Agri-tech and land based engineering at Askham Bryan College;
- In addition, the YNYER LEP will commit to enhancing the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy and by facilitating stronger linkage between education providers and local businesses;
- Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. The LEP and the Government are committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

YNYER LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Deliver up to: <ul style="list-style-type: none"> - 1,245 additional learners - 275 additional apprentices • LEPs are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have 	<ul style="list-style-type: none"> • Invest £4m in 2015/16 in Harrogate College. This is subject to agreement to the final business case demonstrating that the project offers value for money, is deliverable and there is an effective risk management strategy in place • Invest £1m in 2015/16 in the AgriTech Training Centre at Askham Bryan College • Invest £0.6m in 2015/16 in the Land Based

<p>the ability to link employers with education providers; can have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal. To achieve this, YNYER will facilitate stronger linkage between education providers and local businesses. The LEP will also work with relevant local stakeholders to communicate its priorities and align its offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service.</p> <ul style="list-style-type: none"> • Consider skills implications as part of decision taking on growth strategies; • Clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector; • Positively engage the further education and skills sector in key strategic partnerships e.g. Skills and Employment Boards; • Recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment • YNYER LEP and its partners commit to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value. 	<p>Engineering Centre of Excellence at Askham Bryan College</p> <ul style="list-style-type: none"> • The Government commits to working with YNYER LEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in the YNYER area • Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> ○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment ○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery. ○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years. • Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery.
--	--

	<ul style="list-style-type: none"> Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.
--	---

Ensuring the existing transport network promotes growth and low carbon goals: the Growth Deal will invest in bridge infrastructure and road maintenance schemes across East Riding of Yorkshire and North Yorkshire to promote growth and improve the existing transport network.

YNYER LEP commitments	Central Government commitments
<ul style="list-style-type: none"> Invest local authority public resources of at least £31.2m to deliver the East riding Road Maintenance and the Maintenance of Category 4 Roads in North Yorkshire Growth Towns programmes. 	<ul style="list-style-type: none"> Invest £1.5m in 2015/16 in the Newland Bridge Maintenance Scheme Provisional allocations have been awarded to the LEP to support the following projects starting in 2016/17 and beyond: a) East Riding Road Maintenance Programme (£16.7m provisionally), and; b) Maintain Category 4 Roads in North Yorkshire Growth Towns (£24m provisionally)

As part of the deal, the LEP will:

Strengthen governance: Over the period of the Growth Deal, governance across the YNYER LEP will continue to strengthen and evolve to ensure strong, rigorous and properly accountable decision making and delivery on economic growth, infrastructure, skills and business development issues.

The role of the LEP and its governance structures will be to set the vision and outcomes that will guide the allocation of resources at a project level, and to monitor and ensure results achieve intended outcomes. To support it in its role, the LEP will:

- Establish three programme boards (business growth, skills and employment, infrastructure) to manage investment programmes.
- Appoint a chair to each programme board from the full LEP board, and ensure that representation on all Board includes both the Public and Private Sectors
- Ensure that programme boards are also able to provide the local approval structure for EU Structural & Investment Funds.
- Hold the programme boards accountable for delivering the growth deal commitments.

To support the Programme Boards, a Local Growth Team will be established comprising the LEP Secretariat and key local delivery partners.

Ensure implementation and demonstrate success, by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements

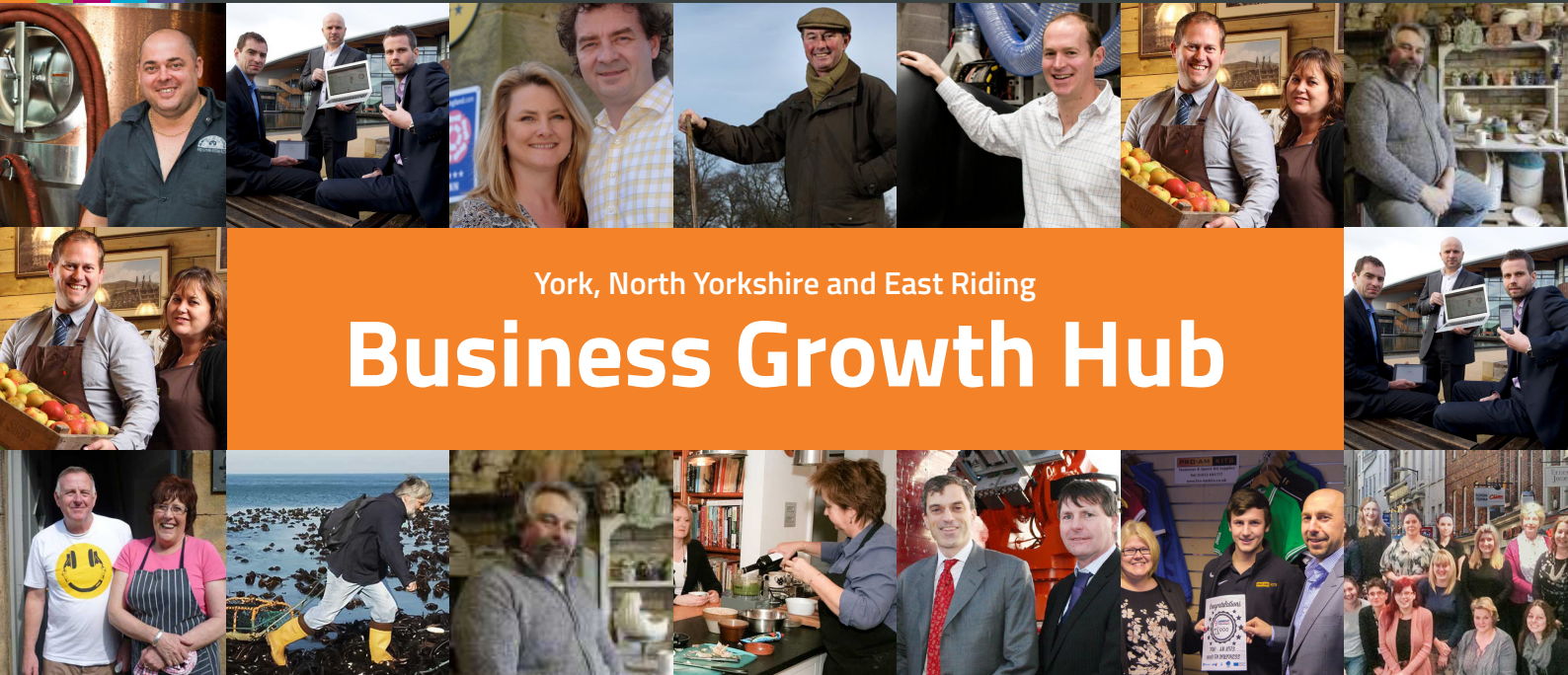
with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.

Ensure value for money by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks

Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.



York, North Yorkshire and East Riding
Business Growth Hub

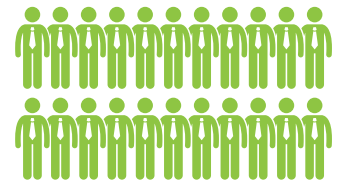
Our vision, outlined in our Strategic Economic plan, is to make York, North Yorkshire and the East Riding the best place to start and grow a business. We know business that get external help are then twice as likely to grow. So we will ensure more do that.

Our aim, via our Growth Hub, is to dramatically increase the take up of business support, engaging with over 11,000 businesses. We will deliver an additional 2200 jobs, at a cost per job of £1125.

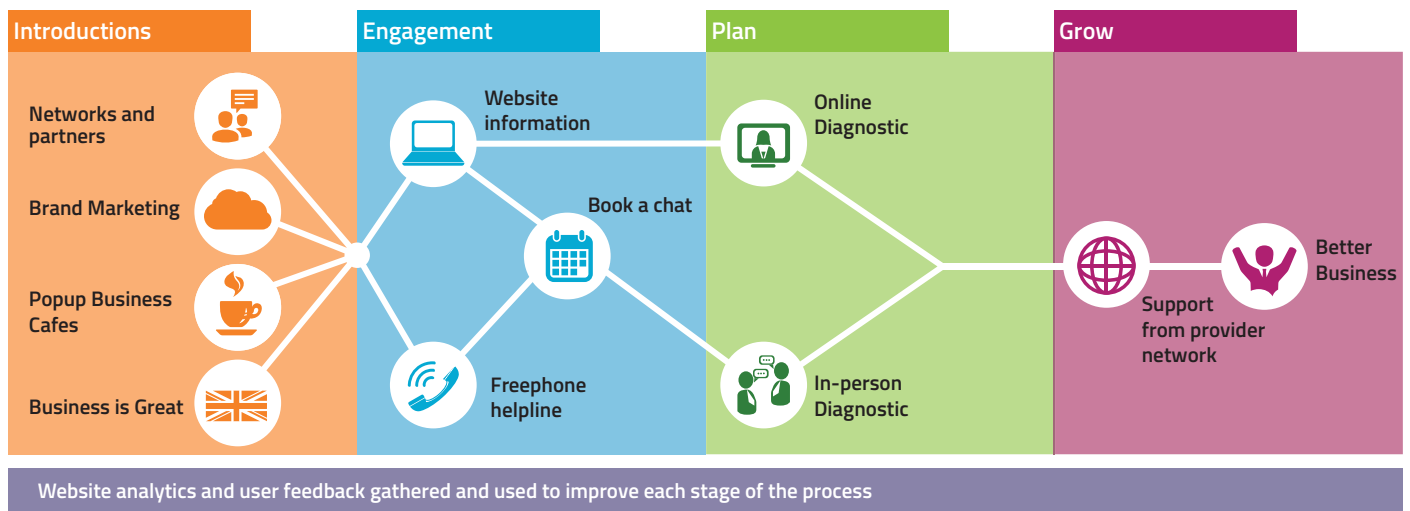
Our ambition is for:

- every person that wants to improve and grow their business, to create a personalised Growth Plan detailing how to do that, with referrals to people who can help;
- every business network and business professional, to be enabled to create these plans, referring on to other providers as a matter of course;
- a Hub which drives improvement, and becomes sustainable, using market forces.

2,200 Jobs



£1125 per job



Based on business needs

We will redefine business support, by starting with what business owners want and need, rather than the confusing myriad of providers selling their services.

Rooted in our area

We cover the largest area of any LEP in the country. LEP staff, including the Growth Hub team, will be co-located on the University of York campus alongside the Chamber and FSB, with hot-desks available for all partners. However, we need to innovate to meet the challenge of covering our 40 market towns and rural communities. Having established Pop-Up Business Cafés to help business people to meet support providers, we will extend our reach further by enabling partners and professionals across our patch to be route in to the Hub, to create Growth Plans and to cross refer.

A quality offer

Ensuring the highest quality will be paramount to the success of the Hub. Using the Hub’s digital infrastructure, we will gather and publish user feedback, via ratings, on both the functioning of the Hub (ie carrying out the diagnostic) and on the quality of support provided. We will also gather and publish analytics on operation of the Hub (ie numbers of diagnostics held, plans produced, jobs created) and on the support provided (ie common themes in plans, most popular referrals). By being transparent and publishing this information, we will build trust with our business community and partners.

Unique routes to market and branding

Capitalising on our strong relationships with banks in our area, we will use their extensive business relationships as a key route into the wider services brokered through the Hub. This is one of the unique ways in which we will embed the Hub into our business community. The creation of a brand which is trusted, owned and liked by business people and partners alike will ensure we maximise the number of people planning for growth.

Governed by partners


A Growth Hub Board will be established to monitor performance and oversee delivery. A shadow Board is being created from partners involved in the development workshops, including: The Chamber, Barclays bank, Federation of Small Businesses, Institute of Chartered Accountants, Chartered Institute of Marketing, Manufacturing Advisory Service, IoD and York City Council. A full Board will be established with wider involvement from partners contributing to the Hub.

A hub for all

All partners will be invited to be part of the Hub. There are 3 roles they can play, with flexibility to play more than one role:

- Introducer – introducing people to the Hub. This could include introductions from outside the business arena ie GP’s ‘prescribing’ the Hub to stressed business owners.
- Planner – carrying out diagnostic conversations in person, creating Growth Plans and making referrals to providers.

The old way



Employ a business advisor

Cost per client:
£666

Our way



Use existing network of partners

Cost per client:
£150

- Provider – providing professional advice, consultancy or training to help with business improvement and growth.

Whilst there is an open invitation for all partners and professionals providing a service in our area to join the Hub, continued membership of the will be dependent on providing a good quality service. This will be policed via the Growth Hub Board. Providers who are not part of a Chartered Institute will need a peer recommendation to join.

Creating Growth Plans

To establish this new model, we will procure a robust diagnostic framework, which will be accessed digitally either direct by a business or by a partner creating a Growth Plan with a business owner. Training will be provided for partners in using the diagnostic to create plans, and on how to ensure people own the actions in their Plan. This ownership will be crucial, as when a referral made in the plan is taken up, the Planner will be recompensed for their time. We estimate this will equate to £150 per plan. This payment by results approach is one of the core ways our Hub will innovate to achieve significant cost savings.

Partner contributions & sustainability

Our long term financial sustainability model for the Hub is to phase out payments for creating growth plans. Demonstrable growth in the business support market will provide it's own incentive, reducing the need for providers to invest in their own sales and marketing. Funding will be used to generate critical mass and momentum. Our financial model shows partner contributions increasing from 2017 as payments are phased out.



**Designed
by partners,**

via BIS backed process

**“We are
breaking new
ground”**

Chris Manners,
Institute Chartered
Accountants E&W

Our proposal has been co-created with partners from key public and private business organisations. They are excited by the vision, but also by the development process: we have brought in the Design Council to facilitate a Service Design approach, via their Service Transformation Programme, which is part funded by BIS. This is building a Hub that belongs to partners. It will be theirs not the LEPs, with a partner led Growth Hub Board steering it's development and operation. This will be enable long term success & sustainability.

“I found the process refreshing and innovative” Emma Smailes, FSB

Growth Plans and job creation

Over the 5 years it will take the Hub to become self-sustaining we estimate we will generate an additional 2204 jobs.

Outputs	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Totals
Diagnostics & Growth Plans	100	1500	2000	2666	2666	2666	11,598
Job creation	19	285	380	507	507	507	2204

Hub costs

We will procure the underpinning digital service, along with training for professionals on carrying out the diagnostic and creating growth plans.

Additional resources to administer the Hub will be limited to a small marketing and administration team, plus a marketing budget and digital maintenance contract.

Partners will contribute by progressively absorbing the cost of Growth Plans from the additional income created by the significant boost in the market for their services.

Costs	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Totals
Funded plan payments	£12,000	£180,000	£240,000	£213,280	£106,640	£0	£751,920
Unfunded plan costs	£3,000	£45,000	£60,000	£186,620	£293,260	£399,900	£987,780
Digital	£130,000						£130,000
Delivery team & partner training	£70,000	£210,000	£255,500	£303,275	£353,439	£406,111	£1,598,324
Total	£215,000	£435,000	£555,500	£703,175	£753,339	£806,011	£3,468,024

Income	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Totals
Partner contribution	£38,000	£80,000	£95,000	£221,620	£328,260	£434,900	£1,197,780
LEP contribution	£177,000						£177,000
BIS contribution	£0	£355,000	£460,500	£481,555	£425,079	£371,111	£2,093,244
Total	£215,000	£435,000	£555,500	£703,175	£753,339	£806,011	£3,468,024

Partners involved in Hub Service Design workshops

West, York and North Yorkshire Chamber
 Barclays Bank
 Institute of Chartered Accountants E & W
 Chartered Institute of Marketing
 City of York Council
 Visit York

Federation of Small Businesses
 Institute of Directors
 Manufacturing Advisory Service
 LEP Mentors

Partners involved in Hub (Introducers, Planners, Providers)

Yorkshire Bank
 Santander
 Natwest
 HSBC
 Growth Accelerator
 Growth Vouchers
 UKTI
 National Apprenticeship Service
 North Yorkshire Apprenticeship Hub
 Technology Strategy Board
 Knowledge Transfer Partnerships
 Superfast North Yorkshire
 Goldman Sachs 10000 Small Businesses
 Chartered Institute of HR
 Chartered Institute of PR
 Lexcel
 Local Authorities
 EUSIF funding
 Regional Growth Funds
 Yorks Innovation Fund
 Finance Yorkshire
 Business Enterprise Fund
 Rebuilding Society
 Key Fund
 York University

York St John's University
 Hull University
 Teeside University
 Leeds University
 Leeds Met University
 Yorks Assoc Biz Angels
 Moore Skills Training
 Welcome to Yorkshire
 Consult Yorkshire
 Business in Yorkshire
 Action Coach
 Business Doctors
 WRAP advice
 Yorkshire Energy Partnership
 Skills Support for the Workforce
 Enterprise North Yorkshire
 Airedale Enterprise
 Business Support York & N Yorks
 Harrogate Enterprise
 Scarborough Enterprise
 Craven Full Circle
 Princes Trust
 PRIME
 +120 others listed on LEP website