

**LGNYY MEETING:** 24 JULY 2015

**REPORT PRESENTED BY:** James Farrar

**TITLE OF PAPER:** YORK, NORTH YORKSHIRE & EAST RIDING LEP UPDATE

Summary:

Following the LEP AGM and Board Meeting with all Local Authority Leaders, this paper summarises the key performance issues.

This paper covers

1. Implementation update - Local Growth Deal
2. Future opportunities – Enterprise Zone
3. Innovation & Growth Drivers

## **1.0 Local Growth Deal – Implementation Update**

1.1 Although within the first quarter there was no spend this was anticipated as most projects were not looking to start until quarter 2 onwards. However much progress has been made during quarter 1 including:

- Funding agreements issued to Skipton, Newlands Bridge and the three skills capital projects all due to start on site in the summer;
- Infrastructure Programme Board meeting to sign off the business cases for three projects – Catterick, Skipton and Newlands Bridge;
- Full business case for North Northallerton progressing well, and Progress towards resolving outstanding issues on Scarborough Middle Deepdale and Selby Olympia Park. These three projects will be reconsidered by the Infrastructure Board by September 2015.
- The business case for York Biohub project has been resubmitted and will be considered by the LEP Board in the meeting before LGNYY
- The investment which is highest risk is the follow on investment in National Agri-Food Innovation Centre. The LEP have invested £2.7m Growing Places loan funding to improve the accessibility and layout of the site, and an additional £2.3m was awarded through Local Growth Funding of which £0.3m was due in 15/16. We have been advised that DEFRA intend to sell the site with FERA Science Ltd as the anchor tenant. It is unlikely DEFRA will invest additional new capital to match the LEP investment during this process.
- Progress made on accelerating potential future years projects at Malton and A1/A59 junction to take up any potential 2015/16 underspends.

1.2 The table below provides a summary of the programme tracker detailing the progress towards delivery of each of the projects for which we have been awarded Local Growth Funding. This table focuses on projects that spend in 15/16.

**LGNYY are asked to note the progress in implementing the Local Growth Deal**

Table 2 : Summary of Progress for all 2015/16 Project starts







	15/16 Spend £m	Future years £m	Stage 1 Business Case Development	Stage 2 Appraisal and Due diligence	Stage 3 Funding agreement issued	Stage 4 Start project	Stage 5 Construction	Stage 6 project completion	Comments	Overall Risk rating
York Bio hub	1.0	4.0		July 2015	Sept 2015	Jan 2016		2017	Revised business case received and initial assessment carried out. Report to be presented to the 24 <sup>th</sup> July Board for consideration. ERDF EoI submitted and being considered. Red flagged but improving.	
National Agri- Food Innov Campus	0.3	8.0	October 2015	Dec 2015	Feb 2016	tbd	tbd	tbd	The LEP has already invested Growing Places in this site. DEFRA have now advised they intend to sell the site. There is only a very small spend in 15/16, but it is high risk.	
Harrogate College	3.0	0			May 2015 (draft)	Jul 2015		Mar 2016	Draft Funding agreement has been drafted and is in the process of being agreed by both parties. Scheme to start on site this summer. All on track.	
Askham Bryan Agri- engineering	0.6	0			April 2015 (draft)	Jun 2015		Mar 2016	Funding agreement in the process of being signed. Project all on track to start summer.	
Askham Bryan Agri- tech centre	1.0	0			April 2015 (draft)	Jun 2015		Mar 2016	Draft Funding agreement has been drafted and is in the process of being agreed by both parties. All on track	
Selby	2.4	5.6			Oct 2015	April 2016		Mar 2018	Still in the appraisal phase. Appraisal and due diligence is being carried out by the Homes and Communities Agency. Developer now in place. Some concerns over potential delays with works on site due to start April 2016, 15/16 spend will be loan payment. Remains an Amber rating.	

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Northallerton	1.0	5.0	July 2015	Aug 2015	Oct 2015	Jan 2016		Mar 2017	Full business case being prepared for submission at end July. Planning now submitted decision due in October 2015. Good progress being made. Moving from Red to Amber	↑
Catterick	1.2	0			July 2015	Aug 2015		Mar 2016	Full Business Case approved by Infrastructure Board now drafting agreement. Board also agreed benefit of larger scheme subject to funding becoming available (see separate item below). On track.	↔
Middle Deepdale	2.3	0		July 2015	Aug 2015	Aug 2015		Mar 2016	Still negotiating through appraisal with a couple of issues still to address. To be resolved and taken to Infrastructure Board in early August. Still risks so amber rating.	↔
Skipton	1.2	0				July 2015		Dec 2016	Funding agreement signed. Will look to spend total £1.2m in 15/16.  Project started.	↑
Newlands Bridge	1.5	0			July 2015	July 2015		Mar 2016	Funding agreement drafted and in process of being agreed between parties. All on track to start on site shortly.	↔
Bedale By-Pass	15.5	2.9				Mar15-sep16		Dec 2016	DfT retained scheme. On site	↑

## **2.0 Future Opportunities – Enterprise Zone**

- 2.1 The Summer Budget 2015 announced “The government is inviting bids for a new round of Enterprise Zones. The existing Enterprise Zones have supported the creation of over 15,000 jobs throughout England.<sup>94</sup> This new round will focus on ensuring that all places in England can benefit, including rural areas where appropriate, and the government encourages towns and districts to work with LEPs to develop bids”
- 2.2 Whilst no bidding process or timescales have been announced the LEP is considering potential options. Currently opportunities are being considered
- 2.2.1 We have already secured Yorkshire first DEFRA approved Food Enterprise Zone at Malton – there may be an opportunity to extend the incentives at this site along with a package of agri-food focused sites.
  - 2.2.2 A coastal Enterprise Zone covering all 6 Coastal Towns (Whitby, Scarborough, Filey, Bridlington, Hornsea, Withernsea)
- 2.3 The LEP would welcome early discussions with all Local Authorities which are interested in exploring the potential for their sites and would encourage early engagement with the LEP.

**LGNYY Action – Local Authorities who are interested in an Enterprise Zone should contact the LEP as soon as possible.**

## **3.0 Innovation & Growth Drivers**

- 3.1 FERA Science Ltd, have been shortlisted as a lead partner in two major innovation bids into the UK Agri-Tech Strategy. The bids totalling £50m are for;
- 1. A Chop Health and Protection Centre (CHAP)
  - 2. A Centre for Innovation Excellence in Livestock (CIEL)
- 3.2 The £80m Agri-tech innovation fund has shortlisted 4 bids and interviews were w/c 6<sup>th</sup> July. If successful this will increase the cluster of innovation assets in the region and also provide businesses with improved access to the best UK wide innovation partners.
- 3.3 University of York has been successful in securing a share of a £4m investment into a Digital Economy Centre, announced in the Summer Budget. This builds on Yorks digital and gaming strength and the position as the Uks first gigabit city.
- 3.4 It is also important to note that in the multi-billion private sector investment in Offshore Wind, Potash and Carbon Capture & Storage we have the three largest private sector investments in the Northern Powerhouse.
- 3.5 We need to ensure that discussions around devolution do not distract from the opportunities presented resulting in the potential benefits not being maximised.
- 3.6 Scarborough BC are leading discussions with York Potash to implement the supply chain strategy post approval.
- 3.7 UKTI Inward Investment team are scheduled to spend a ‘day with the LEP’ in September. This will allow us to ensure our key opportunities are outlined and promoted at a national level.

- 3.8 Alongside this our economy remains dominated by small and micro businesses. We are launching our Growth Hub [www.howbusiness.org](http://www.howbusiness.org) at the LEP conference and our Pop Up Business Cafés continue to be highlighted as national good practise for connecting small business to help and support at a local level.
- 3.9 As previously reported the LEP Business Grant Fund is now fully invested. We have been working with BE Group, a private sector partners to secure a follow on fund and this has now been launched across the LEP area. This ensures business can continue to access grants to support their growth aspirations.
- 3.10 Through the EU Programme we have launched calls for Business Start Up Support and Investment in the Food, Agri-tech and Bio Economy. Applications for these funds are currently being considered by DCLG

## 4.0 Skills

### Skills Support for the Workforce (SSW)

- 4.1 SSW is aimed at SMEs and offers flexible and bespoke training to meet the needs of businesses. After a challenging year the figures show that the contract is on track to maximise the full contract value by the time it finishes in July 2015.

SSW Contract		YTD volume of learners		YTD value	
Total Value (£)	Volume	Target	Actual	Target	Actual
£1,572,766	2211	2016	1947	£1,325,976	£1,207,180

- 4.2 Whilst there have been management issues with the current contract holder, the model of delivery is one which is favoured by businesses. It enables them to get the training they need in the right format and timescales. This project will be continued in the first tranche procured through the Skills Funding Agency.

### Local Response Fund (LRF)

- 4.3 This flexible fund of £1.9m was set up to respond to emerging skills needs. The LEP has used it to commission projects based on the Economic Plan priorities and includes 12 contracts including:
- Increasing Apprenticeships in North Yorkshire Dales and Moors.
  - Developing skills base of upland farms to support diversification.
  - Biosecurity project with Askham Bryan College and FERA.
  - Development and delivery of new training packages to reflect technological advances in precision farming, biorenewables, engineering, construction, and visitor economy.
  - Rural innovation and development of higher level business skills.
- 4.4 Two showcase events (15 May and 15 July) have taken place to share the results of the LRF projects.

## **Higher Level Skills**

- 4.5 Higher York has been tasked to scope out appropriate project ideas on behalf of the LEP. They include activities such as promoting the benefits of higher level skills to businesses, increase graduate retention, encourage SMEs to take on interns and increase the number of higher level Apprenticeships.
- 4.6 LEP skills activities are aligned with the 'collaborative outreach network' that Higher York is managing using HEFCE funding. This network has been set up to work with people who may not consider higher level education as an opportunity available to them and to increase the numbers going on to university from under-represented groups and areas.

## **Young People Programme**

### **Improving the quality of Careers Guidance for young people**

- 4.7 Improving the quality of careers guidance for young people is a priority for the LEP and our consultation and stakeholder work in the last year has increased its importance as a priority.
- 4.8 The quality of careers guidance in schools across our area is patchy. An audit of schools at the end of 2014 showed that the picture is mixed with many schools stating that they wish to improve their performance. As a result of the findings the LEP and North Yorkshire County Council have developed a proposal to support schools to improve the delivery of careers guidance. Launched in June this pilot project will see 18 schools achieve a quality assured standard of careers guidance.
- 4.9 We will use the findings of this pilot to commission further careers guidance projects using EUSIF funding.

## **Roll out of an Employability Charter across all districts**

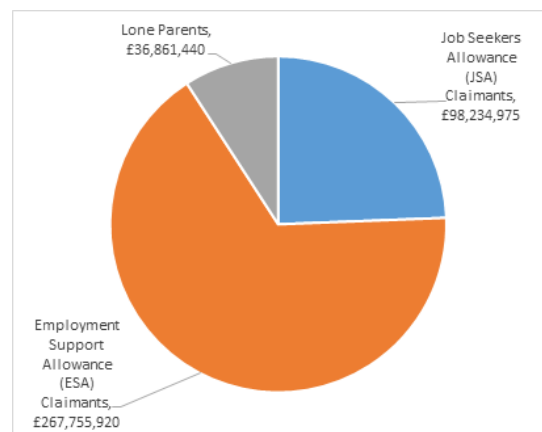
- 4.10 Employability Charters support young people to explore careers relevant to the local economy; develop key employability skills and helps local employers to get involved in the development of their future workforce.
- 4.11 We have committed to roll out an Employability Charter across all districts. Currently, there are successful Employability Charters in Ryedale and Scarborough. We will build on this success.
- 4.12 Where the Charter has worked successfully, it results in an improved relationship between students, local businesses and the local authorities. Businesses sign up to work with, and offer various opportunities to a school. The schools take advantage to offer improved work experience, business visits and school visits.
- 4.13 As part of the Charter a number of tailored events are planned and delivered at each of the schools, all involving local businesses. These include events such as enterprise days, CV preparation and interview techniques along with apprenticeship awareness events which included representation from colleges, training and apprenticeship providers.
- 4.14 The LEP will work in partnership with Local Authorities to drive implementation of the charter and having conducted an audit of each districts readiness to run a charter are now developing a phased roll out plan.

## People into Work and Communities Programme

- 4.15 A thriving and prosperous economy cannot exist unless provision is made for people who have barriers to becoming fully engaged in society. Most people who are socially excluded are excluded as a result of factors relating to financial, health, skills and/or geographical status. The LEP is therefore focusing on helping people to overcome barriers in these areas.
- 4.16 Projects will have a wide eligibility criteria to enable the maximum number of people to be helped and will also accommodate the rural nature of the LEP area where there is unlikely to be high volumes of people with specific barriers.
- 4.17 We will ensure individual districts can match programmes to their specific needs and accommodate the provider-base which is made up predominately of micro and small Voluntary, Community and Social Enterprise (VCSE) organisations.
- 4.18 Key statistics demonstrate that there is a significant cost to the tax payer of not addressing the needs of these people across the LEP area:

### Summary of work to date:

- 200 organisations were engaged and contributed to the LEP priorities for proposed social inclusion activities.
- Draft Voluntary, Community and Social Enterprise (VCSE) Sector Workforce and Organisational Development Strategy currently out to consultation.
- Project specification and match funding being agreed with Big Lottery (£4.6m LEP and £3m Big Lottery) and DWP (£3m LEP £3 DWP).



Source: Unit Cost Database (V1.2) DCLG  
Troubled Families Unit

### Our key aims are to:

1. Promote financial inclusion by supporting people to access employment or entrepreneurship opportunities and improve their financial capability.
2. Support people with physical and/or mental health issues and their carers to participate and engage in society.
3. Provide activities for people who are not yet ready to engage in formal learning opportunities to develop their skills.

- 4.19 The LEP has been identified as National Good Practise by Cabinet Office for its engagement with the VCSE sector

## Recommendations

- a. Note the progress in implementing the Local Growth Deal
- b. Local Authorities who are interested in an Enterprise Zone should contact the LEP as soon as possible.
- c. Note development on the Innovation & Skills agenda.