

LGNY MEETING:
REPORT PRESENTED BY:
TITLE OF PAPER:

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LEP Update

1.0 Introduction

- 1.1 This paper provides an update on:
- Local Growth Fund progress
 - LEP Merge
 - Local Industrial Strategy

2.0 Local Growth Fund

- 2.1 We are approaching a critical phase of the Local Growth Fund with it becoming increasingly challenging to reallocate funding with a realistic chance of delivery and completion by March 2021.
- 2.2 Overall the Local Growth Fund is a good position to deliver both spend and outputs by the end of the Programme (March 2021).

Outturn	2015/16	2016/17	2017/18	2018/19	2019/20 (forecast)	2020/21 (forecast)
Business Growth Capital	£0	£948,442	£531,558	£2,639,174	£1,380,826	£0
Skills Capital	£4,511,502	£497,022	£2,764,341	£1,863,985	£821,468	£0
Infrastructure Capital	£10,788,498	£11,468,971	£2,637,822	£15,835,572	£12,746,316	£10,649,329
DfT transport	£0	£11,731,402	£11,828,598	£9,686,498	£4,266,751	£3,226,751
LGF Programme costs	£0	£7,749	£0	£730,000	£730,000	£730,000
Total LGF Expenditure	£15,300,000	£24,653,586	£17,762,319	£30,755,229	£19,945,361	£14,606,080
Variation to target profile		-£48,598	-£4,261,588	-£2,582,856	+£9,207,070	-£3,253,189
Cumulative	£15,300,000	£39,953,586	£57,715,905	£88,471,134	£108,416,495	£123,022,575

- 2.3 As the figures above show actual spend at the end of year 4 was slightly below what was profiled at this stage of the Programme. This is primarily as a consequence of the Harrogate York Rail improvements allocation originally allocated within the 2018/19 financial year being delayed until future years. However the current projected forecast by the end of the Programme is looking at a figure of around £1m below profile.
- 2.4 This table and forecasts only includes currently contracted and or approved projects and not projects within the pipeline.
- 2.5 Although current actual delivered outputs for jobs and homes is low the programme has approved investments that will enable over 14000 jobs to be created/safeguarded and 8,500 new homes to be built. This is above the original targets set for the YNYER Growth Deal.

- 2.6 It is imperative that as a LEP we deliver on our Local Growth Fund to ensure when negotiating future Shared Prosperity Funding from government, we do so from a position of strength and deliverability. Local Authorities are asked to ensure all possible levers are used to ensure deliverability of projects.
- 3.0 LEP Merge**
- 3.1 Progress on the LEP merge has been delayed, partly due to Local Elections and national political uncertainty.
- 3.2 A key issue for Leeds City Region was that West Yorkshire Combined Authority became the Accountable Body and Legal Entity for the new North & West Yorkshire LEP. Agreement has been reached on this subject to approval of an agreed operating model, however there remains a significant difference of position regarding conflicts of interest, independence and structure of the secretariat.
- 3.3 In an attempt to find a solution, we are seeking to;
- 1) retain two place based boards, one for York and North Yorkshire and one for Leeds City Region. These will not be exclusive ensuring authorities are able to be members of both Boards. This is a key aspect to ensure York & North Yorkshire Local Authorities and stakeholders retain influence over the LEP priorities and local areas feel part of the decision making for such a large LEP.
 - 2) retain sub-regional strategy, policy and project development teams which will support place boards with responsibility for;
 - Developing and maintaining a wider economic framework
 - Identifying spatial priorities
 - Developing Investment Opportunities and project development
 - Stakeholder management
- 3.4 Remaining outstanding issues include:
- 1) Leadership of the LEP and specifically whether the Managing Director of the West Yorkshire Combined Authority should also be the Chief Officer of the LEP
 - 2) The specific role and status of the York and North Yorkshire strategy and project development team.
 - 3) Name. This is a very politically sensitive area.
 - Leeds City Region have suggested 'Leeds City Region, York and North Yorkshire LEP'. We consider this unacceptable – it is both too long and complicated and secondly would quickly become abbreviated to the Leeds City Region LEP.
 - Our preferred approach would be a name based on Yorkshire with Leeds City Region an inward investment brand, however this is currently unacceptable to Leeds.
 - Leeds, York & North Yorkshire City Regions is being considered.
 - 4) Providing clarity around funding flows and how we will ensure the whole of the new LEP area will benefit from continued investment and growth.
- 4.0 Local Industrial Strategy**
- 4.1 LCR & YNYER LEP have been working on a joint approach to a Local Industrial Strategy in anticipation of the merge between the two LEPs which continues to be developed.

- 4.2 The first phase which is almost complete has been to align evidence base to provide consistency across the patch. This has included joint commissions around key areas such as productivity and innovation.
- 4.3 A challenge that has emerged from the evidence gathering is that when you operate across such a large and diverse geography many indicators ‘average out’ and you risk losing the unique characteristics of local areas. If we want to develop a LIS which is genuinely distinctive and works for all parts of our region, we need to address this.
- 4.4 The next and critical phase is to align this evidence to existing strategies, engage local partners and understand the opportunities for the different economic geographies across the new diverse LEP area.
- 4.5 In order to achieve this as effectively as possible, we intend to utilise existing structures and partnerships. There YNYER LEP will develop the LIS priorities for York and North Yorkshire whilst LCR develop the priorities for Leeds City Region. These will then be brought together to agree regional priorities for what will be the largest LEP in England. This will form the basis of the LIS we submit to government.
- 4.6 We will continue to collaborate on overlapping areas and share knowledge and ideas around common areas (e.g. market towns, energy, business performance etc.)
- 4.7 For YNYER the summary timeline will be:
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| June | Future Focus – As part of the Annual Conference are 4 workshops focusing on the impact of key trends and disrupters on future priorities – these will include climate change, digital, consumer behaviour and brexit. |
| July -Aug | Local Events delivered in partnership with Local Authorities – These will be based on the spatial areas identified in the Spatial Framework – The outcome is to agree local narratives, challenges and opportunities |
| September | Sectoral engagement and first draft priorities and vision |
| October | Test priorities and vision in local areas and undertake options analysis – how do we tackle issues identified |
| November | Draft LIS and policy priorities region wide |
| December | LIS agreed |

5.0 Recommendations

LGNY are asked to;

1. Ensure all possible levers are used to ensure deliverability of Local Growth Fund projects.
2. Note progress on the LEP merge
3. Note progress on the Local Industrial Strategy and in particular the local engagement events.