

**LEP BOARD**

**DATE:** 16 March 2020  
**REPORT PRESENTED BY:** James Farrar  
**TITLE OF PAPER:** LEP UPDATE

**1.0 Purpose of the Report**

- This report provides progress and performance regarding the work of the LEP
- An update on progress in complying with the LEP Review
- An update on the Local Industrial Strategy

**2.0 Performance Update****Local Growth Fund**

- 2.1 In response to the LEPs Growth Deal submission in 2014 and subsequent Growth Deal 2 and 3 submissions in 2016 the Government awarded this LEP the following:
- A Local Growth Fund with a total value of £146m, of which **£123.9m is directly managed by the LEP** and a further £22m allocated but dealt with directly by the Department for Transport (DfT) and Homes England (HE). This report concentrates only on the Funds directly controlled by the LEP (£123.9m).

**2.3 Current Financial Position**

The **current income** received so far from MHCLG is **£68,580,620** and from DfT is **£40,700,000**. This income covers the period from 1 April 2015 to the end of March 2020. A further payment of £14,632,518 is due in April for the final year of the Fund.

The **LGF Outturn** (Funds that the LEP has paid to project sponsors) from each of these to date (end of Q3) is **£54,120,292** (MHCLG) and **£40,113,747** (DfT) a total of **£94,234,039**.

**2.4 Output performance**

<b>Houses</b>	
Houses Completed	<b>2,238</b>
Forecast (contracted projects)	<b>7,478</b>
Progress towards forecast	<b>30%</b>

<b>Jobs</b>	
Jobs including Apprenticeships	<b>1,576</b>
Forecast (contracted Projects)	<b>8,098</b>
Progress towards forecast	<b>19%</b>

In addition an impact and evaluation report is being prepared for the end of the year that will identify other performance metrics.

## 2.5 Further project Decisions

As reported the Local Growth Funding is now fully contracted however at the most recent Infrastructure Board meeting we awarded conditional approval to a further 3 projects:

- York Central
- Langcliffe Quarry
- York EV Charging Project

This will leave the Local Growth Fund C.£4m over committed and we remain confident that we will fully invest within the timeframe.

## 2.6 Future Pipeline

In the last few months initial discussions have been held with stakeholders and partners to start the process of establishing a pipeline of potential future projects.

In tandem with the above, the LEP allocated c£500k and issued a call for applications for funding to support feasibility study work to help develop capital infrastructure projects to business case proposition.

This call resulted in 61 proposals requesting feasibility funding totalling c£4m.

An initial scoring assessment resulted in 33 applications scoring highly and being considered as worthy of support, and 28 applications being dismissed for various reasons such as proposals not meeting the established criteria; scoring low on the basis of being too broad in concept (i.e. will not result in a focused project); being deemed as a core local authority function; or can be funded from other sources.

The successful 33 applications requested a total of £1,374,363. This exceeds the original budget that was allocated to support feasibility studies. With this in mind, we have established indicative allocations for providing support under each theme/sub-theme and increased the funding allocated to £678k

LEP Funding (Proposed Budget)		
	LEP Indicative Budget	LEP Funding Requested
PLACE (Towns)	£360,000	£724,000
PLACE (Connectivity)	£30,000	£30,000
PLACE (Strategic Corridor)	£100,000	£202,500
PLACE (Tourism)	£88,000	£88,000
BUSINESS (Bio-Economy & Energy)	£100,000	£329,863
<b>TOTAL</b>	<b>£678,000</b>	<b>£1,374,363</b>

Further negotiation with partners and prioritisation of funding will be completed and funding allocated in March 2020.

In addition support has been agreed for feasibility studies and development of business cases that address some of the recent flooding events, this includes Morton on Swale Bridge, Upper Dales and Swaledale.

## Careers & Enterprise Hub

- 2.7 The work of the Careers Hub and wider Careers and Enterprise Company continues to be strong with results consistently above national average. Schools that have engaged have seen an improvement in their Careers Guidance and are performing better against the 8 national Gatsby Benchmarks that monitor Careers Guidance

performance. Current performance has put the York and North Yorkshire network in 6<sup>th</sup> place out of all networks in England and top of the northern LEPs.

The LEP have had confirmation that Careers Hub funding will be extended for a further 12 months from August 1<sup>st</sup> 2020. The Careers Hub Manager is now working with the Careers and Enterprise Company to ensure the timely transfer of schools within the new LEP geography currently working with LCR Careers Hub.

## Growth Hub

### 2.8 Performance

Level of intensity	January 2020	Cumulative Total	Target
Low	1,631	7,258	2,000
Medium	54	336	700
High	4	51	75

It should be noted that currently, the LEP does not focus its business support in the overlapping areas, these are covered by Leeds City Region and Humber LEPs.

#### **Low Intensity**

This is our highest figure to date for low intensity support and comes mostly from visitors to the website reading articles (that is to say viewing an article page and staying on it for 2 minutes or more) which came out as 1,242 which is much higher than some of the previous months.

#### **Medium Intensity**

Again, this is a jump from some previous months, however will fail to hit the target. The website is being redeveloped to better track business activity which will see a significant boost in this number next year.

#### **High Intensity**

These figures have been increasing as the year progresses with improved working with local stakeholders and a steady flow of leads now being received.

### 3.0 Energy Strategy

3.1 Working in partnership with Leeds City Region, the LEP have commissioned a piece of research to develop pathways to decarbonise key sectors: transport, buildings, industry, power and land use. The research will provide clear roadmaps for each of these sectors to be carbon neutral within an achievable timescale, including key projects and milestones, local policy recommendations and the investment required. The consultants commissioned, Element Energy and Centre for Ecology & Hydrology, are now underway with the research and are developing different scenarios in which York and North Yorkshire can become carbon-neutral.

On the 1<sup>st</sup> April, we are holding a workshop to present the initial findings of this work, gain partner feedback and co-develop policy recommendations to implement the carbon-neutral roadmap. Local Authority Leaders and Chief executives have been invited to attend and would ask that all Local Authorities encourage attendance at these events.

### 4.0 An update on progress in complying with the LEP Review

#### 4.1 LEP Geography

The LEP review recommendations were clear that LEPs must remove overlapping boundaries to increase transparency and accountability.

The York, North Yorkshire & East Riding LEP agreed that, because of the economic interdependence of Hull and East Riding, East Riding of Yorkshire should remain a member of Humber LEP.

At the respective January Boards, both the Leeds City Region LEP and York, North Yorkshire & East Riding LEP Boards agreed not to progress the merge, instead, reflecting the strong economic links between the areas, the two independent LEPs will build a strong, sustainable collaboration structure.

These collaboration arrangements will be replicated with Humber LEP, reflecting the economic links between York and North Yorkshire and East Riding.

As a consequence, the York, North Yorkshire and East Riding LEP will become the York and North Yorkshire LEP including all the Local Authorities within York and North Yorkshire. These are (City of York Unitary Council, North Yorkshire County Council and the District Councils of Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough and Selby).

This geography is coterminous with the proposed York and North Yorkshire devolution geography.

#### 4.2 Board Membership

The LEP has undertaken two actions to ensure compliance with the review recommendations:

1. The LEP has co-opted 3 new female board members for an interim period. These members are:  
Kiran Trehan  
Sue Jefferson  
Janet Thornton
2. Given the LEP's geography to a York and North Yorkshire basis, East Riding of Yorkshire Council have formally offered their resignation from the Board with effect from 31<sup>st</sup> March 2020.

The total board membership as from 1<sup>st</sup> April 2020 will therefore be 15 with representation splits as follows;

Board Membership		15		<u>Target</u>
Private Sector		10	66.7%	66.7%
Public Sector		5	33.3%	33.3%
Male		10	66.7%	66.7%
Female		5	33.3%	33.3%

This meets the requirements of the LEP review.

In addition to these changes, I can confirm that the LEP is currently undertaking a full Board recruitment exercise to;

1. replace existing members whose term periods are expiring, and
2. ensure an open process exists where potential new Board applicants and current co-optees are subject to the same transparent recruitment processes and treated equitably in appointing as full Board members. The deadline for applications is 24 May 2020.

#### 4.3 Incorporation

Following the decision at the 24<sup>th</sup> January 2020 Board meeting to move to a York and North Yorkshire geography and advice from Government that, whilst a Combined

Authority is planned, the LEP must still create an independent legal status, the LEP Board agreed to create a Company Limited by Guarantee.

Work is underway to achieve the above status and we can confirm this will be completed in accordance with the government deadlines outlined in the December 2019 letter - Incorporation will be complete by 31 July 2020

#### **5.0 An update on the Local Industrial Strategy**

Following significant consultation a draft Local Industrial Strategy will be presented to the LEP Board on 13 March. Once approved this will then be submitted to government for negotiation and consultation with government departments before agreement and publication of the final document. The vision and priorities are detailed below.

#### **6.0 Recommendations:**

LGNYY are asked to;

- note the current position and performance of the LEP programmes
- Note the invite to the upcoming Carbon Abatement event
- Note progress in complying with the LEP review recommendations
- Note the emerging priorities emerging through the Local Industrial Strategy

## ANNEX 1– LGF Approved and contracted Projects

### LGF Position

#### ACTUAL TO DATE (End Jan 2020)

BUSINESS GROWTH															
Project	Contracted Y/N	Start date or expected start date	Planned Completion date	LGF Awarded	Total Project Costs	LGF Outturn	LGF Exp to date	To spend	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	Comments
York Bio-Hub.	Y	01/04/2015	31/03/2017	£1,000,000	£3,000,000	£1,000,000	£1,000,000	£0						£1,000,000	Completed - measuring outputs
Lets Grow Business Grants	Y	06/03/2017	31/03/2021	£3,840,000	£20,500,000	£3,330,823	£3,330,823	£509,177	£9,375	£236,875	£244,177	£9,375	£9,375	£3,840,000	On track on no issues
Northallerton Digital Hub	Y	01/04/2020	01/03/2021	£1,781,764	£1,781,764	£97,688	£97,688	£1,684,076	£22,000	£439,191	£439,191	£439,191	£344,503	£1,781,764	Started but medium risk in terms of delivery by year end. Performance Group monitoring.
Improving mobile phone coverage	Y	01/04/2018	Under Review	£1,000,000	£1,000,000	£1,000,000	£94,334	£905,666	£409,500	£300,000	£124,126	£36,040	£36,000	£1,000,000	Project under review - to be withdrawn and funding reallocated.
Circular Economy Resource Efficiency Scheme	Y	01/01/2020	31/03/2021	£208,310	£400	£0	£0	£208,310		£50,000	£50,000	£50,000	58310	£208,310	Ongoing - tight delivery timeframe
SKILLS CAPITAL															
Project	Contracted Y/N	Start date or expected start date	Planned Completion date	LGF Awarded	Total Project Costs	LGF Outturn	LGF Expenditure to date	To spend	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	Commentary (issues/risks and mitigation actions)
Askham Bryan College - Agricultural Skills Centre	Y	01/09/2015	30/09/2016	£1,000,000	£3,003,960	£1,000,000	£1,000,000	£0						£1,000,000	Completed - measuring outputs
Askham Bryan College - Engineering	Y	01/09/2015	30/09/2016	£600,000	£1,800,000	£600,000	£600,000	£0						£600,000	Completed - measuring outputs

Askham Bryan - future farm Skills	Y	01/08/2018	31/05/2019	£430,590	£640,000	£430,590	£430,590	£0						£430,590	Completed - measuring outputs
Selby College - Equipment	Y	01/01/2016	30/04/2016	£109,903	£219,806	£109,903	£109,903	£0						£109,903	Completed - measuring outputs
Selby College - Trailblazers	Y	01/12/2016	31/03/2017	£48,247	£96,494	£48,247	£48,247	£0						£48,247	Completed - measuring outputs
Harrogate College - refurb and new build	Y	01/04/2015	31/03/2016	£3,000,000	£6,000,000	£3,000,000	£3,000,000	£0						£3,000,000	Completed - measuring outputs
East Riding College - Mechatronics at Bridlington	Y	10/10/2016	31/03/2017	£225,000	£385,000	£225,000	£225,000	£0						£225,000	Completed - measuring outputs
East Riding College - Digital Workplace	Y	21/01/2019	31/03/2019	£161,206	£286,205	£161,206	£161,206	£0						£161,206	Completed - measuring outputs
Craven College - Electronic and Computing Lab	Y	01/04/2017	31/08/2017	£35,000	£74,942	£35,000	£35,000	£0						£35,000	Completed - measuring outputs
Craven College - Animal Management Centre	Y	01/12/2016	30/07/2018	£800,520	£1,601,040	£800,520	£800,520	£0						£800,520	Completed - measuring outputs
York College - Internet of Things	Y	01/06/2017	31/08/2017	£16,995	£33,910	£16,995	£16,995	£0						£16,995	Completed - measuring outputs
Bishop Burton College - Digital Upgrade	Y	26/10/2018	26/03/2019	£400,000	£645,120	£400,000	£400,000	£0						£400,000	Completed - measuring outputs
Grimsby Institute Scarborough - ELITE skills	Y	01/06/2017	28/12/2018	£3,345,000	£10,250,000	£3,345,000	£3,345,000	£0						£3,345,000	Completed - measuring outputs
Yorkshire Arboretum Tree Health Centre	Y	01/07/2019	29/03/2020	£285,987	£686,242	£3,051	£3,051	-£282,936	£269,076	£13,860	£0	£0	£0	£285,987	On site and progressing well. Due to complete build by May 2020 fully open Jan 2021 - no issues
HOUSING AND EMPLOYMENT															
Project	Contracted Y/N	Start date or expected start date	Planned Completion date	LGF Awarded	Total Project Costs	LGF Outturn	LGF Expenditure to date	To spend	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	Commentary (issues/risks and mitigation actions)

Growth at Catterick Garrison.	Y	01/02/2016	31/12/2017	£2,000,000	£2,400,000	£2,000,000	£2,000,000	£0						£2,000,000	Completed - measuring outputs
Housing and employment at Northallerton.	Y	01/03/2017	31/12/2020	£6,000,000	£14,950,218	£6,000,000	£4,344,392	-£1,655,608	£200,000	£1,455,608	£0	£0	£0	£6,000,000	Bridge due to start March 2020. Due to be complete by December 2020.
Housing Growth at Middledeppdale , Scarborough	Y	01/01/2016	31/03/2021	£2,319,345	£2,319,345	£2,319,345	£2,319,345	£0						£2,319,345	Road completed - monitoring outputs
Scarborough housing and employment - Plaxton Park	Y	01/10/2019	01/12/2020	£2,832,031	£5,906,177	£377,988	£377,988	-£2,454,043	£593,547	£930,428	£930,068	£0	£0	£2,832,031	On site and progressing well - but tight delivery timeframe.
Scarborough Construction Skills Village	Y	30/04/2019	01/01/2020	£320,000	£560,000	£86,929	£86,929	-£233,071	£0	£0	£233,071	£0	£0	£320,000	On track now but some earlier delays - regular monitoring.
Bridlington Housing - Roundabout	Y	01/03/2020	31/12/2020	£1,226,738	£2,004,562	£0	£0	-£1,226,738	£100,000	£281,685	£281,684	£281,684	£281,685	£1,226,738	Planning to be finalised January 2020. Deliverability timeframe tight - closely monitored.
Bridlington Town Centre Improvements	Y	04/11/2019	31/12/2020	£2,000,000	£4,550,612	£490,894	£490,894	-£1,509,106	£1,000,000	£509,106	£0	£0	£0	£2,000,000	Ongoing, low risk
Bridlington Harbour & Marina (surveys)	Y	01/01/2016	01/01/2019	£100,000	£100,000	£100,000	£100,000	£0						£100,000	Complete surveys but project Withdrawn
Skipton Employment and Housing Growth	Y	01/04/2018	31/03/2021	£4,689,000	£6,907,915	£485,130	£485,130	-£4,203,870	£650,857	£700,000	£1,037,131	£551,269	£1,264,613	£4,689,000	Some components complete but tight delivery timeframe for road delivery.
York Central - Scarborough Bridge Project	Y	01/05/2018	31/03/2019	£1,500,000	£4,871,430	£1,500,000	£1,500,000	£0						£1,500,000	Completed - measuring match funding
York Central - Development costs (phase 1)	Y	01/04/2018	30/11/2019	£2,890,000	£8,000,000	£2,890,000	£2,890,000	£0						£2,890,000	Complete
York Central (further development/de sign costs)	Y	01/01/2020	31/12/2020	£1,580,000	£3,683,961	£0	£0	-£1,580,000	£1,580,000	£0	£0	£0	£0	£1,580,000	Currently underway
York Central Infrastructure	N	tbd	31/03/2021	£1,530,000	£1,530,000	£0	£0	-£1,530,000	£0	£0	£0	£0	£1,530,000	£1,530,000	Subject to Board approval in February 2020



Malton Agri Business Park	Y	21/08/2015	31/07/2017	£2,100,000	£2,500,000	£2,100,000	£2,100,000	£0						£2,100,000	Completed - measuring outputs
Pickering Thornton Road Expansion	Y	01/06/2020	01/10/2020	£825,605		£0	£0	-£825,605	£0	£0	£825,605	£0	£0	£825,605	Tight delivery timeframe and some legal issues still to resolve
FLOOD MANAGEMENT															
Project	Contracted Y/N	Start date or expected start date	Planned Completion date	LGF Awarded	Total Project Costs	LGF Outturn	LGF Expenditure to date	To spend	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	Commentary (issues/risks and mitigation actions)
Major employment growth, Skipton - Flood Alleviation Scheme	Y	01/09/2015	31/12/2016	£1,200,000	£13,283,695	£1,200,000	£1,200,000	£0						£1,200,000	Completed - measuring outputs
Pocklington Flood Alleviation	Y	13/09/2018	29/03/2019	£500,000	£4,927,000	£500,000	£500,000	£0						£500,000	Almost complete
Dalton Bridge near Thirsk	Y	01/05/2017	01/07/2018	£1,800,000	£3,556,771	£1,800,000	£1,800,000	£0						£1,800,000	Completed - measuring outputs
Whitby Harbour and Piers	Y	26/06/2018	28/12/2019	£500,000	£8,784,763	£500,000	£500,000	£0	£0	£0	£0	£0	£0	£500,000	No risk of delivery
Whitby Church Street Flood Protection	Y	27/03/2019	31/10/2019	£1,100,000	£2,094,000	£1,100,000	£1,100,000	£0	£0	£0	£0	£0	£0	£1,100,000	No risk of delivery
Tadcaster Flood Protection Scheme	Y	01/09/2019	31/03/2021	£1,022,000	£1,344,000	£0	£0	-£1,022,000	£0	£1,022,000	£0	£0	£0	£1,022,000	Just started, minimal risk
Malton and Norton Flood Protection Scheme	Y	01/01/2020	31/12/2020	£500,000	£1,590,000	£0	£0	-£500,000	£0	£500,000	£0	£0	£0	£500,000	Approved, not yet started, minimal risk
TRANSPORT AND CONNECTIVITY															
Project	Contracted Y/N	Start date or expected start date	Planned Completion date	LGF Awarded	Total Project Costs	LGF Outturn	LGF Expenditure to date	To spend	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	Commentary (issues/risks and mitigation actions)
Newlands Bridge, Drax M62	Y	01/07/2015	31/12/2015	£1,500,000	£3,000,000	£1,500,000	£1,500,000	£0						£1,500,000	Completed - measuring outputs

Tadcaster Bridge	Y	01/04/2016	01/12/2016	£1,400,000	£1,442,000	£1,400,000	£1,400,000	£0						£1,400,000	Completed
A1079 Junction Improvements Killingwoldgraves Roundabout	Y	11/09/2017	31/03/2018	£915,938	£1,060,569	£915,938	£915,938	£0						£915,938	Completed
Beverley Grovehill Road Widening	Y	06/01/2018	31/01/2018	£333,374	£430,000	£333,374	£333,374	£0						£333,374	Completed
Scarborough housing and employment - junction improvements	Y	28/02/2019	31/03/2021	£3,500,000	£3,875,000	£3,500,000	£1,191,205	-£2,308,795	£451,577	£1,325,545	£137,937	£393,736		£3,500,000	Ongoing - but on track
A1/A59 Jct 47 improvements	Y	01/02/2020	31/03/2021	£2,470,000	£5,100,000	£2,470,000	£0	-£2,470,000	£0	£1,000,000	£1,000,000	£470,000	£0	£2,470,000	Procured and ready to start on site Feb 2021
A1079 Junction Improvements Shiptonthorpe Roundabout	Y	08/04/2019	31/03/2020	£3,123,200	£3,900,000	£3,000,000	£2,107,302	-£1,015,898	£1,015,898	£0	£0	£0	£0	£3,123,200	Almost completed
Central Northallerton - Road improvements	Y	31/07/2019	31/12/2020	£3,167,450	£3,167,450	£286,186	£286,186	-£2,881,264	£187,711	£0	£0	£0	£2,693,553	£3,167,450	Ongoing
York Cycleway	Y	01/04/2019	31/11/2019	£220,000	£270,000	£192,737	£192,737	-£27,263	£27,263	£0	£0	£0	£0	£220,000	Completed - measuring outputs
Harrogate-York Rail Improvements	Y	01/06/2018	31/12/2020	£9,600,000	£13,000,000	£0	£0	-£9,600,000	£1,000,000	£1,000,000	£4,000,000	£2,000,000	£1,600,000	£9,600,000	Tight timeframe and large commitment, but minimal risk as programmed to delivery by December 2020
Development costs (transfer)	Y			£2,197,748	£2,197,748	£1,467,748	£1,467,748	-£730,000	£0	£730,000	£0	£0	£0	£2,197,748	
MHCLG TOTAL		LGF Contracted		LGF Awarded	Total Project Costs	LGF Outturn to date	LGF Expenditure to date	To spend							
									Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	
Budget				£85,250,951	£185,312,099	£54,120,292	£45,887,525	-£39,363,426	£7,516,804	£10,494,298	£9,302,990	£4,231,295	£7,818,039	£85,250,951	
£83,213,138															

DfT RETAINED SCHEMES															
Project	Contracted Y/N	Start date or expected start date	Planned Completion date	LGF Awarded	Total Project Costs	LGF Outturn	LGF Expenditure to date	To spend	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	Commentary (issues/risks and mitigation actions)
North Yorkshire Rural Connectivity (Road improvements)	Y	01/04/2015	31/03/2021	£24,000,000	£44,000,000	£24,000,000	£24,000,000	£0	£0	£0	£0	£0	£0	£24,000,000	Completed
East Riding A road improvement programme	Y	01/04/2016	31/03/2021	£16,700,000	£23,900,000	£16,113,747	£16,113,747	-£586,253	£586,253	£0	£0	£0	£0	£16,700,000	Ongoing programme, almost complete
DFT RETAINED TOTAL		LGF Contracted		LGF Awarded	Total Project Costs	LGF Outturn to date	LGF Expenditure to date	To spend	Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	
Budget		£40,700,000		£40,700,000	£67,900,000	£40,113,747	£40,113,747	-£586,253	£586,253	£0	£0	£0	£0	£40,700,000	
£40,700,000															

OVERALL TOTAL	LGF Contracted		LGF Awarded	Total Project Costs	LGF Outturn to date	LGF Expenditure to date	To spend							
								Q4 2019/20	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL	
	£114,320,951	£0	£125,950,951	£253,212,099	£94,234,039	£86,001,272	-£39,949,679	£8,103,057	£10,494,298	£9,302,990	£4,231,295	£7,818,039	£125,950,951	
								£31,846,622	£21,352,324	£12,049,334	£7,818,039	-£0		

TOTAL LGF Budget	£123,913,138
Variation	£2,037,813