

North Yorkshire Council

Transport, Economy, Environment and Enterprise Overview and Scrutiny Committee

19 October 2023

York & North Yorkshire LEP Capital Investment Programme and Delivery Plan Review

Report of the Corporate Director of Community Development

1.0 PURPOSE OF REPORT

- 1.1 This report provides a summary of Capital Investment Funding programmes delivered by York & North Yorkshire Local Enterprise Partnership (LEP)
- 1.2 A summary update of current progress against the 2023/2024 York & North Yorkshire LEP Delivery Plan is also provided.
- 1.3 It should be noted that from January 2024, the LEP is scheduled to transition into the proposed York and North Yorkshire Combined Authority therefore this report will be the final report of the York and North Yorkshire LEP.

2.0 BACKGROUND

- 2.1 This report sets out details of the Capital Investment Funding Programmes that have been delivered by YNY LEP :
 - Local Growth Fund
 - Getting Building Fund
 - Growing Places Fund
- 2.2 Details are also provided of the current YNY LEP Delivery Plan with particular focus on strategic and contracted programmes.

3.0 LOCAL GROWTH FUND PROGRAMME

- 3.1 This was launched in 2014 with four rounds of funding via Department of Business Energy and Industrial Strategy (BEIS) and ended in March 2021. Projects across York North Yorkshire and East Riding utilised the Local Growth Fund (LGF) Programme grant award of £83,213,138 in full, and a further £2,178,390, was invested into the programme from the LEP Growing Places Fund. A schedule of all projects supported and the programme evaluation report can be viewed here : [Local Growth Fund | Projects and Funding | York & North Yorkshire Local Enterprise Partnership \(ynylep.com\)](https://ynylep.com/Local-Growth-Fund-Projects-and-Funding-York-North-Yorkshire-Local-Enterprise-Partnership)

4.0 GETTING BUILDING FUND PROGRAMME

- 4.1 Ten projects were approved for receipt of Getting Building Fund (GBF) Programme grant which was also received via BEIS to support investment in local, shovel-ready infrastructure projects to stimulate jobs and post-pandemic economic recovery through a range of economic outputs. The target of £7.7m was achieved during 2020/21, with a further £7.7m of grant invested in 2021/22. In addition, over-commitment of £300,000 was approved from the Y&NY LEP Growing Places Fund to deliver on time and on budget. A schedule of all projects

supported can be viewed here : [Getting Building Fund | Projects and Funding | York & North Yorkshire Local Enterprise Partnership \(ynylep.com\)](#)

5.0 GROWING PLACES FUND PROGRAMME

5.1 Approval from Government was given in 2012, for £8.8million to remove barriers to growth, and support delivery of actions from Strategic Economic Plans alongside the Local Growth Fund. The Fund was required to operate as a revolving loan fund in the first instance, and once “re-cycled” could be used by LEPs to manage, invest and utilise to meet local economic growth priorities. Five specific development projects were provided with a re-payable loan to infrastructure, which has enabled subsequent economic growth, and a further £3.25million of grant was approved to projects, including approx. £2.5million of over-commitment to the LGF programme and £300,000 over-commitment to the GBF programme, as referred to above. A schedule of all projects supported can be viewed here : [Growing Places Fund | Projects and Funding | York & North Yorkshire Local Enterprise Partnership \(ynylep.com\)](#)

6.0 CAPITAL INVESTMENTS OUTPUT REPORTING

6.1 Reporting of project outputs to the Department of Business and Trade (DBT) continues to be carried out twice each year and is required until March 2025. Programme level outputs are currently on track to exceed the targets set for the programmes. The impact of these programmes is highlighted by the continuing monitoring of the programmes, for example, up to March 2023, the Local Growth Fund programme has levered over £700 million of capital investment from public and private sources, in addition to the £83.2m grant funding provided by BEIS. Housing and employment targets continue to be reported, with significant job outputs forecast to be delivered as part of the York Central developments.

6.2 Appendix 1 shows a summary of project images for the Local Growth Fund and Getting Building Fund programmes.

7.0 2023/24 YORK AND NORTH YORKSHIRE LEP DELIVERY PLAN

7.1 **York and North Yorkshire Growth Hub Business Support Service** – This nationally funded programme delivers advice, support and training to businesses within the grow across the region. New performance targets were agreed last year with the Department of Business and Trade (DBT) which have enabled qualitative reporting to be improved significantly. This approach is being continued and developed in 2023/2024 and has enables new service developments shown in the table below.

North Yorkshire UK Shared Prosperity Fund (SPF)	Sessional business support from Sept 23 to March 24 for approx. 300 businesses at average cost £850 per business – many of these are already fully booked with waiting lists (additional SPF to be requested to meet demand)
	New specialist business support roles : <ul style="list-style-type: none"> • Pre-Start/Start-Up • Energy/cost reduction and decarbonisation • Skills for Business/Workforce Development
	Small business capital grants (up to £10,000) to be launched November 2023; Decarbonisation business and community capital grants (up to £20,000) to be launched later in October 2023 – both grant programmes to be managed by North Yorkshire Council in partnership with YNY LEP

Made Smarter Business Support and Grant Programme	Specialist support for manufacturing businesses including opportunity for eligible businesses to apply for up to £20,000 innovation/productivity grants
Application to the Dept Culture Media and Sport “Create Growth Programme”	Bespoke business support package (approx. £500,000) aimed at high-growth potential creative businesses and build investor networks comprising three complementary strands for the period October 23 to March 2025: <ul style="list-style-type: none"> • business support targeted at the creative industries • access to finance; and • investor capacity building activities Decision due in October
Overhaul of the existing Growth Hub website	to improve the interface for businesses and prioritise the main topics that businesses seek help with, based on website analytics to be completed by November 2023 – these were : <ul style="list-style-type: none"> • Starting a business - 46% of enquiries • Finance for business start-up – 12% of enquiries • Legal advice – 12% of enquiries

7.2 **York and North Yorkshire Trade and Investment Programme** – this has been developed to improve the pro-active approach to attracting Inward Investment as well as maintaining the reactive response service where opportunities arise. Invest in York and North Yorkshire is a brand which was developed in collaboration with both Local Authorities and enables a collaborative approach. Developments in 2023/24 include:

New Sector Growth Managers (from May 2023 – funded by NY UK SPF)	High growth opportunities in development to establish sector propositions for: <ul style="list-style-type: none"> • Agri-tech & Industrial Biotechnology • Healthy Ageing • Manufacturing • Creative & Digital • Rail (NB Rail is already in place via City of York Council)
Key Account Management (KAM) Service	Department of Business and Trade (formerly Dept of International Trade) funding to March 2025 to support Foreign Owned Companies
Active Investment Enquiries being supported	60 (39 this time last year) of which : <ul style="list-style-type: none"> • 28 projects (47%) North Yorkshire • 8 projects (13%) in York • York & NY - 7 projects (12%) • Yorkshire & Humber - 7 projects (12%) Aiming to be more proactive and less reliant on DBT referrals (which are sent to most areas of England) current year 27% projects came to us directly with 73% via DBT (20:80% this time last year)
UK Real Estate and Inward Investment Forum event in Leeds (May 2023)	Exhibiting with NYC and CYC partners to promote “Invest in York and North Yorkshire”, where developer interest was clearly heightened as a result of the timetable for transition to Mayoral Combined Authority

- 7.3 **York and North Yorkshire Careers Hub Network** – provider careers and enterprise advice to every school in the region. Schools are benchmarked against the 8 National Gatsby Benchmarks. The programme is delivering on target and performance is reported to the YNY LEP Skills & Employability Board (SEB).

Recent changes have seen the Strategic Hub Lead transfer from the delivery contractor NYBEP, to now form part of the LEP Skills Team structure and report to the Senior Strategy Manager (Skills). This will enable broader strategic development of the Careers Hub within the context of the emerging Mayoral Combined Authority and allow closer links with both YNY Growth Hub and the Trade & Investment Team, and take advantage of existing links with business and industry across the area.

- 7.4 **York and North Yorkshire Skills Bootcamps** – Skills Bootcamps offer free flexible courses for up to 16 weeks. These short courses are bid for on an annual basis. The current year, Wave 4 2023/24 delivery is fully launched with capacity retained which also allows for additional activity to be implemented with existing providers where performance is good, and demand for extensions can be evidenced.

There is also a part of the programme that can be directed to Employer Bespoke Skills Bootcamp training programmes, to help with:

- recruitment and retention challenges for employers; and
- to respond to economic shocks for the workforce, where re-training is needed in the event of large-scale redundancies.

Some of the bespoke training packages are in the early stages of delivery with others in development. Proposals for Skills Bootcamps Wave 5 2024-25 were recently submitted to the Department for Education.

- 7.5 **York and North Yorkshire Routemap to Carbon Negative** – work continues to develop the Routemap into investable propositions with scoping of the planned task and finish group, its remit and its membership currently being developed.

Alongside this a draft action plan has been prepared to deliver programmes of “Housing Retro-fit” activity and also supply chain development – These are being developed in readiness for seeking investment.

Opportunities to develop elements of the Routemap are being progressed when relevant funding programmes are available. In addition, a programme of support and interventions is being developed with funding from the North Yorkshire UK Shared Prosperity Fund to mobilise decarbonisation in communities and businesses.

- 7.6 **York and North Yorkshire Brownfield Housing Fund (£11m) and Net Zero Fund (£7m)** – these two programmes, being run on behalf of the proposed Mayoral Combined Authority have progressed through project application and appraisal stage, with recommendations for selected projects to be considered by the York and North Yorkshire Joint Committee in November.

8.0 FINANCIAL IMPLICATIONS

- 8.1 Financial Implications have been addressed for the projects and programmes covered by this report on an individual basis. It should be noted that funding to deliver the capital investment programmes and the activities covered by the 2023/2024 Deliver Plan are cost neutral within the financial accounting and reporting of the York and North Yorkshire Local Enterprise Partnership, for which North Yorkshire Council currently continues to act as the Accountable Body.

9.0 LEGAL IMPLICATIONS

9.1 Legal Implications have been addressed for the projects and programmes covered by this report on an individual basis.

10.0 EQUALITIES IMPLICATIONS

10.1 Equalities Implications have been addressed for the projects and programmes covered by this report on an individual basis.

11.0 CLIMATE CHANGE IMPLICATIONS

11.1 Climate Change Implications have been addressed for the projects and programmes covered by this report on an individual basis.

12.0 REASONS FOR RECOMMENDATIONS

12.1 Members are requested to consider the information set out in the report which provides an overview of the Capital Investment Funding programmes delivered by York & North Yorkshire Local Enterprise Partnership (LEP), and also a summary update of current progress against the 2023/2024 York & North Yorkshire LEP Delivery Plan.

As detailed in 1.3. The LEP will become integrated into the Proposed Combined Authority on its creation in January, therefore this report is for noting only.

13.0 RECOMMENDATION(S)

It is recommended that Members note that the LEP functions will become integrated into the proposed Combined Authority from January 2024 and:

- i) note the significant achievement of the delivery of the three capital investment programmes in York and North Yorkshire between 2012 and 2022, at a total value of £110 million of grant investment, enabled through the work of the York and North Yorkshire Local Enterprise Partnership; and
- ii) consider the current scope and scale of existing activity being undertaken by the LEP against the 2023/2024 Delivery Plan for York and North Yorkshire.

APPENDICES:

Appendix 1 – summary of project images for the Local Growth Fund and Getting Building Fund programmes.

BACKGROUND DOCUMENTS:

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9 October 2023

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Presenter of Report – James Farrar, Director of Transition, York and North Yorkshire MCA

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.