

ENTERPRISE PARTNERSHIP

York / North Yorkshire / East Riding

Business
Inspired
Growth

ANNUAL REPORT
2016



**BETTER
JOBS
MORE
HOMES
NEW
INVESTMENT**



ABOUT US

We are a public private partnership working together to grow the economy, creating quality jobs, building more homes and attracting investment.

OUR PRIORITIES

Our priorities cover five key areas:

- 1

Profitable and ambitious small businesses

Ambitious businesses supported to innovate, improve and grow
- 2

A global leader in the bioeconomy

Driving growth by building our international reputation in agri-food and biorenewables
- 3

Inspired People

Growing businesses able to access ambitious people with the right skills and the right attitude
- 4

Successful and distinctive places

Enhanced growth and opportunities in targeted locations
- 5

A well-connected economy

Businesses with strong connections to their customers and markets

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A VIEW FROM THE CHAIR



3,500

businesses supported



£2 billion

Private Sector investment



71%

increase in homes built



Having negotiated a £122 million Growth Deal from government last year, our focus this year was on delivery. It was our first Growth Deal and we needed to demonstrate we could deliver on our promises. I am very proud to say that we did.

Bringing together our public and private sector partners has been crucial to this success. It was all about using a wealth of experience to get things done fast and effectively.

Of course a couple of years ago no-one could have predicted a £1.7 billion investment for a Potash mine on our patch - the largest private sector investment in the North. As the economic voice of the area, we supported the plans helping secure planning permission to create thousands of jobs on the Yorkshire coast. It's an area which has traditionally suffered higher levels of deprivation so is important to us.

Investments such as this, alongside offshore wind, a new waterpark and a new university technical college means Scarborough for example is fast becoming the opportunity coast. Together these developments are driving innovation and investment. Created on the site of a major housing development, it is

We are on track, delivering good jobs, more homes and extra investment, our challenge is to build on this momentum.

providing the next generation of construction and engineering workers. A great example of public and private sector partners working together to deliver greatest impact.

Whilst we have remained focused on the delivery of our Growth Deal, of course not everything goes according to plan. At Christmas parts of our area were hit by flooding - a reminder that succeeding in business is all about flexibility, resilience and staying positive. Fortunately, most businesses were up and running within weeks - a true testament to their Yorkshire spirit.

Our vice chair David Kerfoot MBE knocked on doors; grants were provided; campaigns ran telling people we were open for business and Pop-up Business Cafés held in affected areas. Responding to this and to protect jobs in key areas, we have accelerated a £3 million investment in flood defences. We have been able to make these investments through North Yorkshire County Council proving a loan to our LEP to be repaid from future investment returns. This is testament to the strength of our partnerships and trust.

As the largest geographically of the LEPs, we have an abundant mix of urban, rural and coastal areas.

With a wide mix of small and micro businesses located far and wide across our huge landscape, supporting them is key to our success. We are very proud that our How's Business Growth Hub is innovating on a national scale. In November this year we received an award from Global Entrepreneur Week for our work developing Pop-up Business Cafés. Like many businesses in our

area How's Business began life as a start-up and is now focussed on scaling up - whilst keeping costs down. 80% of the businesses supported have reported making a positive change to their business - following our help, a fantastic result. With European funding coming on line for those we support, exciting times are ahead.

FERA Science Ltd outside York remains central to our focus on agri-food and the bioeconomy. This year we helped FERA Science secure £50 million investment for two UK Agri-tech Centres of Excellence on its site on the National Agri-food Innovation Campus. There are only four centres nationally and two are in our patch. That's a success story and a real opportunity for the future.

With our ageing workforce, ensuring we have a high quality skills for the future is essential for our many great businesses. To support this, linking businesses with schools has been a main focus this year. Helping young people make more informed choices and inspiring them to take advantage of the opportunities across our area is a real priority and something our business leaders are passionate about. Both business and young people are reporting that careers advice and links to business aren't strong enough. We must meet this challenge full on.

With our economy growing well and having met our 2021 jobs target, we're now even more focussed on quality. For example, delivering better jobs with higher wages and higher level apprenticeships particularly in our target sectors.

Our investments and partnership work has already secured over £2 billion private sector investment, an indication of the business confidence in our area. The scale of this investment demonstrates our importance to the Northern Powerhouse agenda. Multi-billion investments such as Potash and Offshore Wind could not happen in a city. A true Northern Powerhouse is one where rural and urban work together to harness their strengths to create a globally competitive offer.

Looking ahead, we are developing proposals to secure more investment from government whilst working closely with our local authority partners to develop a devolution proposal which will secure major long term investment.

By securing this investment we will be able to plan longer term investing strategically to deliver real long term change across York, North Yorkshire and East Riding.

We are on track, delivering good jobs, more homes and extra investment, our challenge is to build on this momentum.

Barry Dodd, CBE
Chair

EXECUTIVE SUMMARY



There have been two aspects to our goal this year of delivering our Growth Deal promises. One has been ensuring our investments are delivered on time and on budget, and the other has been supporting our partners to secure investment and deliver their ambitions.

Small and microbusinesses are the lifeblood of our economy, and at the heart of our approach to supporting them is 'How's business', our growth hub which was launched this year. As geographically the largest LEP, it did not make sense to have a physical growth hub. Instead, we are working with local networks that already have a local physical presence, are self-funded and most importantly, are trusted by their members.

Trust is key when trying to build a business support offer that businesses value. And through a combination of online content and Popup Business Cafés, we have now built a trusted community of over 160 business experts.

In only its first year, the growth hub received national recognition for its innovative approach, with an award from Global Entrepreneurship Week. Our own analysis this year also revealed that 80% of the businesses that attended our Popup Cafés, a part of our growth hub, have made a positive change to their business.

Some really novel things have also happened for our enterprising start-up business sectors this year. We helped Hiscox Insurance, a major inward investor into York, launch their Business Club for our aspiring small business owners. Located within the Hiscox office, one of York's newest most iconic business buildings, 40 small and new businesses are now working there – for free! It's building a hub for enterprise where networking, collaboration and peer support happen every day.

Helping solve the world's global food shortages is a big task, but one we feel well placed to do here. With FERA Science, the University of York, Stockbridge Technology Centre and our agri-food industry, we have many assets in the sector already that we want to maximise.

This year with our partners, we helped secure £50 million of investment from the UK

Agri-tech Strategy to host a National Centre for Crop Health and a Centre for Innovation Excellence in Livestock. There are only four centres approved nationally and two are now based in our patch.

Additionally, we invested in the Malton Agri-Food Park, which received DEFRA Food Enterprise Zone status, to provide space for growing businesses to expand. Businesses must be at the forefront of our approach to innovation and best practice, and in the bioeconomy, we have set up an industry task force to identify the investments which will deliver greatest potential and growth. Exciting times are ahead.

A close partnership has been established with the Homes and Communities Agency and our local authorities to drive forward housing growth. The 2015/16 output of 4,619 homes is an increase of over 1,900 units from the average annual figures in our area leading up to our Growth Deal and represents 85% of the increase in housing growth that we have targeted.

A skilled workforce is crucial to improving productivity in our businesses. And given that 23% of the workforce is over 65, compared to 18% nationally, there is a real need to develop our future workforce.

From a skills perspective, several factors have really stood out this year. We have made capital investments in our Colleges in Harrogate, Selby and Askham Bryan, and all are being delivered on time and to budget. These investments are important because building a network of great Colleges is vital to delivering the people and skills that our businesses need to grow.

Businesses constantly tell us they need school leavers to have the right skills for the workplace, often quoting the employability and softer skills as a priority - addressing this is a key objective for us. We have launched a pilot to get quality assured careers advice in our

schools, and we have also secured funding and investment from the Careers and Enterprise Company to run programmes connecting business into schools. It really is all about making sure that the next generation that comes through are fit for the workforce.

If we are to provide a skilled workforce, they need somewhere to live and this should be affordable. It is our ambition to double house building rates and working with our local authority partners, we are making good progress. House building rates have gone up from 50% of Local Plan targets to 65% of targets. Whilst there is still a lot to do, we are moving in the right direction.

Particularly, along the A1/A19 corridor and in Scarborough, we have made significant housing investments including Northallerton, Catterick, and Scarborough to name but three. These are significant investments that improve the viability of sites and will deliver major housing growth in key areas.

We also know that we need to release more employment land to deliver good quality, high value jobs in key areas. We have worked closely with City of York to secure Enterprise Zone status for York Central, one of the largest city centre brownfield sites in the UK which

has the potential to deliver around 7,000 additional high value jobs to the area.

From a transport point of view, what is most significant is the influence that we have had. Rail is hugely important. The rail franchises with the Trans Pennine Express and Northern lines have been renewed this year.

We worked hard with all the bidders to make the case for improved rail services and this has reaped its rewards with more and better trains improving connections to Scarborough, Harrogate, Selby, Hull and Skipton. Right across the patch, we have significant enhancement in the rolling stock and rail services in our area. Longer term, this will be key to linking to HS2 and the major government investments that are happening. We want 80% of our area to access a High Speed Rail hub in less than 45 minutes.

From a business inward investment perspective, it provides us with the connectivity you need as a business to connect to your staff, customers and clients. Alongside that, we have made some Local Growth Fund investments in improving the state of the roads around our key towns and improvements around Drax Power Station.

We have delivered on our Growth Deal promises in the first year and are well placed to deliver the remaining investments over the coming years. Building on this success, we're putting together a bid for the next round of Local Growth Funding, to deliver further investment to achieve our strategic ambitions.

I am also incredibly proud of the strong partnerships we have built across the region. To deliver our true potential, we need all partners to work together towards a common goal. As a region working together, we are well-placed to deliver that potential. Some very exciting projects have come through and I am looking forward to continuing to work with everyone to help us achieve the economic growth our area needs.

James Farrar
Chief Operating Officer

JOBS GROWTH



21,900
more jobs



GVA GROWTH



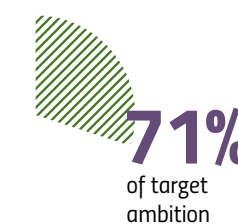
£1.4b
GVA growth



HOUSE BUILDING



1,900
more homes a year

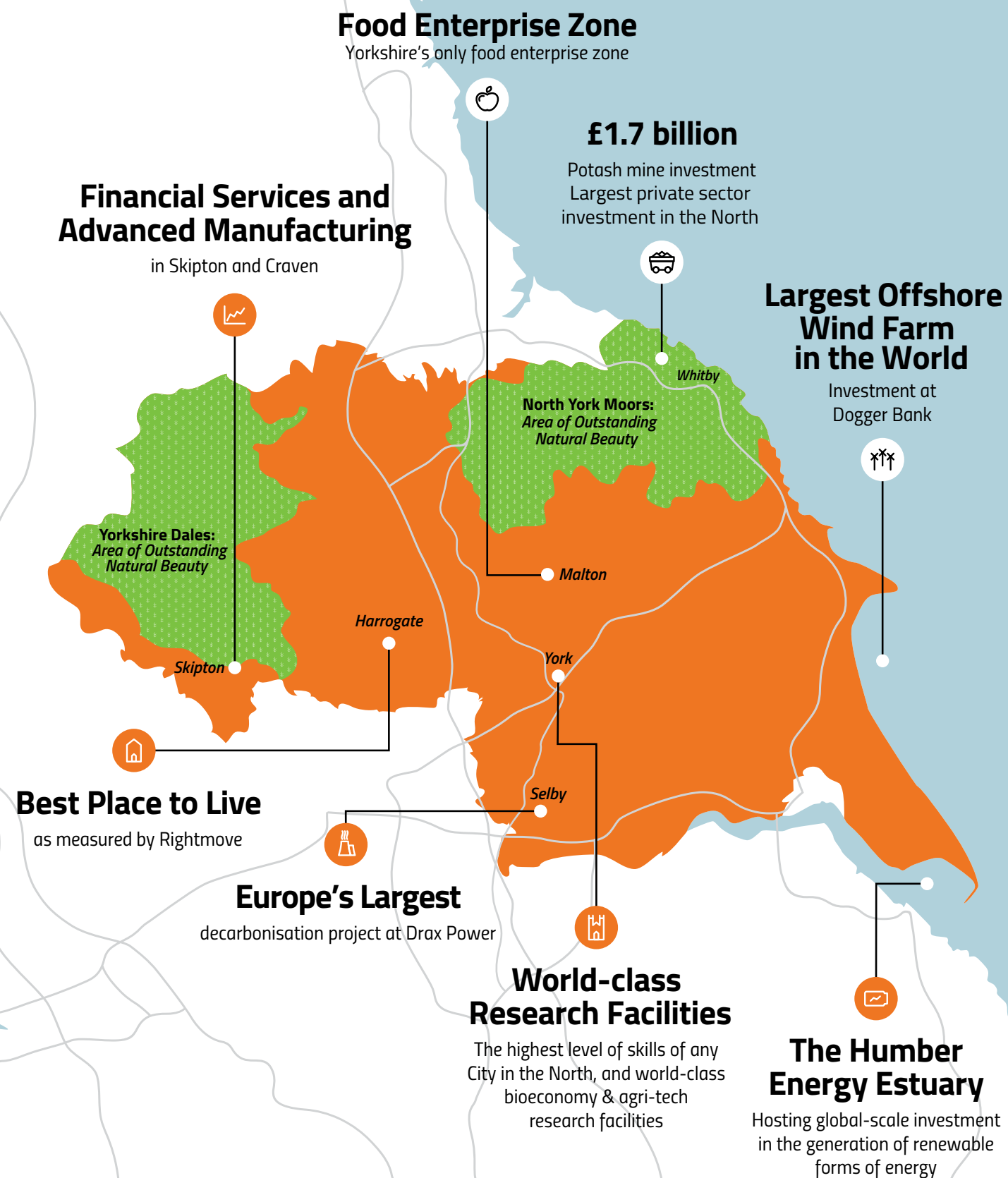


OUR AREA AND WIDER REGION

Key assets for a high value economy

ABOUT THE REGION

- The value of our economy is **£24 billion**
- Total number of businesses is over **48,000**
- **£1.7 billion** potash mine investment
- **Over £1 billion** will be generated in annual exports from the proposed potash mine
- **World-class research facilities** at the University of York, York Science Park and York St John University
- The National Agri-food Innovation Centres will boost our economy by **£100 million**
- York Central Enterprise Zone will lead up to an additional **7,000** high value jobs and add **over £1 billion** to the size of the area's economy



OUR AMBITIONS

By 2021, we will achieve



20,000
new jobs



£3 billion
in growth



double
house building



£22,500
£21,100

To narrow the wage gap
between the area and the
national average



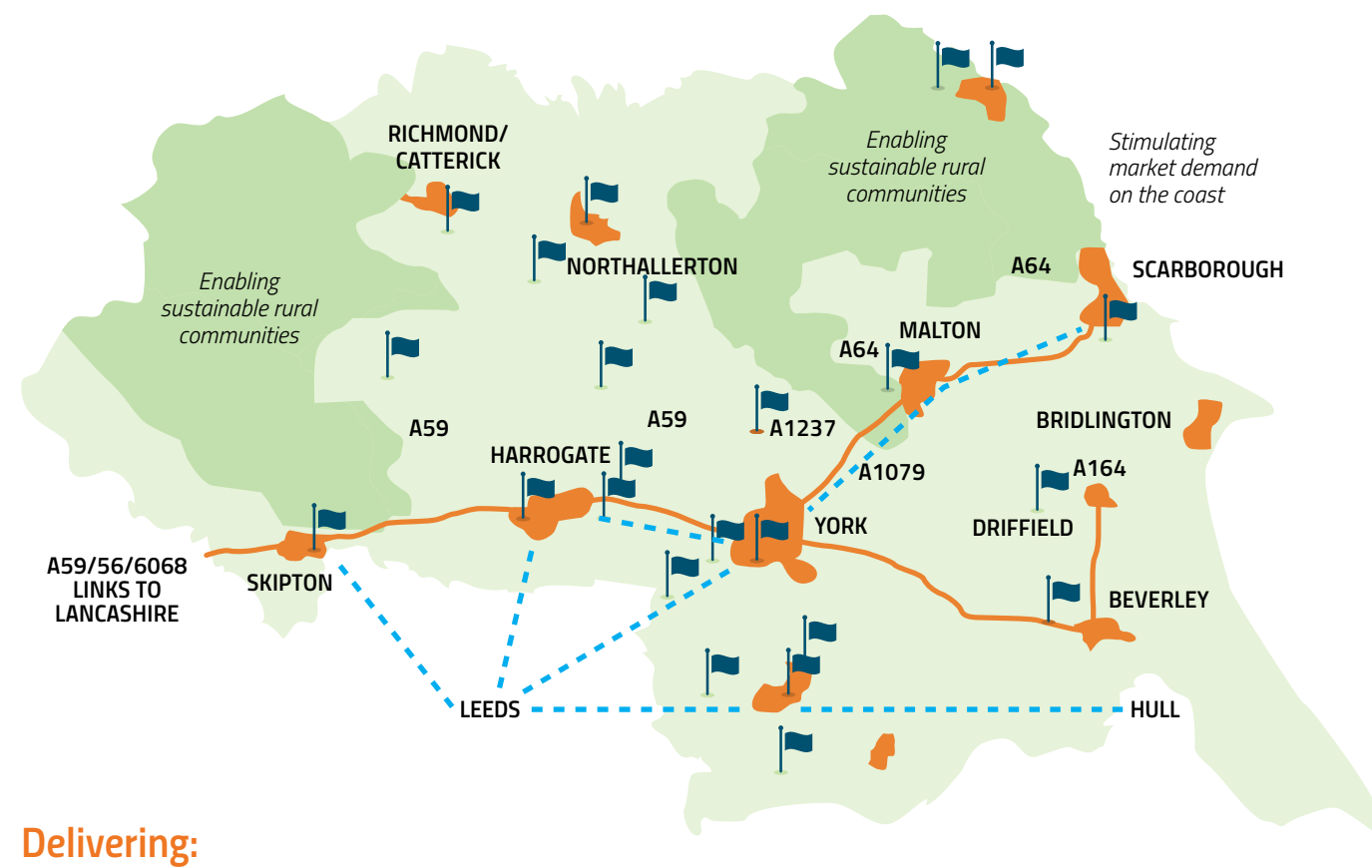
£25k per head
£21k per head

To narrow the productivity
gap between the area and
the national average

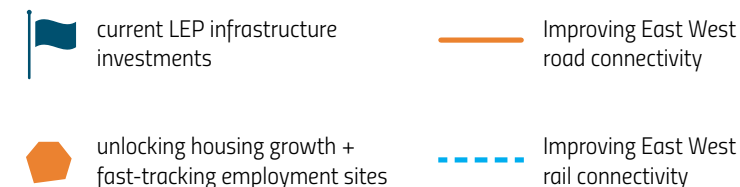
KEY PLACE BASED PROJECTS

Priority 4 Successful and Distinctive Places

Priority 5 A Well Connected Economy



Delivering:
4,000 new homes
4,000 new jobs

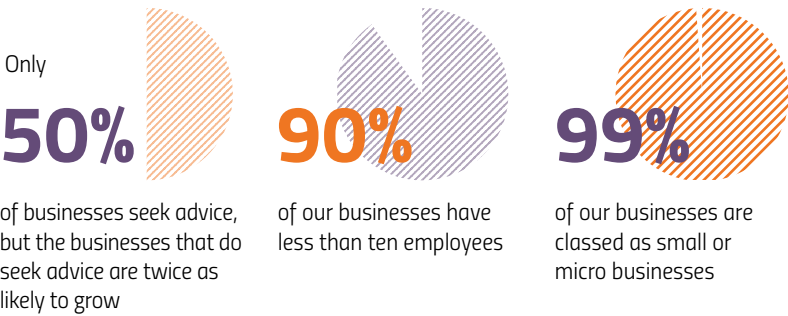


OUR PROGRESS SO FAR

Profitable and ambitious small businesses

Ambitious businesses that are supported to innovate, improve and grow.

Challenges



Objectives

To increase the number of businesses we support by increasing the number of Popup Business Cafés, we hold, and roll out the Growth Hub to achieve our ambition of connecting more businesses to the support they need to grow.

Progress in 2015/16




OUR PROGRESS SO FAR

Successful and distinctive places

Enhanced growth and opportunities in targeted locations.

Challenges

Year		No. of houses completed
2012/13		2,689
2013/14		2,823
2014/15		3,523
2015/16		4,618

Objectives

To double house building rates by unlocking key housing sites



To create new job and business opportunities through unlocking employment sites

Progress in 2015/16

71%
achieved for this year's target – and 1,919 homes higher than the annual average of 2,700

£2.95m
invested from our Growing Places Fund at Sherburn

£6m
Local Growth Fund invested in housing growth and employment land in Malton, Catterick & Northallerton

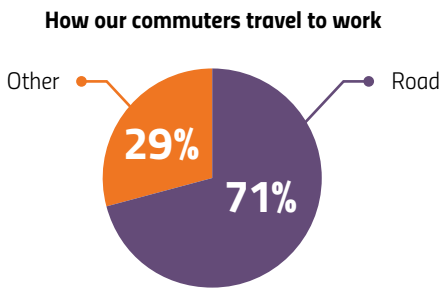
£1.2m
invested in flood defences in Skipton with a further £3 million towards schemes developed for 2016/17 to safeguard jobs in response to the December floods

A well connected economy

Businesses with strong connections to their customers and markets.

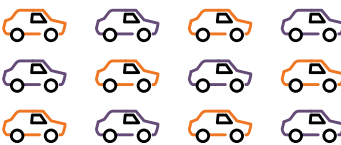
Challenges

Road congestion needs to be reduced in York and Harrogate



Objectives

Ease congestion in York and Harrogate and improve East-West road and rail connections



Progress in 2015/16

£4.4m
invested in highways maintenance and Newlands Bridge, Drax

£15.5m
invested in Bedale relief road

PROFITABLE AND AMBITIOUS SMALL AND MICRO BUSINESSES

Innovation has helped drive the fantastic results we have seen for our business support work - How's Business, our growth hub, launched this year. We have won awards, received recognition in a national report by Baroness Mone on enterprise and surprised ourselves at how cost effective the service, is proving to be.

An Innovative Approach

40,000

businesses engaged

4,437

businesses supported

54

businesses networks
in partnership

162

business experts

When we established How's Business, we knew we were taking a risk. It's a different proposition to almost all of the 38 other growth hubs around the country, but a step we had to take. As the largest LEP geographically, we needed to effectively cover our huge area, all 11,405 square kilometres of it.

Crucial to its success has been establishing trust with our small business community, which we did by combining useful online resources with offline peer-to-peer support. It's a service that by some measures, is fifty times more cost effective than the government's former service, Business Link.

Essentially, we created efficiencies by adding value to pre-existing external services. As part of this, we're proud to have helped over 50 local business networks become bigger and more sustainable. We're even more proud that two of them: York's Bishy Road Traders and Helmsley in Business went on to national wins at the Great British High Street Awards.

We were also delighted to have seen the launch of the Hiscox Business Club this year, an idea which we helped conceive and establish, and was led by Hiscox Insurance, a major investor in York. This now provides 35 York businesses with amazing free space and networking opportunities in Hiscox's iconic new building in central York.

This year, the Christmas floods created a very challenging start to 2016 for many high street businesses. Fortunately, exceedingly strong communities have emerged as a result, and we responded by promptly giving access to government grants, jointly administered with our partner Make it York. Our team took promptly to the flooded streets of Tadcaster, driving a much higher take-up of recovery grants than flood hit areas elsewhere. We recently returned with a Popup Business Café - run by How's Business, that provides free advice from local experts, not about flooding, but about being better at business and providing that extra support that was required.

HOW'S BUSINESS CASE STUDY

The purpose of How's Business (our growth hub) is to make it simple for business owners to find advice they can trust.

Over 40,000 business owners engaged with the service this year, and we've supported 4,437 business owners to access advice and help.

We know that business owners really appreciate face to face support, but with the size of our area, it didn't make sense for us to have a physical growth hub or to recruit advisers. Instead, we created a flexible mix of online and offline support. This means business owners always have access to digital tools and resources and also know where to find local advice, whether it's at a networking event, a local expert, or one of our Popup Business Cafés.

We could not have done this without the help of 54 local networks and 162 professional business experts volunteering their time, passion and expertise. We've worked with them to promote and stimulate demand for their services and they, in turn, have helped give our business owners the help and advice they need.

Through building trust, keeping it simple and adding value, we are giving business owners what they want. This is how we are building a new approach to business support in York, North Yorkshire and the East Riding.

"I believe the approach we're taking is radical and amongst the most intelligent and strategically convincing than any of the others I have seen."

- Chris Manners, Regional Director, Yorkshire and Humberside, Institute of Chartered Accountants in England and Wales

Challenges and Opportunities

Having built trust and established our approach to helping micro and small business owners, following the closure of the government's business growth service last year, we are now also focussing on supporting larger businesses and people with more growth aspirations. This will be supported by a range of publicly funded business support programmes that are coming on stream.

We will use How's Business to help them engage with the business community, so they hit the ground faster, and so that business owners have an on-going source of help and support, not a series of disjointed support programmes.

THE BIOECONOMY

Moving towards a higher value economy means we must focus on making the most of our competitive advantage, which, for us, means the bioeconomy. Our area has tremendous strengths in growing and manufacturing food, alongside internationally important assets for the future of the industry.

In the face of challenges such as increased competition for limited natural resources, a growing population, and climate change, the bioeconomy provides the future foundation for global economies and a massive market opportunity in our area.

Our approach combines maximising current market opportunities with the development of products and services that will sustain our economy in the future.



Development Officer

We made major strides forward this year with the appointment of our new Agri-Food and Bioeconomy Development Officer, Dr Gesa Reiss. Now that Gesa is in post we are starting to develop a deep understanding of our big opportunities, and also where they aren't. A major part of her role has involved bringing people together to collaborate, and influence major investments to ensure they benefit the local economy. Recently, we set up an industry-led Bioeconomy Task Force to help us decide where to make significant investments in the sector.

Bioeconomy Task Group

Spotting market opportunities is where the new Head of our Bioeconomy Task Group Rob Brocklesby feels most comfortable. He grew up working in his family business which significantly grew over the last few years under his own leadership. Now leading our private sector involvement, his role is to bring private companies and their expertise together with other organisations to maximise the huge potential that agri-food and bioeconomy for our area represents.

The National Agri-Food Innovation Campus

Innovation in agriculture and food received an enormous boost this year, thanks to government investing to locate two national Centres for Excellence at the National Agri-Food Innovation Campus here in Sand Hutton. There are only four of these centres in the country, and securing two in our patch has boosted us to the top of the league table for government investment in agriculture and food. This further emphasises our competitive advantage in this sector, adding to our national and international pull for investors.

The Centre for Excellence in Livestock (CIEL) and the Crop Health and Protection Centre (CHAP) have together attracted £50 million to translate scientific agricultural innovation into commercial opportunities for the agri-food business sector. The centres are being developed by a consortium of private sector partners, leading research institutions and innovative small businesses.

CHAP aims to be the international gateway for innovation that unites industry and non industry partners to revolutionise how global farming deals with crop threats like pests, pathogens and weeds. CIEL brings together leading industry and academic partners to create a hub for research and knowledge exchange related to livestock production and product quality.

These organisations will place Yorkshire at the centre of a growing agri-food research and innovation community, enabling better access to the best people and investment as well as to new market opportunities, especially in Europe, Africa and other developing economies.

The Malton Agri-Food Park

In addition to supporting applied science, we are also making space to help the growth of the food and farming industry – a key aspect of our economy. We led on establishing Yorkshire's first and only Food Enterprise Zone to create the Malton Agri-Food Park and supported the development via our Local Growth Fund.

Malton is fast acquiring a reputation as the food capital of Yorkshire, with both small business and now larger players contributing to its prestige. The agri-food park provides a further geographic focus for the sector, helping us make the most of what we have and giving us a clear and prominent profile. One of the enterprise zone's major benefits is to speed up the planning process and get quicker investment and development. Work on site is underway and the designation is having the desired results. The designation will also help pave the way for businesses to locate and grow there.

Sharing knowledge through networks

Given the significant investments in the development of new knowledge, we have been making modest investments to help translate that into better more profitable businesses. We will do this through our support for networks and initiatives.

Food Innovation Network

We are the only LEP to have invested in the new Food Innovation Network, an initiative announced by the Prime Minister, which will provide a single point of focus for food innovation, linking agri-food businesses to the UK research base. It will help develop new products, processes and services to meet and anticipate future market trends.

Our investment has ensured that the network is based alongside other significant assets at the National Agri-Food Innovation Campus. By investing we have guaranteed that our business community will be the first to benefit from innovations and connections made.

Yorkshire Agri-Food Network

One of the advantages of having such a thriving agri-food sector is the amount of activity that is underway. However, this can also have a downside. It can be difficult to articulate the bigger picture and to coordinate activity. This is why we have invested to help bring together 15 different agri-food networks into a single Agri-Food Network.

Whilst each individual network retains its own focus, brand and connections, the ability to bring them all together means we have a much more significant profile. Knowledge can be translated much more effectively, and vice versa, the business community can have more influence over the development of new innovations that solve their pressing problems. We know that this new approach to collaboration marks the beginning of new opportunities for the sector.

Profit from sustainability

Agriculture is the foundation of food supply chains that deliver a significant amount of economic activity in our area. The industry is currently going through a technological revolution with the emerging availability of usable data and GPS guided equipment now opening up huge opportunities for innovation.

We have matched private sector funding to continue support for the Profit from Sustainability programme, from Future Food Solutions Ltd, to engage with these supply chains. The programme focusses on efficiency, sustainability and producing significantly more from less: the key challenges that both consumers and government policy are pushing the industry to address.

The programme brings together global brands, national processors and forward-looking farmers on a multi layered peer learning programme. The programme is based on sharing best practice, close supply chain collaboration and building resilience into supply chains that rely on Yorkshire arable products.

What's next and challenges ahead

Our Bioeconomy Task Force will help us understand the activities our businesses community need help with, and enable us to invest in the missing infrastructure needed to maximise growth in the bioeconomy.

Tackling skills gaps and positioning the agri-food and biorenewables sectors as well as providing careers with opportunities will be close to our heart, and a massively important element of growing the future of this sector. Together with our partners and businesses we will ensure that our LEP area has the capacity to take advantage of government funding streams.

We will be driving a more collaborative approach to target inward investment where, through our global business connections, we know there are real opportunities to exploit.

We also look forward to the fruits of this year's investments in Centres for Excellence and networks, as activity gets underway and Yorkshire is increasingly positioned as the bioeconomy heartland of the North.



INSPIRED PEOPLE

A growing economy depends on businesses having people with the right skills in the right jobs at the right time. Sounds simple but in our area with an ageing population, an ageing workforce and lots of young people studying in subjects that don't match with job opportunities, we have a few challenges!

Both businesses and young people have told us they don't think careers advice is good enough and they want better links between schools and business. If we want young people who can take advantage of the opportunities our growing businesses present, students need to make the right choices at school so that they understand the world of work and prepare for it. That means excellent careers guidance is critical, and so this year that was at the top of our to-do list. We said we wanted to connect every student to business and we've taken action to achieve this.

Part of this challenge is ensuring people make decisions on where to study based on the quality of courses and job potential - not because facilities are sub-standard, so we have started a programme of investments in ensuring our colleges have high quality, up to date accommodation and facilities.

With on-going investment supporting our small businesses to invest in their workforce, we are making good progress in our ambition to deliver a region with a high quality, ambitious workforce.

£4.7m

invested in skills capital

over

£3m

invested in training people

skills support to over

1,000

small to medium
sized enterprises

nearly

4,000

training courses delivered

Inspired young people making the right job choices

Deciding on a career is one of the most difficult and important things a young person can do. We need to ensure they have good quality advice and information to help them through. Unfortunately the quality of careers guidance varies widely in schools, and so this year we focused on improving it.

We are working in partnership with both the Humber LEP and North Yorkshire County Council to provide quality assured careers advice across our whole LEP geography. Now 35 schools here are working towards this and one has already achieved its first careers quality mark.

We want to connect every student to business, and we've put this into action this year by working in partnership with the Careers Enterprise Company recruiting voluntary Enterprise Advisors to work with schools. Enterprise Advisors are passionate business people who work with local schools to improve their connections with employers so that young people can understand the world of work better and improve their employability skills. So far, we're working in 31 schools and are continuing to recruit.

In our area we already have many great partners delivering some great initiatives whom we support to build on their success. We were pleased once again to back Scarborough Ambassadors to deliver Scarborough Engineering Week promoting the opportunities on the Yorkshire coast. Providing over 3,000 students with hands on experience of world class engineering, this flagship event grows year on year.

Moving forward we want to do more with apprentices. Quality is the watchword for us, and we are committed to increasing good quality apprenticeships. Quality apprenticeships are a great route into highly productive, well-paid jobs, and businesses love them as it enables them to train their apprentices to their own high standards. We are supporting as many businesses as possible to take on more apprentices. This year, we have encouraged new Higher Level Apprenticeships in bioscience, agritech and IT by bringing together employers and providers and guiding them through the process. We plan to do a lot more next year.

In fact we are investing £2 million in a project to help businesses take on Apprentices especially in important sectors like engineering and construction.

A productive workforce for growing businesses

The best, most productive businesses invest in their workforce. Businesses that invest in training perform far better on average than those that do not. It's about ensuring businesses have access to the people with the appropriate skills and competencies to grow their businesses.

We've done a fair bit to develop our work on this priority this year.

We invested £3.04 million in helping over 1,100 businesses train their staff in ways they chose so that their businesses could grow.

Almost 4,000 people gained vital skills as a result. It was so successful that we're planning a new programme of support in 2016.

invested

£3m

training people in
our area

supported

1,198

small to medium
sized enterprises

delivered

3,884

training courses





Empowered communities delivering support and inclusion

It's important to reflect that not everyone is employed, and some have personal or health barriers which make it difficult for them to find or keep employment. In a thriving community it's important we give a helping hand to people who need support to lead fulfilling lives, whether that's finding and keeping a job or simply leading a healthy, independent life.

We've spent a lot of time this year understanding how best to do this and we've committed over £14 million of European Social Funding on a variety of projects which will be launched during 2016/17. These include a project that works 1:2:1 with people to help them find and keep work; a project for vulnerable people in the community to overcome barriers to work; and a project that funds training for people in voluntary, community and social enterprises.

Success for us is an area where communities work together to support each other, and where those that are able to work have the help and skills to become valuable employees.

Skills Capital

Providing colleges that are fit for purpose for the future generation is key to our Skills Capital programme. The other is investing in facilities that support our priority growth sectors.

We invested £4.6 million in three building projects that have transformed the infrastructure in two of our colleges. £3 million was used as part of a £6m investment to build new facilities at Harrogate College and £1.6 million was used on two specialist centres at Askham Bryan College. One provides a state of the art agri-engineering facility and the other is a new facility enabling students to become proficient in the latest techniques for precision farming – skills needed in agriculture and with significant potential for growth here.

In addition to this, we were able to invest in high specification engineering equipment for Selby College which is already up and running.



Artist's impression of the new Harrogate College redevelopment underway

Looking ahead

We've got some fantastic things planned for next year. Over £25million has already been committed for a variety projects that will transform the skills of our workforce, provide new and innovative opportunities for young people and give a helping hand to those who want to make a better life for themselves.

We will continue to invest in skills capital to bring more college infrastructure to a high standard and to provide facilities that train people in our priority sectors.

But we must go further if our growing businesses are to realise their potential. For example we need to encourage graduates to stay in the area, and this is something we are doing by supporting businesses to recruit young graduates. Likewise, we are developing more Higher and Degree Apprenticeships because we know higher level skills are critical to our economy, and we will come up with new ways to keep older workers in gainful employment for longer – apparently working is good for your health!



Harrogate College is undergoing a £6 million campus redevelopment that will see brand new industry standard facilities opening in September 2016 to aid student learning.

The project co-funded by ourselves and Hull College Group, owners of Harrogate College, will see the front of the college transformed into a high street, with a restaurant, refectory and hair salon all open to the public.

The new Technology Centre will house construction trades and motor vehicle workshops, plus there will be a beauty salon, art and design studios and state of the art science labs.

The existing main college building will also be remodelled and redeveloped, further improving the college curriculum and facilities. It will make Harrogate College a centre of technical and professional excellence in further and higher education.

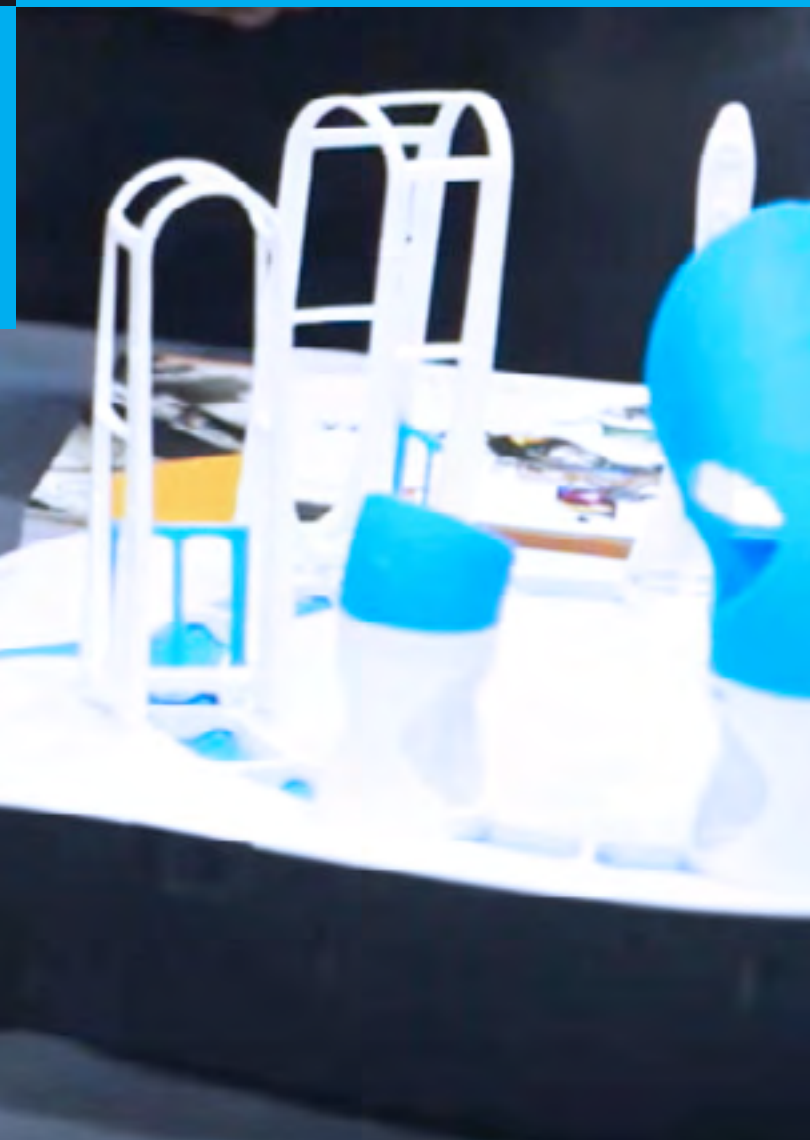
Overall, the redevelopment will represent the start of a new era for Harrogate College, one that matches the town's stature and reputation for quality.

The investment supports the further education sector's commitment to help our young people develop their careers herein the area, with curricula which meet local priorities and support key business sectors.

This important investment will provide a dynamic, modern learning environment, encompassing brand new facilities for high quality technical and professional study. It is designed to enhance the learning experience, whilst meeting the needs of students and employers.

- Debra Forsythe-Conroy,
Principal of Harrogate College

HARROGATE COLLEGE CASE STUDY



SUCCESSFUL AND DISTINCTIVE PLACES

Our area has a number of distinct advantages. York and Harrogate consistently rank amongst the best towns and cities to live in the country, and our rural areas include two national parks and the Yorkshire coast. Many have excellent connectivity on road and rail and, in York, we have the highest level of skills in the North.

And yet, our area is not without its challenges. Our high quality of life has made the area extremely attractive and this, alongside low average wages has led to our area having the worst housing affordability gap in the North of England. We need to ensure that we make the most of our significant potential by promoting the right conditions for high value jobs and supporting growth in our urban, rural and coastal economies.

We are well placed to address these challenges and we are working to encourage investment here. Our £122 million Growth Deal and recyclable Growing Places Fund from government has enabled us to improve the viability of sites, attracting more investment locally, leading to an increasing supply of housing and good quality jobs. Last year we developed our plans, this year we have been investing and seeing our developments starting to take shape.

We are investing to unlock barriers to developments for new infrastructure for both housing and employment. These investments vary from flood prevention, access roads and bridges, and all are focused on getting sites into a position whereby the private sector will invest and deliver growth.

OUR 2015/16 CAPITAL INVESTMENTS



01. Scarborough Housing growth

Access road to unlock major housing site (625 units leading to an overall scheme of 1,350 units)

02. Catterick Garrison growth

Improved road junctions enabling further housing (1,900 units) and employment growth

03. Northallerton housing and employment

Access road and bridge over a railway for a major housing development (950 units)

04. Malton Agri-Business Park

Invested in a roundabout and access road to fast track a new agri-business park

05. Skipton Employment / Flood Alleviation Scheme

Flood alleviation scheme, in partnership with the Environment Agency protecting Skipton and enabling further employment growth

06. Bishopdyke Enterprises Limited (£2.95m)

Site infrastructure works to develop a new industrial business park at Sherburn-in-Elmet

07. Askham Bryan College Agri-Engineering Centre and Agri-Skills Centre

08. Harrogate College Investment

In new vocational skills centre and refurbishment of main college building

09. Bedale and Askew Bypass

Major investment in a new relief road for Leeming Bar, Askew and Bedale.

10. Newlands Bridge

Bridge improvements between Drax and M62



Building more new homes

This year, we have started to make significant progress in achieving our ambition to double house building rates and our latest annual build rate is 71% higher than the average build rate before our Growth Deal.

This is driven by close working with all parties, developers, local authorities and the Homes and Communities Agency as a partnership to deliver more homes.

In terms of investments to accelerate housebuilding we have begun to see developments in Northallerton, Catterick, and Scarborough.

Our investment in housing in Northallerton is one of our key developments. Last year, we invested £1 million in starting the process to build a road and bridge that will unlock a development site for potentially one thousand homes. We are due to invest another £5 million this year. It has the potential to create capacity for 950 homes and create 600 new jobs.

In Catterick we are linking our investments to a whole host of changes already taking place. As one of the largest military garrisons in Europe, it is very different to the rest of our area. The garrison is growing in size and the motorway running alongside it is being upgraded and the private sector has already delivered a new town centre. We are investing in a number of key road junctions that will unlock further development sites. This is to take advantage of the upgrade and help the local transport network get up to capacity to enable the area's growth. The area is one that could accommodate significant growth with its higher proportion of younger people who we want to encourage to stay.

YORK CENTRAL ENTERPRISE ZONE CASE STUDY

We were successful in bidding for Enterprise Zone status for the site which means 100% of business rates for the next 25 years, modelled at around £100m, are retained for the site locally.

Artist's impression of the York Central Enterprise Zone

York has long had virtually all the ingredients to deliver significant high value business growth and inward investment, particularly in sectors like professional services, insurance and rail.

The city has significant advantages for inward investment, including the highest proportion of degree educated people in the North of England, and has good rail connections to all parts of the country, including London within 1 hour and 45 minutes.

When developed, York Central will deliver game-changing high value economic growth for the area, providing a high quality grade A city centre office development, creating up to 8,000 jobs and adding an estimated £1.1 billion to the local economy.

Much work and investment has already taken place by Network Rail and City of York Council, but abnormal site costs and up-front infrastructure requirements have long hindered development of this key site.

By securing Enterprise Zone status for the site, 100% of business rates for 25 years, estimated at £100 million, are retained to reinvest locally. This changes the business case completely, enabling infrastructure to be delivered, by borrowing against future business rate returns increasing site viability.





The existing Sherburn Enterprise Park with an artist's impression of Sherburn2 to the south of the site

Fast tracking new employment opportunities

Enabling the private sector to open up new employment sites or expand existing ones sometimes simply requires additional access to finance that is unavailable commercially.

Our Growing Places Fund is a sustainable fund that invests loan finance into capital projects with returns re-invested into further projects. The fund has been running since 2013 and in 2015/16 made a significant investment of £2.95m into Sherburn 2 Business Park.

Sherburn2 Business Park

The Sherburn2 Investment will provide the finance for site infrastructure to open up a 35 hectare employment site for industrial warehousing usage. This will lever in a further £70 million of private sector investment to produce a site with an end capital value of circa £95 million and with the capacity to house up to 2,500 new jobs. Repayment of the LEP loan plus interest will come from the sale of the serviceable plots created by the developers.

In addition to our Growing Places Fund, we have also made significant Local Growth Fund investments to drive key employment sites. We invested in a roundabout and access road at Malton Agri-Business Park which will provide a home for a new livestock market and food related businesses. This site connects to our priority sector of agriculture, agri-tech and the bio-industry and was designated by Government as a Food Enterprise Zone, one of only six nationally.

In Skipton, gateway to the Yorkshire Dales, flood alleviation was the priority. We are working principally with the Environment Agency and Craven District Council on a scheme that reduces flood risk for 500 homes and businesses, and unlocks eight hectares for employment and housing projects. Furthermore, vital road and rail links will also be protected to this beautiful area, an important part of our tourism industry.

The Largest Private Sector Investment in the North

Economic contribution at full production

2,500

direct and indirect jobs

£2.3 billion

annual contribution to UK GDP

£2.5 billion

of exports per annum – representing a 7%
reduction in the 2015 balance of trade deficit

By prioritising the bioeconomy sector we hope to help
agriculture address the global food security challenge –
that is, the world's rapidly increasing demand for food.

Nowhere is this more apparent than through our support of a £1.7 billion Potash mine –
the largest private sector investment in the North, and which we supported through planning
permission this year.

Sirius Minerals plc. behind the project wants to become a world leading producer of
multi-nutrient fertilizer, and the area of interest on our patch, contains the world's largest
and highest grade polyhalite resource essential for these fertilizers and plant growth.

It is an invaluable opportunity to rebalance our area's economy by generating trade along
Yorkshire's traditionally more deprived coastline which has many opportunities for growth.

Such a major project called for some strategic thinking on our behalf, which is why we also
approved a £2.5 million Growing Places loan to nearby Whitby Business Park to accommodate
supply chain businesses for the mine.

With the potential to increase our local economy by around 20% and plans to develop the mine
sustainably with the surrounding landscape, this project represents a very exciting opportunity to
grow not only our local economy, but to also make a significant national contribution too.



The site for the new £1.7 billion Potash mine



The North Promenade, Bridlington

Our Opportunity Coast

Our coastal areas have huge potential and this year experienced a step change in their development.

This year, the North Bank Partnership which brings together public and private sector partners along the coast, produced a Yorkshire Coast Growth Plan to maximise these opportunities. Within the plan, Scarborough and Bridlington are to fulfil their roles as principal towns and major centres of growth. Both of the town centres are to be significantly reinvented to attract new investment in the coming years.

We have long supported the proposed £1.7 billion private sector investment in the new potash mine, including the early investment of £2.5 million in Whitby Business Park to accommodate supply chain companies.

In addition, there is growth in the local offshore and renewables sector, investment by Coventry University and other partners to create a new campus in Scarborough. In Bridlington, agreement on a preferred option has been reached to enable progress with harbour and marina developments, as a major part of the Town Centre Development Plan and ambitious growth targets which mean the Yorkshire coast is set for significant growth over the coming years.



Skipton, the gateway to the Yorkshire Dales

Supporting the rural economy in the Dales, Moors and Wolds

Large parts of our area are rural and an important part of our work is growing the economy in a sustainable way to protect our beautiful landscapes.

We are working with partners to develop programmes of activity for employment opportunities and growth in our rural areas. In February, some of our grant programmes opened following awards of more than £6 million European funding (LEADER). The grant has been secured until 2020 as part of various LEADER programmes, and we are looking forward to supporting the projects that follow.

Future challenges

We have made great progress over the last year but we still have challenges to overcome. Whilst housing numbers are increasing, we still haven't achieved the levels set out in Local Plans and this level of housing needs to be delivered year on year. Local Authority partners are working hard to ensure Local Plans are up to date and adopted and this is important, because it gives the private sector the confidence to invest and bring forward proposals. We will continue to work with local authority partners to ensure Local Plans are in place and importantly, that the targets within them are achieved.

We must also listen to business, responding to new market opportunities, ensuring that businesses that want to grow and invest here can access good quality employment land and accommodation. Working cross boundary in collaboration with our neighbouring local enterprise partnerships is key to this strategy.

Homes for people to live in and good quality jobs are vital if we want our area to be attractive to a higher proportion of younger people who we want to encourage to stay in their community.

A WELL-CONNECTED ECONOMY

With our large and diverse rural landscape comes a need to help provide our businesses with the transport, mobile and broadband connections they need to connect with their staff, customers and markets.

With the A1, A19 and East Coast Mainline, our North-South transport connections are good, but East-West from the Yorkshire Coast to York and across to Harrogate, Skipton and Lancashire need to be improved. Transport investments are long term with a long lead-in times, therefore whilst we are making progress, investing in local improvements, we have also retained a long term strategic view influencing key national decision makers around both roads and rail.

Rail

One of our major successes this year has been achieving significant improvements in our rail services. Rail is hugely important and working with our partners we have influenced some important decisions this year. We have secured more and better trains right across our patch to help stimulate further growth.

This year the rail franchises with the Trans Pennine Express and Northern lines have been renewed and by making the economic case, highlighting our area's growth, improvements are being made to services to Scarborough, Harrogate, Selby and Hull and to Skipton. These include:



Four trains per hour
between Harrogate and Leeds

2x

Twice as many trains between
York, Malton and Scarborough



Increased frequency
between York and Hull



Newer, better trains and
investment in station facilities

These are important, with government investing billions in HS2, we need to ensure our businesses can get high quality, quick access to this new service – this will ensure that the whole of the North benefits from the investment not just the cities. Going forward we have over £12 million scheduled to dual the train track between York and Harrogate, which is vital infrastructure to enable the electrification of the line, a key part of the plan for fast reliable connections.

We must also ensure we have an important voice in Transport for the North and HS2 discussions to ensure these planned infrastructure investments have the maximum impact. A successful North is one where rural and urban areas work and connect together providing the benefits of agglomeration and quality of life to potential investors.

EAST TO WEST CONNECTIVITY



North to South connections in our area are excellent and this has been underpinned by recent investment in the local trunk road and motorway network, not least the recent upgrade of the local A1 to motorway status. However, there is room for improvement in our East to West connections.

We are working with local authorities, Highways England and the Department for Transport to improve East West connectivity and this remains a key priority in our strategic economic plan.

We are building the case for investment in the A59 between Skipton, Harrogate and York, the York Outer Ring Road and the 1079 between York and Hull. We also need to find a solution to congestion in Harrogate and are lobbying Highways England and the Department for Transport for improvements to the A64 between York and Scarborough.

What is required will not be resolved overnight and so this is a long term and ambitious plan which aims to bring our east west connections up to the standard of our highways running north south.

That plan is now being developed, and future growth funds, will continue to invest to achieve this.

We have made some progress against the long term ambitions and there are already some planned investments. These include:

A1079 – New roundabouts on the A1079 between Hull and York.

A64 Hopgrove – the upgrading of the Hopgrove junction on the A64 (we are working with local businesses to push for the Highways England scheme to include some dualling towards Malton & Scarborough).

A1/A59 Junction – Increasing the capacity of the junction near Harrogate.

Three significant investments that will aim to be completed within the next 5 years that will begin to address our east west deficiencies and encourage further growth and investment in our LEP area.



The often crowded A64 running through much of our area

Resilience and reliability of our road network

Although not transformational, our economy needs reliable and resilient road networks. We saw this during the 2015 winter flood event that cut off many of our communities and businesses. So as a LEP we see this as an important part of a growing economy.

We had two major investments in 2015/16 – Newlands Bridge, now completed and we have also started to invest in road improvements around North Yorkshire, on some of the key roads going into our towns, which act as a driver for the wider local economies.

Ensuring we have a good quality, resilient road network will increase investment and growth. As we saw during the flooding at Christmas, resilience has a big effect on businesses and their ability to trade and grow. To respond to this, we have worked in partnership with North Yorkshire County Council, who have provided a loan of £2.5 million to allow us to accelerate investments in flood defences which will protect business and safeguard jobs. These investments will be delivered in 2016/17.

Again that is just the start of the programme and we have further investment to come. We have also made a number of Local Growth Fund investments in highways improvements which will continue in 2016/17.

Broadband

Establishing great broadband is particularly essential in our area which largely comprises widespread, rural small businesses. For those working remotely it's the means to compete on an international scale. Combined with our strengths in agri-food and biotechnology this is too big an opportunity to miss. In some of our area we have excellent connectivity, including York - the UK's first gigabyte city. This year through NYNET, investment continued to roll out superfast broadband across North Yorkshire, and we secured additional EU investment to go further but cannot stop there. A technical group has been convened to advise on further opportunities.



Future Challenges

We are committed to the Northern Powerhouse, building a North which can compete internationally and our cities and rural areas working together. Building a North which is connected with fast reliable networks is crucial to this. It requires long term strategic planning, particularly around transport where investment timescales can be complicated.

We will continue to invest in improving our road network, whilst working in partnership across the North of England to lobby for the right transformational investments. This includes full electrification of our rail network alongside ensuring HS2 and HS3 plans include connectivity to the wider rural hinterland. These transformation investments only provide value for money if they benefit the whole of the north.

Within our area, we must find a solution to congestion around York and Harrogate, whilst connecting the Yorkshire Coast with its multi-billion private sector investments.

From a digital connectivity perspective, we have a single vision. We must have 100% high speed broadband and mobile connectivity to capitalise on the full economic potential of our rural areas. We will continue to lobby government to ensure this vision is understood nationally.

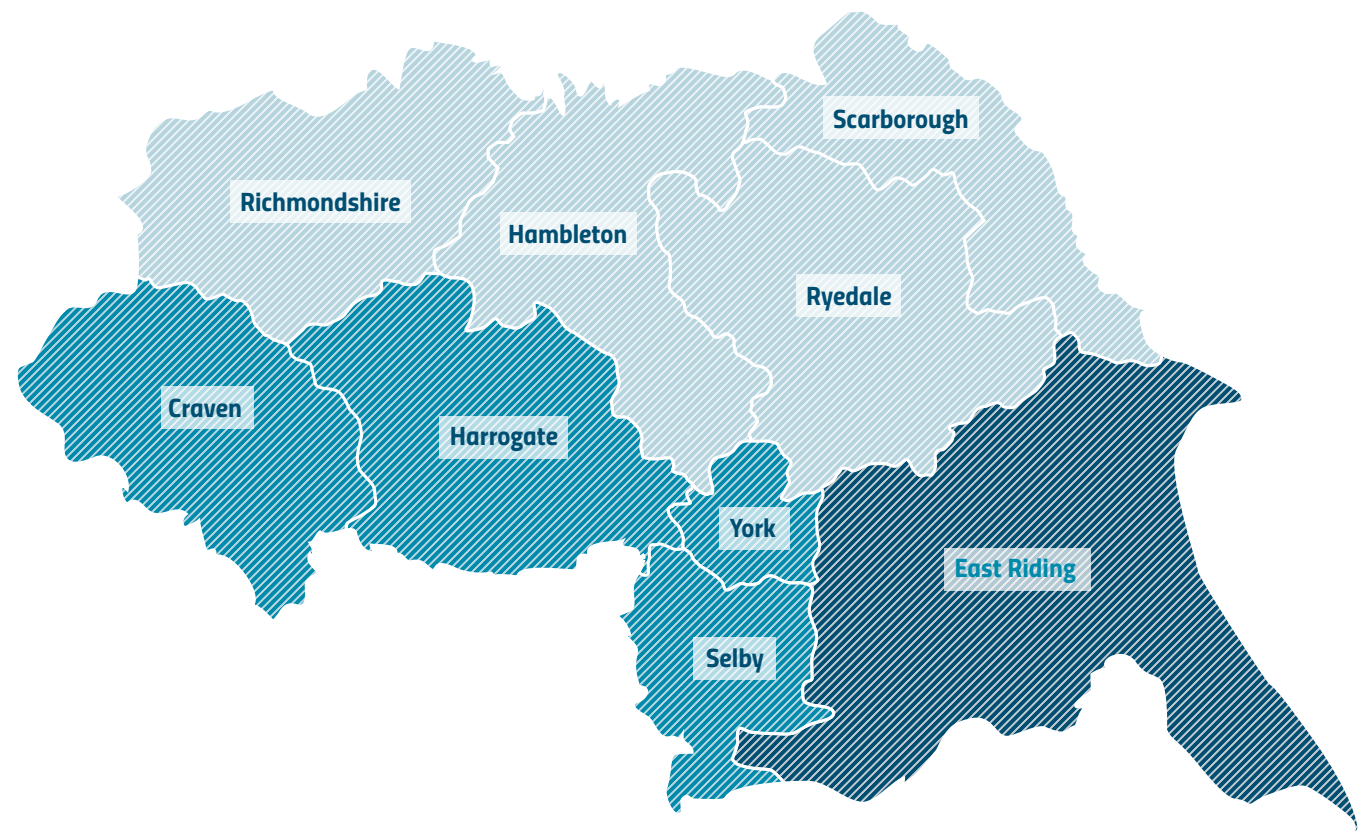
ABOUT THE LEP

HOW WE WORK

The LEP and its governance structures set the vision and outcomes, following the Strategic Economic Plan and the 2016 Update, that guide the allocation of resources at a project level, monitor and ensure results achieve intended outcomes.

The LEP Board provides overall leadership and guides key decisions with responsibility for ensuring overall delivery of the Growth Deal and other LEP funding programmes. This includes the balance between themes, programmes and strategic review. The LEP Board however delegates all decisions on individual projects to the relevant Programme Board.

The LEP area overlaps two other Local Enterprise Partnership boundaries: Leeds City Region and the Humber LEP. The local authorities of Craven District, Harrogate Borough, Selby District and City of York are also within the Leeds City Region area, and the local authority of East Riding is also within the Humber area.



Overlap with Leeds City Region

Overlap with Humber LEP

WHO'S ON THE BOARD



GOVERNANCE STRUCTURE, ORG CHART OF BOARDS AND TERMS OF THE BOARD

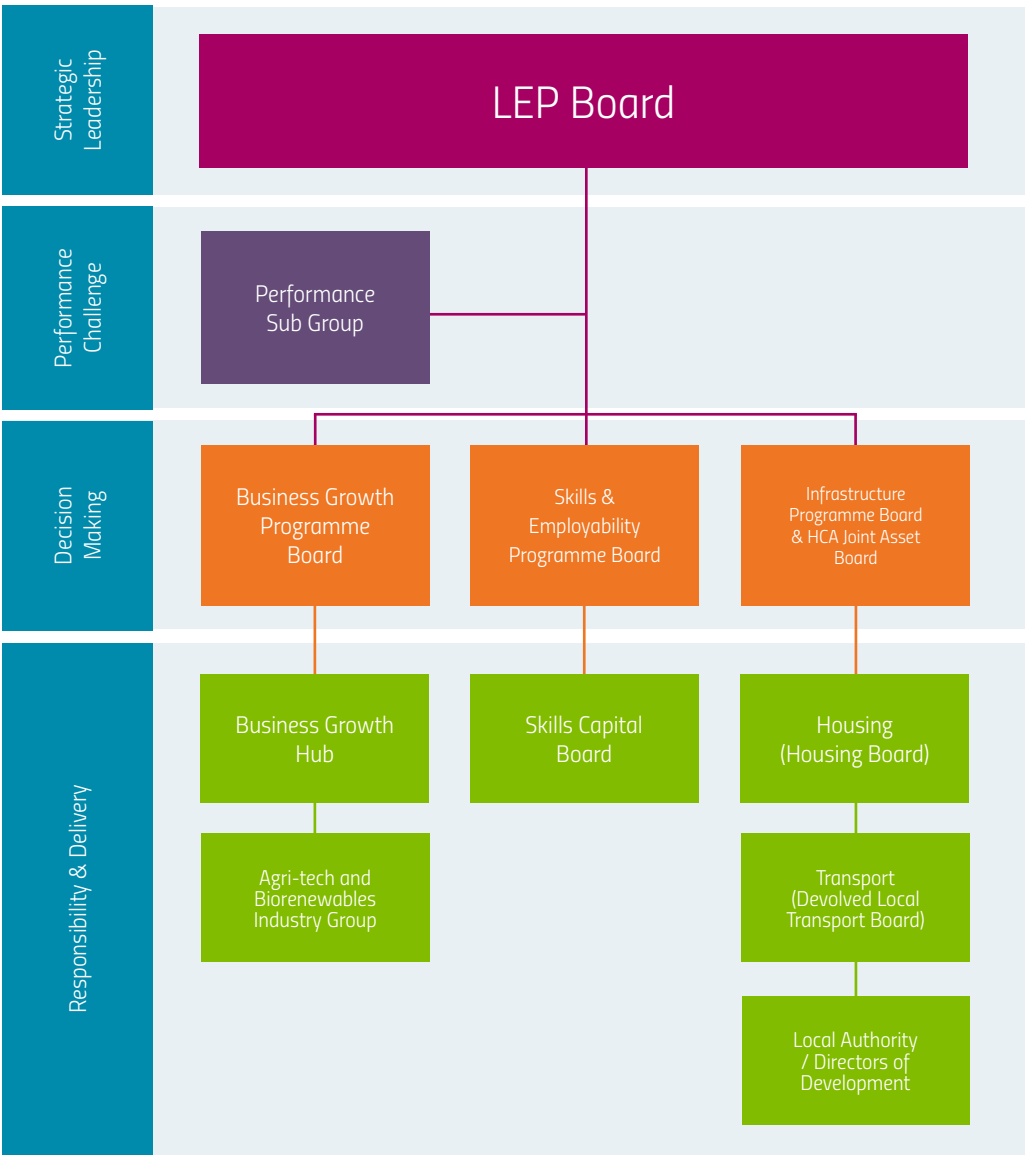
LEP governance structures

The role of the LEP and its governance structures will be to set the vision and outcomes (set out in the Strategic Economic Plan) that will guide the allocation of resources at a project level, and to monitor and ensure results achieve their intended outcomes.

LEP Board membership and role

The LEP Board will provide overall leadership and guide key decisions and are responsible for ensuring overall delivery of the Growth Deal and other funding programmes rooted through the LEP, including the balance between themes, programmes and strategic review. The LEP Board however delegates all decisions on individual projects to the relevant Programme Board.

The structure of the LEP



LEP Programme Boards

The LEP Programme Boards prioritise and approve individual investment at a programme level and ensure delivery in accordance with the Strategic Economic Plan. Each Programme Board is chaired by a full York, North Yorkshire & East Riding LEP Board Member.

Each of The LEP Programme Boards is responsible for the following strategic priorities, they report directly to the LEP Board on performance against the objectives set out in the SEP and the direction given by the LEP Board.

In total we have three programme boards who are responsible for our five priorities.

Programme Board	Strategic Economic Plan Priority Responsibilities
Business Growth Programme Board chaired by Dr Ruth Smith	1. Successful, profitable SMEs 2. The bioeconomy
Skills and Employability Programme Board chaired by Dr Ruth Smith	3. Inspired people
Infrastructure Programme Board chaired by David Dickson	4. Successful, distinctive places 5. A well connected economy

Transparency and decision making

The LEP will ensure a high level of transparency and the involvement of the public and stakeholders by publishing corporate documents on the LEP website as well as publishing agendas, meeting papers, minutes and other associated reports on the LEP website. As well as that we publish all funding plans on the LEP website and provide regular programme updates.

The York, North Yorkshire
and East Riding
Enterprise Partnership



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