

York, North Yorkshire & East Riding
Local Enterprise Partnership

Local Growth Deal 3

Final
28th July 2016



York, North Yorkshire & East Riding
Local Enterprise Partnership

Local Growth Deal 3

Contents

Summary	Page 3
Revising Our Strategic Economic Plan	Page 6
Lessons Learnt	Page 10
Progress to Date	Page 12
An Integrated Approach to Funding and Investment	Page 20
Governance and Accountability	Page 22
Engagement and Collaboration	Page 26
Growth Deal 3 Focus	Page 29
Our Growth Deal 3 Projects	Page 33

Summary



About York, North Yorkshire & East Riding LEP

Effective

We deliver on our promises.

Local Growth Deal 1 is being delivered on budget, on time. Our track record with Regional Growth Fund, Growing Places and Local Growth fund demonstrates we are a LEP that delivers.

Innovative

Innovation driving value

We are proud to think differently, our innovative approach to supporting businesses has engaged over 50 business networks and 60 Private Sector professionals. Our Pop Up Business Cafes are cost effective, sustainable and being exported to other LEPs.

Decisive

Hard Commercial Decisions

Our Private Sector Performance Sub-Group uses commercial expertise to challenge delivery. We have delivered on our deal, increasing returns on one investment, whilst not being afraid to reject a flagship investment due to lack of business demand.

Transformational

Unique, transformational opportunities

Our natural and business assets provide transformational opportunities across our patch
York Potash – largest private sector investment in North
York Central – largest city centre brownfield site in North
GCHQ – Unique opportunity to deliver an international Cyber Security Innovation Centre

A TARGETED AND AMBITIOUS GROWTH DEAL FOR YORK, NORTH YORKSHIRE & EAST RIDING



A SHARPENED
FOCUS THROUGH A
REFRESHED
ECONOMIC PLAN

...means we're crystal clear
about what's most
important to deliver jobs
and housing growth,
improve productivity and
stimulate private
investment in our area



LEARNING FROM
EXPERIENCE

...Learning lessons and
continuing to improve
the way we do things



BUILDING ON
INVESTMENT +
ACTIVITY TO DATE

...to maximise previous
investments, realise
synergies and continue
our joined up long term
strategy for growth



PART OF AN
INTEGRATED APPROACH
TO FUNDING +
INVESTMENT

...so our proposals for Local
Growth Funding are tightly
focussed and complement the
wider investment of the LEP +
partners and multiply the
outcomes we're able to achieve
through the Growth Deal



FOUNDED ON
STRONG
GOVERNANCE
STRUCTURES

...so we are confident of
robust delivery, strong
decision making and
accountable local
leadership



WORKING IN CLOSE
COLLABORATION
WITH THE LOCAL
AREA + OTHER LEPs

...in order that our proposals
reflect the priorities of, and
have full buy in, from our
businesses, local authorities
and MPs, and work towards
the bigger picture

A TARGETED AND AMBITIOUS GROWTH DEAL 3

Focussed on delivering the top YNYER and national priorities



Creating 10,000 high
value jobs and raising
productivity



Delivering 5,000
homes



Stimulating
£500m private
investment

Through 7 transformational programmes



A SUCCESSFUL
ENTERPRISE ZONE

Accelerating the
development of the
York Central Enterprise
Zone creating 6,500
new jobs and 1500 new
homes.

£10m
LGF requirement

York Central
Enterprise Zone



TRANSFORMATION OF
OUR 'OPPORTUNITY'
COAST

Creating 1,000 new jobs
through a Northern
Cyber Security Technology
Park, the transformational
redevelopment of
Bridlington Harbour and a
further 3,500 new homes
on the coast.

£10m
LGF requirement

Transformational
Plan for Scarborough

Redevelopment of
Bridlington Harbour



HIGH VALUE
EMPLOYMENT

Creating 3000 better jobs
and 500 new homes in our
rural towns and
communities

£8m
LGF requirement

Skipton employment
and housing growth

Harrogate Central
Development

Pickering
employment growth

Northallerton Central
redevelopment



FLOOD RESILIENCE
PROGRAMME

Ensuring that we have a
resilient economy by
investing in key flood
management schemes,
protecting businesses and
unlocking further
development
opportunities.

£5m
LGF requirement

Pocklington

Filey

Whitby Harbour

Malton and Norton

River Derwent
Catchment



SKILLS CAPITAL
PROGRAMME

Ensuring we have the best
environment for learning
and skills, addressing skills
shortages and supporting
our growing sectors

£8.5m
LGF requirement

Craven College

Selby College

Yorkshire Arboretum,
Malton

Scarborough FE
provision

York College

East Riding College –
Bridlington and
Beverley



EAST-WEST
IMPROVEMENTS

Connecting growth
through transport
Improvements on the
A59 and A1079
contributing to the
vision for the
Northern Powerhouse.

£10m
LGF requirement

A1079 Shiptonthorpe
Roundabout
A59 Climbing Lanes
(Harrogate-Skipton)

A1079 Grimston bar

Local Transport
majors:
York Outer Ring Road.
A1079 dualling
Harrogate Relief
Road



BUILDING MORE
HOMES

Promoting a garden
village and other
strategic housing sites
to help deliver 5000
homes to help meet
housing needs across
the LEP area

Support
requested

Bespoke
programme with
the HCA

With detailed plans of prioritised investment ready projects

Unlocked by £51.5m Local Growth Fund investment

Revising our Strategic Economic Plan



A SHARPENED
FOCUS THROUGH
A REFRESHED
ECONOMIC PLAN

The updated Strategic Economic Plan aims to learn from our approach and programme delivery over the last two years as well as nuances about our economy and how it's developing.

What's the same?

There are a number of elements of our strategic approach which have worked very well and are fit for purpose for the next period which we are retaining:

- Our overall priorities and focus – the fundamentals of our economy remain the same and we need to take a consistent long term approach to the major challenges and opportunities
- Businesses at the forefront - Jobs are created by growing businesses, so our investments are focused towards business needs and their barriers to growth. We also see the private sector as central in the delivery of many streams of the plan.
- Agri-food and biorenewables is still the big sector opportunity – While projects funded by the LEP have required refinement, over £50m of private sector, research and public investments into the area have only confirmed the scale of this industry opportunity.
- Our people and skills are key to our big challenges of demographics and productivity – we need to do better at retaining our talent, young people and graduates and translating 'highly educated' to a 'high productivity workforce'
- An intelligent place-by-place approach to investment – The barriers to growth differ fundamentally across our diverse urban, rural and coastal geography and the towns and cities within it. So we have taken an approach which understands the nuance of the economies of different parts of the LEP area, to make bespoke investments which have the biggest impact and take account of the whole
- Major East-West transport as the priority for transport investment– We have excellent North-South connectivity with the East Coast Mainline and A1(M), but major road and rail improvements are needed to make the most of this and better connect towns and cities across the LEP area and the North.
- Building more homes is essential –While we have significantly increased housing delivery, there is still much work to do to tackle our long term challenges around housing availability, affordability and demography.
- We **won't** try to do everything – there is much investment and activity which would be good for the area, but we have thought carefully about what is *not* included in the SEP as well as what is to retain a tight focus on the things which will be transformative in the long term for our economy.



What's Changed?

There are also elements which we are refining, changing or building upon to focus investments and activities where there will be greatest impact:

- Our economy will deliver jobs: creating higher value jobs and improving productivity is where intervention is needed - 2 year statistics show that jobs growth in the region exceeded our 7 year target of 20,000 jobs. However, many of these jobs were in low value sectors such as tourism and care. Our high skill levels suggest our area is capable of making major inroads into its productivity deficit with the right interventions.
- We need to do everything we can to unlock and connect people to high value employment sites *where there is strong market demand* – This shift **won't** come incrementally, yet it must be led by market opportunities. As a largely rural geography we need to focus intently on delivering the limited number of sites where there is strong demand for new high value business space.
- The coast needs holistic interventions to stimulate market demand – A whole place approach is required to make real inroads into the challenges around jobs, housing and deprivation on the coast. With the right investments, there is much opportunity for these towns to become major economic assets.
- Delivering our housing targets requires more than just public investment – Alongside targeted investment, we recognise the need for a range of initiatives to deliver our ambitious targets of doubling housebuilding, e.g. line up local planning policies, galvanise Local Plan processes, and work with landowners, developers and the HCA with strong commercial awareness if we are to deliver our ambition.

- Improving flood resilience is vital for our economy and businesses – the flooding of winter 2015/16 highlighted the need for investment in flood resilience, taking an approach around at risk river catchment areas to protect jobs, avoid major disruption to business and de-risk growth in the future.

- We can do more to maximise the impact of national investment in high speed rail – There is the opportunity to fast-track growth and connectivity around key stations to maximise the economic opportunity of planned national and regional rail improvements, and for widespread benefit across the LEP area and the North.

- We are smarter about delivering more for less by targeting different levers and funds - Rather than simply relying on Government funding as the default to achieve every goal in our strategy, we have taken greater consideration of the full range of public and private sector levers at our disposal. This has enabled us to deliver a business growth hub which is 50x more efficient. It also means Growth Deal allocations which are sharp in focus and well coordinated with other programmes are able to achieve a wider range of outcomes.

- It is even more clear that working together across LEPs will be vital for success – many of the gamechanging investments key to this area will have benefits across the wider North, and there are many synergies to be realised. Wherever possible, we are seeking to work across LEP boundaries.



Our Revised Strategic Economic Plan Priorities



PRIORITY 1 PROFITABLE & SUCCESSFUL BUSINESSES

- 1 Help fledgling businesses get off the ground
- 2 Help established small and micro businesses be more successful
- 3 Help growth minded businesses achieve their ambitions
- 4 Establish 'How's Business?' as the preferred access point to public and private business support



PRIORITY 2 A GLOBAL LEADER IN AGRI-FOOD & BIORENEWABLES

- 5 Facilitate connections between agri-food / biorenewables businesses and support supply chains interventions
- 6 Enable small and micro businesses to access new intellectual property, technology and processes which drive commercial value
- 7 Attract investment to our area and our businesses
- 8 Develop markets
- 9 Develop the skills needed by businesses for the future



PRIORITY 3 INSPIRED PEOPLE

- 10 Increase employability of our young people and attract and keep young talented people in our area
- 11 Develop our local workforce
- 12 Work to develop strong communities and build the skills, attitude and ambition to help people access jobs
- 13 Ensure that the area has the right investment in skills infrastructure



PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES

- 14 Unlock the housing growth the area needs
- 15 Fast-track employment sites with market demand for high value sector growth
- 16 Stimulate market demand on the coast
- 17 Enable sustainable rural economies



PRIORITY 5 A WELL CONNECTED ECONOMY

- 18 Improve East West connectivity, particularly between towns and their neighbouring cities
- 19 Maximise high speed rail investment through station improvements and better access
- 20 Ease congestion in York and Harrogate
- 21 Enhance the resilience of the road network, particularly to flooding
- 22 Ensure widespread reliable telecommunications and high speed broadband

Lessons Learnt



LEARNING FROM
EXPERIENCE



Lessons Learnt

We've sought to build on our experience of delivery over the previous growth deals, both what has worked well and what could be improved, in honing our approach for Growth Deal 3.

Taking a market demand and industry led approach to major programmes

Industry leadership and demonstrable business demand is crucial to delivering major developments and economic growth.

This has been particularly true in maximising our investment in the agri-food and bioeconomy sector where, following the business decision to decline a public sector led investment, we have developed an industry led task group to define the sectors needs.

A private sector led Performance Sub-group provides challenge to our projects ensuring we take a commercial approach to key decisions.

Examples include our innovative private-sector led opportunity to create a GCHQ partnered National Centre for Cyber Security.

Ensuring robust assessment and appraisal

Making tough commercial decisions including turning down businesses cases for projects which are insufficiently robust, requires clear, transparent appraisal processes and strong governance.

We have both built internal capacity in this area, as well as having processes in place for utilising independent assessment where necessary.

Our experience across previous growth deals has also helped to build expertise and awareness with partners around what makes a sufficiently strong business case (and the implications for failing to address concerns), which we believe is demonstrated in the strength of the programme and projects outlined for Growth Deal 3.

Building partnership capacity and a collaborative approach with Local Authorities

Realising the growth potential of our area means partners working together towards a shared vision.

We have learnt the benefits of being closely integrated with our local authority partners to enable delivery against the growth deal and local priorities.

Part of this commitment to working together has been to build partnership capacity through secondees and shared resources.

Covering the majority of our local authority partners, this has brought capacity and expertise to the LEP team, local insight and intelligence, their own internal networks, and excellent connections and communications with the Local Authorities we represent.

The result is a truly collaborative approach which is demonstrated in the detailed project proposals and mature prioritisation made possible through these strong relationships.

Establishing a strong pipeline of deliverable projects

Our delivery is on budget and on track. This is because we take a proactive approach to ensuring a strong pipeline of investments.

Beyond simply responding to funding calls when they come, we have recognised the importance of investing in the feasibility work to enable a strong pipeline of investment-ready projects.

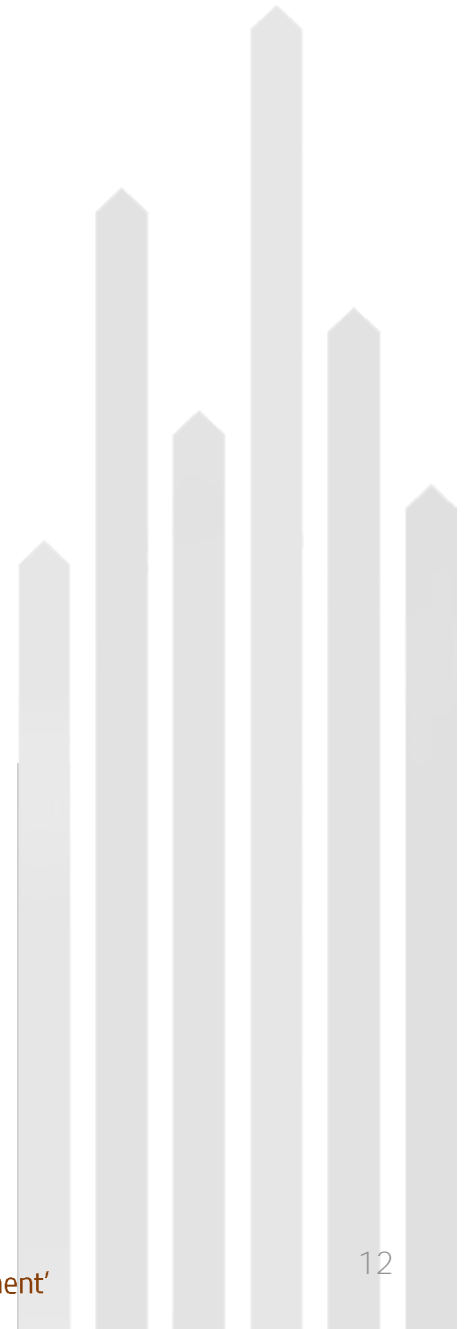
This provides us with the flexibility to respond to changes while still ensuring programmes are delivered.

As a result of this work, we were able to appraise around 80 bids coming forward for Growth Deal 3, prioritising to this submission of the highest impact, most deliverable projects.

Progress to date



BUILDING ON
INVESTMENT +
ACTIVITY TO DATE



Building on our success

We are:

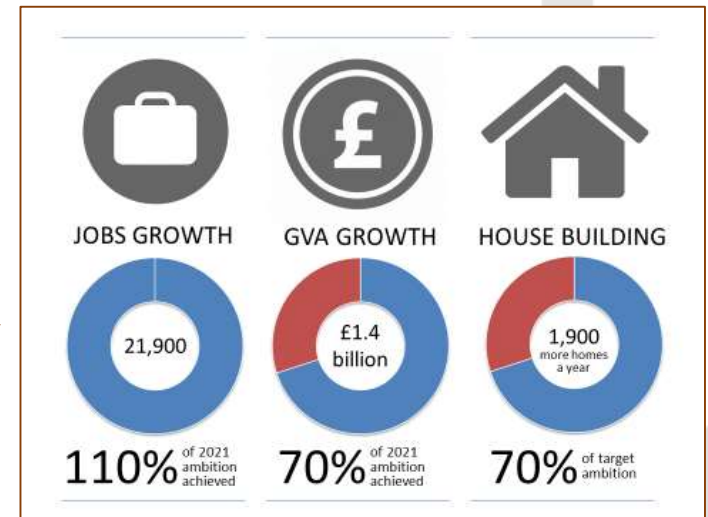
- Meeting our ambitions of job creation, growth and house building
- Successfully delivering the first year of our Growth Deal which is on track and delivering real outcomes
- Learning lessons and continuing to improve the way we do things
- Finding innovative ways in which to support local businesses
- Demonstrated **through our Growth Hub (How's Business) and pop up business advice cafes**
- Working closely with our local authority partners on a spatial framework across the LEP geography
- Seeking to establish which businesses believe they can benefit from BREXIT and help mitigate any adverse impact on the others

We have:

- Strong and improving governance structures
- Engaged closely with local businesses and increased the level of private sector involvement in our Growth Deal
- An industry led approach to growth investment
- Robust performance management and direct private sector LEP Board involvement in Growth Deal delivery

We want:

- To build on our successes and do more – creating Better Jobs, More Homes and Extra Investment.
- Further Local Growth Funding to deliver an additional jobs, continuing to increase house building rates and attracting additional follow on private investment



We are meeting our ambitions of job creation, growth and house building

Our success is built on:

Effective Delivery

Innovative Approach

Making Decisive Decisions

Maximising Transformational Opportunities

What have we done so far?

PRIORITY 1 PROFITABLE & SUCCESSFUL BUSINESSES

- #1 Help fledgling businesses get off the ground
- #2 Help established small and micro businesses be more successful
- #3 Help growth minded businesses achieve their ambitions
- #4 Establish 'How's Business?' as the preferred access point to public and private business support

WHAT WE HAVE DONE.

- Established a successful innovative Business Growth Hub (How's Business)
- Worked in collaboration with other LEPs to establish the Northern Powerhouse Investment Fund
- Successful business grants programme delivered through a private sector partner
- Run a series of award winning pop up business cafes providing advice and support to local businesses
- Helped conceive and establish the Hiscox Business Club providing 35 local businesses with free space and networking opportunities
- Developed through the ERDF programme a range of business support and innovation programmes.

162 business
advisers
supporting us

52 business
networks working
with us

Held 16 popup
business cafes

4,437
business
supported

www.howsbusiness.org
Growth hub launched

GROWTH DEAL 3 FOCUS.

- Continue to support small and medium sized enterprises through further innovative business support programmes. Building on our successful and innovative Growth Hub model and pop up business cafés.

What have we done so far?

PRIORITY 2 A GLOBAL LEADER IN AGRI-FOOD & BIORENEWABLES

- #5 Facilitate connections between agri-food / biorenewables businesses and support supply chains interventions
- #6 Enable small and micro businesses to access new intellectual property, technology and processes which drive commercial value
- #7 Attract investment to our area and our businesses
- #8 Develop markets
- #9 Develop the skills needed by businesses for the future

WHAT WE HAVE DONE.

- Allocated £12m of Local Growth Funding to support the capital infrastructure requirements of the agri tech, biorenewables and food manufacturing sector
- Supported FERA Science to secure £50m for two UK Agri-tech Centres of Excellence
- Invested in supporting the National Food Innovation Network
- Delivered Agri-Food Yorkshire to bring together local networks and businesses

Helped partners secure

£50m

investment for two agri-food centres of excellence at the National Agri-Food Innovation Campus, Sand Hutton

National Food Innovation Networked launched

Malton Agri-Food Park secures Food Enterprise Zone

GROWTH DEAL 3 FOCUS.

- Continue to support the agri-food and biorenewables sector through the existing Growth Deal

What have we done so far?

PRIORITY 3 INSPIRED PEOPLE

- #10 Increase employability of our young people and attract and keep young talented people in our area
- #11 Develop our local workforce
- #12 Work to develop strong communities and build the skills, attitude and ambition to help people access jobs
- #13 Ensure that the area has the right investment in skills infrastructure

WHAT WE HAVE DONE.

- Established ESF investment programmes to support employability, young people, developing our workforce, apprenticeships and people furthest from the labour market.
- Successfully completed projects investing £4.7 million at Harrogate College, Askham Bryan Agri-engineering Centre and Agri-Skills Centre and also invested in state-of-the-art engineering equipment in Selby College.

£4.7m

invested in Harrogate, Askham Bryan and Selby Colleges

1,198

Small businesses supported with training

35

Schools committed to quality assured careers advice

25

Schools working with Enterprise Advisors

GROWTH DEAL 3 FOCUS.

- Continue to invest further in skills infrastructure focused on the Coast
- Address skills gaps in the bioeconomy, engineering, construction, visitor economy & VCSE

What have we done so far?

PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES

#14 Unlock the housing growth the area needs

#15 Fast-track employment sites with market demand for high value sector growth

#16 Stimulate market demand on the coast

#17 Enable sustainable rural economies

WHAT WE HAVE DONE.

- We have formed a strong partnership between the LEP, HCA and Local Authorities and have seen a 70% increase in new homes built. Committed investments of £17.5m at Northallerton, Scarborough, Catterick and Selby to enable the building of 4000 new homes and lever £150m of private investment.
- Committed investments of £17.5m at Northallerton, Scarborough, Catterick and Selby to enable the building of 4000 new homes and lever £150m of private investment.
- Invested £1.2m in flood alleviation infrastructure enabling 7 ha of developable land in Skipton
- Invested £2.1m to develop an agri-business park (Food Enterprise Zone) at Malton, creating 600 jobs and leveraging £20m of private investment.
- Invested £8m through Growing Places Funds to fast track employment sites at Melmerby (Ripon), Whitby and Sherburn.
- Secured Enterprise Zone status for the 72ha York Central site.

71%

Achieved for against this years target – and 1,919 new homes more 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

£1.2m

Invested in flood defences in Skipton with a further £3.1m towards schemes developed for 2016/17 to safeguard jobs in response to the December floods

GROWTH DEAL 3 FOCUS.

- To stimulate further employment growth and more house building on the Coast – Our Opportunity Coast
- To fast track and enable further development land to be opened up in rural towns – Better Rural Jobs and Growth
- To accelerate development of York Central Enterprise Zone – Our Enterprise Zone
- To co design a bespoke housing investment programme with Local Authorities partners, the HCA and housing developers and implement a range of tools to further encourage housebuilding.

What have we done so far?

PRIORITY 5 A WELL CONNECTED ECONOMY

#18 Improve East West connectivity, particularly between towns and their neighbouring cities

#19 Maximise high speed rail investment through station improvements and better access

#20 Ease congestion in York and Harrogate

#21 Enhance the resilience of the road network, particularly to flooding

#22 Ensure widespread reliable telecommunications and high speed broadband

WHAT WE HAVE DONE.

- Committed £8.8m in the A1079, and improving capacity of the A1/A59 jct near Harrogate.
- Committed to a £42.2m five year investment programme in a major programme of road improvements across the LEP area.
- Invested in the construction of the Bedale, Aiskew and Leeming Bar Relief Road.
- Investing £3.1m in improving the resilience of the road network at Tadcaster and Dalton (Thirsk).
- Committed £9.6m to increase the capacity on the York-Harrogate rail line.

£4.4m

Invested in highway improvements across North Yorkshire and at Newlands Bridge near Drax.

£15.5m

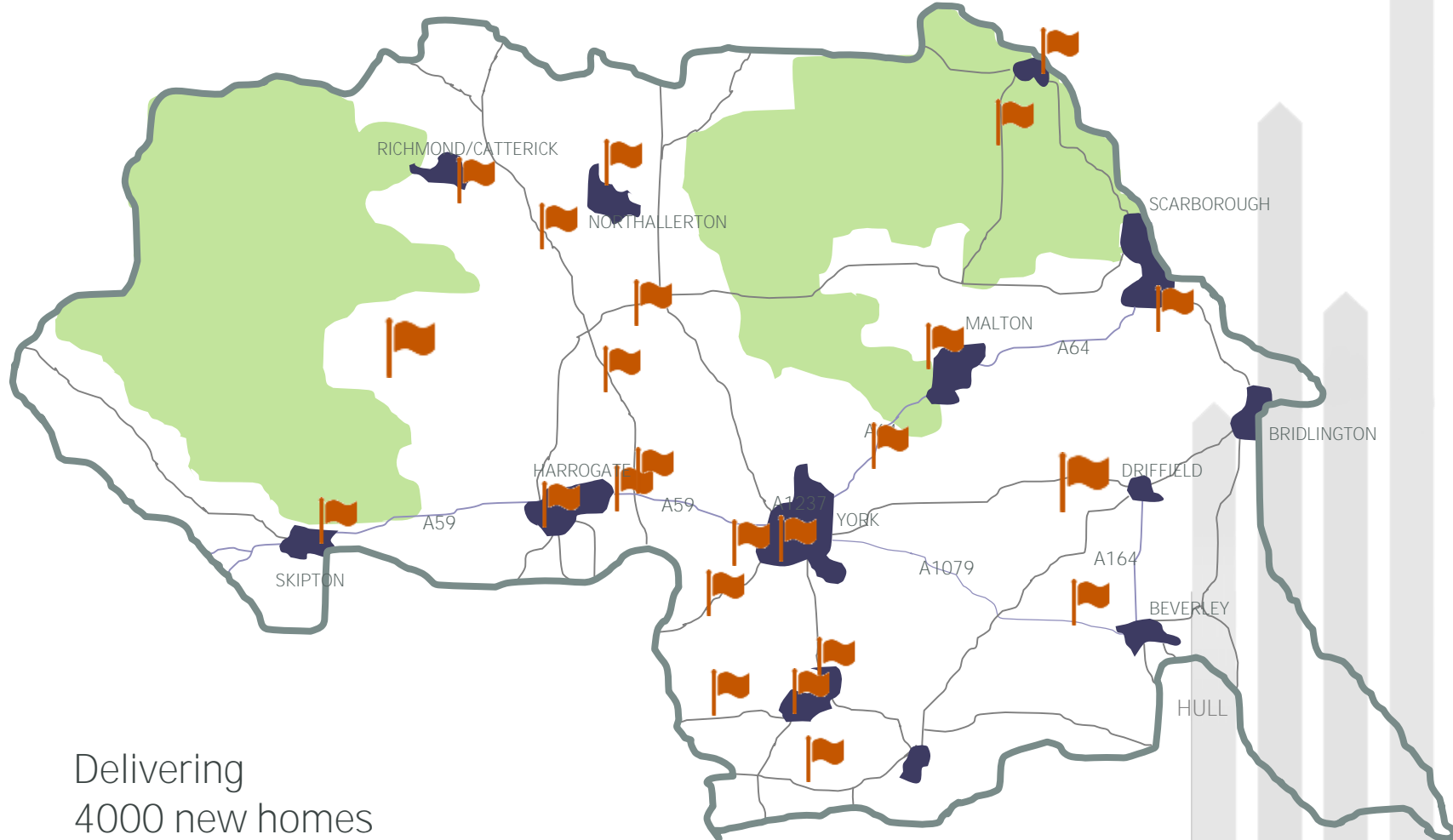
Local growth Fund invested in Bedale relief road due to open on time and to budget.

GROWTH DEAL 3 FOCUS.

- Developing Local Transport Majors projects and attract further Local Growth Funding to improve our East West connectivity
- Enhance the resilience of our economy particularly to flooding

Key Place Based Projects

What have we delivered so far?



Delivering
4000 new homes
4000 new jobs

 Current LEP infrastructure investments

An Integrated Approach to Funding and Investment



PART OF AN INTEGRATED
APPROACH TO FUNDING +
INVESTMENT

An integrated approach to funding

As a LEP we recognise that in order to achieve our ambitious plans for growth we need an integrated approach to public sector funding and investment. The table below sets out where our emphasis is in terms of EU Funding (ERDF, ESF, EAFRD and LEADER), Growing Places Fund(GPF), Local Growth Funding (LGF) and other public sector funding (including Environment Agency, Local Authority, and Coastal Communities).

Investment Strategy

	ERDF	ESF	EAFRD	LEADER	GPF	LGF	Other Public sector
PRIORITY 1 PROFITABLE & SUCCESSFUL BUSINESSES	High	Medium	Medium	High	Low	Medium	Medium
PRIORITY 2 A GLOBAL LEADER IN AGRI-FOOD & BIORENEWABLES	High	Medium	Medium	Medium	Medium	Medium	Medium
PRIORITY 3 INSPIRED PEOPLE	Low	High	Low	Low	Low	High	Medium
PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES	Medium	Low	Medium	High	High	High	High
PRIORITY 5 A WELL CONNECTED ECONOMY	Medium	Low	Medium	Low	Low	High	High

Emphasis of funding programme

High

Medium

Low

Governance and Accountability

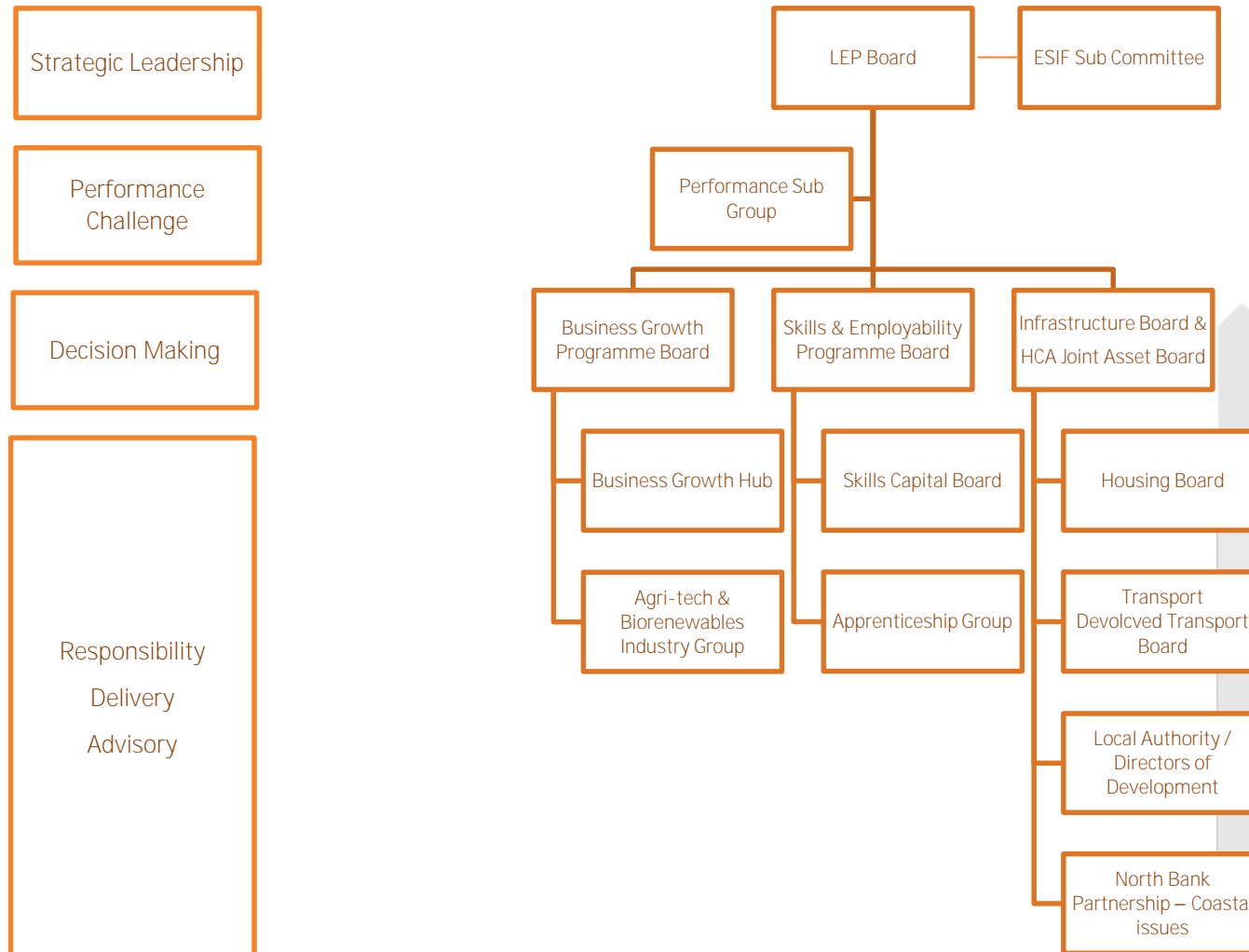


FOUNDED ON STRONG
GOVERNANCE
STRUCTURES

Delivery focused governance

The York, North Yorkshire & East Riding LEP brings together the best of both public and private sector to provide decision making and investment management which is robust, strategic and, importantly, delivery focused.

Both our Growth Deal and Growing Places fund are on track, on budget, with a strong investment pipeline.



Lessons Learnt

Building on the Growth Deal 1 and 2, the LEP has strengthened its governance through;

Implementing a Private Sector led Performance Sub Group	Identified as National Best Practice by the LEP network and reporting to the main LEP Board, a Private Sector Performance Sub-Group, provides strategic input and individual challenge at a project level. The purpose is to drive delivery and maximise return for the public purse. Within its first year, this has already delivered additional returns for £1.2m to a Local Authority partner.
Integrating with emerging devolution proposals	The LEP Infrastructure Board has taken on the role of Joint Asset Board with The Homes & Communities Agency. This provides streamlined, integrated planning and decision making across housing, employment land and transport and builds on the strength of the One Public Estate model. A core objective will be accelerating housing growth utilising both LEP and HCA investment mechanisms.
Strengthening Local Authority Partnerships	<p>Local Plans are crucial to our ability to deliver housing growth and we are committed to supporting our Local Authorities to develop, adopt and deliver Local Plans. Creating a Directors of Development group across all Local Authority Partners has improved partnership working, promoting cross authority planning and supported the duty to collaborate.</p> <p>The LEP is building cost-effective capacity through a secondment approach with Local Authority partners. 6 of our 9 Local Authority partners now provide part time secondment support into the LEP. The benefit of this approach is shared capacity, improved local knowledge and better joint working between the LEP and LA's.</p> <p>This group also support delivery through shared learning, and cross authority support.</p>
Industry leadership in our priority sector	Having rejected an innovation investment because of a lack of evidenced business demand, we have created an industry group to identify capital investments key to the development of the agri-tech and bio-renewables sector.

Capacity and Delivery

The LEP has built significant capability through its Growth Deal, however we also acknowledge that local partners, in particular Local Authorities are key to delivery on the ground, and they are experiencing significant budget constraints. Therefore *operating as a single team* for the region is key. This has required flexibility and joint working to deliver the desired outcomes. This includes the LEP building internal capability through secondments, whilst also *investing in local partners* capacity to ensure business plans are investible and deliverable.

The *LEP Performance Sub-Group* provides private sector expertise to drive development and delivery as demonstrated by securing an additional £1.2million return for Scarborough Borough Council, whilst delivering ahead of profile on our Growth Deal year 1.

A further example of the *regional partnership* we have developed and *trust in our capabilities* is North Yorkshire County Council providing the LEP with a £2.5m loan, secured against Local Growth Deal returns, to *accelerate flood defence investment* which will protect jobs following the December floods.

Prioritisation

Potential Investments were appraised by the LEP Secretariat and categorised as Business, Skills or Infrastructure. Business projects were prioritised by the main LEP Board, skills by the Skills Capital Board and infrastructure by the Infrastructure Board.

The final submission was subsequently prioritised by a Prioritisation Board consisting of

- LEP Performance Sub-Group (3 x Private Sector LEP Board Members)
- LEP Skills Capital Board Chair
- Federation of Small Businesses (also LEP Skills Capital Board Member)
- LEP Infrastructure Board including Local Authority Members

Engagement and Collaboration



WORKING IN CLOSE
COLLABORATION WITH THE
LOCAL AREA + OTHER LEPS

Complicated Geography and Devolution

Geographically the largest LEP, but with a mix of unitary and two tier Local Government and overlapping areas with both Humber and Leeds City Region LEPs, and with Local Authority devolution discussions reflecting this complicated geography, cross LEP collaboration has been crucial. Our approach is non-political focussing on delivering shared outcomes, supporting capacity where it is best placed to deliver.

The four Yorkshire & Humber LEP Chairs and Chief Officers meet formally on a bi-monthly basis to ensure strategic alignment and to strengthen our joint input into wider geographical issues such as the Northern Powerhouse, whilst at a project level we have developed formal joint working with both Humber and Leeds City Region. Where we have joint investment opportunities, we develop formal arrangements, sharing due diligence and project teams to deliver a joint outcome.

Examples include:

Yorkshire Wide:	Northern Powerhouse Investment Fund
Yorkshire & Lincolnshire wide:	Manufacturing Supply Chain Programme
Humber LEP:	Careers advice in schools
Leeds City region:	Investment in bioeconomy
Leeds City Region & HCA:	Housing & Employment Land at Olympia Park, Selby
Leeds City Region:	Joint Inward Investment Proposal securing 400 jobs in Sherburn in Elmet from L&G Homes

We are *fully supportive of mayoral devolution* and continue to integrate our plans and strategies into devolution proposals. We remain committed to supporting a positive outcome with the LEP Chief Officer forming part of the York, North Yorkshire & East Riding Devolution Development Leadership Team. All plans submitted are fully aligned with the LEPs aims and ambitions and the LEP is *embedded in proposed decision making*. A good example of this is the LEP Infrastructure Board becoming the *Joint Asset Board* with the HCA in advance of any Combined Authority being formed.

Engagement

The LEP has updated its Strategic Economic Plan, consulting widely with public and private sector partners. This plan has formed the basis for this submission, reaffirming and refining our strategic priorities based on lessons learnt and economic changes since the initial plan was launched.

The specific projects within the submission have all been consulted with by the LEP Sub-Boards which provide a mix of public and private sector expertise across business, skills and infrastructure.

In addition all our regional MPs are fully engaged and supportive of our submission.

This is a bid for the region, backed by the region. The list below summarises the key groups consulted in the updating of the Strategic Economic Plan and development of the bid.

Strategic Partners MPs Local Authority (Individually & Collectively) Neighbouring LEPs	Business Business Growth Hub Board 50 Business Networks
Skills LEP Skills Board College Principals VCSE Sector	Infrastructure LEP Infrastructure Board YNYER Housing Board Environment Agency

We are a LEP which works in genuine partnership with local partners, capitalising on the strengths of both public and private sectors to deliver on our promises.

York, North Yorkshire & East Riding offers a genuine local partnership delivering together to achieve a shared vision.

Growth Deal 3 Focus

A TARGETED AND AMBITIOUS GROWTH DEAL 3



A sharp focus on maximising private sector investment leveraged



A sharp focus on increasing productivity through delivering high value jobs



A sharp focus on building more homes

A sharp focus on maximising private sector investment leveraged



A key focus of the our Growth Deal is to utilise public investment to leverage a higher multiplier of private sector investment than previously, to ensure the best value for money and impact for the investment provided, and the ongoing resilience of economic plans for the area.

We are well placed to meet this ambition - our area already has a track record of attracting significant private investment, including £1.7 billion into the Potash mine in Scarborough, the largest single private sector investment in the North, and £1.3 billion in offshore energy at Dogger Bank in the last few years.

Demand for housing and commercial development is strong through the high desirability of the LEP area as a place to live, excellent connectivity through the East Coast mainline and the A1/M1 corridor, high local levels of skills (particularly in urban centres such as York and Harrogate), and notable natural resources in our area and excellent business growth.

Therefore, in this Growth Deal, we have taken steps to maximise private sector leverage at every stage of the process. This means for £51.5m LGF investment, we are able to leverage over £500m private sector investment.

Specifically we have:

A) Sought to work with the private sector to enable the market to deliver any projects without further public investment. For example the support provided to Sirius Minerals to enable the Potash mine development.

B) Focused investment on where there is already strong market demand, but because of specific market failures growth has been restricted. Part of this focus is to convert public sector assets or sites that have been problematic in the past to investable propositions for the private sector. Therefore from a small amount of public investment to address abnormal site costs, significant private sector schemes can be unlocked. This includes York Central Enterprise Zone, Skipton Employment site, and Pickering Employment site. In total, projections show that by tackling the barriers and market failures, these developments have the potential to leverage private investment of around £500m.

C) Investing in an expansion of the successful **'Let's Grow'** programme on a match funding basis, which for every £1 public investment has delivered £7 of direct business investment.

D) As well as working with the market, we are additionally focussed on addressing the underlying issues which have prevented sufficient market demand in the first place, including transformation of our opportunity coast. From our strategic analysis, we believe these are the key interventions required to stimulate the private sector market on the coast for housing and employment, and therefore significant private sector investment.

E) A robust appraisal process has been followed, giving preference to schemes maximising private sector investment. We had over 80 projects submitted enabling us to highly prioritise on this basis. This means that, for example, our investments proposed to support employment opportunities are industry led, unlocking private sector investment.

F) Finally, a loan first principle has been adopted, so we anticipate that up to half of the investment made will be re-invested in future years in new projects with further private sector match able to be leveraged.

A sharp focus on increasing productivity through delivering high value jobs



In common with Central Government, we are relentlessly focussed on increasing productivity in our area.

Over the whole area our GVA per head is around £21k, but there is a range within the LEP, with York having £24k per head and East Riding having £17k per head. Our SEP outlined the productivity challenges in our area. We have met our 7 year jobs targets in 2 years, in particular through our vibrant tourism and hospitality sector, but we still need to do more to create high value jobs in our area.

Addressing the productivity challenge is not uniform across the area. In York, which has the highest levels of skills in the area but few high value employment sites, so we need to address underemployment by delivering the right accommodation in the right places for high value jobs. In other parts of the area, we need to ensure that our workforce is skilled and that we retain talent as well as encouraging the better connectivity to major urban centres which high value sectors require.

Therefore, in this Growth Deal, we have made sure increasing productivity and enabling a shift to high value jobs is central to our proposal. This means that for £51.5m LGF investment, we are able to deliver 10,000 jobs, making a significant inroad into raising productivity and wages in our area.

Specifically we are:

A) Prioritising high value employment sites where there is demand but abnormal site costs. As recognised by our SEP, this is a top priority for addressing barriers to high value growth, and something where every opportunity must be taken given the rurality of the LEP area. This includes transformational developments:

- York Central, delivering a GVA uplift of £1.14 billion to the region, and creating the ideal environment with Enterprise Zone status for around 6,500 high value jobs, particularly building on sector strengths in the city around rail consultancy, insurance and professional services.
- For Skipton, building on the strength of financial and professional services in the city which are at capacity within current sites, the employment site will deliver 40,000m² floorspace and over 1,000 jobs.
- For Pickering, unlocking a site for 330 new engineering jobs, with a anchor tenant already identified
- For Scarborough, the opportunity for a delivering 1,000 high value jobs in IT and cyber security agglomerating around the generation of new employment at GCHQ.

The Growth Deal investments for these sites will also enable some connectivity improvements to enable the whole region to benefit from these major employment opportunities.

B) Investing to increase the productivity of individual businesses through the **Let's Grow** programme, enabling co-investment in equipment to drive business productivity and create or safeguarding at least 240 jobs. The dual focus on indigenous growth businesses and inward investors will also help to stimulate the high value jobs growth the region has the potential for.

C) Focussing our skills infrastructure towards enabling us to raise skill levels in parts of the geography and targeting our education and skills provision toward our high value growth sectors.

D) Investing in transport infrastructure focussed on connecting high productivity hubs with the wider geography, and improving market conditions for high value rural jobs. Acknowledging the rural nature of geography, to improve productivity, it is vital there are excellent transport connections between our cities (including those just outside the LEP area, such as Leeds). While North-South connections are very strong, we are committed to systematically improving East West connectivity to enable a well functioning high value economy, providing better access to employment opportunities and improving market conditions for high productivity rural jobs and growth.

A sharp focus on building more homes



We are committed to doubling our rate of house building to at least 5,000 new homes each year and maintaining this to 2021 and beyond. This is reflected in both our Local Growth Deal and Housing Strategy and will support our growth ambitions, demographic needs and help provide the required workforce.

Our SEP set out the need to build more homes - contributing to the national target of 1 million new homes by 2020 - to address key issues around supply and affordability. We want to support local delivery of Government priorities to increase provision of housing and opportunities to own a home, particularly for first time buyers and others who struggle to access the housing market.

Housing delivery continues to be central in this Growth Deal. Our approach is to co-design a bespoke programme of housing investment with the HCA to maximise local drawdown of Government funding. This will be delivered in partnership with our local authorities, the Housing Board and the Infrastructure and Assets Board. It will be supplemented by changes in policy and process to remove barriers to building new homes. We are not seeking Local Growth Funding allocation for individual housing sites due to this co-designed programme – however, the York Enterprise Zone, Opportunity Coast and High Value Employment proposals help to deliver over 4,000 homes. This means we are able to deliver an excellent return on the £51.5m overall funding requested to help deliver our target of over 5,000 homes each year, making a real impact on housing supply and affordability in our area.

Specifically we are committed to:

- A) Co-designing a bespoke housing programme with the HCA to utilise existing funding to support our housing priorities and ambitions. There is significant Government investment via the HCA to drive house building and increase home ownership. We aim to maximise the investment of this in our area via our strong partnership with the HCA. This will include bringing forward a pipeline to deliver major investment via:
 - Starter Homes Initiative
 - Home Building Fund
 - Shared Ownership and Affordable Housing ProgrammeThe new programme will also support direct local authority development, a revolving rural land bank, greater use of public land (via the Joint Assets Board) and measures to support SME builders to contribute to housing delivery.
- B) Focussing growth deal resources on delivering mixed-use sites with major housing components, including
 - 1,500 homes at York Central
 - 3,500 homes on the Coast
 - 200 homes at SkiptonThe transformational projects and infrastructure proposed in Scarborough and Bridlington will also stimulate coastal housing demand and support private sector investment.
- C) Delivering at least one garden village proposal within YNYER
- D) Continuing wider work to deliver our previous growth deal:
 - Get full Local Plan coverage
 - Developing a strategic plan to support growth
 - Partnership working to deliver sites.

OUR GROWTH DEAL 3 PROJECTS

OUR PLAN for delivering
BETTER JOBS
HIGHER PRODUCTIVITY
MORE HOMES
ATTRACTING INVESTMENT

Local Growth Deal 3 Proposals

7 Transformational Programmes



A SUCCESSFUL YORK ENTERPRISE ZONE

Accelerating the development of the York Central Enterprise Zone creating 6,500 new jobs and 1500 new homes.



TRANSFORMATION OF OUR 'OPPORTUNITY' COAST

Creating 1,000 new jobs through a Northern Cyber Security Technology Park, the transformational redevelopment of Bridlington Harbour and a further 3,500 new homes on the coast.



HIGH VALUE EMPLOYMENT

Creating over 3,000 jobs and 500 new homes in Skipton, Harrogate, Northallerton and Pickering;



SKILLS CAPITAL PROGRAMME

Ensuring we have the best environment for learning and skills, addressing skills shortages and supporting our growing sectors.



BUILDING MORE HOMES

Promoting a new garden village and strategic housing sites to deliver over new homes to help meet housing needs across the LEP area



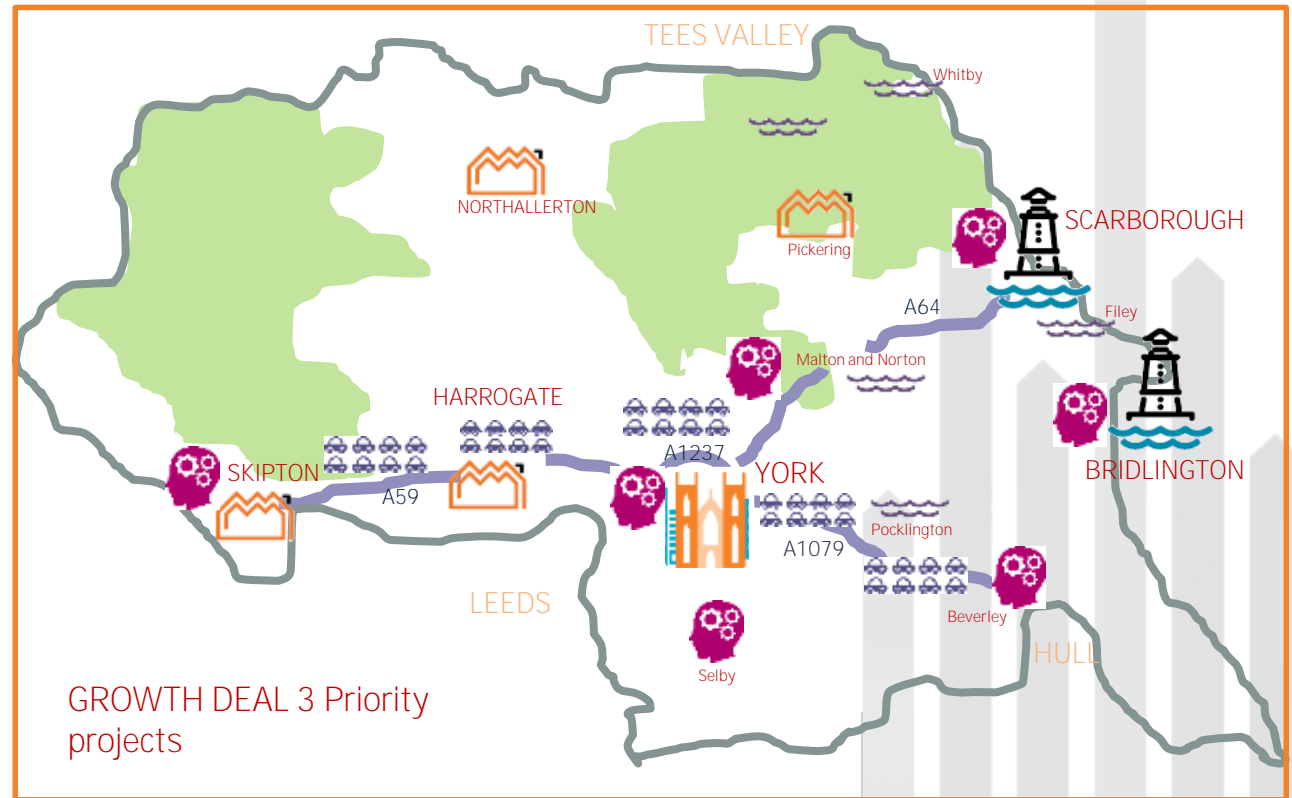
FLOOD RESILIENCE

Ensuring that we have a resilient economy by investing in key flood management schemes, protecting businesses and unlocking further development opportunities.



EAST-WEST IMPROVEMENTS

Connecting growth through transport improvements on the A59 and A1079 contributing to the vision for the Northern Powerhouse.





A SUCCESSFUL YORK ENTERPRISE ZONE
Accelerating the development of the York Central Enterprise Zone creating 6,500 new jobs and 1500 new homes.

£10m of Local Growth Funding contributing to over £1bn in growth



York Central Enterprise Zone



A SUCCESSFUL YORK ENTERPRISE ZONE

Accelerating the development of the York Central Enterprise Zone creating 6,500 new jobs and 1500 new homes.

Why is this important?

The opportunities that York Central present to the city and the wider area are unparalleled. Whilst delivery of York Central is a complex proposition, it has never been more deliverable than it is today. With strong working relationships across local partners and the enterprise zone status for the site.

The funding we are seeking from the growth deal will complement an existing package of support. This includes local authority resources in advance and unlocked by business rates growth, West Yorkshire Transport Fund (£27m), HCA (£9.5m), Cycle Cities grants (1.9m) and Leeds local growth fund (£2.5m). Our aim is that this will unlock funding to unlock the overall scheme and KPMG and Savills have been appointed as commercial partners to ensure there is buy in and support from the private sector.

What market failure will the growth deal funding address?

The immediate challenge is to ensure that the appropriate level of funding is found to unlock and de-risk the site to enable an attractive proposition for private investment and economic growth. The current financial forecasts for the York Central project identify c£131m of abnormal and enabling infrastructure works at the site across the themes of access/ accessibility, services, land assembly, rail costs, public realm and land treatment works.

A range of potential funding sources have been identified to meet plot release costs, and are at various stages of confirmation and approval. These include but are not limited to funding from City of York Council through our economic infrastructure fund and Enterprise Zone backed borrowing, funding from West Yorkshire combined authority and HCA site investment.

What will additional funding unlock?

The funding we are bidding for will be deployed to deliver discrete enabling infrastructure works in early years of the York Central project to accelerate and de-risk development and deliver betterment in terms of commercial development proposition, sustainability and place-making. This includes:

- District Heating Network (subject to project feasibility)
- Strategic Public Realm and pedestrian accessibility network (early phases)
- Strategic Site Services
- Rail Station Facility Improvement/Rationalisation

This funding will ensure that we deliver an accessible and sustainable proposition at York Central that will maximise inward investment to the area from the private sector and play a significant part in closing the north south productivity gap. Our assessment is that, once complete, the enterprise zone will contribute over £1 billion in additional GVA to the surrounding area.

A Successful York Enterprise Zone

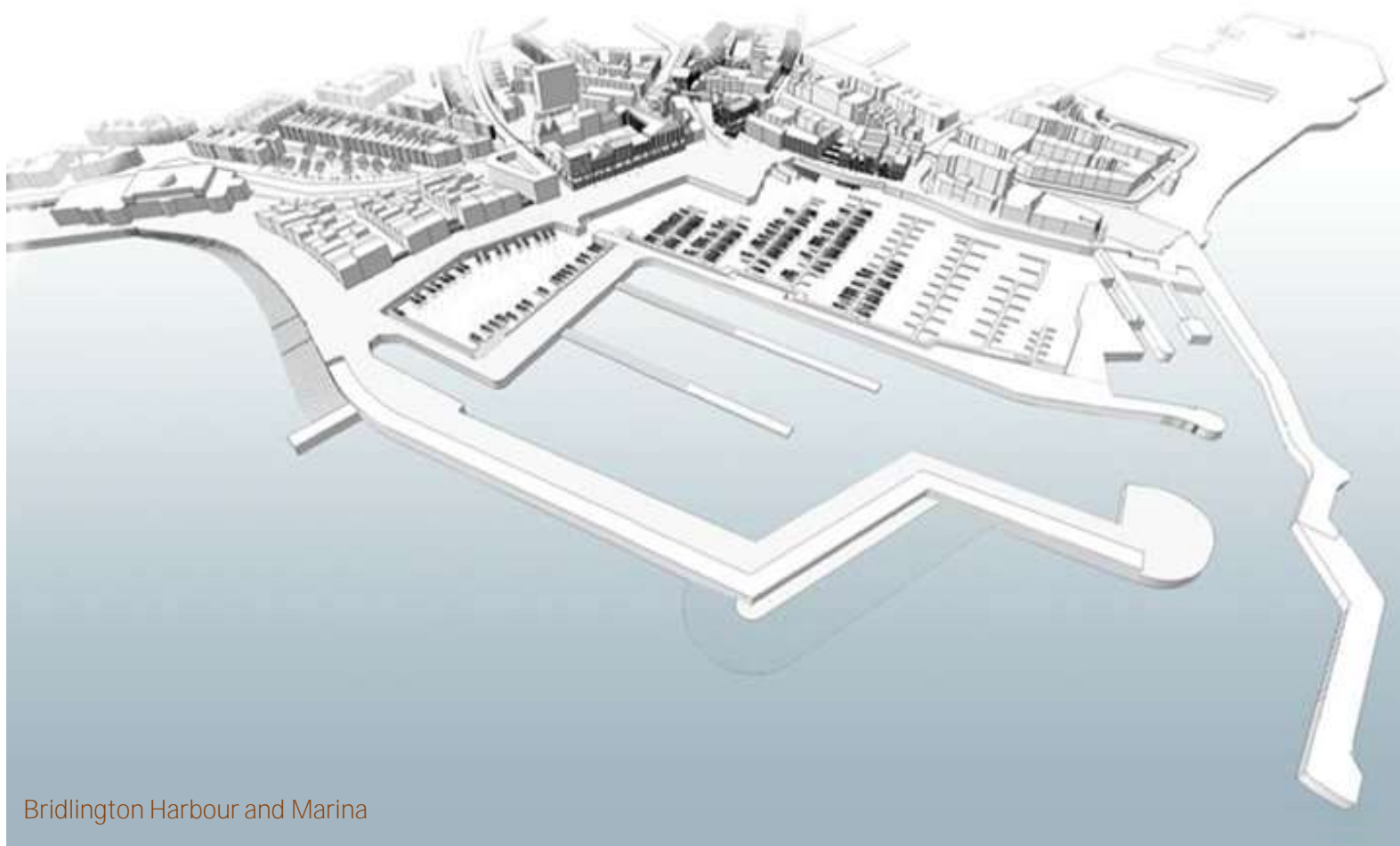
We want to:	Specific LGF Investments	Delivering
<p>Invest an additional £10m of Local Growth Funding to increase access to the York Central Enterprise Zone.</p> <p>This will lever £130m of other funding from City of York Council, HCA, WYCA, Network Rail and private investments.</p>	<p>York Central Site Development £10m LGF</p> <p>District Heating Network (subject to project feasibility)</p> <p>Strategic Public Realm and pedestrian accessibility network (early phases)</p> <p>Strategic Site Services</p> <p>Rail Station Facility Improvement/ Rationalisation</p>	<p>PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES</p> <p>Unlock the housing growth the region needs</p> <p>Fast-track employment sites with market demand for high value sector growth</p> <p>Contributing to the Governments Enterprise Zone programme</p>



TRANSFORMATION OF OUR 'OPPORTUNITY' COAST

Creating 1,000 new jobs through a Northern Cyber Security Technology Park, the transformational redevelopment of Bridlington Harbour and a further 3,500 new homes on the coast.

£10m Local Growth Funding to attract £550m of private investment



Bridlington Harbour and Marina



TRANSFORMATION OF OUR 'OPPORTUNITY' COAST

Creating 1,000 new jobs through a Northern Cyber Security Technology Park, the transformational redevelopment of Bridlington Harbour and enabling further 3,500 new homes on the coast.

Why is this important?

Scarborough and Bridlington are key economic growth centres on the Yorkshire Coast. Recent investments in Potash and offshore wind show that this area has been one of the most successful in the north of England at attracting inward private sector investment. As a result the Yorkshire Coast is well placed to address the ongoing challenges faced by coastal communities and exploit new economic and housing opportunities which are expected to take place on an unprecedented scale as set out in the Yorkshire Coast Growth Plan (a key part of our SEP).

What market failures will growth deal funding address?

Principally, coastal areas are often considered unattractive to big business and developers, and therefore the LEP supports the need to stimulate market interest and remove barriers to investment. This approach has had success through growth fund round one, where over 1,000 new homes have been built in this area.

What will additional funding deliver

Housing: Ambitious housing growth is proposed for both Scarborough (10,000 Borough wide) and Bridlington (3,300) which will be key to supporting the forecast increase in jobs through growth sectors of the local economy. This will be crucial in delivering the adopted East Riding local plan and the current draft Scarborough local plan. This Growth Deal will also complement work we are undertaking for a major development of Bridlington Town Centre, and Harbour and Marina Improvements and it is proposed we will work with the HCA to develop innovative approaches with private investors to bring forward strategic sites at Scarborough and Bridlington (3,500 homes in total).

Economic growth:

Investment in Bridlington harbour will complement existing funding from East Riding of Yorkshire Council and ensure game-changing development in the town centre to provide new harbour and marina infrastructure estimated at over £50m, and an additional £50m of commercial waterfront investment.

Further transport investment at Scarborough will unlock future economic development that will compliment existing successes in terms of potash and offshore wind and create new high value jobs in the area through the proposed Northern Cyber Security Technology Park.

Transformation of our Opportunity Coast - Scarborough

We want to:	Growth Deal Proposals	Delivering
<p>Invest £6m of additional Local Growth Funding to develop an ambitious plan for a Northern Cyber Security Technology Park at GCHQ Scarborough working with the Universities and major private technology companies to develop high value business operations, supply chains and employment and unlock barriers and stimulate the market for a further 3400 new homes working in partnership with the HCA to encourage and incentivise investment in strategic housing development sites.</p>	<p>Highway improvements in and around Scarborough £6m LGF</p> <p>to enable:</p> <p>Scarborough Cyber Security Technology Park GD contribution towards new highway access infrastructure and site servicing for a 46,000 sq m Technology Business Park co-located with development of existing GCHQ site</p> <p>Scarborough Housing Growth Capacity improvements for resilience of the existing highway network to support Scarborough as a growth town; Partnership with HCA to stimulate market investment in strategic housing sites linked to forecast business and employment growth</p>	<p>SEP PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES</p> <ul style="list-style-type: none"> •Stimulate market demand on the coast •Unlock the housing growth the region needs •Fast-track employment sites with market demand for high value sector growth <p>Government Coastal Growth Agenda - Coastal Community Teams established in Whitby, Scarborough, Bridlington and Withernsea</p> <p>Local Economic Plans in place for each town to enable sustainable economic growth and job creation through local responses to the changing economic needs and opportunities of coastal areas</p>

Transformation of our Opportunity Coast - Bridlington

We want to:	Specific Growth Deal Proposals	Delivering
<p>Invest £4m of Local Growth Funding to lever £50m of follow-on public investment.</p> <p>This will kick start the transformational plans for the redevelopment of the existing harbour and building of a new marina at Bridlington. Building on the significant developments that have been undertaken over the past few years within the town.</p> <p>Local Growth Funding will lever funds from East Riding Council and private/commercial investments to create 250 new jobs and over 100 town centre housing units.</p>	<p>Bridlington Harbour & Marina £4m LGF</p> <p>Proceed to detailed design stage and undertake all associated preparatory work (including business case) up to pre-tender/construction stage for new marina facilities and improvements to existing harbour based on evidence of demand; this will create over 4 Ha of land to attract £50m of commercial waterfront development to link the new marina with the town centre and The Spa Bridlington entertainment complex</p>	<p>SEP PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES</p> <ul style="list-style-type: none"> •Stimulate market demand on the coast <p>Government Coastal Growth Agenda - Coastal Community Teams established in Whitby, Scarborough, Bridlington and Withernsea</p> <p>Local Economic Plans in place for each town to enable sustainable economic growth and job creation through local responses to the changing economic needs and opportunities of coastal areas</p>



HIGH VALUE EMPLOYMENT

Creating over 3000 better jobs, unlocking 15ha of employment land and building 500 new homes in Skipton, Harrogate, Northallerton and Pickering

£8m Local Growth Funding to attract £50m of private investment.



Skipton employment growth



HIGH VALUE EMPLOYMENT

Creating over 3000 better jobs, unlocking 15ha of employment land and building 500 new homes in Skipton, Harrogate, Northallerton and Pickering.

Why is this important?

North Yorkshire and East Riding have a long track record of creating, nurturing, growing and attracting successful businesses. With particular examples of strengths in food and drink manufacturing along the A1 at Melmerby and Leeming Bar, financial services in Harrogate and Skipton and advanced engineering in the Vale of Pickering and we are able build on these strengths.

We have a strong platform to deliver in this area. In Growth Deal round 1 the YNYER LEP aimed to create 20,000 additional jobs. This has been achieved with an increase of 23,400 since 2013 or a 4.9% growth better than the 4.3% for England. Our claimant count has fallen to only 1% of people aged 16 to 64. Great progress has also been made in areas such as the roll out of rural broadband and also the start of transport improvements into and between the Northern Powerhouse and more is required to allow rural areas with significant growth potential to expand.

What market failure will funding address?

We are committed to raising the productivity of our economy. We need to raise productivity by an additional 0.7% pa or output to increase by £167m pa to keep pace with the rest of England. To achieve this we must deliver additional employment land across the LEP area largely focused on our growth towns. We want to directly support the government in its ambition to deliver Fixing the Foundations: creating a more prosperous nation and boosting our rural economy. Our rural communities continue to be disadvantaged by the lack of superfast Broadband and in many areas mobile technology, we will continue to lobby for increased coverage ensuring our business can grow and prosper in our rural areas.

What will funding deliver?

Our focus in Growth Deal 3 is to support the necessary growth in productivity by providing high quality space for growing businesses in our towns for the following priority projects:

- Skipton Employment and Housing Growth Project - a large mixed scheme that will allow the development of housing and 8ha of employment land on a green field site and improve access and enable the restructuring of the land for commercial activities and housing around the rapidly growing Skipton Station.
- Harrogate Central Development- Building on the proposed increased in service frequency at quality of rail services servicing Harrogate. An ambitious range of improvements in the Harrogate Rail station area which will improve the overall passenger experience and potentially open up employment and housing development opportunities
- Pickering Employment Site – a new site to allow the expansion of the high tech engineering sector of the Vale of Pickering. The development will accommodate 330 jobs and secure the future of the sector.
- Northallerton Central Redevelopment – the former HM Prison Northallerton will be redeveloped to into a mixed commercial, leisure and housing scheme on the edge of the town centre so bring both vital growth potential to the town but also reinforcing the vitality of the High Street.

High Value Employment

We want to:	Potential LGF3 projects	Delivering
<p>Invest £8m of Local Growth Funding in a range of transformational projects in our rural towns and communities.</p> <p>Support the growth in productivity by providing high quality space for growing businesses in our towns by unlocking 15 ha of employment land, creating over 3000 new rural jobs and enabling £70m of private investment.</p> <p>Work in partnership with Local Authorities, HCA, Network Rail and Rail Franchisees to maximise the growth opportunities in and around Harrogate rail station.</p>	<p>Skipton Employment and Housing Growth £5m LGF New link road to open a number of sites for housing and employment and also improvement in and around the station to enable economic uplift to the area. Private developer led scheme.</p> <p>Harrogate Station Parade redevelopment £1m LGF Building on the proposed increased in service frequency and quality of rail services serving Harrogate. An ambitious range of improvements in the Harrogate rail station area which will improve the overall passenger experience and potentially open up employment and housing development opportunities.</p> <p>Pickering Employment Site £1m LGF The creation of a new road and serviced land to support the growth of the area's high tech manufacturing sector. This is an industry led proposal.</p> <p>Central Northallerton redevelopment £1m LGF The site preparation of a former prison in the centre of Northallerton to develop housing commercial space and support the long term future of the High Street.</p>	<p>SEP PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES</p> <ul style="list-style-type: none"> • Fast-tracking employment sites with market demand for high value sector growth • Enabling sustainable rural economies • Unlocking the housing growth the region needs <p>SEP PRIORITY 1 PROFITABLE & SUCCESSFUL BUSINESSES</p> <p>Help established small and micro businesses be more successful</p> <p>Help growth minded businesses achieve their ambitions</p> <p>Contributing to the Governments Northern Powerhouse Investment Fund</p>



SKILLS CAPITAL PROGRAMME

Ensuring we have the best environment for learning and skills, addressing skills shortages and supporting our growing sectors

£8.5m Local Growth Funding



Selby College



SKILLS CAPITAL PROGRAMME

Ensuring we have the best environment for learning and skills, addressing skills shortages and supporting our growing sectors.

Why is this important?

The demographic challenges in our area must be addressed if the workforce is fit to meet the demands of the current and future economy. 23% of our population is over 65 compared with 18% nationally and 27% of the current workforce is due to retire by 2022. In addition to this the birth rate has flat lined and there is a net outflow of young people. This means that all young people must get the best chance possible to connect high quality education leading to sustainable jobs, the current workforce must be able to adapt to industry needs and those with sought after skills must be encouraged to stay in the area.

We have a successful record of using skills capital funding to improve our local infrastructure to address these needs. Between 2014 and 2016 we invested £4.7 million to enhance and improve existing facilities in Harrogate, Selby and Askham Bryan Colleges.

What market failures will funding address?

The current skills infrastructure does not provide enough people with the right skills in the right areas to drive economic growth particularly in our priority sectors such as the bioeconomy and engineering. The investment planned ensures that the learning environment is improved in key geographical areas and creates state-of-the-art, industry standard buildings and equipment that ensure training meets the needs of current and future employers.

What growth funding will deliver

We are bidding for future investment to develop high quality learning environments in FE and enable business growth.

- Develop high quality learning environments in Further Education
 - Provide outstanding learning and training environments that are safe, fit for purpose and able to match workplace standards
 - Increase facilities for higher-level and degree Apprenticeships
 - Reduce College estate in poor condition (i.e. Categories C and D)
- Enable business growth:
 - In food manufacturing, agri-tech, engineering, construction, visitor economy, the bioeconomy and VCSE
 - Contribute to the socio-economic needs of the locality particularly in rural areas and those of high disadvantage
 - Build on local opportunities such as York Potash, Low Carbon solutions (e.g. wind power) and specialised organisations (e.g. GCHQ)

Skills Capital Programme

We want to:	Potential LGF3 projects	Delivering
Invest a further £8.5m in improving our skills infrastructure.	<p>Craven College Skipton – Aireville Engineering Provision LGF £1.95m New build facilities for mechanical, agricultural and automotive skills</p> <p>Selby College – H.E. Innovation Centre + Trailblazer LGF £0.925m A new H.E. centre that will provide a high quality learning environment focused on construction, business skills, computing and engineering and specialist equipment for food and drink sector training.</p> <p>Yorkshire Arboretum- Tree Health Centre (Malton) LGF £0.260m An innovative partnership between the Yorkshire Arboretum and skills providers for a facility that will up-skill the workforce on critical tree health and agri tech skills.</p> <p>ELITE Project – Scarborough LGF £4m Provide facilities for high quality post 16 vocational training focused on the key skills needs and opportunities of the Yorkshire Coast.</p> <p>East Riding College Bridlington – Mechatronics Workshops LGF £0.2m A joint initiative with industry providing facilities for skills training in engineering.</p> <p>York College – Higher level Engineering Skills LGF £0.09m Facilities for higher level technical and professional skills in construction, engineering and Information technologies.</p> <p>East Riding College Beverley – Skills Centre LGF £1.1m A new skills centre providing high quality learning environment focused on construction, engineering and digital technologies.</p> <p>Note: The Skills Capital Programme is subject to the current Area review of FE provision across the LEP area</p>	<p>SEP PRIORITY 1 Profitable and ambitious small and micro businesses</p> <p>PRIORITY 2 A Global leader in agri-food and biorenewables</p> <p>SEP PRIORITY 3 Inspired People</p> <p>To ensure that the area has the right investment in skills infrastructure</p> <p>Contributing to government's agenda by focusing on high quality learning facilities that meet local labour market requirements and contribute to the areas economic growth.</p>



BUILDING MORE HOMES

Promoting garden villages and strategic housing sites to meet housing and economic needs across the LEP area

Co-design a bespoke housing investment programme with the HCA



Scarborough Housing Growth



BUILDING MORE HOMES

Promoting new garden villages and strategic housing sites to meet housing and economic needs across the LEP area

There are significant national initiatives (via the HCA) to drive house building and increase home ownership. Our primary housing focus in Growth Deal 3 is to fully utilise these to support house building in our area via a bespoke investment programme to be co-designed with the HCA and our local authorities. This will maximise investment via:

- Starter Homes
- Shared Ownership and Affordable Homes Programme
- The Home Building Fund and other recoverable HCA investment

The LEP has forged a strong partnership with the HCA, working jointly with our local authorities, during the implementation of Growth Deals 1 and 2 and the development of a draft devolution proposal. This partnership is working to deliver:

- a pipeline of housing schemes across our geography, offering a range of tenures (including starter homes and shared ownership) to deliver our housing priorities
- a revolving rural land bank as part of a national pilot
- at least one garden village proposal
- a package of railway station redevelopments and enhancements that include new housing
- new measures to support SME builders to fully contribute to housing delivery
- a Joint Assets Board with the HCA (recently agreed) to bring forward publicly owned land for development. This role is being taken on by the LEP's Infrastructure Board, which includes all of our local authorities. The co-designed investment programme will seek funding for housing and growth on these sites.
- continued development of the housing schemes awarded LGF in Growth Deal 1

We are seeking Government backing for this approach.

Building More Homes

We want to:	Potential LGF projects	Delivering
<p>Co-design a bespoke programme of housing investment with the HCA to maximise local drawdown of Government funding.</p> <p>Work in partnership with the HCA and LAs to unlock strategic housing sites and deliver garden village proposals to address our housing and economic needs.</p>	<p>We are not seeking Local Growth Funding allocation for individual housing sites due to this co-designed programme – however, the York Enterprise Zone, Opportunity Coast and High Value Employment LGF proposals help to deliver over 4,000 homes</p>	<p>PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES</p> <p>Unlock the housing growth the area needs</p> <p>Double our house building rate to contribute to the Governments' ambition for 1m new homes by 2020.</p>



FLOOD RESILIENCE

Ensuring that we have a resilient economy by investing in key flood management schemes, protecting businesses and unlocking further development opportunities.

£5m Local Growth Funding to protect businesses and attract new investment.



Whitby Harbour



FLOOD RESILIENCE

Ensuring that we have a resilient economy by investing in key flood management schemes, protecting businesses and unlocking further development opportunities.

Why is this important?

The recent experience of flooding in the winter of 2015 is fresh in the minds of local businesses, particularly those in Tadcaster and York. A large portion of our area is subject to flooding risk. This includes coastal flooding on the Holderness peninsula and river flooding on the river Ouse and its tributaries. The area can also provide the answer to this, particularly in low lying farmland areas and the upland river catchments.

Successive flooding events across the LEP area, coupled with the increasing pressure on limited resources, has underlined the importance of developing a more integrated, comprehensive and risk-based approach for managing the risks of flooding, including identifying clear lines of responsibility and targets for improvement. Recent flooding has impacted severely on local economic activity, where strategic infrastructure (highway and transport links) is affected, leading to significant cost in time and money for business activity and operations.

What is the market failure this funding aims to address?

Flood risk deters economic investment and in some locations is a clear barrier to business confidence and private investment decisions.

What growth funding deliver?

It is proposed to prioritise projects with the Local Authorities and Environment Agency to enable schemes that unlock growth and protect businesses from flooding. We would like £5 million in additional local growth fund investment to focus on:

- Supporting economic growth in the identified growth towns which are at risk of flooding, through relevant infrastructure; and
- Coastal resilience, where there is a threat to coastal infrastructure that has potential to affect the economy of coastal communities.

Flood Resilience

We want to:	Potential LGF projects	Delivering
<p>Invest a further £5m of LGF together with the Local Authorities and Environment Agency to enable schemes that unlock growth and protect businesses from flooding.</p>	<p>Pocklington Flood Alleviation Scheme LGF £0.5m This scheme is designed to attenuate flood flows from high ground on the Yorkshire Wolds to the north of the town. It will protect the commercial centre of the town the scheme is mainly funded via a developer contribution.</p> <p>Filey Flood Alleviation Scheme LGF £1.35m To construct four sections of new channel (total length 1680m) to capture and divert surface water from the surrounding agricultural land into storage areas and existing watercourses.</p> <p>Whitby Harbour Piers LGF £2m The Harbour Piers form an integral part of the coastal defences for the Whitby frontage and are important in terms of their historical significance and the role they play in the tourist appeal of the resort. The piers are in a very poor condition and need major improvements.</p> <p>Malton and Norton Flood Protection Scheme LGF £1m Capital construction work for a package of measures to reduce risk and impact of flooding for Malton/Norton.</p> <p>River Derwent Catchment project LGF £0.15m There are huge opportunities to integrate land management changes, natural flood risk management and water quality improvements to reduce flood risk and deliver a high quality environment that directly and indirectly support the growth of the local economy.</p>	<p>PRIORITY 5 A WELL CONNECTED ECONOMY Enhance the resilience of the road network, particularly to flooding</p> <p>PRIORITY 4 SUCCESSFUL AND DISTINCTIVE PLACES Fast-track employment sites with market demand for high value sector growth</p> <p>Unlock the housing growth the region needs</p>



EAST-WEST IMPROVEMENTS

Connecting growth through transport Improvements on the A59 and A1079 contributing to the vision for the Northern Powerhouse.

£10m Local Growth Funding to support our ambition for better east west connectivity.



Bedale, Aiskew and Leeming Bar Relief Road – funded through Growth Deal 1



EAST-WEST IMPROVEMENTS

Connecting growth through transport Improvements on the A59 and A1079 contributing to the vision for the Northern Powerhouse.

Why is this important?

North south connectivity is excellent in our area with strong assets including the A1(M)/ A19 corridor and the east coast mainline. However, east west connectivity is poor in our area and in the north more generally.

These poor connections constrain the economic performance of several of the main growth centres along East West corridors including York, Harrogate, Scarborough, Bridlington, Beverley, Pocklington, Market Weighton, Malton/Norton and Skipton. Improving East-West links is crucial to boosting the economies of these growth centres and their surrounding areas. Journey time reliability on east west routes is an issue often raised by businesses in terms of the predictability of deliveries and staff punctuality.

What is the market failure this funding is trying to invest?

Transport infrastructure is a public good and requires investment to unlock economic growth.

What will local growth funding deliver?

Our aim is for a transformational change to east west transport links across the LEP area involving significant improvements to road and rail networks over the next 20 years. We have already committed £8 million from previous growth deals.

Growth funding will deliver a complimentary programme to existing work through:

- Improvements to the A1079/ A614 roundabout at Shiptonthorpe improving capacity and opening local development opportunities in East Riding.
- A1079 improvements around Grimston Bar to improve capacity and unlock local development opportunities in York and East Riding.
- Climbing lanes on the A59 between Harrogate and Skipton to improve journey time reliability on this key section of the east west transpennine link.
- Rail improvements highlighted in other packages including Harrogate and Skipton. These are linked to planned improvements in rail service frequency and quality as a result of private sector investment through rail franchisees.

We are also looking to benefit from local major transport schemes development funding for the York Outer Ring Road, A1079 and Harrogate Relief Road.

East – West Improvements

We want to:	Potential projects	Delivering
<p>Invest £10m further in improving East West connections.</p> <p>Develop Local Transport Majors that will improve east West connectivity.</p> <p>Lobby HE for further improvements to the A64.</p>	<p>A1079 Shiptonthorpe Roundabout The project involves addressing the capacity problems at Shiptonthorpe roundabout. These improvements will support new development allocated in the emerging Local Plan, including 5,450 new homes along the A1079 corridor</p> <p>A59 Climbing Lanes (Harrogate – Skipton) Construction of two climbing lanes on the A59 to improve journey time reliability.</p> <p>A1079 Grimston Bar (York) - Improvements on the approaches to the A64 junction at Grimston Bar to improve network capacity and efficiency</p> <p>Transport Majors York outer ring road dualling A1079 dualling Harrogate relief road</p>	<p>PRIORITY 5 A WELL CONNECTED ECONOMY</p> <p>Improve East West connectivity, particularly between towns and their neighbouring cities</p> <p>Ease congestion in York and Harrogate</p> <p>Contributing to: The Northern Powerhouse: One Agenda, One Economy, One North - A report on the Northern Transport Strategy</p>

SUMMARY OF LGF 3 PROJECTS

LEP 3 Projects | Page 4
Summary of Projects | Page 4 of 12

Project	Ranking	District	Project Type	Est. Jobs created	Est. New Homes	Commercial floorspace (sq m)	Follow On Private Investment £(m)	Total Project Cost £m	Est Growth Deal Requested £m	Leverage £m
Delivering our Enterprise Zone										
York Central Enterprise Zone	1	York	Mixed Development	6500	1500	145,000	340	353	10	343
Transformation Plans for Opportunity Coast										
Transformational Plans for Scarborough – improving highway capacity and new infrastructure	2	Scarborough	Transport/ Employment and Housing	1,000	3400	46,000	500	96	6	90
Transformational Plans for Bridlington - Bridlington Harbour & Marina Developments.	3	East Riding	Mixed Dev	250	100	29,150	50	65	4	61
High Quality jobs in Rural Towns and Communities										
Skipton Employment and housing growth	4	Craven	Employment	1,040	290	40,000	30	35	5	30
Harrogate Station/centre redevelopment	6	Harrogate	Mixed Dev	1500	215	8,600	20	1	1	-
Pickering Employment Site (Thornton Road)	7	Ryedale	Employment	330	-	16,000	8.3	5	1	4
Central Northallerton Redevelopment	10	Hambleton	Mixed Dev	150	-	-	13.5	22	1	21
Skills Capital Package										
Range of projects including Yorkshire Coast, East Riding, Selby, Craven Colleges, York College and Yorkshire Arboretum	5	LEP wide	Skills Capital	Number of learners assisted 3960				20	8.5	11.5
Flood Resilience focused on Business Disruption										
Flood Management projects including: Pocklington, Whitby Harbour Filey, Malton, Upper River Derwent Catchment	8	LEP wide	Flood Management					40	5	35
East West Connectivity										
A1079 Shiptonthorpe Roundabout	9	East Riding	Transport	East West Connections				4.3	3	1.3
A 59 Climbing Lanes (Harrogate-Skipton)	11	Harrogate	Transport	East West Connections				4	3.5	0.5
A1079 Grimston Bar Junction (York)	12	York	Transport	East West Connections				3.7	3.5	0.2