

## **YORK, NORTH YORKSHIRE AND EAST RIDING GROWTH DEAL**

The York, North Yorkshire and East Riding (YNYER) Growth Deal Growth Deal supports the area's ambition to become a national and international centre for the science of food, agri-tech and bio-renewables. The Deal also builds on a strong local track record in supporting small and micro businesses to thrive and grow, and addresses the key issues of housing availability and affordability in key growth towns across the LEP area, as well as raising skill levels and improving the existing transport network to support growth.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on four key priority areas as identified in the LEP's Strategic Economic Plan:

- Business Growth Investment;
- Investing in Infrastructure;
- Creating skilled and inspired people;
- Ensuring the existing transport network promotes growth and low carbon goals.

The York, North Yorkshire and East Riding LEP has secured **£110.1 from the Government's Local Growth Fund to support economic growth in the area – with £18.8m of new funding confirmed for 2015/16 and 22.6m from 2016/17 to 2021.** This includes:

- As part of the Government's ongoing commitment to the YNYER LEP a provisional award of a further £40.7m for projects starting in 2016; and;
- £28m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £100m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £210.1m for the YNYER LEP area.**

By 2021, this Deal will create at least 3,000 jobs and allow 4,000 homes to be built.

The York, North Yorkshire and East Riding LEP brings together the business community and local authorities across North Yorkshire County Council area (comprising the district/borough councils of Craven, Harrogate, Selby, Ryedale, Scarborough, Hambleton and Richmondshire) and the unitary authority areas of the City of York and the East Riding of Yorkshire.

<b>York North Yorkshire East Riding LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	18.8	22.6	41.4
<b>Previously committed funding</b>	15.5	12.5	28
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	40.7	40.7
<b>Total</b>	34.3	75.8	110.1

The table above includes the provision of £3.460m loan funding (subject to due diligence) to BOCM PAULS Ltd to accelerate the delivery of 844 homes on the Olympia Park, Selby site.

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion Euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

**YNYER LEP and Central Government have agreed to co-invest in the following jointly-agreed priorities:**

- **Housing and employment growth projects along the A1/A19 growth corridor** - projects include Town Centre and housing growth at Catterick Garrison; housing and employment growth in Northallerton; and Housing Growth at Olympia Park, Selby;
- **Housing Growth at Middle-Deepdale in Scarborough** - supporting the development of 1,350 mixed-tenure new homes;
- **National Agri-Food Innovation Campus and York Bio Hub** - key projects supporting the LEP's ambitions to be a global leader in food, agri-tech, and bio-renewables;
- **Investing in the college estate** - including developing world-class facilities in Agri-tech and engineering at Askham Bryan College, and new and upgraded facilities at Harrogate College;
- **Maintenance of the existing road network to promote growth** - including the Newland Bridge Maintenance Scheme.

**Local flexibility over Growth Deal programme:** The York, North Yorkshire and East Riding LEP has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area, and has established strong financial monitoring procedures and cross local authority collaboration. Government will disburse funds to the LEP annually in advance. The York, North Yorkshire and East Riding LEP will be expected to deliver the projects highlighted in the Deal, but will have flexibility over the management of these projects in order to deliver the greatest economic benefits to the area. Any significant changes to the projects will need to be discussed with the Government in advance.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

## The YNYER Growth Deal

The investment secured by the deal will be focused on four key areas to deliver transformative growth:

**Business Growth Investment:** the Growth Deal will:

- Support the £17m transformation of the DEFRA Food and Environment Research Agency (FERA) into the National Agri-Food Innovation Campus creating up to 800 new jobs and injecting £100m into the economy of the LEP area.
- With Leeds City Region LEP, support the £49m BioHub project at the University of York creating highly-flexible laboratory business incubation/grown on space to drive the growth of the bio-renewables sector.
- Provide support in 2015/16 for the YNYER Business Support Growth Hub

YNYER LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £8.3m in the National Agri-Food Innovation Campus, with a commitment to £0.3m in 2015/16, and a provisional allocation of £8m in future years;</li> <li>• Invest £5m in the York Bio-Hub, with a commitment to £1m in 2015/16, and a further provisional allocation of £4m in future years;</li> <li>• Provide £0.3m revenue funding to the LEP for growth hub business support coordination in 2015/16, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services.</li> <li>• UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment.</li> <li>• The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology</li> </ul>

	Strategy Board programmes and initiatives.
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**Investing in Infrastructure in YNYER area:** the Growth Deal will:

- Support housing and employment growth ambitions on the A1/A19 Growth Corridor by investing in major strategic development sites in Northallerton, Catterick Garrison, and Selby creating 3,694 new homes;
- Invest in major mixed-tenure housing development in Middle-Deepdale in Scarborough creating 1,350 new homes;
- The Government recognises the particular housing needs identified across the LEP area and the importance of working with the LEP and partners to help meet their aim of doubling housebuilding and tripling delivery of affordable housing for York, North Yorkshire and East Riding. It commits the Homes and Communities Agency to work with the LEP, local authorities and other housing partners to find solutions to deliver local strategic housing priorities and outcomes in response to the priorities identified in the SEP and Local Growth Deal Implementation Plan including work on older persons and rural housing. The LEP and local planning authorities also commit to getting up-to-date Local Plans in place, deliver effective strategic planning by working together and across boundaries, and ensure delivery of housing in Local Plans;
- The YNYER LEP (and its partners) and DfT (and its agencies) commit to working together proactively on longer-term rail planning and franchise specification;
- The YNYER LEP (and its partners) and DfT (and its agencies) commit to working together proactively on long-term strategic road network planning to support local economic growth;
- The LEP will also work with local partners to support extension of superfast broadband coverage across YNYER.

YNYER LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Deliver with partners up to 5,044 new homes;</li> <li>• The LEP commit to supporting the nine local planning authorities in its area to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their Local Plans in accordance with the timetable submitted as part of the LEP monitoring framework;</li> <li>• The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans;</li> <li>• The LEP and partners agree to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities;</li> <li>• The LEP and partners agree to take a more proactive role in consultation on long-term strategic road network</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £2.3m in 2015/16 in road and other transport improvements to enable housing growth at Scarborough Middle-Deepdale project;</li> <li>• Invest £1.2m in 2015/16 in junction improvements to enable growth at Catterick Garrison;</li> <li>• Invest £6m in a link road and a new bridge to enable housing and employment growth at Northallerton, with a commitment to £1m in 2015/16, and a provisional allocation of £5m for future years;</li> <li>• Invest £8m in road improvements and site remediation to enable housing and employment growth at Olympia Park, Selby, with a commitment to £2.4m in 2015/16, and a provisional allocation of £5.6m in future years;</li> <li>• In addition, subject to due diligence, Government will provide £3.5m of loan funding through the Local Growth Fund</li> </ul>

<p>planning and provide a co-ordinating role between constituent local authorities;</p> <ul style="list-style-type: none"> <li>• Progress on the development and delivery of the priority transport schemes identified by the YNYER Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources;</li> <li>• To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, YNYER LEP will commit to work with local partners and BT to support delivery;</li> <li>• To support extension of superfast broadband coverage to 95% of UK premises by 2017, YHYER LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> </ul>	<p>(Housing Infrastructure) to BOCM PAULS Ltd to accelerate the delivery of 844 homes on the Olympia Park, Selby site;</p> <ul style="list-style-type: none"> <li>• For reference only, subject to due diligence, Government will provide £8.6m of loan funding through the Local Growth Fund (Housing Infrastructure) to Redrow Homes developer to accelerate the delivery of 750 homes on the Land Off Moor Road, Brough site. (This funding is included in the Humber LEP's Growth Deal);</li> <li>• The Homes and Communities Agency will work with LAs and partners on extra care (3 schemes for extra care provision submitted by providers through the AHP 2 bid round); will continue to work with NYCC on further Extra Care; and will support proposals to come forward through continuing market engagement;</li> <li>• The Homes and Communities Agency will continue to work with partners to identify sites and delivery partners to meet the aspiration of at least an additional 90 rural homes and a network of rural housing support staff for the LEP area. Via external and local funding and a flexible approach to interventions the Homes and Communities Agency, the LEP, registered providers, and local authorities will seek to maximise delivery of affordable housing in the rural areas of York, North Yorkshire and East Riding;</li> <li>• The Department for Transport and Network Rail commit to more proactive engagement of the LEP in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the LEP as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders;</li> <li>• The Highways Agency commits to developing</li> </ul>
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	<p>a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with LEPs and the LEP Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each LEP with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support LEPs at a national and sub-national level, and a draft licence published on 23<sup>rd</sup> June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.</p>
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**Creating skilled and inspired people:** the Growth Deal will invest in:

- An £8m part new build, part refurbishment of Harrogate College safeguarding the future of vocational education in the area;
- Developing world-class facilities in Agri-tech and land based engineering at Askham Bryan College;
- In addition, the YNYER LEP will commit to enhancing the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy and by facilitating stronger linkage between education providers and local businesses;
- Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. The LEP and the Government are committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

<b>YNYER LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Deliver up to: <ul style="list-style-type: none"> <li>- 1,245 additional learners</li> <li>- 275 additional apprentices</li> </ul> </li> <li>• LEPs are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £4m in 2015/16 in Harrogate College. This is subject to agreement to the final business case demonstrating that the project offers value for money, is deliverable and there is an effective risk management strategy in place</li> <li>• Invest £1m in 2015/16 in the AgriTech Training Centre at Askham Bryan College</li> <li>• Invest £0.6m in 2015/16 in the Land Based</li> </ul>

<p>the ability to link employers with education providers; can have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal. To achieve this, YNYER will facilitate stronger linkage between education providers and local businesses. The LEP will also work with relevant local stakeholders to communicate its priorities and align its offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service.</p> <ul style="list-style-type: none"> <li>• Consider skills implications as part of decision taking on growth strategies;</li> <li>• Clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector;</li> <li>• Positively engage the further education and skills sector in key strategic partnerships e.g. Skills and Employment Boards;</li> <li>• Recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment</li> <li>• YNYER LEP and its partners commit to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value.</li> </ul>	<p>Engineering Centre of Excellence at Askham Bryan College</p> <ul style="list-style-type: none"> <li>• The Government commits to working with YNYER LEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in the YNYER area</li> <li>• Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> <li>○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment</li> <li>○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery.</li> <li>○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years.</li> </ul> </li> <li>• Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery.</li> </ul>
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	<ul style="list-style-type: none"> <li>Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.</li> </ul>
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**Ensuring the existing transport network promotes growth and low carbon goals:** the Growth Deal will invest in bridge infrastructure and road maintenance schemes across East Riding of Yorkshire and North Yorkshire to promote growth and improve the existing transport network.

<b>YNYER LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>Invest local authority public resources of at least £31.2m to deliver the East riding Road Maintenance and the Maintenance of Category 4 Roads in North Yorkshire Growth Towns programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Invest £1.5m in 2015/16 in the Newland Bridge Maintenance Scheme</li> <li>Provisional allocations have been awarded to the LEP to support the following projects starting in 2016/17 and beyond: a) East Riding Road Maintenance Programme (£16.7m provisionally), and; b) Maintain Category 4 Roads in North Yorkshire Growth Towns (£24m provisionally)</li> </ul>

**As part of the deal, the LEP will:**

**Strengthen governance:** Over the period of the Growth Deal, governance across the YNYER LEP will continue to strengthen and evolve to ensure strong, rigorous and properly accountable decision making and delivery on economic growth, infrastructure, skills and business development issues.

The role of the LEP and its governance structures will be to set the vision and outcomes that will guide the allocation of resources at a project level, and to monitor and ensure results achieve intended outcomes. To support it in its role, the LEP will:

- Establish three programme boards (business growth, skills and employment, infrastructure) to manage investment programmes.
- Appoint a chair to each programme board from the full LEP board, and ensure that representation on all Board includes both the Public and Private Sectors
- Ensure that programme boards are also able to provide the local approval structure for EU Structural & Investment Funds.
- Hold the programme boards accountable for delivering the growth deal commitments.

To support the Programme Boards, a Local Growth Team will be established comprising the LEP Secretariat and key local delivery partners.

**Ensure implementation and demonstrate success,** by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements

with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.

**Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks

**Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.