

Local Growth Deal Review September 2017



How are we doing so far?

The York, North Yorkshire and East Riding Local Growth Fund totals £146m

The initial Growth Deal between the LEP and Government was agreed in July 2014. Since then two additional deals have been agreed taking the total value of funding to £146m. Of which £124m is directly managed by the LEP and a further £22m allocated but dealt with directly by the Department of Transport (DfT) and Homes & Communities Agency (HCA).

The Programme is to be delivered between April 2015 and March 2021.

Successful delivery over the first two years ?

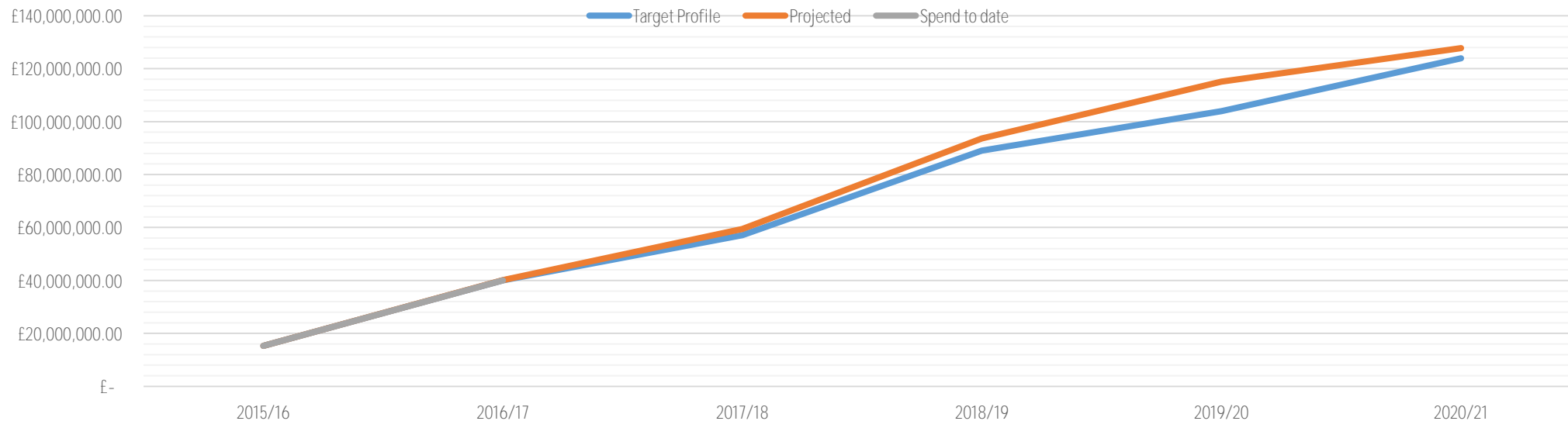
61% (£75m) contracted

The aim during the first two years of the Programme was to ensure that as many projects as possible are developed to contract so that the impact of the funding can be realised quickly. So far this has proved successful and generally the Programme is ahead of schedule, although some of the more difficult projects still remain in the early development stage.

33% (£41m) delivered

Delivery of the Local Growth Funding has hit target profile for the first two years and is on course to hit its target again at the end of year 3.

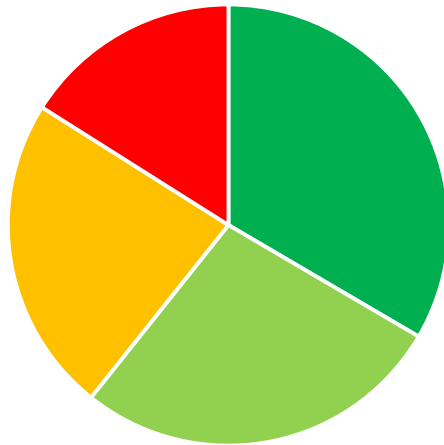
LOCAL GROWTH FUND PROFILE



How are we doing so far?

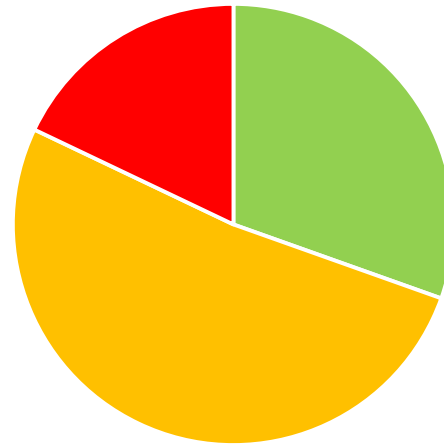
Delivering against our Growth Deal targets

£125m Local Growth Funding invested



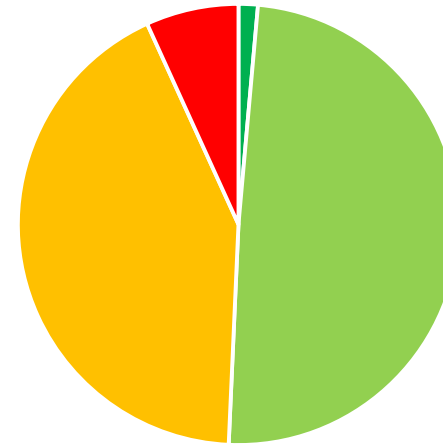
- Delivered
- Contracted but not yet delivered
- Medium Delivery Risk
- High Delivery Risk

Creating 11,620 jobs



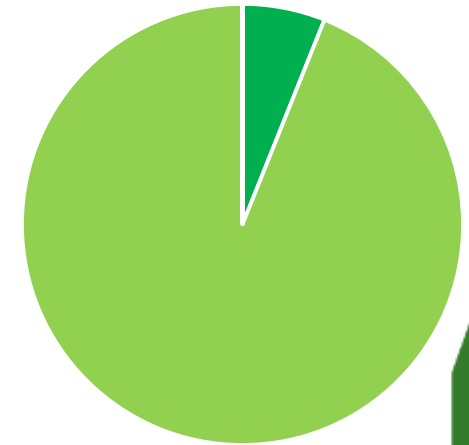
- Delivered
- Contracted
- Medium Delivery Risk
- High Delivery Risk

Delivering 6,000 new homes



- Delivered
- Contracted
- Medium Delivery Risk
- High Delivery Risk

Stimulating £350m investment from the public and private sectors



- Delivered
- Contracted
- Medium Delivery Risk
- High Delivery Risk



Transformational Programmes

	Contracted Projects	Currently allocated to projects	Total	High Risk	Medium Risk	Recommendation	Revised Total	variation
Opportunity Coast	£5,819,345	£4,000,000	£9,819,345	£0	£1,500,000	Retain allocation	£9,819,345	£0
More Homes	£8,000,000	£8,000,000	£16,000,000	£8,000,000	£0	Reduce allocation	£10,000,000	−£6,000,000
Business Growth	£3,000,000	£10,000,000	£13,000,000	£6,000,000	£4,000,000	Reduce allocation	£10,000,000	−£3,000,000
High Value Employment	£2,100,000	£6,780,000	£8,880,000	£0	£1,000,000	Increase allocation	£10,730,000	£1,850,000
East West Connectivity	£3,385,938	£14,984,062	£18,370,000	£0	£11,000,000	Retain allocation	£18,370,000	£0
York Central EZ	£0	£5,000,000	£5,000,000	£0	£0	Retain allocation	£5,000,000	£0
Resilient economy	£46,600,000	£500,000	£47,100,000	£0	£0	Increase allocation	£48,400,000	£1,300,000
Skills Capital	£9,193,670	£406,330	£9,600,000	£0	£0	Increase allocation	£11,600,000	£2,000,000
	£78,098,953	£49,670,392	£127,769,345	£14,000,000	£17,500,000		£123,919,345	
	LGF Budget Allocation		£123,913,138			Difference budget - allocation =		−£6,207



Transformation of our Opportunity Coast

	LGF	£m investment levered	New homes	Jobs
Contracted Local Growth Funding				
Middle Deepdale Housing at Scarborough	£2,319,345	£110	825	
Bridlington Harbour and Marina Development	£3,500,000	£61	100	250
	<u>£5,819,345</u>	<u>£171</u>	<u>925</u>	<u>250</u>
Allocated Local growth Fund				
Scarborough Housing and Employment Growth	<u>£4,000,000</u>		160	1000
	<u>£4,000,000</u>			
LGF Delivery Risk		<u>£0</u>		
		<u>£0</u>		
Outline Projects Received - potential reserve/pipeline projects (Subject to assessment and prioritisation)				
Scarborough Business Park		Total requested from Local Growth Fund of £11.8m.		
Northway Junctions Scarborough		Total investment value of £36.9m.		
Reconnecting Eastborough				
Futurist Theatre				
Scarborough Construction Skills Village				
Bridlington Town Centre (north of harbour)				

Recommendation - retain £4m LGF allocation for Scarborough

Current proposals include £2.5m investment in improvements to a series of road junctions in Scarborough to facilitate the development of local plan allocated housing sites and also to address congestion issues around the town. The outline proposals received identify further highway improvements required to enable further employment and housing developments. It is therefore recommended that the current £4m LGF allocation is made available to support the other Scarborough Projects. A prioritised list of these projects to be provided for the 4th October 2017 Infrastructure Programme Board.



Building More Homes

	LGF	£ investment levered	New homes
Contracted Local Growth Funding			
Growth at Catterick	£2,000,000		2000
North Northallerton	£6,000,000		1000
	<u>£8,000,000</u>		<u>3000</u>
Allocated Local Growth Fund			
Olympia Park Selby	£8,000,000		800
	<u>£8,000,000</u>		
LGF delivery Risk	£8,000,000		
	<u>£8,000,000</u>		

Outline Projects Received - potential reserve/pipeline projects (Subject to assessment and prioritisation)

Craven rural housing pipeline

Total requested from Local Growth Fund of £27.7m.

Growth West of Harrogate (Otley Road Corridor)

Total investment value of £35.5m.

Sowerby Gateway Housing Growth Thrisk

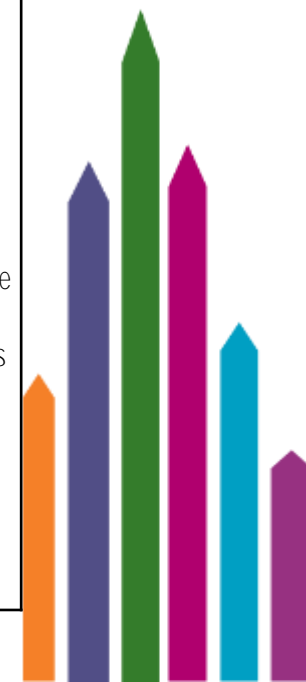
Opportunities through other transport and housing infrastructure funds to support outcomes.

Brough Phase 3 relief road

Selby DC Housing

Recommendation - Continue to support the development of the Olympia Park housing/employment site but to deallocate the £8m LGF. To retain £2.8m of this allocation to enable the LEP to continue to support the building of more homes.

The Local Growth Funding has enabled two out of the three strategic housing projects. Work is now well underway at both Northallerton and Catterick. However although there has been some progress in developing a solution at Olympia Park it is now looking extremely unlikely that it will be deliverable within the Local Growth Fund timeframe. The proposed scheme at Olympia Park is currently going through significant changes which will need re assessing at some point with a new master plan for site being devised. There continues to be a need to support the facilitation of more homes across the LEP area, it is therefore recommended that some of the allocation is retained. A prioritised list and project allocations to be determined by the Infrastructure Board at its meeting on the 4th October 2017, this could also include a revised proposal for Olympia Park.



Business Growth

	LGF
Contracted Local Growth Funding	
York Bio Hub Equipment	£1,000,000
Lets Grow Grants	£2,000,000
	<u>£3,000,000</u>
Allocated Local Growth Fund	
Bioeconomy Grants	£10,000,000
	<u>£10,000,000</u>
LGF Delivery Risk	£10,000,000
Outline Projects Received - potential reserve/pipeline projects (Subject to assessment and prioritisation)	
NY Mobile Communications	LGF requested £2m

Recommendation - Retain £4m to support the existing proposals currently going through the Bioeconomy Grant Programme, £2m (£1m p.a. for 19/20 and 20/21) to support further the farming and food sector and an initial £1m to enable improvements to the telecommunications network supporting business growth and productivity

The original Growth Deal emphasised the need to invest in the bio/agri sector to support growth. Much of this has been achieved without the Local Growth Fund and the situation in terms of the need for investment has changed. However this is an important sector for this LEP area and some funding will be retained but will be reviewed on a regular basis. A very successful Growth Hub (How's Business) has been established, expansion of the original RGF business grant scheme (Lets Grow) and a variety of support packages through the EU funding Programme. In addition the need for improved tele communications and broadband infrastructure particularly to support growth in rural businesses is required. It is proposed that a detailed business plan is developed for an innovative approach to enable improved mobile connectivity is prepared and considered by the LEP Board at its November Board meeting.



High Value Employment

Contracted Local Growth Funding	
Malton Agri Business Park	£2,100,000
	<u>£2,100,000</u>
Allocated Local Growth Fund	
Skipton Housing and Employment Growth	£4,780,000
Harrogate Central	£1,000,000
Pickering Employment Site	£1,000,000
	<u>£6,780,000</u>
LGF Delivery Risk	£1,000,000

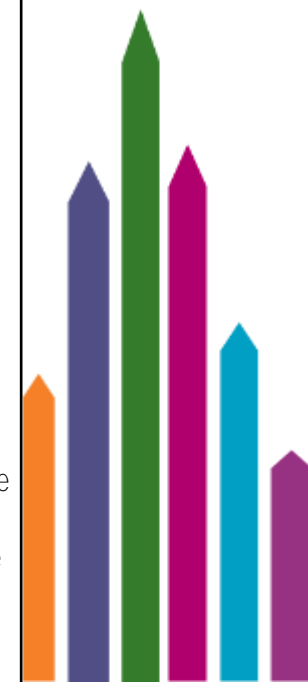
Outline Projects Received - potential reserve/pipeline projects (Subject to assessment and prioritisation)

Flaxby Green Park Technology Hub	Malton and Norton Connectivity
Uredale Mill	York SJU Creative Centre
Hambleton Grove Knaresborough	UofY Catalyst II
Harrogate Central +	Bridlington town centre
Pickering Employment site	Driffield Town Centre
Skipton Engine Shed Lane	Capitol Park Goole
Skipton Town Hall	Howden Relief Road
Beverley Grovehill Road widening	Bridgehead Aura Innovation Centre
Beverley Grovehill Business Park	M62 J34a
Northallerton Central Connections	NYMR
Central Northallerton Digital Hub	Selby Station

Total requested from Local Growth Fund £43m.
Total value of investments £154m.
Variety of both grants and loan applications.
Varying degrees of deliverability .

Recommendation- Retain and increase the LGF allocation by £1.85mm

The majority of projects allocated LGF within this part of the Programme are yet to be developed into full business plans and contracted. These are all at differing stages and there is some risk attached to these. However it is also the where there is clearly high demand from potential pipeline projects from across the whole LEP area and a mix of loan and grant requests. As job creation remains a priority within the LGF it is proposed that the allocation is increased by £1.85mm. The prioritisation and ranking of these projects will be presented to the Infrastructure Programme Board at its 4th October meeting.

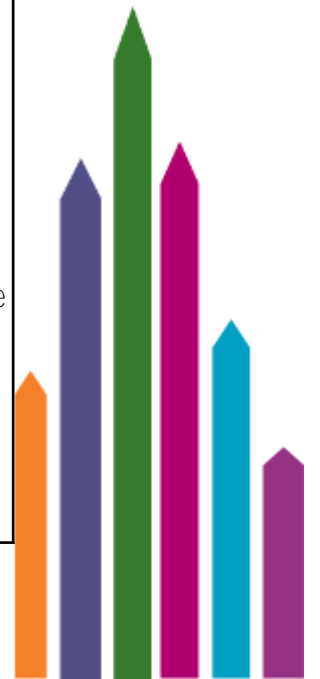


East -west Connectivity

Contracted Local Growth Funding	LGF
A1/A59 Jct 47 Improvements	£2,470,000
A1079 Killingwoldgraves Roundabout	£915,938
	<u>£3,385,938</u>
Allocated Local Growth Fund	
A1079 Shiptonthorpe Roundabout	£5,384,062
Harrogate-York Rail Improvements	£9,600,000
	<u>£14,984,062</u>
LGF Delivery Risk	£11,000,000
Outline Projects Received - potential reserve/pipeline projects (Subject to assessment and prioritisation)	
A59 upgrade west of Skipton	Total requested Local Growth Funding of £11.7m
H2K Cycleway	
A164 Great Gutter Ln Ripplingham Rd junction	
Harrogate BC Long Term Transport Project Pipeline (to 2025)	

Recommendation - To retain £11m at risk funding for further review by the Infrastructure Board in October.

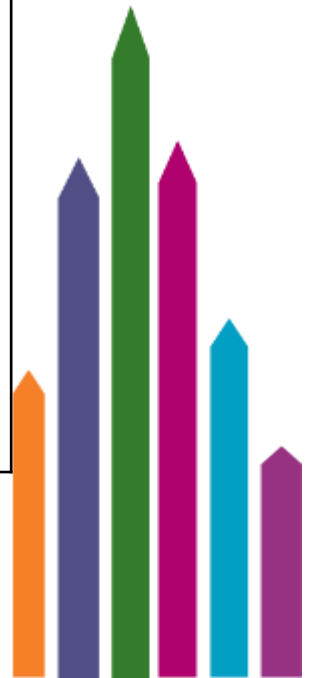
Progress has been made on the initial East-West connectivity projects with works starting on site on both contracted schemes shortly. However there remains some potential risk with the delivery of the York-Harrogate Rail project within the LGF timeframe and also the further roundabout improvement on the A1079 is coming out at a slightly lower cost, the scheme to be delivered in 2019. Discussions are currently ongoing with delivery partners and a more detailed position statement will be provided to the LEP Performance Board and then to the Infrastructure Board on 4th October 2017. At this stage it is proposed to retain the allocation until the full review has taken place. Progress will continue on further East West Connection projects to take up any potential underspend.



York Central Enterprise Zone

Contracted Local Growth Funding	LGF
	<u>£0</u>
	<u>£0</u>
Allocated Local Growth Fund	
York Central LGF	<u>£5,000,000</u>
	<u>£5,000,000</u>
LGF High Delivery Risk	
Outline Projects Received - potential reserve/pipeline projects (Subject to assessment and prioritisation)	
York Central LGF +	£16,300,000

Recommendation - To retain the current allocation and review as part of the whole York Central project
 A separate report is provided on the current position regarding York Central Enterprise Zone. Although a further submission has been made to increase the LGF allocation at this stage it is proposed that any decision on increasing the LGF allocation should be made once the funding requirements to ensure full delivery of the Enterprise Zone are known. This will be reviewed regularly and considered further by the Infrastructure Board in December..



A Resilient Economy

Contracted Local Growth Funding	
Skipton Flood Alleviation Scheme	£1,200,000
Newlands Bridge improvements	£1,500,000
Tadcaster Bridge	£1,400,000
Dalton Bridge	£1,800,000
North Yorkshire Road Maintenance Programme	£24,000,000
East Riding Road Maintenance Scheme	£16,700,000
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	£46,600,000
Allocated Local Growth Fund	
Pocklington FAS	£500,000

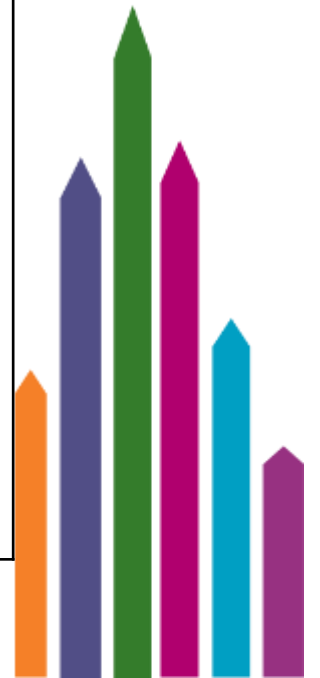
LGF High Delivery Risk

Outline Projects Received - potential reserve/pipeline projects (Subject to assessment and prioritisation)

Filey FAS	Total requested from Local Growth Fund £3.5m.
Whitby Harbour/Piers	Total value of investments £22.8m
Malton and Norton FAS	High deliverability rating.
Whitby Church Street	
South Withernsea	
Skell Natural Flood Management	

Recommendation - To allocate a further £1.3m

Significant progress has been made in the delivery of this part of the Programme. The impact of providing support for the economic/business benefits of the flood alleviation/management projects have been significant. A number of projects were submitted through our Growth Deal 3 submission but due to budget constraints only a small allocation was agreed. Since then further work has taken place to enable these projects to be delivered through other sources of funding, in particular the opportunity to use EU funding. It is therefore proposed to allocate a further £1.3m to support this package of projects the prioritisation of these to be considered at the 4th October Infrastructure Board.



Skills Capital Programme

Contracted Local Growth Funding	LGF
Askham Bryan College - Agricultural Skills Centre	£1,000,000
Askham Bryan College - Engineering	£600,000
Selby College - Equipment	£109,903
Harrogate College.	£3,000,000
Selby College Trailblazers	£48,247
East Riding College Mechtronics	£225,000
Craven College Animal Management Centre (new project)	£800,520
Craven College Electronic and Computing Lab	£35,000
York College Internet of Things	£20,000
DTA RADAR 2	£10,000
Scarborough TEC new campus	£3,345,000
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	£9,193,670

Allocated Local Growth Fund £406,330

LGF High Delivery Risk £0

Outline Projects Received - potential reserve/pipeline projects (Subject to assessment and prioritisation)

- Bishop Burton College - Digital Platform
- GIFHE Scarborough Tec - Rural Inclusion for skills
- East Riding Council - EES Digital
- Askham Bryan College - Future Farm Skills

Reccomendation - To allocate a further £2m

The skills capital programme has so far delivered and addressed the outcomes originally set out in the Strategic Economic Plan. It has been identified that there is a strategic need for investment in digital infrastructure in colleges and training providers to combat the lack of rural skills provision and enable people living in isolated areas to access training. This issue has been highlighted in the recently published Area Based Review report which recommends that innovative ways are found to address this. We propose a Digital Infrastructure for Skills programme (£2m) which enables investment in projects which upgrade or install digital hardware such as fibre-optic cables or new servers, use technology to enhance distance learning, modernise equipment to ensure learners have access to cutting edge technology and pilot innovative use of new technology.

