

**Chief Executives' Group – North Yorkshire and York
28 August 2019**

LEP update

1 Purpose of the Report:

- 1.1 This paper provides an update on:
- a) Delivery Update (Business, Skills, Infrastructure)
 - b) Energy & Low Carbon

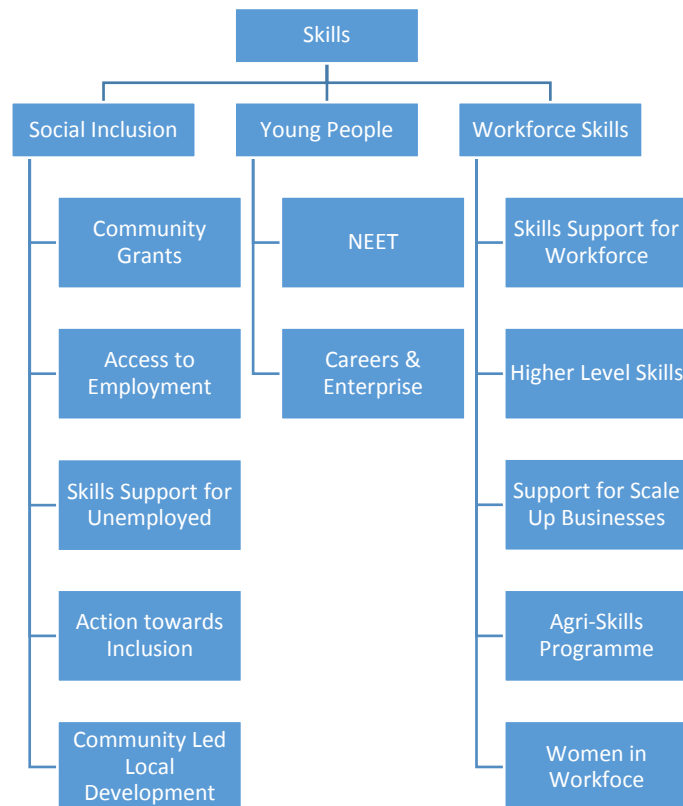
2 Delivery Update

Business

- 2.1 To avoid confusion with the overlapping areas, YNYER only provide business advisers in the non-overlapping parts of the geography. The Business Adviser model has been aligned with the LCR model to provide greater consistency.
- 2.2 A renewed focus on online content and targeting has seen a significant increase in light touch support (accessing online e-books etc) resulting in the Annual Target of 2000 being exceeded in August. We would expect this demand to continue, particularly given the uncertainty around brexit etc. Intensive supports (8 Hours support remains on track with increased referrals. At the end of July we had achieved 37 against an annual target of 100.
- 2.3 There has been an increased focus on building strong partnerships to increase reach and impact across the region. This includes
- 1) One of 2 pilots with Nat West Bank aimed at increasing the access to finance for female business owners
 - 2) Launch of a business engagement group.
 - 3) Alignment of offers with Local Authority partners with a launch of months 'drop in' sessions to increase local traction
 - 4) Targeted activities – e.g a Brexit round table targeting bio-economy businesses in partnership with National Office of Life Sciences. A further event is being run with Home Office targeting food and drink companies and future border control plans.
- 2.4 EU funded business support programmes continue to deliver across the region. Most are in partnership either with Humber/Leeds or at an NP11 level. Calls for projects for the remaining un-contracted funds are in process at present.
- 2.5 In response to the flooding around Leyburn, the LEP instigated a flood grant scheme, similar to the one which operated in York and Tadcaster in 2015 to support businesses to get back up and trading. They can claim up to £2000 to support this process. This funding is now fully allocated.

Skills

- 2.6 The LEP skills programmes continue to be high performing with a broad range of programmes and activities across the social inclusion, young people and workforce agenda's. These are summarised below:



- 2.7 £20.9m committed to social inclusion projects. 5000+ people already supported with 8000 profiled to received support across YNYER before programmes end 2023

- 2.8 Skills Support for the Workforce is a £9.4 investment to end 2021. It has already supported 4,652 employees to upskill up to level 2+ from 1,277 business and is profiled to support 1,330 more individuals to 2021

- 2.9 In addition more targeted programmes are being commissioned aimed at;

- 1) Mental health in workplace – Thriving at work will give training to line managers to support staff with poor mental health, disabilities and neurodiversity (dyslexia, dyspraxia, autism, asperges etc) achieve their potential in the workplace. It will also support people in these groups to up-skill, increase ambition and achieve their potential and increase diversity at management level in companies.
- 2) Work placements for T-levels addressing the challenge of 45-60 days work experience within the qualification. Y
- 3) Local utilisation of unspent apprenticeship levies combined with activity to support SMEs new to engaging with apprenticeships. Launches for applications Oct 21st.
- 4) Digital skills to enable SMEs identify digital skills gaps to increase productivity and ensuring the local workforce has the skills required by future inward investment leading to high value jobs and supporting existing businesses to

remain competitive by adopting new technologies. Launches for applications
2nd Sept

- 5) Bespoke skills service – based on a co-funding model to complement existing skills portfolio expanding technical, STEM and specialist skills offer and improve access to local, national, international supply chains (call currently in design)
- 2.10 The Careers & Enterprise Programme continues to perform well, exceeding national averages across the Gatsby benchmarks. The biggest challenge is churn within careers leads within schools. This builds on the previous Careers Enterprise Information Advice and Guidance programme which was successful in supporting 1158 young people and included 23 schools/colleges achieving the Quality in Careers Guidance award.
- 2.11 A workforce Skills strategy has also been launched. Strategies are now in place for:
- 2.11.1 Workforce Skills
2.11.2 Careers & Enterprise
2.11.3 Social Inclusion
2.11.4 Apprenticeships

Infrastructure

- 2.12 Overall the Local Growth Fund is a good position to deliver both spend and outputs by the end of the Programme (March 2021).
- 2.13

Outturn	2015/16	2016/17	2017/18	2018/19	2019/20 (forecast)	2020/21 (forecast)
Business Growth Capital	£0	£948,442	£531,558	£2,639,174	£1,380,826	£0
Skills Capital	£4,511,502	£497,022	£2,764,341	£1,863,985	£821,468	£0
Infrastructure Capital	£10,788,498	£11,468,971	£2,637,822	£15,835,572	£12,746,316	£10,649,329
DfT transport	£0	£11,731,402	£11,828,598	£9,686,498	£4,266,751	£3,226,751
LGF Programme costs	£0	£7,749	£0	£730,000	£730,000	£730,000
Total LGF Expenditure	£15,300,000	£24,653,586	£17,762,319	£30,755,229	£19,945,361	£14,606,080
Variation to target profile		-£48,598	-£4,261,588	-£2,582,856	+£9,207,070	-£3,253,189
Cumulative	£15,300,000	£39,953,586	£57,715,905	£88,471,134	£108,416,495	£123,022,575

- 2.14 Overall the Local Growth Fund is a good position to deliver both spend and outputs by the end of the Programme (March 2021).
- 2.14.1 LGF Total Value is £123m to be delivered by end of March 2021.
- 2.14.2 £107m has been approved and/or contracted so far.
- 2.14.3 Current LGF spend to date (by end of Q4 2018/19) is £86.5m. This is lower than what should be expected at this stage in the Programme (target £93m) but still on track to be fully spent and delivered by end of March 2021.

2.14.4 Although current actual delivered outputs for jobs and homes is low the programme has approved investments that will enable over 14000 jobs to be created/safeguarded and 8,500 new homes to be built. This is above the original targets set for the YNYER Growth Deal

2.15 Chief Executives are asked to ensure all possible levers are used to accelerate delivery of projects and ensure claims are submitted on time. It is essential that partners focus on three key strands:

2.15.1 Delivery and expenditure on the ground, particularly when the Local Authority drew down the funding In advance.

2.15.2 Delivery and reporting of outputs.

2.15.3 Ensuring the pipeline is delivery ready and investible.

Key Point 1: To ensure programme deliverability, the LEP will be taking an increasingly hard line on performance and spend. Local Authorities cannot assume any under-performance or slippage which takes spend outside of this financial year can still be claimed in future years.

Key point 2: Conversations with government indicate that whilst it will take time for the new leadership to confirm any investment, local growth is high priority and ensuring all areas ok UK receive investment. It is likely that any additional funding will require investible business plans. Local Authorities are therefore asked to accelerate business plans at risk in anticipation of new opportunities. The LEP is committed to supporting this process.

3 Energy & Low Carbon

3.1 Both LCR and YNYER have published their energy strategies. The priorities for YNYER are;

3.1.1 Smart City York

3.1.2 Supporting, towns, rural communities and business to realise energy independence

3.1.3 Establishing resource efficiency clusters

3.1.4 Creating a circular agri-food sector

3.2 To support implementation of the above;

3.2.1 A stakeholder event is being held in York on 25 September – Leading a climate emergency, a collaborative approach

3.2.2 Working with the North East & Yorkshire Energy Hub (All NE & Yorks LEPs) we are recruiting and hosting rural energy expertise.

3.2.3 Working in partnership with LCR we are utilising EU funding to develop a resource efficiency programme

3.2.4 Local Authorities are working with the LEP on securing EU funding for Electric Vehicle Charging Points.

3.2.5 A circular economy strategy and action plan is under development including Circular Yorkshire month, an industry collaboration in October.

4 Local Industrial Strategy

- 4.1 LCR & YNYER LEP have been working on their Local Industrial Strategies. Having created a joint evidence base, the two LEPs have taken a more local approach to ensure the distinctiveness of the whole area is brought out. We have undertaken 7 local consultation events, led by Local Authorities based upon the spatial areas identified within the Spatial Framework.
- 4.2 This phase is complete and 'local stories' based on each area will be developed and shared with local areas. The primary focus now is taking the local consultation feedback to develop regional priorities. These will be under the title 'good growth in distinctive places'.
- 4.3 The objective is to create 4 or 5 regional priorities which will lead to focused actions under the Industrial Strategy headings of people, place, ideas, business environment and infrastructure which bring out the distinctiveness of the region. It is important that the driver for the LIS will be driving productivity. The emerging priorities are likely be around:

Distinctive Places	Quality of Place	Capitalising on the strength of the York and Yorkshire brands, creating opportunities through heritage & culture and future towns work.
	Emerging Growth Opportunities	Delivering the strategic development zones identified within the spatial framework and capitalising on anchor institutions.
Good Growth	Smart Region	Ensuring the region is digitally connected, positioning the region as a test bed for new emerging technologies and using technology to drive productivity in low performing sectors and new business models.
	Clean Growth	Implement the energy strategy and building on the regions assets. Clear Uk policy drivers, major industry (e.g Drax, Offshore Wind), world leading innovation around food, bio-economy and agri-tech and natural resources to support new clean opportunities.
	Inclusive Growth (healthy & productive)	Realising the potential of all elements of society and promoting models which deliver healthier, more productive workplaces.

- 4.4 These will be refined to bring out greater distinctiveness within our region. These will be taken to the September LEP Board before consulting in October, with business, anchor institutions and key stakeholders.
- 4.5 The LIS will be complete by December 2019.

5 Recommendations

Chief Executives are asked to;

1. Note progress and delivery activity within the business and skills agenda

2. Ensure all possible levers are used to ensure deliverability of Local Growth Fund projects.
3. Support development of a future pipeline
4. Note progress and support engagement with regard to implementing the Energy Strategy.
5. Note progress on the Local Industrial Strategy and emerging priorities

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21 August 2019