



Strategic Economic Plan

Consultation Draft

1st August 2013

How to comment

1. Complete our Strategic Economic Plan survey

www.surveymonkey.com/s/growth_strategy

2. Register for our consultation events

<http://www.eventbrite.com/org/2766301504>

Date	Location	Time
9 th August	Derwent Training, Malton	10.00-12.30
14 th August	Colburn Business Park	10.00-12.30
16 th August	Belle Vue Suite, Skipton	10.00-12.30
19 th August	Conyngham Hall, Knaresborough	10.00-12.30
21 st August	Ron Cooke Hub, York	10.00-12.30
23 rd August	Bridlington Spa, Bridlington	10.00-12.30

3. Email comments to:-

Enquiries@businessinspiredgrowth.com

4. Post comments to:-

York, North Yorkshire and East Riding Enterprise Partnership
The Lodge, 2 Racecourse Lane
Northallerton
DL7 8AH

Consultation on this draft will close at Noon on Friday 6th September 2013

Foreword

by Barry Dodd OBE

Chair of the York, North Yorkshire and East Riding Local Enterprise Partnership



We are about to begin an exciting journey that offers a once in a generation opportunity for growth. Over £2 billion of private sector investment is planned in a new potash mine near the coast, around £1.5 billion is being invested in our agri-tech and food sector and we have the UK's largest, cleanest, coal fired power station, which is investing in both biomass and carbon capture and storage.

Add to that the world class Food & Environment Research Agency, which sits at the heart of the National Agri-Tech Strategy and we have a region which is at the forefront of the emerging growth sectors of agri-tech and renewable energy.

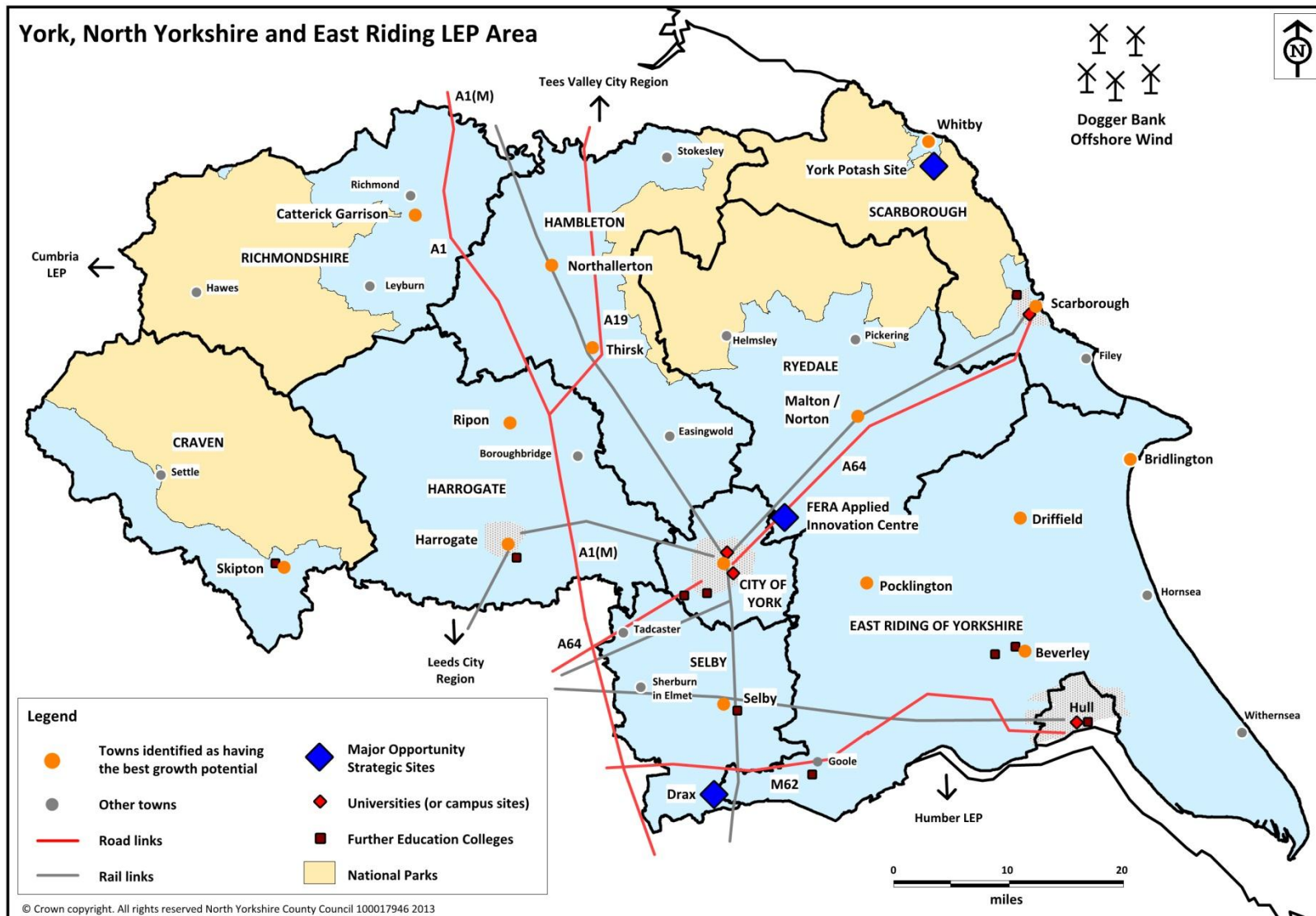
We must capitalise on this transformative opportunity, be ambitious and invest to support its delivery.

That will involve looking at our area in a new way, combining innovation, resolve and unwavering focus on the things that really matter. For example we know that many of the planned major investments are taking place along the A64 between York and Scarborough. Yet this key trunk road needs an overhaul to give the reliable journey times which business demands. Likewise the City of York has ambitious growth plans which rely on large scale investment in its ring road. And there are further opportunities to reinvigorate market towns, regenerate our coast and make the most of our wonderful rural geography. We must rise to these challenges, deliver improvements more quickly and efficiently, and join up business, infrastructure and skills.

This strategy sets out how the York, North Yorkshire and East Riding Local Enterprise Partnership will work with partners to drive change and to deliver growth and jobs. We will help businesses to grow and access supply chain opportunities, to develop ambitious young people with the right skills for the future, and to put in place the infrastructure to support business growth.

Neither will we shy away from challenges. We have a fantastic tourism sector, but it is a sector, along with agriculture, where jobs are often seasonal and wage levels are traditionally low. We need to ensure the investment in high speed broadband leads to greater innovation and more small businesses locating in rural areas. And most of all we need to guard against complacency and raise our level of ambition. In areas where we have traditionally performed well, such as higher level skills, improvements are not always keeping pace with competitors. We need the vision and drive to not only arrest any decline, but to push ourselves to the next level.

To achieve transformative change, we will utilise the strengths and expertise of partners, collaborate with our neighbouring LEPs, and above all focus on activities which will have greatest impact. This strategy sets out our priorities and the outcomes by which you can judge us.



1. A Plan for Business Growth

This strategy sets out how the York, North Yorkshire and East Riding Local Enterprise Partnership will work with partners to realise opportunities and achieve business led growth. Together with a high level investment plan it will focus activity and resources on priorities, align the work of partners, and ensure we deliver clear outcomes that add value.

Our area is genuinely distinctive. Small and micro enterprises predominate. We enjoy a wonderful geography of market towns, coastline and countryside, complemented by the famous centres of Harrogate and York. And our agriculture, food manufacturing and energy sectors are pronounced, full of potential and entwined with our rural character. These assets drive our economy and will be central to future prosperity.

Our **vision** for the area is simple, to become:

A thriving, prosperous place where businesses are growing in size, number and long term profitability

We will focus on delivering **five priorities** to enable business led growth and achieve these outcomes:

Profitable and ambitious small and micro businesses

A UK leader in food manufacturing, agriculture and biorenewables

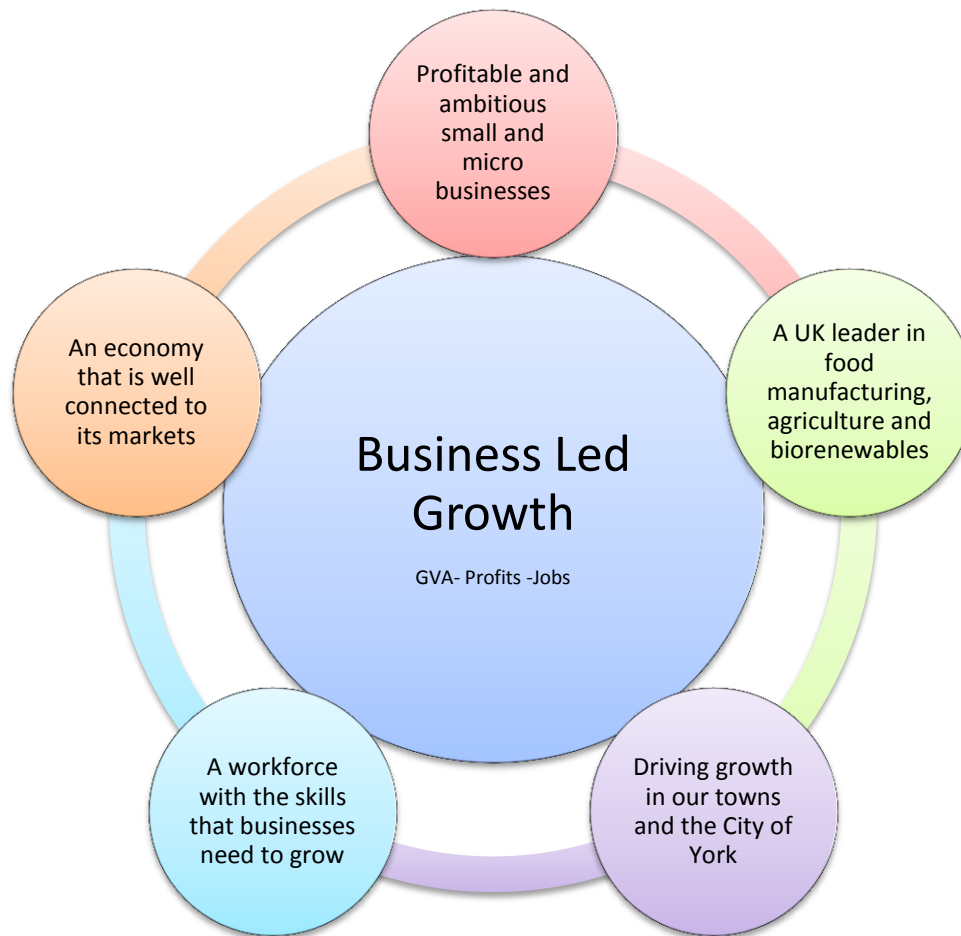
Driving growth in our towns and the City of York

A workforce with the skills that businesses need to grow

An economy that is well connected to its markets

As the diagram shows (overleaf) these priorities connect to one another and will *together* drive business growth. For instance, small businesses in the food manufacturing, agriculture and biorenewables sector can benefit from business support and enhanced skills levels. The attributes of the places they are based in – rural and urban – affect their success, as do good connections to markets.

Five priorities working as one for business growth



As the vision makes clear, businesses and their growth are at the heart of our approach. Change must be demand led and business driven. And it must deliver hard outcomes. We will measure success by progress made towards the following outcomes:¹

- Higher total GVA (economic output)
- More jobs
- Reduced carbon emissions

For businesses, success will mean increased business profitability, productivity and resilience. For people, it will also mean rising incomes, and we will strive to ensure that economic growth goes hand in hand with an excellent quality of life and a high quality environment. We will take account of this range of factors in how we monitor success.

¹ Targets will be agreed following consultation inputs and once resources and actions are clear. Profitability is not shown in the outcomes as it cannot be easily measured - we will use productivity and average incomes as proxy measures for it.

Evidence Informing Action

The York, North Yorkshire and East Riding Economy

The LEP is one of largest economies in England by land area. It has a population of around 1.13 million people and brings together an extensive and predominantly rural area running from north of Leeds up to Scarborough. Its more southerly parts cover the districts of Harrogate, Selby, Craven and the City of York, all of which are also part of the Leeds City Region. Further north it covers the North Yorkshire districts of Ryedale, Hambleton, Richmondshire and Scarborough, with connections to the Tees Valley becoming stronger in the most northerly areas. The East Riding is the largest unitary authority in our area and extends from north of the Humber estuary to Bridlington, taking in centres such as Goole and Beverley. It is also part of the Humber LEP area.

Our area's economy presents a combination of strengths, assets and unfulfilled potential (see annex for statistics and SWOT analysis). Employment, basic skills and business survival rates are above average and we have strong business sectors such as food and agriculture, energy and the visitor economy. Yet our productivity and GVA levels are below what we would expect given our size and skills base. There are also considerable differences at a local level that are masked by overall statistics. Our area includes localities that have surprisingly high and sometimes hidden deprivation. Elsewhere certain sectors, such as manufacturing and engineering, have localised hotspots. As our most urban area, the City Of York also has distinct features, for instance connected to its business base and university and science based assets. **We need to make more of our distinctive strengths to combat low GVA and drive future success.**

This analysis and the more detailed evidence base that underpins it present a number of key implications. These have informed our strategic approach and **there is clear line of sight from the evidence and emerging opportunities to the priorities and deliverables within this strategy.** They include:

- Our **high proportion of small and microbusinesses** means that if we are to improve GVA and productivity, then there must be a strong (but not exclusive) focus on these businesses across sectors, including tourism and farm based businesses – see Priority 1
- **Food manufacturing and agriculture is our most pronounced sector.** Its scale far exceeds national average and it accounts for a sizeable number of businesses and jobs. It can perform better than it is doing now and major investments and innovation programmes have the potential to drive that improvement. The energy and especially biorenewables sector here is also pronounced. It includes key national assets which can drive expansion and enhance food and energy security – see Priority 2
- Our **distinctive and predominantly rural geography combines a wealth of market towns, and more national parks and areas of outstanding countryside and coast** than practically anywhere else in England. The major centres of York and Harrogate are key economic drivers that combine heritage, commercial and knowledge based assets. There are also growth opportunities within key market and coastal towns. Our strategy reflects this geography and its opportunities – see Priority 3
- Improving **employability skills and qualifications** (especially at higher levels), combined with widened apprenticeship opportunities and responsiveness to our specific business and sector based needs, will

A combination
of strengths,
assets and
unfulfilled
potential

help to drive growth and prosperity. Upskilling and support for those who are unemployed can also help to tackle pockets of deprivation (e.g. in coastal towns and parts of Selby, Colburn and York), underpin growth and ensure the talents of our whole population are utilised – see Priority 4

- Whilst congestion is not as extensive as in some areas, there are pronounced **transport challenges** in specific places and pinch points – including rail access from York and Harrogate into Leeds, on the A64 into Scarborough, and on York outer ring road. Fast broadband is being introduced into much of York and North Yorkshire, but there are gaps in some business parks and the East Riding – see Priority 5

Key Economic Statistics, Assets and Opportunities²

Key LEP Area Facts (NB: these are based on area averages and vary significantly at local level)

- Total GVA (economic output) of £19.3 billion
- 55,580 businesses³, 84.4% of which employ less than 10 people (compared to 83.0% in England)
- Below average productivity and business formation rates (43.8 new business starts per 10,000 adults compared to 54.0 nationally), but better than average 3year business survival rates (61.6% of new firms survive compared to 57.9% in England)
- Agriculture, forestry and fishing is the most distinctively pronounced sector – making up 14.7% of businesses here compared to 4.2% in England. The visitor economy and energy sectors are also larger than average
- Manufacturing accounts for 10% of businesses, the same as England average. Food and drink is its largest single subsector, accounting for 35% of manufacturing jobs
- 454,000 jobs and an above average employment rate – 75.3% compared to 70.7% nationally (up to Sep '12)
- 82,500 people are self-employed, a rate of 15.0% compared to 13.8% for England overall
- Skills are improving but less quickly than nationally. LEP area skills at NVQ levels 1-2 remain above national average, but we now have slightly below average skills at NVQ levels 3 and 4 (e.g. 32.5% of adults have NVQ4+ skills compared to 34.2 % nationally). Apprenticeship take up is also below average.

Key Assets and Opportunities

- Business led growth taking advantage of our concentration of small and micro businesses
- Expansion of FERA and the Sand Hutton site
- A strong food manufacturing and agriculture sector
- Low carbon energy – especially biorenewables, decarbonised power and carbon capture
- Potash mine and investment at Whitby
- York and Harrogate and their development potential and assets (including two universities in York)
- High quality market towns with growth potential (e.g. the new town centre in Catterick Garrison)
- A superb rural environment, coastline and flourishing visitor economy

² Statistics are from LEP area profiles, May 2013, ONS

³ Businesses are those registered for VAT/PAYE in 2012, there are many others below this threshold

2. Our Priorities

Priority 1: Profitable and ambitious small and micro businesses

We will work to ensure that all our businesses are able to grow regardless of size and sector; all five strategy priorities contribute to that goal. Our area is dominated by small and microbusinesses so business support activity will also reflect this concentration.

We will focus on:

- Good quality, local help, support and supply chains development
- Tailored help for tourism, food, farming and town centre businesses
- Leadership and management skills that drive business growth and resilience
- Making it easier to work with universities and colleges, including to drive innovation

At a Glance

Profitable and ambitious small and micro businesses	
What will improve for business: <ul style="list-style-type: none"> • Easy access to good quality help, advice and networks • Improved access to finance • Easier access to university, college and R&D expertise – locally and nationally • Skills that drive business growth • Raised productivity and reduced resource costs (e.g. energy and waste) • Access to new markets opportunities and supply chain development 	How that will happen (Deliverables) <ul style="list-style-type: none"> a) Better access to resources that drive business growth – including advice, support, finance, networks and supply chains b) More and better business support solutions, including for farm, tourism and town centre businesses c) Enhanced leadership and management skills d) Public bodies that do their best to help businesses through planning, regulation and procurement e) Support for businesses to use new ideas and technology to drive growth and competitiveness
Measurables <ul style="list-style-type: none"> • Business support take up and network membership • Business growth and resilience 	Outcomes <ul style="list-style-type: none"> • Higher GVA • More jobs • Business growth and profits
Leadership and Collaboration <p>The LEP will take a leadership role in connecting businesses to existing private and public sector resources, and enhancing support where this adds value. We will collaborate with business networks, professional bodies, universities and national agencies such as UKTI and the Manufacturing Advisory Service.</p>	

Why is it important?

Jobs are created by businesses investing and growing.

- The York, North Yorkshire and East Riding economy is powered by small businesses
- Around 85% of businesses in our area are micro-businesses with fewer than 10 employees; over 97% are small businesses and have less than 50 employees
- Many have potential to flourish and grow, but are unable to realise this because of restricted capacity, expertise or contacts
- There are existing sources of support that can be better utilised
- Those business that do seek advice grow nearly twice as fast as others
- Incremental growth across many businesses can deliver big results - if a half of our SMEs took on one extra employee, it would create well over 25,000 additional jobs

For businesses to grow they need to identify an opportunity, have the desire to grow, the confidence to invest and the skills and resources to deliver.



Federation of Small Businesses
The UK's Leading Business Organisation



the chamber
Leeds, York and North Yorkshire



ID



NFU



Welcome
to Yorkshire
yorkshire.com

Collaborating to support small business

The LEP has been distinctive nationally in promoting a demand led business support model. Faced with a pressing need for business funds to resource it, the LEP had to innovate. It brought together business networks and their members with chartered professionals – connecting businesses to trusted sources of advice, and filling the gap for training workshops at no public cost. These events have helped over 500 businesses since they started in 2013.

The LEP has also brought together the 'big five' business membership organisations to cross promote each other's work and that of smaller networks, the first time this collaboration has happened. Creating an online business events calendar has added further value and ensured the sum of support is greater than its individual parts.

Priority 2: Build on our strength as a UK leader in food manufacturing, agriculture & biorenewables

Food, farming, and biorenewables⁴ are of special importance to our area and there are major growth opportunities to grasp.

We will focus on:

- A world class agri-tech and food sector based on innovation and expertise at FERA⁵ and the University of York
- Maximising the local impact of multi-billion investment in potash at Whitby
- Biorenewable energy and product development linked to R&D assets and to Drax, plus wider low carbon opportunities such as carbon capture and offshore wind
- Inward investment and supply chain development around our major businesses
- Supporting food and farm businesses, including on energy and waste

At a Glance

Build on our strength as a UK leader in food, agriculture and biorenewables	
What will improve for business: <ul style="list-style-type: none"> • World class agri-tech and food expertise and innovation accessible locally • Improved access to new supply chain opportunities • Easier to make major business developments happen and to exploit their full potential • Lower energy and waste costs, plus new income streams for farm and food businesses 	How that will happen (Deliverables) <ul style="list-style-type: none"> a) A national exemplar Sand Hutton Agri-Innovation Campus and an agri-tech innovation programme that helps business to access expertise b) Exploit opportunities from biorenewables, low carbon energy and transformation at Drax c) Supply chain opportunities based on major investments d) A targeted inward investment programme aimed at the supply chains of our major businesses e) A farm energy & resource efficiency programme
Measurables <ul style="list-style-type: none"> • Private investment and jobs in major developments • Foreign direct investment • Reduced waste and more low carbon energy 	Outcomes <ul style="list-style-type: none"> • Higher GVA • More jobs • CO2 reduction
Leadership and Collaboration <p>Major investments will be led by the businesses driving them. The LEP will tackle barriers to delivery and connect small businesses to the opportunities that arise. We will liaise with the Humber LEP on wider sector priorities that are important to East Riding (such as ports and chemicals) and with Leeds City Region on sectors that it covers and are important to districts in the south of our area.</p>	

⁴ Biorenewables covers using crops, organic matter and green chemistry to produce energy and products. Our focus within the field will be on opportunities that do *not* involve using prime agricultural land for energy rather than food.

⁵ FERA is the national Food and Environment Research Agency. It is based near York, at Sand Hutton in Ryedale.

Why is it important?

Businesses in the food manufacturing, agriculture and energy sectors are prominent here.

- Alongside expertise at the University of York, FERA at Sand Hutton is a key asset for agriculture and related food and energy businesses. This world class facility sits at the heart of the UK agri-tech strategy and has potential to double in size (see example below). It has an excellent case to be at the core of the new national agri-tech 'catalyst' programme and to become an exemplar 'catapult' centre.
- The proposed £2 billion investment in a potash mine near Whitby will create a business of national significance, producing £1 billion of annual exports and delivering transformational economic growth, employment and supply chain opportunities.
- Drax, England's largest coal fired power station, presents real opportunities. Alongside a £700m investment in converting to biomass, it is shortlisted for a £1bn carbon capture and storage investment. These technologies present opportunities for inward investment, supply chain and jobs.
- Businesses in the agricultural sector are around 3.5 times more concentrated in the LEP area than national average, and more concentrated than any other sector. The food manufacturing and energy generation sectors are also prominent. In York and North Yorkshire, food manufacturing accounts for around 35% of all jobs in manufacturing.
- There are strong connections between food and agriculture and natural resources, especially biorenewables. For instance farm waste can be used to produce energy through anaerobic digestion.

The connection between major investments and small businesses across our region, can power the growth of the sector in the future.



Sand Hutton Applied Innovation Campus

The Sand Hutton site presents a major opportunity to develop an Applied Innovation Campus linking the world class innovation taking place at the Food & Environment Research Agency with the bioscience strength of the University of York.

The LEP has helped to drive the project's ambition. Working with the University of York and DEFRA we aim to double employment on the site from 800 to 1,600 high quality jobs and to boost the economy by £100m.

FERA is an internationally significant research agency and at the forefront of government responses to many agri-tech and food issues. The site would become a unique and internationally important bioscience and food science campus accommodating FERA alongside private sector companies responding to global challenges such as food security and supply chain integrity (on which FERA have already held major international business events). This would allow sharing of research, information, specialist equipment and personnel.

Our combination of market towns, historic centres, coast and national parks is a distinctive asset

Priority 3: Driving growth in our towns and the City of York

We have wonderful coast and countryside, a superb array of market towns and the invaluable assets of York and Harrogate.

We will focus on:

- Strategic investment in growth towns as identified within the areas Local Plans.
- Development in the key centres of York and Harrogate
- Capitalising on the assets of the Yorkshire Coast
- Sustainable, business led growth in smaller towns and rural areas

At a Glance

Driving growth in our towns and the City of York	
What will improve for business: <ul style="list-style-type: none"> • Raised profitability • More customers and visitors – attracted by targeted improvements in, and work to raise the profile of, individual towns • Better access to high quality premises for business operation and expansion • New market opportunities based on having one of the finest rural environments in Britain • Better workforce availability in areas where it is restricted by costly and insufficient housing 	How that will happen (Deliverables) <ul style="list-style-type: none"> a) Strategic investments to drive development in the market towns with best growth potential (Ripon, Selby, Northallerton, Thirsk, Skipton, Beverley, Driffield, Pocklington, Malton & Norton and Catterick Garrison) b) Development in the City of York to support its ambition to be a top 5 UK city c) Growth in Harrogate linked to its role as a commercial and business tourism centre d) Stronger economies in key coastal towns (Scarborough, Bridlington, Whitby) linked to tourism and energy/resource opportunities e) Locally led economic development in smaller towns and rural areas including the Dales, Moors and Wolds
Measurables <ul style="list-style-type: none"> • Specific improvements in key market and coastal towns • Number and performance of business in relevant areas • Business premises and trade data (e.g. footfall, vacancy rates) • Housing market statistics 	Outcomes <ul style="list-style-type: none"> • Business growth and profits • Higher GVA • More jobs • Quality of life, vibrant towns
Leadership and Collaboration <p>Local authorities will lead action working with business and other partners such as the HCA. The LEP will provide strategic overview, assist with the prioritisation of interventions to ensure maximum economic benefit, liaise with neighbouring LEPs, and connect places to resources that can help them to succeed.</p>	

Why is it important?

Our market and coastal towns and the centres of York and Harrogate are where business, people and place issues come together. We are a region with extensive rural areas and a wide spread of modestly sized settlements. So growth needs to be carefully targeted to have maximum impact across our area.

- We have two major centres – Harrogate and the City of York. They play important roles as commercial centres, transport hubs, centres of population and major assets in terms of innovation, profile and heritage and business based tourism.
- Our 37 medium sized market towns are together the home of many of our businesses. They shape perceptions of our area and service large rural catchments. They have individual features that make them special – squares, castles, rivers and canals, appealing shops, beautiful beaches and historic buildings; but also share challenges such as skills, housing and the changing nature of tourism and retail. Initial analysis suggests that growth prospects are greatest in ten of the larger towns where specific housing and development opportunities have been identified. This will be further assessed.
- There is a strong two way connection between business and place. Businesses drive the prosperity of our places by generating wealth, providing jobs and serving visitors. In turn, the attractiveness and vitality of market towns attracts entrepreneurs and influences the success of businesses based there.
- Yorkshire has one of the finest coastlines in Britain, with famous seaside towns such as Whitby, Scarborough and Bridlington. These centres, and other smaller ones, have challenges in terms of their offer, skills base and regeneration needs, but also excellent assets and growth potential.
- National Parks and distinctive rural environments add to our attractions as a place to live, visit and set up a business and also offer economic opportunities in their own right.

Our combination of market towns, historic centres, coast and national parks is a distinctive and genuine asset, and one which can be better utilised in driving growth, prosperity and quality of life.

A new town centre for Catterick Garrison



Catterick Garrison is one of the largest armed forces bases in the UK. The population of the Garrison and its neighbouring 'villages' is as large as most of the towns across the LEP area. However it has no real town centre. *Major developments will now take place to give this 'town' a new centre, and create growth opportunities for the surrounding area.*

The 150,000 sq ft town centre scheme will transform a former sports ground and will include major retail units, a five-screen cinema, cafes, restaurants and bars, and a 60-bed hotel with 400 car parking spaces. The LEP area has not seen town centre development of this scale for a generation and it will transform an area with pockets of significant deprivation. The LEP will work with the MOD and others to open up supply chain opportunities and to maximise the economic benefits of the scheme.


Priority 4: A workforce with the skills that businesses need to grow

Our skills levels are good but variable. We need to create a culture of ambition and a skills supply chain that starts with 'raw' young people, and inspires, educates and mentors them to become the leaders of the future.

We will focus on:

- Inspiring a new generation of scientists, engineers and business leaders
- Mentoring young people and connecting business to education
- Supporting training and qualifications that improve future career opportunities
- Improving routes to employment and self-employment
- Embedding leadership skills in all types of education and training
- Addressing rural isolation and coastal deprivation as barriers to employment

At a Glance

A workforce with the skills that businesses need to grow	
What will improve for business: <ul style="list-style-type: none"> • More people to recruit from with good employability skills • Easier to recruit able apprentices • More demand from skilled young people to work in local businesses • More influence over what is taught in schools, colleges and universities • Specialist sector needs are met (e.g. for scientists and engineers) 	How that will happen (Deliverables) <ol style="list-style-type: none"> a) Building employability skills – e.g. positive attitude, English and Maths, and 'soft' skills such as communication, teamwork and creativity b) Developing enterprise skills in education/FE/HE c) Increasing apprenticeship opportunities/uptake d) Connecting business to education, including on careers advice and local job opportunities e) Training providers that are responsive to skills needs (e.g. in local sectors such as agriculture, energy, science/engineering, tourism and care) f) Support for those who need intensive or specific help on skills and development to access a job
Measurables <ul style="list-style-type: none"> • A better qualified (future) workforce • Enhanced employability skills • More apprenticeships completed • Fewer young people not in education, employment or training 	<div>  </div> Outcomes <ul style="list-style-type: none"> • Business growth and profits • Higher GVA • More jobs
Leadership and Collaboration <p>The LEP and partners will set out priorities and outcomes and facilitate connections between businesses and education and skills organisations. Skills agencies such as the SFA and 'providers' such as colleges will lead delivery, and we will collaborate with neighbouring areas where there are shared skills priorities.</p>	

Driving ambition, inspiring the next generation, and helping people to build the skills that businesses need

Why is it important?

Businesses need people with the right skills and qualities to flourish and grow. The same skills help people to get jobs and progress in their careers.

- There is a strong link between skills (especially higher level ones) and business productivity. On average, businesses that invest in training perform far better than those who do not.
- Qualifications across most of York, North Yorkshire and East Riding are above national average at NVQ 1-2, but now slightly below average at NVQ3+ and 4+ (degree level). Skills are not improving as fast as nationally and local variation exists. There is scope to improve attainment, especially at higher level.
- Businesses make clear that employability skills are as important as formal qualifications, and that there is much scope to improve these, especially in young people.
- Approaches that combine work and learning, such as apprenticeships, are valued and most often used by larger businesses in particular sectors (e.g. construction). There is scope to widen opportunities.
- The connection between businesses and schools, colleges and universities needs to improve so that businesses can influence what is taught to reflect their skills needs - including those in growing sectors. Careers advice needs to better represent vocational and local opportunities.
- Overall employment rates are above average, but lower in some places, such as coastal towns and parts of Selby and York. Rural isolation and other barriers can make access to work difficult.
- Sector based skills needs include customer skills in the visitor economy and retail, care skills linked to an ageing population, and science, engineering and technical skills in fields such as agri-food, energy and vehicle/component manufacture (e.g. caravans, coaches, aircraft).

A new approach to skills must bring together businesses with education and training organisations.



Bloodhound
showcased at the
2012 Engineering Week

Scarborough Engineering Week

The fourth Scarborough Engineering Week takes place in 2013, and is expected to attract over 2,000 people. The event brings science, technology, engineering and maths to life and gives students the chance to access 'hands-on' activities and see specialist equipment in action. It's also an opportunity for teachers to network with businesses and to use information back in the classroom.

"I feel that I have learned more about science and engineering today than in all of my lessons".

Employability & Engineering

The **Scarborough Employability Charter** was developed by business, local schools and others and provides the framework for businesses and education to work together to ensure the next generation of employees have the skills and attitude needed by business.


Priority 5: An economy that is well connected to its markets

The dispersed population across our extensive area helps to reduce congestion, but we have specific transport problems and pinch points, and our rural areas can lack good broadband coverage.

We will focus on:

- Stimulating business growth by improving access to superfast broadband
- Improving rail and road connections to West Yorkshire, the Humber and the Yorkshire Coast
- Addressing transport issues and pinch points that suppress growth within our area

At a Glance

An economy that is well connected to its markets	
What will improve for business: <ul style="list-style-type: none"> • Raised productivity and new opportunities through access to superfast broadband and 4G technologies • High speed broadband available in all market towns and business parks • Better access to customers, markets and labour • Improved access to national and international market opportunities 	How that will happen (Deliverables): <ul style="list-style-type: none"> a) Addressing the gaps in superfast broadband provision across East Riding and in our key employment centres b) Improvements to the York-Harrogate-Leeds rail line. c) Improvements to rail and road (A64) connections between York and Scarborough d) Address key transport issues and pinch points within our area, including improvements to the York outer ring road (through collaboration with Leeds City Region)
Measurables <ul style="list-style-type: none"> • No. of market towns and business parks with broadband • Resources secured for transport schemes • Delivery of transport schemes and faster travel times 	 Outcomes <ul style="list-style-type: none"> • Higher GVA • More jobs • Better labour market and trade connections
Leadership and Collaboration <p>Existing transport partnerships, agencies and local authorities will be in the lead. The LEP will help to make clear the priorities which deliver the best long term economic returns and to secure resources for them. We will collaborate with Leeds City Region LEP and the Humber LEP on shared priorities.</p>	

Why is it important?

Businesses need good access to customers, markets and a skilled workforce.

- North Yorkshire and the East Riding are large areas with a dispersed population, and sizeable distances between many of their settlements.
- This geography helps to constrain congestion, but can mean that places suffer from remoteness to markets and opportunities.
- Nevertheless there can be congestion hotspots where many people access major centres at peak times (notably in Harrogate and York, on the A64 to Scarborough, and into Leeds by road and rail). The York outer ring road also suffers from congestion. Identifying bite sized improvements that can be realised quickly and applying a 'lean' approach have the potential to radically reduce the time gap from vision to reality for major schemes such as the dualling of the A64. Specific transport schemes can also be required to facilitate new developments, such as expansion of the Sand Hutton site.
- Access to the Humber ports is good, especially from East Riding and Selby; access to airports is less so. There is quick rail access to London via York and Northallerton, and in the long term connection to the high speed rail terminal in Leeds from York will be important.
- Superfast broadband is being rolled out across much of York and North Yorkshire, but gaps remain, notably in business parks at the edge of market towns, where demand is not perceived to be high. Closing these gaps, and those in the East Riding, plus 4G access in the future, will be important for productivity.

A targeted approach is required which directs attention and resources to correcting a number of key access issues, and which combines transport and broadband based approaches.



**Bringing fast fibre
broadband to homes and
businesses across North Yorkshire**

Aided by significant investment from BDUK and Europe (ERDF) along with investment from BT, Superfast North Yorkshire will deliver superfast broadband by the end of 2014.

90% of homes and businesses will have access to the benefits of fibre broadband and the remaining premises in the project area will have access to at least 2Mbps. To capitalise on this opportunity a support programme works alongside the roll out, ensuring businesses are able to take advantage of the technology. The LEP will work to extend superfast broadband to business parks that are not included in the initial roll out and to enhance coverage in the East Riding – not covered by the current project.

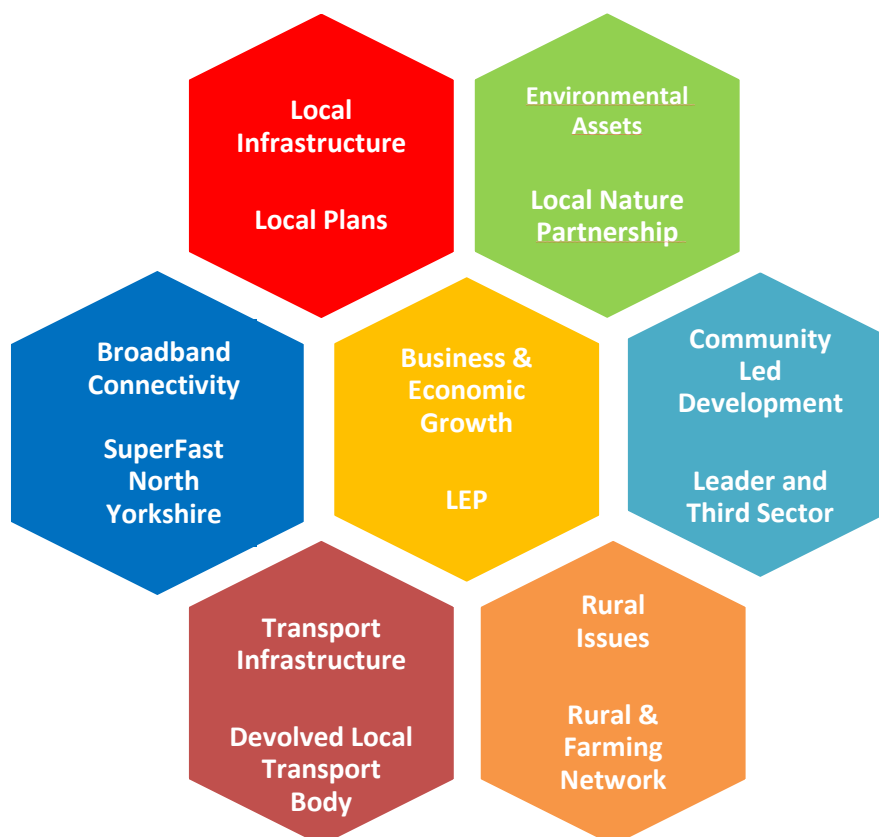
3. Making it Happen

The role of the LEP and a partnership approach

The York, North Yorkshire and East Riding LEP Board brings together businesses, universities and local authorities and will take overall responsibility for the strategy and driving progress. **Delivery will be through collaboration:**

- Where businesses already have plans to grow we will let them get on with the job. We will only become involved where we can help to remove barriers to delivery or to enhance the scale and pace of progress.
- Where local partners have established shared goals and delivery mechanisms we will use these as a foundation. We will concentrate on using our influence to ensure that priorities maximise economic benefits and to secure resources for their implementation.
- Where there are existing resources or organisations outside the LEP area that we can make good use of, we will do so. That will involve collaborating with delivery organisations and neighbouring LEP areas where they can cost effectively deliver for or with us.
- The LEP will ensure the right skill sets exist and work with the most appropriate organisations to deliver priorities.

The diagram illustrates strategic partnerships we will make within the LEP area:



Delivery
through a
collaborative
and enabling
approach

We will also make connections to key organisations and issues at national and local level, and to key strategies such as those covering economic development, planning, housing, transport, green infrastructure and employment and skills. We will collaborate with neighbouring LEP areas wherever that makes sense, for instance with:

- The Humber LEP on priority sectors that are important to East Riding, and on employability skills
- The Leeds City Region LEP on skills issues such as apprenticeships, shared transport priorities and shared sectoral interests such as biorenewable energy and low carbon power generation at Drax
- The Tees Valley LEP on the Whitby potash proposals and related skills needs

Nationally, we will work with bodies such as UK Trade & Investment on exports and inward investment, the Technology Strategy Board on innovation, the Manufacturing Advisory Service on productivity and the Growth Accelerator on business development.

Capacity, strategy management and pooling of resources

Given the context of stretched and reducing public finances, it is imperative that we put in place the most cost effective structures possible to manage finances and strategy delivery.

In practice, that will mean making the most of existing resources, collaboration and a pooling approach to drive efficiencies. Our preference is for using existing bodies to manage funds and day to day delivery where appropriate. The role of the LEP and its governance structures will be to set the vision and outcomes which will guide allocation of resources at a project level, and to ensure results meet expectations. The LEP Board will approve investment funds at a strategic programme level and these programmes will then be managed by local partners with relevant expertise.

Our collaborative approach will also ensure that bureaucracy in setting up and managing projects is avoided where an existing initiative or structure can simply be extended instead.

Despite a lean and collaborative approach, there will be significant additional tasks that need to be completed, for instance around strategy management and delivery, project development and appraisal, monitoring and intelligence, and partnership development. A LEP capacity review will inform the response to these needs, alongside development of proposals for the pooling of resources. This will include consideration of how, for example, economic development resources across local authority areas can work together as part of the LEP to deliver economies of scale, drive collaboration, and to support LEP development at the same time as serving local needs.

Influence and resources

The influencing role of the strategy, the LEP board and senior partners is pivotal. Making the case for our area to national decision makers, showing what we can deliver, and changing how things are done nationally and delegated locally can have a real impact.

Delivery will utilise a range of public and private resources and combine existing resources with new ones. Two key funding streams for LEPs were announced by government in the June 2013 spending review:

- The Single Local Growth Fund – will total £2bn per annum nationally, and be distributed to LEPs through a combination of allocations and bidding, taking into account governance, pooling of

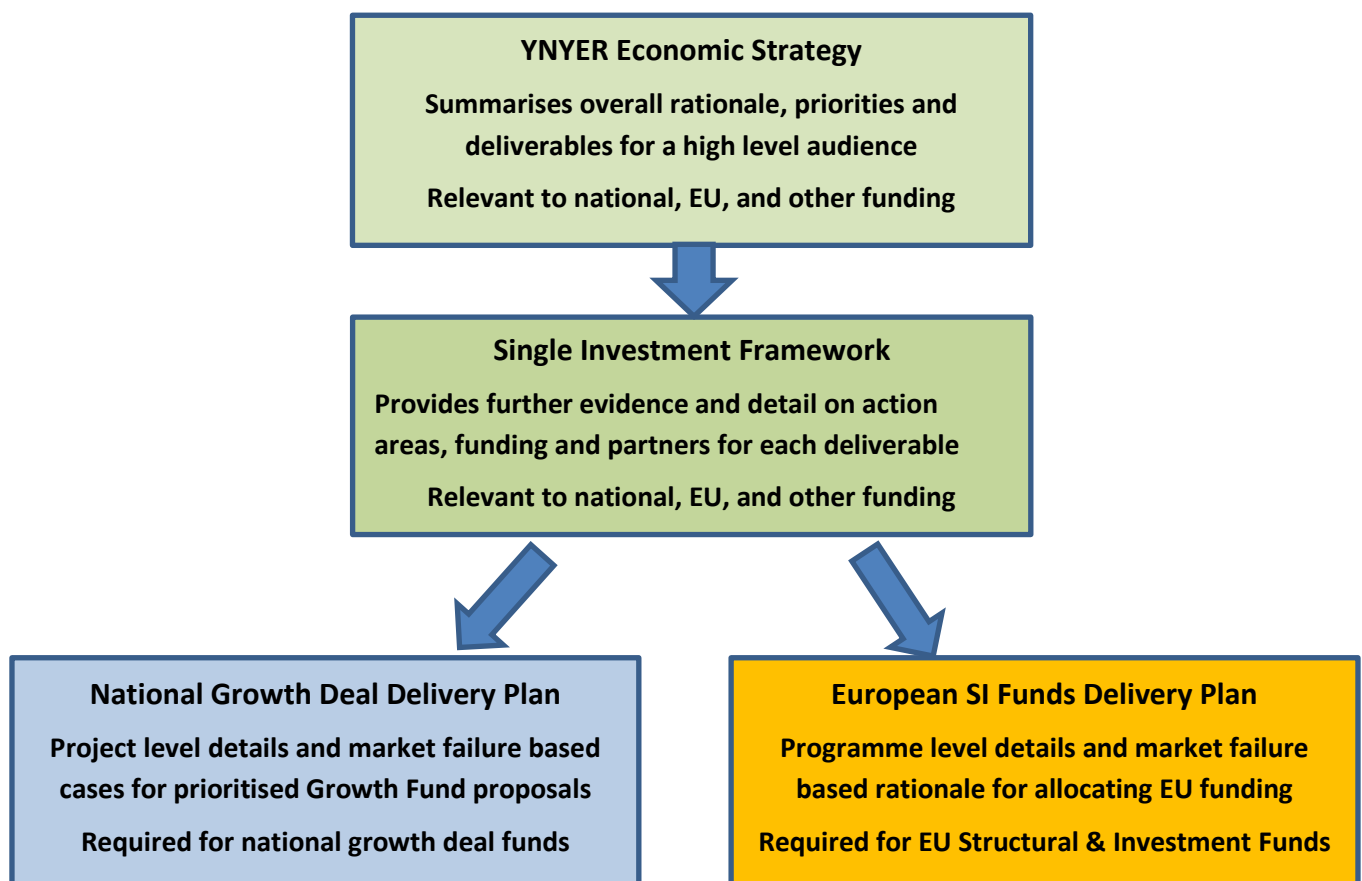
resources, and performance in using initial allocations. Given its sourcing from particular government departments and the local authority new homes bonus, this will come with expectations and rules about how it is spent (e.g. directing a proportion of expenditure towards housing, transport and skills).

- EU Strategic Investment Funds - are expected to total around 97.5m Euros for our LEP area over the period 2014-2020 and are allocated by formula. These funds combine a number of EU funds which have previously covered issues including small business growth, innovation, enterprise, employment, skills, inclusion and the environment. Much of their focus will be on business support, innovation, skills and low carbon growth, and expenditure on employment and inclusion is also expected.

We will seek to gain maximum value from these resources and to combine them with other sources of funding, for instance private investment, local funding sources and other agencies and institutions.

Investment and Delivery Plans

This plan will be supported by a Single Investment Framework that will add detail about how deliverables will be taken forward and prioritised. It will include high level detail on expected lead partners and resource streams. This will serve the needs of the LEP area and meet national government and EU needs and further detail the evidence that informs the strategy and its priorities. Two delivery plans, one focused on using European funds, the other on national growth deal funding, will support that and set out programme/project level detail including evidence and market failure rationale, resources, outputs and timetables. These building blocks will be combined as required to meet the Government's requirement for a 'Strategic Economic Plan' and the EU's need for a 'Structural and Investment Funds Strategy'.



Appraisal mechanisms

We will develop and agree clear appraisal mechanisms for assessing proposals to use resources gained through the Single Local Growth Fund or European funds. These will be objective and robust, but also as simple and streamlined as possible and proportionate to the sum of money involved. We will look to use and adapt appraisal mechanism that have already been developed by other bodies (e.g. the Manchester and Leeds City Region LEPs) and to join up application, appraisal and approval processes locally and nationally.

Measuring success

Outcome indicators and measurables are included within the 'at a glance' tables under each priority. The following table sets out the high level outcomes, and splits them into those that benefit businesses directly, and other key outcomes linked to these. In some cases indicators are a proxy for the things that we want to measure but where data is not available – such as business profitability. Targets have not been set against outcomes or measurables at this stage, as performance will depend on the scale of resources secured and the detail of what is delivered. However, as a general principle, we will target improvements in performance that deliver both:

- a) Improved absolute performance year on year – i.e. numbers going in the right direction
- b) Improved performance compared to national average

Core Business Outcome Indicators	Additional Outcome Indicators
<ul style="list-style-type: none">• Total GVA (output)• Business growth and profits (using proxies and indicators on number of businesses, productivity, start up and survival rates)	<ul style="list-style-type: none">• Employment rate• Average incomes• Carbon emissions

Review and evaluation

Things are changing fast so we will combine resolve around our overall strategic direction and priorities with flexibility to adapt to a changing context and new opportunities. We will ensure we have access to good economic intelligence across the LEP area. And we will build evaluation and learning into projects of significant scale, sharing and using the lessons learned to enhance the cost effectiveness of future projects. We will review the overall strategy and progress towards outcomes on an annual basis, and complete a full review of it as and when appropriate.

Annex: The Economy of York, North Yorkshire and East Riding

Economic Value and Business Base

- Total value of £19.3 billion
- Productivity (£GVA/worker) is below national average
- The economy showed resilience during the recession, but recovery growth forecasts are below average
- Of 55,600 businesses, 85% employ less than 10 people whilst 97-98% have less than 50 employees
- Business starts have risen, if slower than nationally. Both formation and closure rates are below average.

Sectors

- Manufacturing contributes 17% of output but only 10% of jobs and 6% of businesses (about national average). Food and drink manufacturing is its largest component.
- 1 in 6 businesses are in agriculture, forestry & fishing
- Above average number of visitor economy businesses
- Energy sector pronounced in the LEP area
- The public sector contributes almost a quarter of all output, but is declining

Employment

- 453,900 jobs and an above average employment rate
- 10,000 public sector jobs lost between 2010-2011, 9,000 private sector jobs created in the same period
- Job increases in transport & storage and professional, scientific & technical sectors offset by losses in manufacturing and accommodation & food services
- 82,500 people self employed, with notable recent rises
- Over 21,000 people claiming JSA, a quarter are aged 18-24 and a quarter have claimed for more than a year

Skills

- Above average skills at NVQ levels 1-3
- A third of residents have NVQ level 4 (degree equivalent), less than 1 in 10 have no qualifications
- Lower than average apprenticeship take up
- Some skills gaps (e.g. leadership and management). Future skills needs include ICT/digital and marketing
- Replacing skills lost as older workers retire is an issue, notably for manufacturing and engineering

SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong SME base, many micro-businesses • Large food and agriculture sector • Energy assets - especially biorenewables and power generation • Visitor economy and tourism – a strong and well known destination offer • High quality of life and low crime • A superb rural environment, with a wealth of national parks , AONBs and fine coastline • Distinctive and attractive market towns, plus the major centres of York and Harrogate • Good skills at lower levels (up to NVQ2) • Mostly low levels of unemployment/exclusion • Universities in York (and campuses beyond) • Fairly low congestion and good access to ports • Business support and engagement 	<ul style="list-style-type: none"> • Few large employers • Low GVA and productivity • Insufficient and unaffordable housing, which can limit workforce availability • Pockets of hidden deprivation and coastal towns in need of regeneration • Employability and higher level skills can be lacking • Gaps in broadband coverage, for instance in more isolated business parks • Remoteness from jobs and opportunities in some areas • Airport access • Low levels of exports • Hard for SMEs to collaborate and influence decisions that affect them – e.g. on skills
Opportunities	Threats
<ul style="list-style-type: none"> • Expansion of FERA and Sand Hutton site • Low carbon energy – especially biorenewables, decarbonised power and carbon capture • Potash mine and investment at Whitby • Development in York • Large land area • Market towns of quality and distinction • Catterick Garrison centre and changes in Ripon • Environmental and visitor economy, with modernisation and diversification of tourism • Superfast broadband – productivity, enterprise • Innovation, exports and supply chains • New funding opportunities • Collaboration with neighbouring LEP areas • Business led growth and leadership 	<ul style="list-style-type: none"> • Youth unemployment and deprivation hotspots • Constrained workforce, limited by house prices/availability and rising travel costs • Rising energy and resource costs • Ageing population and workforce • Skills issues, e.g. higher level, engineering • Closure of Ripon army base • Congestion in Harrogate and York, and risk of service changes slowing rail access to the coast • Some areas remote from cities and opportunities, exacerbated by broadband gaps • Could be left behind in a globalising world • Uncertain or constrained funding and reduced public sector resources and capacity • Climate change and coastal erosion • Complacency

