

Strategic Economic Plan
31st March 2014

**ENTERPRISE
PARTNERSHIP**
York / North Yorkshire / East Riding

**Business
Inspired
Growth**

York, North Yorkshire and East Riding
Enterprise Partnership

Contents

a)	Foreward
i)	Executive Summary
1	1. Introduction
3	2. Investment priorities and activities
48	3. Economic geography and evidence
91	4. Collaboration and partnership
97	5. Cross cutting issues
100	6. Resources and funding allocations
103	7. Delivery and governance
114	Annex A Growth Towns–Five Year Growth Plans
168	Annex B Priority Transport Schemes
178	Annex C Local Growth Plan for our National Parks and Areas of Outstanding Natural Beauty
188	Annex D Public sector partners involved in strategy development
189	Annex E Membership of Boards
192	Annex F Cross Cutting Issues by Priority

Foreword



Barry Dodd
CBE
Chairman

We are the largest LEP area by geography with global ambitions. Our unique combination of stunning natural landscapes, the world famous city of York and industry leading innovation combine to deliver a vibrant business location with an enviable quality of life.

We have four clear ambitions to deliver by 2021:

- Create 20,000 new jobs
- Deliver £3 billion growth
- Connect every student to business
- Double house building

Our quality of life is unquestionable. Harrogate is the happiest place in England, York has been voted the best place to live in Britain and Yorkshire the best tourist destination in Europe. We have an excellent cultural offer and the world's greatest cycle race is coming in 2014!

Delivering our ambitions will ensure business success matches this quality of life.

Jobs are created by growing businesses. We will deliver growth by supporting our many small and micro businesses to realise their potential, whilst investing in our leading edge assets in the food manufacturing, agritech and bio-renewables sectors in our A1/A19 growth corridor will establish a worldwide reputation and create thousands of new jobs.

Offshore opportunities and a new potash mine in Whitby have the potential to boost our economy by a billion pounds and tackle head-on the declining role of the seaside, creating good quality jobs in our most deprived communities on the Yorkshire Coast.

We must also make sure our growing businesses can recruit good quality staff. We already have some great schools and colleges, we will take this further - by connecting every student with business, we will ensure our next generation of employees have the right skills and the right attitude that growing businesses need.

We will target investment in infrastructure where it will have greatest impact, so that growing businesses have the space to expand, so that our transport network lets business move their goods and people quickly and reliably and we will invest in housing, so that skilled people can afford to live in the area.

Our quality of life is unquestionable. Harrogate is the happiest place in England, York has been voted the best place to live in Britain and Yorkshire the best tourist destination in Europe.

Our housing plans are stretching; to double the rate of house building we will not only invest in key strategic sites and housing initiatives, we must tackle congestion, particularly around York. Enabling housing developments will also benefit business, who cite transport congestion as the biggest constraint on their growth.

We are already delivering; we are investing in key developments such as the National AgriFood Innovation Campus where we will create 800 new jobs adding £100m to the regional economy and Whitby Business Park to support supply chains for potash and offshore wind.

Both public and private sectors are committed to delivering these ambitions – business networks, universities and banks have helped develop our business growth plans, Local Government are investing with us in infrastructure and our Colleges are committed to our skills plan.

We are stronger together – York, North Yorkshire & East Riding offers the best quality of life in the country, delivering this plan will match quality of life with quality business location.

Barry Dodd CBE

We are investing in key developments such as the National AgriFood Innovation Campus where we will create 800 new jobs adding £100m to the regional economy





Executive Summary

3

REASONS TO INVEST



1 QUALITY OF LIFE

Yorkshire

Picked by LonelyPlanet

Best tourist destination in Europe

Harrogate

Rightmove survey

Happiest place to live in the UK

York

Bing survey

Where most people would like to live

Cultural offers

such as the Tour de France in 2014

Outstanding beauty

Two National Parks, Three Areas of National Beauty, The Yorkshire Wolds

- A** The Howardian Hills
- B** Nidderdale Area of Outstanding Natural Beauty
- C** Forest of Bolan
- D** The Yorkshire Wolds

2 OUR BUSINESSES

COMPARED TO NATIONAL AVERAGE

250%

More businesses in Agriculture, Forestry and Fishing

14%

More people are self-employed

10%

More resilience is a trait of 80,000 of our businesses

National average

KEY STATISTICS

90%

of our businesses have less than 10 employees

99%

of our businesses are classed as small or micro



35%

of manufacturing jobs are in food manufacturing

3 OUR ASSETS



£1.7BN

investment in biomass and carbon capture and storage at Drax Power Station



World-class research facilities

Thanks to University of York, York St John, and the York Science park



£100M

boost for the economy will come from the National Agri-Food Innovation Campus



1000 turbines

are in the Dogger Bank wind farm, a site the size of North Yorkshire



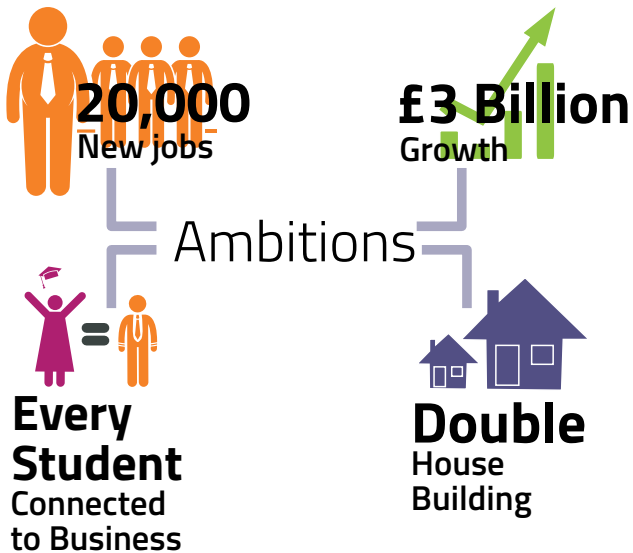
£1BN

will be generated in annual exports from the proposed Potash mine

Executive Summary

Our vision is to make York, North Yorkshire & East Riding the place in England to grow a small business, combining a quality business location with a great quality of life.

To deliver this vision we have four clear ambitions:



Achieving these ambitions requires a single minded focus, ensuring we invest where it will deliver greatest impact and value for money. To support this, the Strategic Economic Plan is built around five strategic priorities

Our Priorities

	Profitable and ambitious small and micro businesses	"Ambitious businesses that are supported to innovate, improve and grow"
	A global leader in food manufacturing, agri-tech and biorenewables	"Driving growth by building on our international reputation in agri-tech & biorenewables"
	Inspired People	"Growing businesses able to access ambitious people, with the right skills and the right attitude"
	Successful and distinctive places	"Enhanced growth and opportunities in targeted locations"
	A well connected economy	"Businesses with strong connections to their customers and markets"

Our Priorities

Our priorities are rooted in economic assessment and evidence, informed by our distinct economic geography, and have been developed through a process of extensive stakeholder consultation and engagement. Business input has been at the heart of this plan; however local government, statutory agencies, education and the voluntary and community sector have also been involved.

Whilst the LEP area is successful overall, we need to confront challenges and exploit opportunities, not least to reverse the gradual decline in our competitive advantage.

“Impact and value for money will drive our delivery model”

Evidence shows us that:

We have a rich diversity of small & micro-businesses but few medium and large ones

Growth and productivity are low and decreasing compared to national average

We have some world class innovative companies, but innovation levels are not high enough

We have some globally recognised innovation in agri-tech, food manufacturing and biorenewables

Business start-up rates are 20% below average, but survival rates are high

Skills levels are good, but our lead over national average is eroding

Employment rates are high but we have low wage levels

Carbon emissions are reducing but more slowly than average

We have complex geography and specific growth opportunities and transport needs related to this



Our response

Focus on growing our existing businesses

Focus on drivers of productivity including innovation, enterprise & skills

Support businesses to invest in R&D

Focus on growing these sectors

Inspire an enterprise culture and start-up support

A strong focus on the skills businesses most require

Active inclusion and employability activity

Help businesses to reduce emissions and boost profits through resource efficiency

Unblock growth based on major physical developments and transport improvements

Making a difference

To ensure we are adding value we will only fund activity where there is market failure or where we can stimulate bigger, better or faster delivery. All investments will pass a selection test which considers; strategic fit, value for money, market failure and additionality.

Delivery and Resources

We will use a range of funding and influencing mechanisms to deliver the strategy including existing local funding streams, private sector investment, central government funding and EU support.

A local growth team will be created bringing together partners from different organisations to deliver the LEP strategy. The core secretariat will be funded via local authority contributions, central government funding and EU Technical Capacity.

We have been allocated €110m of EU Structural and Investment Funds for our LEP area. This document sets out the strategy for how these funds will be used to deliver our priorities and our proposals to invest Local Growth Funding from UK Government.



Global event, North Yorkshire engineering

The 2012 Olympics was a global success. The opening ceremony celebrated the UK's industrial heritage and culminated in the lighting of the Olympic flame. North Yorkshire-based Stage One Ltd's world class, precision engineering company produced the acclaimed Olympic Cauldron.

Measuring Success

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.

Businesses and their growth are at the heart of our approach. Change will be demand-led and business driven but it must deliver hard outcomes. We will have a wide range of outputs, which individual investments are targeted to achieve, however overall success for the region will be measured against achieving our four ambitions:

- Has our economy grown by £3bn?
- Have 20,000 jobs been created?
- How many homes are being built each year?
- Are our young people more employable?

Key Outputs:



Businesses supported



Jobs created



People trained

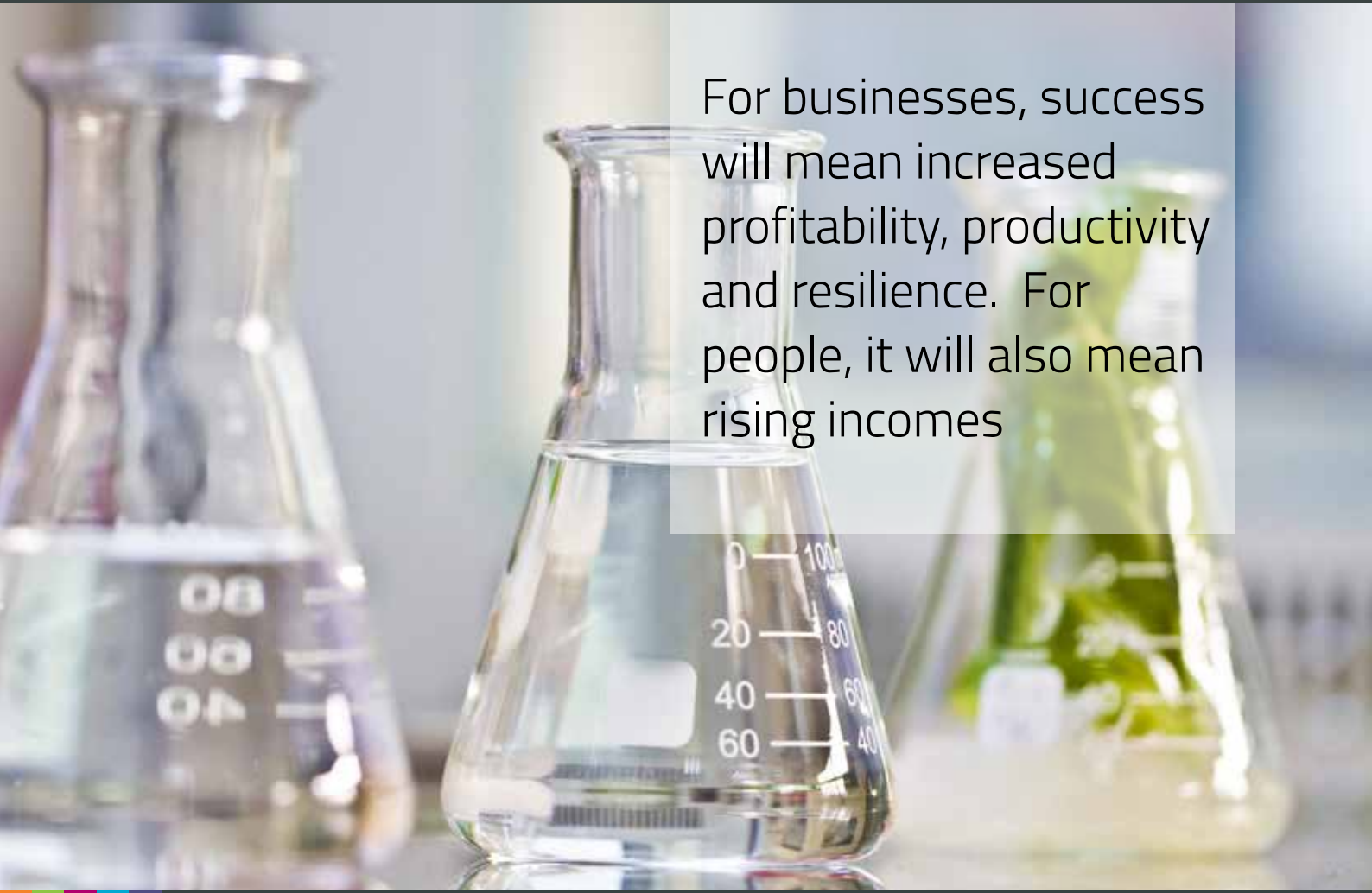


Houses Built

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 and focus on 'ten tests for 2020' that will demonstrate delivery of our priorities.

2020 Outcome Tests

1. Is GVA and productivity increasing ?	6. Are our higher level skills above the national average?
2. Are more business starting and surviving?	7. Are employers able to recruit better quality local people?
3. Have exports and investment in R&D increased?	8. Have the major developments and the doubling of house building rates been delivered?
4. Are we a global leader in agri-tech and biorenewables?	9. Is ICT access and uptake keeping pace?
5. Are employment rates back to pre-recessionary levels?	10. Are carbon emissions falling at least as fast as nationally?



For businesses, success will mean increased profitability, productivity and resilience. For people, it will also mean rising incomes

OUR AMBITIONS



Create **20,000 jobs** and deliver **£3 billion growth**



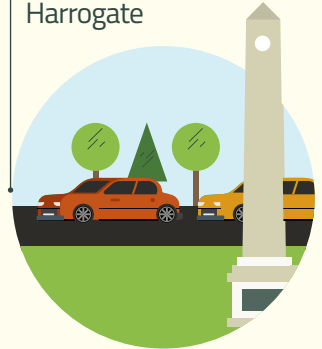
Double house building rates



Every student **connected to business**

Connect the east and west of our region

and ease congestion around York and Harrogate



CHALLENGES WE FACE

OUR ECONOMY

Historically slow growth in economic upturn 2005-2011



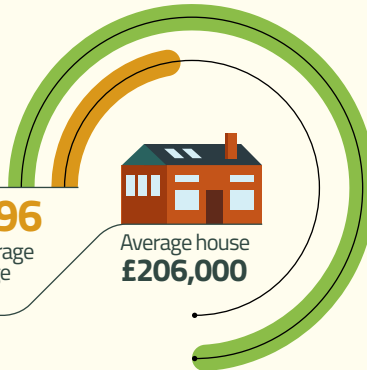
We must **capitalise upon our growth sectors** in the biorenewables and agritech industries

HOUSING

Lack of affordable housing in the region

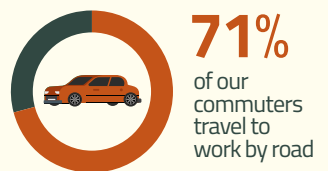


We must **unlock** key housing sites



CONNECTIVITY

Road congestion

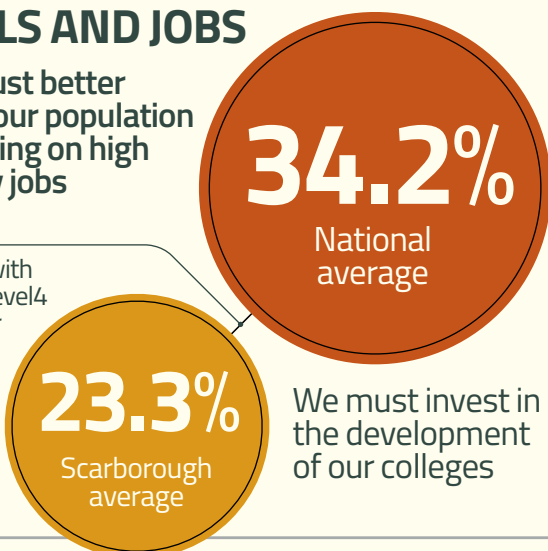


We must improve our **east-west connections** and ease congestion around Harrogate and York

SKILLS AND JOBS

We must better equip our population for taking on high quality jobs

People with a NVQ Level 4 or higher



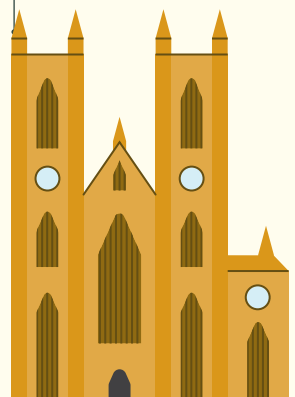
We must invest in the development of our colleges

BUSINESS GROWTH

We need to be able to work with large numbers of small businesses

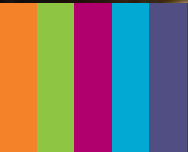


We must support them through our **business growth hub** and **business grants**





1. Introduction



1. Introduction

York, North Yorkshire and East Riding Local Enterprise Partnership will work with partners to transform the economic ambitions of our area turning major opportunities into tangible achievements and delivering business led growth.

This Strategic Economic Plan is a single strategy for our area that serves three purposes:

1. It sets out the key economic issues, opportunities and priorities for our area in their own right
2. It is the EU Strategic and Investment Funds Strategy required for EU funding purposes (supported by the EU Strategic Investment Fund Implementation Plan)
3. It is the Strategic Economic Plan that Central Government require for Local Growth Deal funding purposes (supported by a more detailed Local Growth Deal Implementation Plan)



The strategy is owned by stakeholders across our area and 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



Our agri-tech, 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.

This will make us a thriving, prosperous place where businesses are growing in size, number and long term profitability.






2. Investment Priorities and Activities



Investment Priorities and Activities

The following table sets out the Priorities, Objectives and deliverable Core Activities in overview. These are covered in detail, priority by priority in this section before resourcing is set out in section 6.

Overview of Priorities, Objectives and Core Activities

	1 	2 	3 
Priority	Profitable and ambitious small and micro businesses	A global leader in food manufacturing, agritech and biorenewables	Inspired People
Objectives	<ul style="list-style-type: none"> ▪ Innovative, growing small businesses ▪ More entrepreneurs who start and grow a business ▪ Ambitious business leaders 	<ul style="list-style-type: none"> ▪ World class innovation in agritech and biorenewables ▪ Agriculture and food business connected to new opportunities ▪ Low carbon businesses 	<ul style="list-style-type: none"> ▪ A productive workforce for growing businesses ▪ Inspired people making the right job choices ▪ Empowered communities delivering support and inclusion
Core activities	<ol style="list-style-type: none"> 1) Increase innovation in small businesses 2) Inspire and support new business starts 3) Improve business competitiveness through co-ordinated business support 4) New market development 5) Deliver business friendly planning, regulation and procurement 6) Enhance leadership and management skills 	<ol style="list-style-type: none"> 7) Grow our International competitiveness in agritech 8) Capitalise on our biorenewables & low carbon assets 9) Connect our agricultural sector agritech and biorenewables based expertise and opportunities 10) Support investment in energy and resource efficiency 	<ol style="list-style-type: none"> 11) Increase productivity by investing in workforce skills 12) Build competitive advantage through higher level skills 13) Increase employability by connecting business to education 14) Build skills, attitude and ambition to help people access jobs 15) Support high quality apprenticeships and internships 16) Develop strong communities and active inclusion 17) Deliver a skills capital programme



Priority



Successful and distinctive places

Objectives

- Unlock major growth opportunities
- New development in response to economic shocks and closures
- Environmental quality and community needs

Core activities

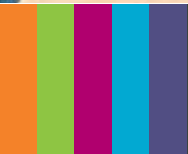
- 18) Strategic investments in the A1/A19 corridor
- 19) A strong and growing coastal economy
- 20) Strengthen economic links with neighbouring cities
- 21) Sustainable growth in the Dales, Moors and Wolds



A well connected economy

- Fast, reliable journeys between key centres
- Transport that underpins growth
- Access to UK and international markets

- 22) Improve our East / West connections
- 23) Ease congestion in York and Harrogate
- 24) Enhance the reliability of our current transport networks
- 25) Enhance telecommunications and Broadband





Priority

1

Profitable and ambitious small and micro businesses



Goal

Ambitious business people, who are supported to start-up, improve and grow

We have over 50,000 small and micro businesses in our region with an estimated 21,000 possessing untapped potential. Our ambition is to release this potential.

Objectives

- A culture of growth and improvement and innovation in our businesses
- Better leadership and management skills within businesses
- Thriving business networks and support organisations helping firms to start up and grow



Action Table



1) Increase innovation in small businesses

Create a single access point to improve links between business and universities

Financial support for R&D and new product development



2) Inspire and support new business starts

Business start-up support
Enterprise education and culture



3) Improve business competitiveness through co-ordinated business support

Simplify and incentivise access to business advice including business networks

Tailored business support to meet specific needs

Access to Finance (including Business Growth Grants for capital investment)

Business Improvement Programme



4) New market development

Export market development

Supply chain development



5) Deliver business friendly planning, regulation and procurement

Better, business friendly advice on legislation, planning & regulation

Better procurement that widens SME opportunities



6) Enhance leadership and management skills

Leadership development programme



Profitable and ambitious small and micro businesses

Why this is a priority

We have over 50,000 small and micro businesses in our region. This small business base will be the driver of growth in our area.

Businesses that access external help outperform those that don't. We will dramatically increase the availability and take up of professional support delivering sustainable growth and jobs. We will connect those businesses that want to improve to high quality help and support. And we will help them to grow by connecting them to the best expertise, to new opportunities, and by linking them to their peers. This will create an environment where high quality businesses are growing in overall size, resilience and profitability.

We already benefit from some world leading high growth businesses and we will support their global ambition, but we also recognise the importance of small and micro businesses to our economy. The increased productivity, profitability and growth of these businesses are crucial to delivering our ambitious growth and job targets.

York, North Yorkshire & East Riding provides some of the most stunning landscapes in the country. This provides both an opportunity and a challenge. Our outstanding environment has attracted many of the best business brains who lead global businesses to live in our area. Many of our large businesses started as cottage industries whose strong ties to the area ensured they grew locally.

This quality of life also makes this an enticing place for people working in the knowledge economy, who are largely able to choose where they live, and people looking to start their own business at a later stage in life. We need to build on this strength, being the location of choice for business owners wishing to match quality of life with a high quality business location.



Our region has

50,000

Small and micro
Businesses with

20% fewer medium and

50% fewer large
businesses than the UK average



The challenge is that whilst we are home to many business leaders, our economy is based on small and micro businesses, with 20% fewer medium and 50% fewer large companies than the UK average. Importantly, a key feature of our economy, which complements these statistics, is that despite having a higher ratio of businesses per head of population than most LEP areas, our start-up rate, measured as VAT registered businesses per 10,000 population, is 20% below the national average. This suggests that we have a combination of older businesses and large numbers of micro businesses operating below the VAT threshold. We need to rectify this, stimulating ambition and growth in our micro businesses.

Traditionally, it has been tough for businesses in remote or sparsely populated areas to access markets to find the right skills and experience locally. But this is changing - investment in superfast broadband across our area provides an opportunity to change the shape and future of rural businesses. Fast, easy access to new customers and markets coupled with higher productivity will increase profitability, delivering high quality jobs and growth.

It is also harder to deliver services, such as business support, across a large rural area. Our ambition is clear. Businesses that want to start or grow, must be able to access the help and support they need to achieve their ambitions. This support must be demand led and driven by business need.

We will dramatically increase the availability and take up of advice by co-ordinating the wide range of support available into a business friendly, easy to access offer which is delivered both online and locally through our business networks. For business, this means support will be driven by their individual needs, of high quality and locally accessible. For business support providers, this provides an opportunity to reach businesses with real potential but where it has previously been difficult and un-economic to do so.

Investment in superfast broadband across our area provides an opportunity to change the shape and future of rural businesses.



Business Hero

Keelham Farm Shop

From £6.1m in 2009 to £9m in 2012, Keelham Farm Shop defied the odds. With the support of the Design Council they grew their business through the recession, by 15% a year.

Business growth included the development of a second store in Skipton while a £500,000 upgrade of the current store in Thornton was carried out ahead of a £3m re-build.

And what are James and Victoria doing now? They're championing 400 Yorkshire farmers and producers and making great tasting food affordable.

One of the key challenges for our businesses is to raise productivity. This declined consistently between 2005 and 2011 relative to England average and is now is only 80-90% of national average across the LEP area. Innovation, exports, workforce skills (see Priority 3) and leadership and management skills will all be pivotal to raising productivity.

Focusing on areas where we are genuinely market leading, we will address market failures that prevent innovation by better connecting our businesses to academic expertise and R&D facilities, including at our excellent universities in York as well as nationally. And we will work with businesses to raise growth ambitions and the leadership and management skills that can deliver them, connected to our business support offer.

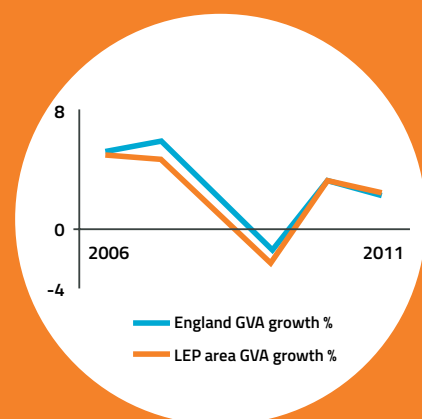
Pre-recession, our economic growth rate (total Gross Value Added) was below national average. However, since 2009 our growth has matched or slightly beaten national rates. This shows that a small business economy can be the bedrock for solid and sustainable growth.

We need to capitalise on this firm foundation by making it much easier for those businesses that wish to improve, to do whatever makes them a better business.

We estimate that around 25% of our business community or 21,000 businesses (14,000 VAT registered businesses and up to 7,000 businesses below the VAT threshold) have aspirations that they are not currently able to realise. Whilst there is latent capacity in some aspects of the market to support growth and improvement, the support landscape is fragmented and demand is inhibited.

With evidence clearly demonstrating that businesses that access external help and advice outperform those that don't, we need to address this fragmented support offer, increasing the number of businesses investing in external support, delivering real growth in our small businesses. Building on enterprise education work to create a culture of enterprise (see Priority 3), we will ensure that business support also links people starting a new business or social enterprise to help and advice.

25% of our business community have aspirations that they are not currently able to realise.



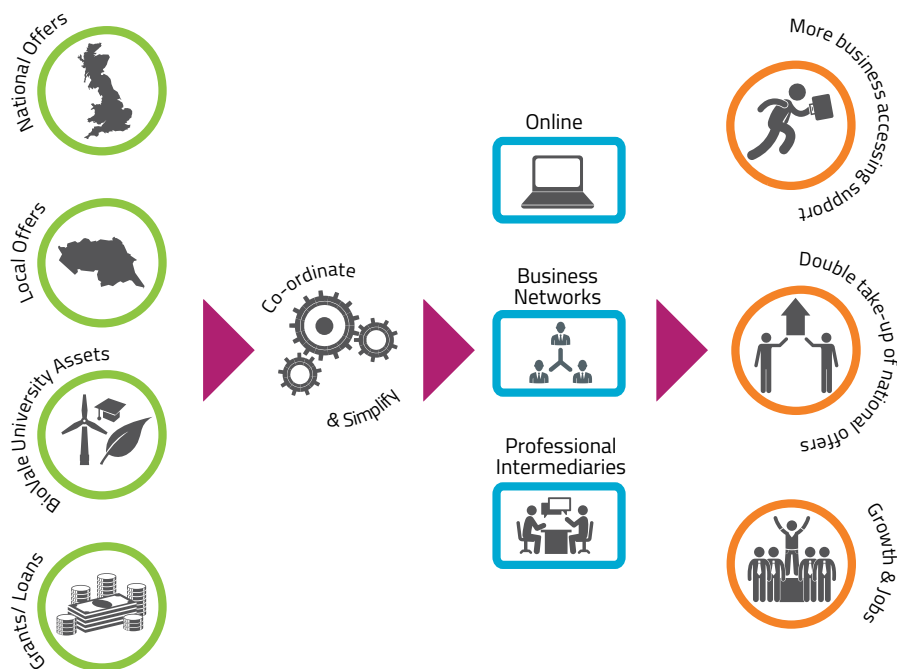
Since 2009 our growth has matched or slightly beaten national rates. This shows that a small business economy can be the bedrock for solid and sustainable growth.

How we will make a difference

Business Support must be responsive to business needs. To ensure this our approach will:

- **Make the most of existing provision** - where there is good support already available we will build on this by making it more visible and incentivising take up.
- **Fill gaps in provision** - where business needs are not being met we will intervene and develop solutions.
- **Make it easy to access** - support will be clearly communicated and understood across our area. Businesses, wherever they are located, will be able to identify and access the support they need to grow.

1) Improve business competitiveness through co-ordinated business support - Business support has become confusing and fragmented. We will co-ordinate and simplify the business support offer to ensure that businesses have access to the support they need, wherever they are located. This will be available both online and locally through business networks and partners. This will include:



Online delivery

The LEP has established strong relationships with the service providers and has a good track record of coordination and promotion through its

Business Leaders with the skills and knowledge to innovate, improve and to access new opportunities are crucial to delivering sustainable growth and job creation.



Through our website, www.businessinspiredgrowth.com we are able to extend our reach to businesses across the region and give our partners an effective platform with which to engage with them.

website www.businessinspiredgrowth.com. We will build on this through the creation of a more visible brand for all business support services in our patch.

Business Networks & Business Support Partners

We work closely with business networks and publicly-backed business support. We will continue to partner with these to ensure business people have local access to the support, peers and mentors they need to grow their business. Our vision is for every business network in our area to provide its members with access to the business support that is available.

Professional Services & Business Support providers

Businesses that get external help outperform those that don't. Working with the Professional Chartered Institutes, business will be able to access high quality professionals, locally, to benefit from their advice and support.

Universities & Colleges

We benefit from great universities and ambitious colleges. Their world class expertise and knowledge can add real value and deliver growth to our businesses. We will make it easier for small businesses to understand how our universities and colleges can support their growth.

Sector Support

Tailored support will be provided for sectors with specific needs such as the visitor economy, engineering and farming.

2) Enhance leadership and management skills - This is a strategy that backs business leaders. Business leaders with the skills and knowledge to innovate, improve and to access new markets and opportunities are crucial to delivering sustainable growth and job creation. We will invest both in the strategic leadership of businesses and the practical skills needed to deliver growth and improvements.

3) Inspire and support new business starts - A fundamental foundation of our economy is the high quality of life which attracts and retains entrepreneurs and business leaders. Recognising that self-employment is an increasing trend, particularly amongst 25+ returnees to the area, we will ensure that we effectively support those with a desire to establish their own business or become self-employed – which can often be a stepping stone into business.

4) Increase innovation in small businesses - Innovation is the successful commercialisation of a new product, service or process. Increasing investment in research and development which leads to successful innovation is a core aim of this strategy. Importantly, when linking business to the innovation support available, we need to look beyond our region and ensure we connect business to the 'best in class' support for their industry.

Every business that wants to grow will be able to access the help it needs to achieve its ambition



New opportunities around potash and offshore wind give our businesses a unique chance to develop new supply chains.

We will:

- **Create a single entry point**, whereby a business wishing to innovate is helped to find and access the very best expertise and support to develop new products and processes
- **Embed a culture of new ideas** and continual improvement in business
- **Work across sectors** and geographies to learn and share best practice
- **Provide financial support** to those that are willing to invest in research and development
- **Make the most of local expertise**, such as at the University of York and in the Bioeconomy sector (see Priority 2)

5) New market development - Businesses with ambitions to expand into new markets will be supported to develop and access these markets. Whilst many of these markets will be international, this includes major UK opportunities such as supply chain development.

6) Deliver customer friendly planning, regulation and procurement -

Planning, regulation and public procurement is a good example where businesses often cite complexity and bureaucracy as a real barrier to their growth. We are already running a better regulation programme and will expand this. We will develop a positive, business friendly regulatory culture, and we will help businesses to understand and engage with regulators better.

Outcome Indicators and Benefits to Business

- Jobs created
- Increased business start-ups
- Businesses working with research institutions
- Businesses innovating and introducing new to market and new to firm products
- More productive and profitable businesses, with enhanced economic resilience
- Enterprises accessing ICT products and developing ICT based products or services
- Greenhouse gas reduction and businesses supported with energy and

Businesses that access external advice are more likely to grow than those that don't



We are already running a better regulation programme and will expand this.

Priority 2



A global leader in food manufacturing, agri-tech and biorenewables

Goal

Driving growth by building on our international reputation in the Bioeconomy

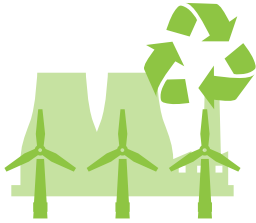
We will drive growth, exports and innovation across all aspects of the bioeconomy, building on and further enhancing our global reputation and connections.

We will develop and cross fertilise the specialisms within it ranging from agrifood and agritech to biorenewables to become a global leader in this valuable and rapidly expanding sector.

Objectives

- World class innovation in the bioeconomy including and linking agrifood and biorenewables
- Agriculture and food business connected to new opportunities
- Low carbon businesses

Action Table



7) Grow our international competitiveness in agritech, driven by the creation of the National AgriFood Innovation Campus York

Deliver Sand Hutton/FERA Masterplan to create the National AgriFood Innovation Campus York

Develop an agri-tech innovation programme connecting businesses to R&D and centres of expertise



8) Create a BioHub at the University of York to drive Bioeconomy innovation and growth

Create a 'one stop shop' Biohub to drive Bioeconomy growth and innovation

Expand the Biorenewables Development Centre and create a bioeconomy Support Centre, offering purpose built business space and open access R&D facilities

Deliver activities to support bioeconomy growth including technology transfer and specialist business advice

Build biorenewables and low carbon supply chains



9) Connect our agricultural sector to agri-tech and biorenewables expertise and opportunities

Connect agriculture businesses to food, agri-tech and biorenewables expertise and supply chains



10) Support investment in energy and resource efficiency

Support programme for energy efficiency, renewable energy generation and waste prevention



A global leader in food manufacturing, agri-tech and biorenewables

Why this is a priority

The bioeconomy combines the food manufacturing, agritech and biorenewables sectors and has annual turnover of €2 trillion in the EU, employing 22 million people¹. York, North Yorkshire and East Riding is already an international leader in the bioeconomy; we combine cutting edge expertise and leading companies. Our ambitious proposals will grow the sector by 40% to create a £12 billion industry and 40,000 new jobs in our area and the wider region by 2025.

Between the years of 2009-2012 employment in the Scientific Research and Development sector in our area grew by 41% despite a decline nationally of 7.2%.

The R&D base in York competes on the international stage in agritech and biorenewables. It is home to the Biorenewables Development Centre and two internationally recognised research groupings at the University of York; the Centre for Novel Agricultural Products and the Green Chemistry Centre of Excellence. The outstanding expertise and institutions at the University of York are at the heart of our proposals for a new BioHub.

The Food and Environment Research Agency (FERA) complements these resources. Located just outside York, it connects our agricultural sector to agritech and biorenewables based expertise and opportunities. FERA employs some 700 scientists to develop a sustainable food chain, a healthy natural environment, and to protect the global community from biological and chemical risks. This site is at the heart of the UK strategy for agricultural technologies and is a candidate for 'Catapult centre' status in the future, reflecting its role as a centre of expertise and innovation. Our vision is to build on this platform to create the National AgriFood Innovation Campus York.

The National Agri-Food Innovation Campus (York) connects business to global agri-food expertise and opportunities



Drax is investing to transform itself into a largely Biomass fuelled facility and in the emerging Carbon Capture and Storage technology

¹Statistic taken from BioVale proposal consultation document, July 2013



Land based industries training is offered by Askham Bryan College, the fastest growing college in the UK specialising in land based disciplines, and by Bishop Burton acclaimed agricultural college in East Riding with world class local based facilities.

Importantly, these different elements in the knowledge base work closely with each other. For instance FERA works closely with the University of York, including the recent development of an Agrifood Resilience Initiative in collaboration with York Environmental Sustainability Institute. We will further combine our assets as part of the BioVale proposal. This will see collaboration and benefits across the wider region, including in Leeds City Region, the Humber, Lincolnshire, Sheffield City Region and the Tees Valley.

We have innovative businesses in Food, Agritech and Biorenewables. Our LEP area benefits from high quality and often small food manufacturers, such as Wensleydale Cheese, whilst major international brands such as McCain and Nestle are also based in the region. Nestle has located its product innovation centre in York.

We are home to Drax, the largest coal-fired power station in the UK, and Eggborough power station, both near Selby. Drax has made a £700 million investment to transform itself into a largely biomass fuelled facility. Alongside its investment in converting to biomass, it is shortlisted for a £1bn carbon capture and storage investment.

Development of the sector, and other planned investments such as the proposed £2billion potash mine near Whitby which could generate £1 billion of annual exports, will generate employment and present supply chain opportunities for local companies. More widely there is great potential for sustainable energy and resource efficiency in farms and food businesses. That includes producing energy from waste, with leading businesses such as Peel Environmental investing in excess of £200m in the technology.

Lastly, we have a diverse agricultural base. 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 locally, whilst food manufacturing accounts for around 35% of all manufacturing jobs. Focus on food manufacturing, agritech and biorenewables is in keeping with a 'smart specialisation' approach given the strength of the sectors here and the pronounced R&D activity and expertise in them.

Businesses in the agricultural sector are around 3.5 times more concentrated in the LEP area than national average



There is great potential for sustainable energy and resource efficiency in farms and food businesses



Local Innovation

Drax Power Station

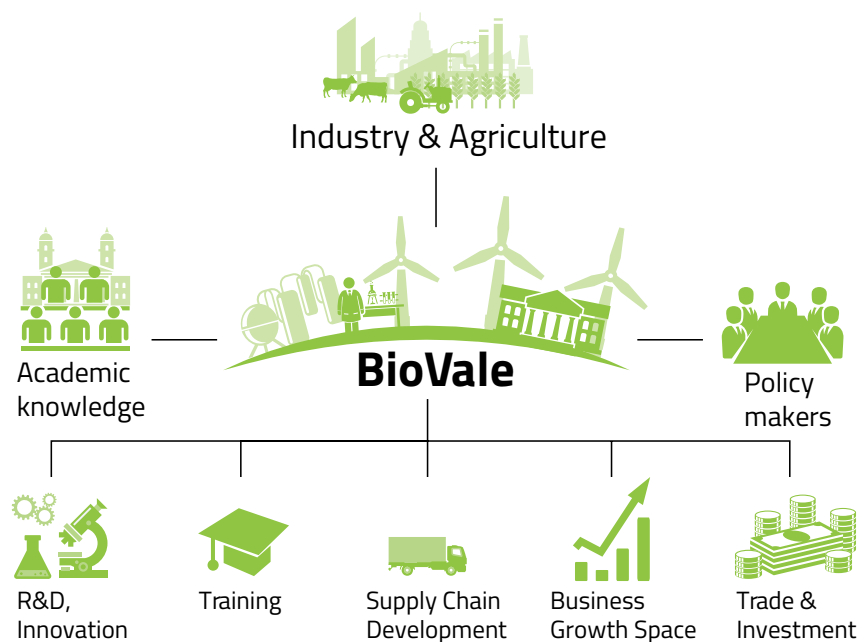
Drax power station has already invested £700 million in its transformation towards a largely biofuel facility and is expected to receive a further £1 billion to invest in carbon capture and storage.

Located outside of Selby, it is well-placed to take advantage of neighbouring transport assets in the Humber region and is a shining example of the innovative business transformations taking place within our region.

How we will make a difference

This mix of internationally leading innovation, global brands and ambitious small businesses present three major growth opportunities, which are all incorporated into the BioVale proposals (see diagram).

1. New product and process and development
2. New and increased exports, supply chain and inward investment opportunities
3. Competitiveness and growth in a low carbon economy



In terms of innovation, although there are initiatives to bridge the gap between the region's agriculture, its industry and its outstanding R&D



BioVale will work across Yorkshire & Humber growing the bio-economy by 40%

knowledge base, in practice there are substantial gaps and interactions are often ad hoc. There is a need to draw new industries into the agritech and bio-based innovation environment and promote movement of staff between the academic and private sector science base. The BioVale vision, encompassing the creation of the BioHub at the University of York and the National AgriFood Innovation Campus York respond to these issues and ideas.

Our vision aligns exactly with the recommendations of the Witty review and the principles of Smart Specialisation. We are making sector/cluster strengths a foundation of our growth strategy. And we will ensure that universities play a stronger role in economic development, working together with LEPs and with central bodies such as UKTI, the TSB and BIS to support business growth, innovation and to attract inward investment to the UK.

This proposal links strongly to our neighbouring LEP areas. We are working jointly with Leeds City Region to develop and deliver BioVale proposals, the vision and key initiatives of which are a priority for both LEP areas. We will also work with the Humber LEP where we share a large overlapping area and will collaborate to link key investments in bioenergy to the Humber's growing low carbon and renewables sector and its diverse chemicals industry. These links will create new market and supply chain opportunities and enhance our international reputation in the sectors. More widely we will look to connect businesses here to low carbon opportunities and supply chain needs in the Humber.

Food and energy security are issues of global significance. We already have a major international presence through the University of York and FERA, which works across over 100 countries. Strengthening the links between industry and research will create major export opportunities in what are rapidly growing international markets.

We will address a number of market failures to catalyse growth. These include public goods and positive externalities market failures that mitigate against business R&D and technology transfer, as well as issues around imperfect information.

FERA and University of York work across over 100 countries giving a global presence



We will also work with the Humber LEP where we share a large overlapping area and will collaborate to link key investments in bioenergy to the Humber's growing low carbon and renewables sector and its diverse chemicals industry.

Core Activities

We will focus on four Core Activities:

7) Grow our international competitiveness in Agritech driven by creation of the National AgriFood Innovation Campus York (NAFICY) – FERA is a key asset for agriculture and related food and energy businesses. This world class facility sits at the heart of the UK agritech strategy and has potential to double in size to create NAFICY, creating 800 jobs and boosting the economy by £100m. The development will create new space for business investment and location on site, enabling the private sector and scientists to work side by side. NAFICY has an excellent case to be at the core of the new national agritech ‘catalyst’ programme and to become an exemplar ‘catapult’ centre. Investment will build an innovation cluster around NAFICY, linked to the BioHub and supporting investment in R&D, technology transfer and creating major new business and export opportunities.

8) Create a BioHub at the University of York to drive bioeconomy innovation and growth – The BioVale Vision is for a region wide bioeconomy based innovation cluster, including biorenewables and agrifood. The centres of expertise in the University of York are at the heart of this vision, joined together and connected to business through a new BioHub. This would expand the Biorenewables Development Centre and create a bioeconomy Support Centre, offering purpose built business space and open access R&D facilities. It would connect to NAFICY, to low carbon and biomass developments at Drax, low carbon energy and chemicals in the Humber, and expertise in other R&D institutions and universities. The proposal will make it easier for business to access our world class innovation assets and will promote technology transfer, build supply chains and bridge gaps between sectors. We will develop an integrated bioeconomy delivery plan in collaboration with neighbouring LEP areas to drive the sector’s growth, incorporating all relevant parts of this Priority.

9) Connect our agricultural sector to agritech and biorenewables expertise and opportunities – Growth of the food manufacturing, agritech and the biorenewables sectors will create major supply chain and innovation opportunities. These include those from investment in agri-innovation, potash mining, low carbon transformation at Drax and offshore wind energy development. We will seek to ensure local SMEs, including farms, are aware of supply chain opportunities and enhance their capacity to secure them. We will also exploit opportunities for inward investment and reinvestment based on the supply chains of major investors.


10) Support investment in energy and resource efficiency – There is great potential to turn waste into a source of renewable energy and an income stream, as well as to implement other energy saving, waste reduction and energy microgeneration activities in farms and SMEs. However, market failures including access to finance (barriers to market entry) and lack of awareness (imperfect information) are preventing take up. This programme will open up grants, advice and other support that encourage small scale take up of low carbon and sustainable technologies across the LEP area.



National Agri-Food Innovation Campus investment will create


**800
Jobs**

And increase the economy by



**100
Million**

We will capitalise on our biorenewables and low carbon assets to make it easier for business to access world class innovation

Outcome Indicators and Benefits to Business

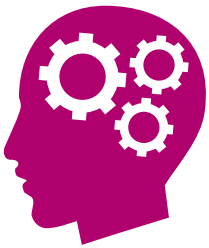
The overall outcomes that will result from this activity are private sector investment, employment, sector growth and reduced waste and carbon emissions. Specific results and outputs from activities that contribute to these overall outcomes include:

- Number of enterprises engaging with universities and other research bodies
- Number of enterprises introducing new to market or new to firm products
- Number of businesses that are actively innovating
- Private investment
- Jobs created
- Greenhouse gas reductions
- Companies delivering low carbon practices, processes, services or products



The BioVale vision is for a region wide bioeconomy based innovation cluster, including biorenewables and agrifood. The centres of expertise in the University of York are at the heart of this vision, joined together and connected to business through a new BioHub.

Priority **3** Inspired People



Goal

Growing businesses able to access ambitious people, with the right skills and the right attitude

We want to have one of the best workforces in the country, with ambitious and enterprising young people, excellent employability skills and qualifications that meet business needs now and in the future. Achieving that will drive business growth and competitiveness and support employment and incomes.

Objectives

- A productive workforce for growing businesses
- Inspired people making the right job choices
- Empowered communities delivering support and inclusion



Action Table



11) Increase productivity by investing in workforce skills

Research and communicate sector needs

Develop specific training packages that meet local priority sector and investor needs

Develop provision which addresses issues of rurality and needs of small and micro-businesses

Focus skills investment in priority sectors which drive growth



12) Build competitive advantage through higher level skills

Promote the benefits of higher level skill to business and encourage their uptake

Graduate and postgraduate retention

Tackle underemployment by increasing opportunities for graduates



13) Increase employability by connecting business to education

Mainstream employability into education and roll out employability charter activity

Devise and deliver targeted initiatives to enhance employability

Develop links between business and education providers and intermediaries

Promote 'careers inspiration' through better advice and guidance linked to local business needs and opportunities



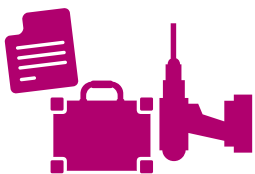
14) Build skills, attitude and ambition to help people access jobs and progress in them

Build self-employment and enterprise skills

Intensive support to help people upgrade skills, move towards and enter work, including people looking for work and those facing redundancy

Overcome rural employment challenges, including travel difficulties

Connect young people not in employment/ training to local employers and opportunities



15) Support high quality apprenticeships and internships

Promote higher level apprenticeships

Promote high quality apprenticeships and simplify take up for business

Promote widened use of placements, internships and work experience



16) Develop strong communities and active inclusion

Develop the capacity of the community and social enterprise sectors to meet local needs

Community led local development activity to build inclusion and employability

Activities that promote social inclusion through delivering environmental benefits



17) Deliver a skills capital programme

Bring all FE college infrastructure up to a suitable standard to enable sound business engagement, training and career choices

Targeted investment in facilities that meet sector specific needs (as per this strategy)



Inspired People

Why this is a priority

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 that do not. Likewise, people with better skills are far more likely to be employed and to earn more. Skills are as vital to jobs and inclusion as to business success.

Qualifications levels across most of the LEP area are above national average. They are rising over time, but not as fast as nationally, so we need to improve further and faster to stay ahead. Additionally, there are localised areas where skills levels are lower, most notably on the Yorkshire Coast, where unemployment is highest too.

Higher skills have a pivotal impact on growth and productivity, but our lead over national average at this level is slipping away. Higher level skills – at graduate and postgraduate level, as well as higher level apprenticeships – is a key focus and also links to key business leadership and management skills. Those are also critical to business growth and success and covered in Priority 1 (ambitious businesses) because they relate strongly to business ambition and are part of a co-ordinated business support offer.

Businesses need people with the right skills and the right attitudes to flourish and grow




Our hospitality industry which employs over 23% of the workforce was being considered by only 2% of young people.



There is a mismatch between what young people aim for in a career and what is available in the labour market. A report published in 2013, Nothing in Common (by B-live, UKCES and the Education Employers Federation) found that 42% of young people were interested in pursuing careers in just seven highly competitive areas (performing arts, professional sports, teaching, veterinary science, law, policing and medicine) whilst key sectors of the labour market did not feature in the career thinking of the majority of young people.

In our area for example, the hospitality industry which employs over 23% of the workforce was being considered by only 2% of young people. Conversely over 20% of young people expressed an interest in culture, media and sport, a sector which has less than 3% of jobs. We need to ensure that young people and their parents have realistic expectations of the labour market, not dampening aspirations but directing them towards exciting and fulfilling careers in sectors which drive and sustain growth.



We need to drive young people towards exciting and fulfilling careers in sectors which drive and sustain growth

How we will make a difference

We will focus on seven Core Activities:

a) Increase productivity by investing in the workforce - There is a need to upskill the workforce, especially where there are skills gaps, and to meet the needs of growing and locally important sectors. Needs include science, biorenewables, engineering and technical skills in fields such as agritech, food, energy and vehicle/component manufacture (e.g. caravans, coaches, aircraft), as well as customer skills in the visitor economy and care skills linked to an ageing population. Higher level skills will be included in upskilling activity where appropriate. We will also consider the case for new or upgraded infrastructure (e.g. college buildings or training centres) where that will enhance take up and delivery of training and benefit workforce skills (also see activity g).

We will ensure that the skills needs of small and micro businesses in rural areas are addressed by developing provision that overcomes barriers of long travel to learn patterns, small cohort sizes and niche provision.

b) Build competitive advantage through higher level skills – We will seek to ensure both that there is an improving stock of people with higher level skills, and that businesses make best use of them to enhance growth and productivity. That includes postgraduates who are especially important to innovation, R&D and our Smart Specialisation approach. We will ensure that graduates have more opportunity to contribute to businesses growth by supporting businesses to take on graduates and by creating more innovative internships. We will tackle underemployment to ensure that people with higher level skills and qualifications can secure appropriate employment and are not blocking jobs for people with lower level skills.

c) Increase employability by connecting business to education – Businesses make clear that 'employability skills' are vital. These skills include a good attitude, basic skills such as English and Maths, and 'soft' skills like communication, teamwork and creativity. There will be value in rolling out existing good practice such as the Employability Charters in Scarborough and the Humber into education across the LEP area. That will mainstream employability into teaching and curriculums, and make links to work experience and careers information, advice and guidance (IAG). Achieving all that will require good relationships between businesses, education and skills providers (including schools, FE and HE) and work to enable businesses (including SMEs) to influence what is taught. It is widely recognised that IAG is problematic. It needs to be high quality, impartial and tuned in to the opportunities and needs in local businesses and growth sectors. This will be reflected in relevant activity and a 'careers inspiration' approach that motivates as well as informs young people.



We need to ensure that there are more people with higher level skills, and that businesses make best use of them to enhance growth and productivity

d) Support high quality apprenticeships and internships – We will increase and better match the supply of and demand for apprenticeships. Apprenticeships must be an attractive and high quality option for young people, and support should be provided to employers to make taking on an apprentice easier, and to encourage other high quality work experience (e.g. internships and placements). That will include ensuring there is accessible and high quality information and support for businesses regarding Apprenticeships especially for small and micro businesses in rural areas to make it easier for employers to take on apprentices. We will enhance the quality, range and flexibility of apprenticeship provision – including more higher level and advanced apprenticeships.

e) Build skills, attitude and ambition to help people access jobs – There are pockets of deprivation and unemployment on the Yorkshire Coast in particular, but these issues affect people throughout our area, even in seemingly prosperous communities. Barriers to employment include confidence and ambition, health, personal and family issues, skills, poor work experience, and travel difficulties to work or college. Working with people to address these issues will help them to build employability skills and get a job, widen the labour pool for employers, and build inclusive communities. Youth unemployment is a particular problem, so this group and those who are not in employment, education or training (or at risk of becoming so) will be a priority.

f) Develop strong communities and active inclusion – Sustainable solutions require community input and ownership, and we will focus on a community led approach to enhancing inclusion and employability. This will utilise and strengthen the capacity available through the voluntary and community sector, which is more concentrated in this LEP area than elsewhere in Yorkshire. Our EUSIF Implementation Plan provides more detail on our approach to community led local development and how it will be applied in local areas.

g) Deliver a skills capital programme - Our approach is two pronged; first to get all FE college infrastructure up to a suitable standard. Businesses must see FE colleges as a quality delivery partner, whilst students need to make career choices based on economic opportunity and quality of training and not on quality of premises. Secondly we will seek to enhance training/ learning facilities where these enable FE colleges (and other relevant training centres) to meet specific sector needs in line with our strategy.

We will collaborate with the Leeds City Region LEP and Humber LEP, and work through the Skills Funding Agency and Big Lottery as well as local partners to enhance skills, employment and inclusion.

Businesses must see FE colleges as a quality delivery partner, whilst students need to make career choices based on economic opportunity



Apprenticeships must be an attractive and high quality option for young people, and support should be provided to employers to make taking on an apprentice easier

Outcome Indicators and Benefits to Business

The overall outcomes that will benefit from this activity are employment rates, productivity and growth. Specific results and outputs from activities that contribute to these overall outcomes include:

- Apprenticeships started and completed
- Proportion of the population with qualifications at NVQ levels 2, 3, 4 and 5
- Businesses reporting skills improvements in the workforce and reduced skills gaps
- Number of people who participate in skills and learning activity
- Number of unemployed people accessing employment
- Young people engaged and numbers not in employment, education or training

Associated benefits for businesses and the economy include more people to recruit from with good employability skills, ease of recruiting apprentices, more demand from skilled young people to work in local businesses, and more influence over what is taught in schools, colleges and universities.

There is a need to upskill the workforce and meet the needs of growing local sectors, including science, biorenewables, and engineering



Priority 4 Successful and Distinctive Places



Goal

Enhanced growth and opportunities in targeted locations.

We will ensure our great quality of life, goes hand in hand with a great business location attracting entrepreneurs and the skilled employees they will need. We will target investment to realise strategic opportunities to unlock and transform growth in our local economy.

Objectives

- Unlock major growth opportunities
- New development in response to economic shocks and closures
- Environmental quality and community needs



Action Table



18) Strategic investments in the A1/A19 corridor

Unlock strategic housing and employment sites



19) Ensure a strong and growing coastal economy (The Yorkshire Coast)

Exploit opportunities from major investment in the coast

Tackle housing demand and affordability

Target flood prevention measures



20) Strengthen economic links with neighbouring cities

Provide major employment sites

Increase the range and availability of housing



21) Sustainable growth in the Dales, Moors and Wolds

Maximise the strengths of Market Towns

Raise the quality of the visitor infrastructure



Successful and Distinctive Places

Why this is a priority

Businesses locate where they have good access to their customers and markets, where they can access the skilled people they need and where the business leaders want to live with their families.

We benefit from great places. Skipton has been voted the best place to live in Britain, York the place most people would like to live and Harrogate the happiest place In England. Alongside this, we benefit from some of the most famous landscapes in the country.

We are also a great business location. The key North South connections of A1 and East Coast Mainline provide access to eight of the ten largest cities in UK in under 2 hours. And with business innovation assets such as the Food and Environment Research Agency and University of York we are internationally competitive in key industries.

But we have our challenges. The quality of life has driven house prices up, whilst low wages have resulted in homes becoming unaffordable to many. The average house price is 6 times—peaking at 8 times—the household income in our area. If we want to retain our young skilled people and attract entrepreneurs, they need to be able to afford to live in the area.

It is also important to recognise, that whilst our North South connections are strong, poor East-West connectivity to some of the towns and remote rural areas mean that major growth opportunities are less likely and new growth and jobs will be achieved through smaller developments and the collective impact of our many of our micro businesses creating small numbers of jobs.

Furthermore, whilst we have a stunning Yorkshire Coast, the easy access to cheap international holidays with guaranteed sunshine mean the role of the seaside town has changed. The visitor economy offer needs to reflect the demands of a new demographic with increasingly sophisticated

From York you can access eight of the ten largest cities in UK in under 2 hours



Whilst we have a stunning Yorkshire Coast, the easy access to cheap international holidays with guaranteed sunshine mean the role of the seaside town has changed.



expectations, whilst the coastal economies need to diversify to take advantage of emerging opportunities such as offshore wind and potash.

We need to target investments to reflect this diversity.

In summary we are a large geographical area with distinctive geographies, each having its own assets and opportunities to build future growth. These geographies can be categorised as;

- A1/A19 Growth Corridor
- Yorkshire Coast
- Dales, Moors and Wolds
- Links to neighbouring cities

These areas form the basis of this priority but they also have some common market failures and barriers when it comes to growth.

Physical constraints and scale

The nature of York, North Yorkshire and East Riding means that there are physical constraints or resource capacity issues that raise the cost of development beyond the point of its financial viability. For example, even our largest strategic housing sites (500- 1000 houses) are small compared to our urban neighbours and yet the cost of the infrastructure to go into these sites (Roads, utilities etc.) is not proportionate. Therefore the unit cost per house on our sites is significantly greater than in urban areas. With the additional need to increase the availability of affordable housing this can make sites financially unviable to developers.

Our only city, York, and our largest town, Harrogate, both suffer from transport congestion, which severely restricts long term growth potential. Priority Five 'A Well Connected Economy' addresses this in more detail; however a common barrier to releasing growth in many of key sites is the local road infrastructure. Geography, changes to the economy and historical underinvestment all contribute to this challenge.

Public Sector reductions are also a common factor, resulting in significant changes to local economies, where the reliance on public sector jobs is particularly high. Whilst public sector closures create a short term economic shock, they also present a longer term opportunity and we need to ensure the infrastructure investment is in place to realise these opportunities.

For example, in 2013 the closure of the town centre prison and Rural Payments Agency in Northallerton and the announcement of the closure Army Barracks in Ripon were major shocks to the local economies, but they present real opportunities for change. Already masterplanning is underway and by investing alongside the private sector in a long term vision for these towns, we will create stronger, more resilient towns and economies.

We are the largest LEP by geographical area with distinctive geographies, each having its own assets and opportunities to build future growth



Our only city, York, and our largest town, Harrogate, both suffer from transport congestion, which severely restricts long term growth potential.

The Importance of Housing

Housing plays two important roles in the economy. Firstly, growing businesses need to be able to recruit skilled staff. The availability of the right type of housing, which is affordable, is crucial to maintaining a strong labour supply.

Secondly, housing construction itself provides investment and a flow of skilled jobs both directly and in the supply chain. This local workforce, then spend their incomes on local goods and services. A 2012 study from CCHPR established that every £1 invested in the construction of new homes generates £2.84 in local spending. The impact of this spending is felt across all levels of the local economy, with a wide range of recipients in addition to the supply chain associated with the building industry.

The demand for houses in the LEP area has remained strong despite the national economic downturn, with high house prices compared to regional and national comparators. The quality of life in the LEP area has created demand from commuters, retirees and second and holiday home owners, significantly impacting on housing availability and affordability.

This lack of available, affordable housing will constrain local economic growth. Therefore, investing to increase the supply of housing is a core part of this plan. Our ambition is to double the rate of house building in our area and to triple the delivery of affordable housing.

Much work has already been undertaken to develop and articulate specific housing priorities via Housing Strategies and Local Investment Plans (LIPs). These set out clear and sustainable shared priorities, developed in partnership with key stakeholders. They have formed the basis of discussions with housing providers (both private and public) and the Homes and Communities Agency (HCA) around the funding of new housing to meet local needs, use of land and investment in the housing market, through schemes such as Get Britain Building.

The Role of the Environment

In a large rural area, where there are two National Parks, the Yorkshire Coast along with designated Areas of Natural Beauty, understanding the role of the environment in the economy is crucial. Yorkshire has been voted Europe's Best Tourism Destination and Visitor Economy jobs underpin large parts of our economy, particularly in rural areas.

Alongside this, our natural geography creates a need for sustainable flood mitigation to enable some of our significant development opportunities.

Recent research indicates that 2.3 person years of direct employment is created for every new house built



We are concerned that the lack of housing growth in the LEP area will continue to constrain local economic growth.

The rural uplands of the two National Parks and two Areas of Outstanding Natural Beauty (AONB) cover well over a third of the land area of the YNYER LEP. They provide an outstanding range of economic and environmental benefits – wildlife, water, food, wood products, minerals, carbon storage and recreation – based on their natural resources, landscape and cultural heritage.

They are generally characterised by ‘High Nature Value’, extensive livestock farming (often at the margins of economic viability) which shapes the magnificent landscapes on which a huge visitor economy depends . Additionally along the Yorkshire Coast, we need to invest to be able to realise the growth opportunities linked to emerging opportunities such as offshore wind. In particular ambitious plans for the long term development of the harbour areas at Whitby and Bridlington require sustained investment in the infrastructure

These conditions create a number of place-specific opportunities and challenges, which require a locally-tailored approach. The LEP, working in partnership with DEFRA, will target investments. Investing in our environmental assets, in ‘green and blue infrastructure’ will support the sustainable economic success of the area .

How we will make a difference

Our Infrastructure Programme will focus on investments where there is a clear market failure that is preventing or delaying development.

This will usually be when exceptional costs, which are necessary to allow development (e.g. transport, energy infrastructure or land remediation costs), make the site commercially unviable, but the wider benefits to the local economy outweigh the costs.

We will appraise the business case and extent of market failures before focusing on schemes that offer the best value for money and the most strategic and sustainable benefits. Where we invest we will expect exemplary low carbon and environmental performance.

Our area also contains localities with significant flood risks, such as in parts of East Riding. We will work with partners to mitigate flood risks where they threaten growth, adopting a sustainable approach.

For example, as a LEP we are already investing alongside the Environment Agency in flood alleviation in Skipton. This, in turn, will enable the development of the South Skipton Employment Zone.



‘High Nature Value’, extensive livestock farming shapes the magnificent landscapes on which a huge visitor economy depends

Our Infrastructure Programme will focus on investments where there is a clear market failure that is preventing or delaying development

Core Activities

Our activities will focus on investment programmes based on the four key geographies;

- A1/A19 Growth Corridor
- Yorkshire Coast
- Dales, Moors and Wolds
- Links to neighbouring Cities

Within each of these areas we have worked with local planning authorities and stakeholders to identify the towns and opportunities where growth is most likely to be focused.

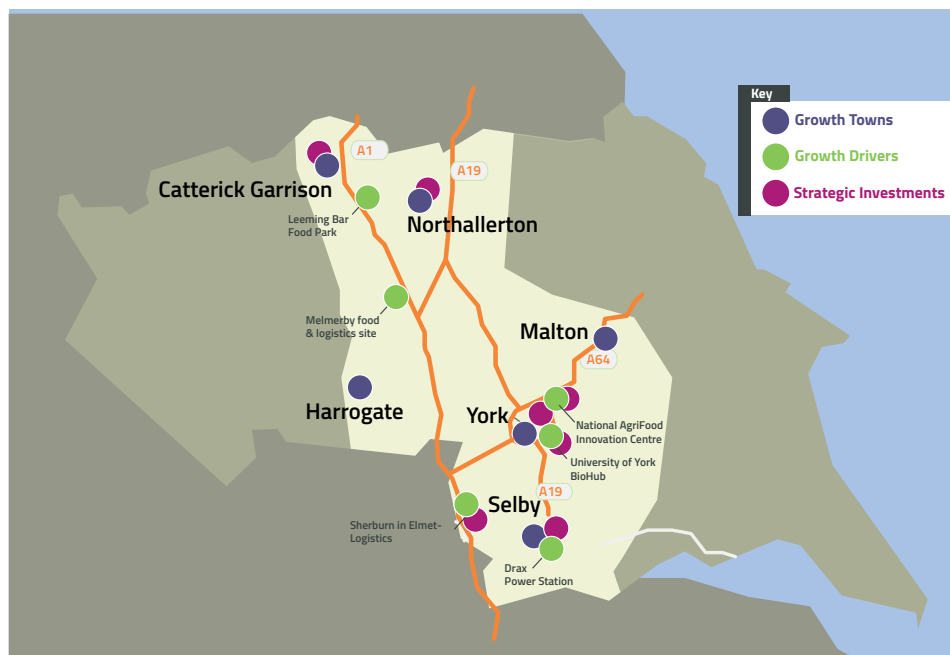
Investments will be targeted towards these Growth Towns. A 5 year growth plan has been developed for each of these towns; these are presented in detail in Annex A.

A1/A19 Growth corridor

The A1/A19 corridor runs through the heart of our LEP area and is our Growth Corridor.

Benefitting from excellent connectivity, the A1/A19 and East Coast Mainline give fast access to 8 of the UKs 10 largest cities in under 2 hours.

This corridor is where most of our large investment opportunities are located and where the majority of our 2015/16 investment is focused.



At the south of the Corridor, Drax, the UK's largest cleanest coal powered power station is investing over £1 billion in converting to biomass and developing the emerging technology around carbon capture and storage, whilst City of York and our world leading agrifood and bioeconomy Innovation assets sit in the centre of the corridor.

Further north, the Leeming Bar Food Park continues to expand, mitigating some of the Public Sector cuts in our County town of Northallerton, whilst the governments long term commitment to Catterick Garrison provides the opportunity for major housing growth and a new town centre in Catterick further north.

A1/A19 growth corridor benefits from multi-billion private sector investment



Drax, the UK's largest cleanest coal powered power station is investing over £1 billion in converting to biomass and developing the emerging technology around carbon capture and storage

Within this corridor, we have major strategic sites, allocated within Local Plans and with approved planning, but where exceptional infrastructure costs are stopping or delaying development. Removing these barriers is essential to delivering our aim of doubling house building rates, increasing the level of affordable housing, whilst providing employment land to support future growth.

The growth towns are: Selby, Harrogate, York, Malton, Northallerton, and Catterick

Ensure a strong and growing coastal economy

The Yorkshire Coast has one of the finest coastlines in Britain, with famous seaside towns such as Scarborough and Bridlington. All of which have seen significant change over the years and have had to look towards raising the quality of their visitor offer whilst also looking to new economic opportunities, such as offshore wind, potash mining and creative and digital industries. There is a need to invest in the infrastructure to enable new employment and housing land to be made available, new facilities exploit new growth opportunities, and improvements to raise the quality of the coastal visitor offer.



Scarborough and Bridlington are the largest towns on the Yorkshire Coast and both have plans to significantly reinvent their town centres

Over the next 5 years there is set to be unprecedented investment on the Yorkshire Coast, potentially in excess of £2billion, in the following key sectors:

- **Potash Mining** – The York Potash project is a proposal to develop a new high-tech potash mine in Scarborough Borough.
- **Offshore Wind** - Whitby is the nearest port to Dogger Bank where the world’s biggest wind farm is to be constructed.

Scarborough and Bridlington are the largest towns on the Yorkshire Coast and both have plans to significantly reinvent their town centres and attract new investment in the coming years. These build on the developments that have already taken place and will lead to significant future investment opportunities. This includes the development of a new marina at Bridlington and the redevelopment of the Futurist Theatre on Scarborough seafront

The Coastal areas Growth Towns are Scarborough and Bridlington



The Yorkshire Coast has one of the finest coastlines in Britain, with famous seaside towns such as Scarborough and Bridlington.

Strengthening economic links with neighbouring cities

Our LEP area is almost surrounded by major urban conurbations and economic centres that each hold opportunities for growth. The south/east of our area can benefit from the investment going into Hull and the Humber ports area, particularly around the renewables industries. The south /west is linked to the financial and commercial centre of Leeds. The north has connections to the engineering industries of the Tees Valley. Investment is needed to enable further employment land and opportunities to be met within the main towns.

5 year Growth Town plans have been drawn up for each of the priority growth towns in this area; Skipton and Harrogate. These set out the housing and employment growth ambitions over the next five years and highlight the barriers that are needed to unlock this development. They have been prepared in collaboration with the Local Authority Planning Authorities integrating them with their Local Plans.

The growth towns are: Skipton and Harrogate

Sustainable growth in the Dales, Moors and Wolds

We have a significant rural area covering the Yorkshire Dales National Park, North York Moors National Park, three AONB's and the Yorkshire Wolds, an outstanding landscape with small towns acting as service hubs for jobs and visitors. But these are areas with future challenges where investment is needed to ensure sustainable economic communities rather than large scale growth.



Our LEP area is surrounded by major urban conurbations and economic centres that each hold opportunities for growth



We have an unmatched rural area covering the Yorkshire Dales National Park, North York Moors National Park, three AONB's and the Yorkshire Wolds; an outstanding landscape.

We will develop a package of investment that will accelerate development and support the growth ambitions of rural based businesses. Initial proposals have been identified within a package that will continue to support sustainable rural growth in key settlements such as Hawes in Wensleydale, Pickering on the edge of the North York Moors and Driffield in the Yorkshire Wolds.

We have also been working in partnership with the North York Moors National Park Authority, the Yorkshire Dales National Park Authority, and the two Areas of Natural Beauty (AONBs) to draw up a sustainable economic growth plan for our protected landscapes.

The four bodies, working with other local partners, will help the LEP to deliver a number of programmes that would enhance these living and working upland landscapes:

- improve the resource efficiency of 'High Nature Value' upland farming;
- develop green, high-quality tourism with a unique, locally-distinctive offer;
- support a locally-led, environment based economy of micro-businesses;
- develop 'Green Infrastructure' that provides services to the wider economy;
- provide skills and training, including apprenticeships and volunteering opportunities; and
- increase production and deliver better environmental outcomes in arable farming.

Outcome Indicators and Benefits to Business

The overall outcomes that will benefit from this activity are land developed or opened up for development, new investment and jobs. Specific results and outputs from activities that contribute to these overall outcomes include:

- Ha of land opened up for development
- Business space created or improved
- New Houses enabled
- New investment attracted to the area
- Jobs created
- Infrastructure site development including green infrastructure

Associated benefits for businesses and the economy include ensuring high quality, distinctive and outstanding places continues to support growth, as well as better access to premises, market opportunities, customers and workers (linked to affordable housing availability).

Skipton is vibrant, linking to West Yorkshire, providing a quality of life and gateway to the Yorkshire Dales

We will increase production and deliver better environmental outcomes in arable farming



Priority 5

A well connected economy



Goal

Businesses with strong connections to their customers and markets

We will strive to ensure that businesses across our area are well connected to their customers, markets and workforce. Our transport, mobile and broadband network must be an enabler for thriving, prosperous places where businesses are able to grow.

Objectives

- Fast, reliable journeys between key centres
- Transport that underpins both growth and low carbon goals
- Access to UK and international markets

Action Table



22) Improve East-West Road and Rail Connections

Improve journey time reliability on the A64, A1079 and A59 road corridors

Improvements to the Leeds – Harrogate – York rail line

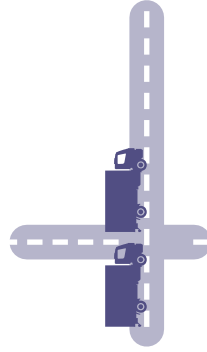


23) Ease congestion in York and Harrogate

A1237 York Northern Outer Ring Road improvements (contributes to 'Improve our East West connections')

Sustainable transport improvements in York including Urban Traffic Control and electric buses

Signalisation of the A1/A59 Allerton Park Junction (contributes to 'Improve our East West connections')



Enhance the reliability of the existing road network

Maintenance of rural connectivity to North Yorkshire growth centres

East Riding of Yorkshire – 'A' Road Highway Maintenance Package

Newland Bridge – Link from Drax to M62

A64/A162 Tadcaster junction



Telecommunications and Broadband

Increase superfast broadband coverage



A well connected economy

Why this is a priority

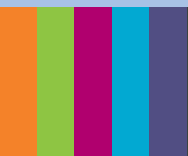
Businesses need to be able to move goods, people, and information quickly, easily and reliably if they are to be able to realise their growth potential. Ensuring that our transport and broadband connections are fast and effective is therefore a vital enabler of growth.

Transport networks that are well maintained and have minimal congestion enable businesses to become more competitive and reduce transport costs by moving both people and goods reliably and quickly. Consequently, investment in transport can lead to sustainable economic growth.

Ensuring that our transport and broadband connections are fast and effective is a vital enabler of growth



Less than 2 hours from London, with direct trains to every major city in England and Scotland



There is a need for sustained investment to both maintain and improve road and rail connections, thus increasing the competitiveness of existing business and giving confidence to investors seeking to access the growth opportunities in the area.

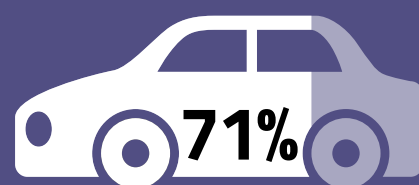
Our LEP area benefits from excellent North-South connections, including the A1 (M)/A19 corridor and the East Coast Main Line (ECML). From the northern rail hub of York, you can access eight of the 10 largest UK cities in less than two hours and with future investment in HS2, this rail connectivity will improve still further.

However, East to West transport links across the LEP area are less well developed and there is a need for investment in this key corridor. The current situation constrains the economic performance of business within the corridor particularly given the issues around journey time reliability.

We also suffer from congestion in our key growth towns of York and Harrogate. They are key urban centres, whose growth ambitions are significantly hindered by poor traffic flow on key routes. We are already investing in the rail connections between Leeds - Harrogate -York, however major investment in long term infrastructure and sustainable transport solutions is critical to delivering the growth potential for these key centres.

Enhancing the reliability of our current transport network is also critically important to the LEP area economy. One of the major transport constraints on the economy is the condition of the road network. Many service centres within the LEP area are connected via rural roads and for many small businesses and their customers these connections are vitally important. Indeed the local branch of the Federation of Small Businesses and individual local businesses have highlighted that the state of rural roads is a huge cost to them. Reflecting that growth in these areas will be driven by the collective impact of a large number of small businesses, each creating a small numbers of jobs, we need to ensure connections to our towns are maintained. Increased investment in the existing road infrastructure is required to ensure that the deterioration of the highway network does not continue to be a constraint on the LEP area economy.

Enhancing
the reliability
of our current
transport
network
is critically
important to the
growth of the
LEP economy



Of commuters travel to
work by road

Core activities:

Investments already secured:

We have already been successful in securing transport improvements which will benefit the LEP area economy:

- The Bedale, Aiskew and Leeming Bar bypass will provide a link from the A684 north of Bedale to the A684 east of Leeming Bar and link in to the recently upgraded A1 (M).
- The York – Harrogate – Leeds rail line will be upgraded between Knaresborough and Cattal from one track to two tracks which will facilitate the doubling of train frequencies on this important and congested connection into Leeds. This is part of an ambitious improvement package and there is a strong case for electrification of the line.
- Local Sustainable Transport Fund (LSTF) money will deliver a package of measures to support the continued economic development of Harrogate through a reduction in traffic congestion and introduction of sustainable travel options, and a package of measures including Park & Ride in Whitby which will benefit the local tourism economy.
- 'Access York' phase 1 is delivering key park and ride sites and there has been LSTF and Better Bus Area funding to reduce congestion, support sustainable travel and improve the flexibility of workforce travel options.

There is, however, a pressing need for further investment in transport infrastructure in the LEP area. There are a number of projects that can be delivered from 2015/16 which will deliver jobs, housing and lever in private sector investment in the short term. It also needs to be recognised that the lead in time for major transport improvements can be several years. As such the longer term transport investments that are critical for the future growth of the economy need to be developed in the short term to make delivery in the future possible.

Improve our East West Connections

Background

East-west road and rail connections in the LEP area are relatively poor. This constrains the economic performance of the main growth centres along these corridors and in these areas including Whitby, Scarborough, Bridlington, Beverley, Pocklington, Market Weighton and Malton/Norton and Skipton. Improving these east-west links will be crucial to boosting the economies of these growth centres and their surrounding areas.

Although this poor connectivity has the greatest impact on the potential for growth in these towns it also has a smaller but still significant impact on larger settlements such as York and Harrogate. Journey time reliability on

We have already been successful in securing transport improvements which benefit the LEP economy



East west road and rail connections in the LEP area are relatively poor. This constrains the economic performance of the main growth centres along these corridors

routes such as these is an issue often raised by businesses in terms of the predictability of deliveries and staff punctuality. This is especially important in these times of 'just in time' deliveries to both the retail industry and increasingly to manufacturing.

East-west transport connections need to be strengthened across the entirety of the LEP area. However, the location of the main towns and the number of movements between them means that the primary focus for improvements is on the A64, A1079 and A59 road corridors and on the Leeds-Harrogate-York, York-Scarborough and Leeds-Selby-Hull rail corridors. These key corridors are set out in Figure 1.

Road Improvement Programme

The four highway authorities who are responsible for managing the road network in the LEP area (Highways Agency, North Yorkshire County Council, East Riding of Yorkshire Council and City of York Council) have each developed long term programmes of highway schemes aimed at improving east-west connectivity on these main road links. These priority east-west road links, as shown in Figure 1, can be subdivided into four sections based on their road and travel characteristics. Further details on each of these sections are set out in Annex B.

Figure 1: Priority East-West Road and Rail Routes



Rail Improvement Programme

Whilst the responsibility for improvements to rail infrastructure lies primarily with Network Rail and the Train Operating Companies the LEP has a key role to play in influencing investment decisions. The LEP is also seeking to utilise the Local Growth Fund to contribute to funding improvements to rail infrastructure. The three priority East – West rail routes in the LEP area are set out below.

East-west transport connections need to be strengthened across the entirety of the LEP area.



Of the traffic which travels on the A1079 is estimated to be made up of HGVs.

Leeds-Harrogate-York

The Leeds – Harrogate – York line is the highest priority for investment and modernisation. A programme of investment is being progressed which will see the line electrified. This will achieve a doubling of service frequency, a 20% reduction in journey time and an improvement in performance.

York-Scarborough

There are three stations in North Yorkshire on this line at Scarborough, Seamer and Malton/Norton, and the station at York. Targeted investment in stations on the line will play an important role in improving connectivity together with a new station at Haxby.

Leeds- Selby-Hull

This line includes the stations of Selby and South Milford in North Yorkshire. The proposed electrification of the line presents the opportunity for additional station and service improvements.

Annex B contains within it a summary of our ambitious rail investment programme.



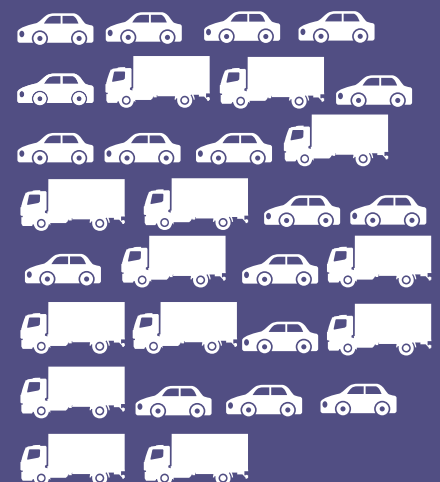
The Leeds – Harrogate – York line is a high priority for investment and modernisation. A programme of investment is being progressed which will see the line electrified.

Ease congestion in Harrogate and York

Congestion in urban areas causes longer and/or unpredictable journey times. This has a resultant impact on local economies as poor connectivity affects employee access to labour markets in addition to the movement of goods and services.

Connectivity can influence business decisions to locate to or remain in a particular area. The major centres of York and Harrogate continue to experience significant congestion and this causes difficulties for local businesses and hinders economic growth. They are the largest settlements in the LEP area and are some of the main housing and employment growth areas.

Peak hour traffic flows on the main routes into, out of and on the main routes around York result in many roads operating at or near capacity causing regular congestion and journey delays. Traffic levels on the A1237 York Northern Outer Ring Road have increased substantially by approximately 50% to 35,000 vehicles per day since construction in the 1980s. The route suffers from significant peak hour and off peak congestion due, in particular, to the number of roundabout intersections with radial routes. Delays on this route also encourage traffic to divert through the city, causing further congestion in the city centre. There are localised urban congestion issues in Harrogate / Knaresborough and capacity constraints on both the strategic highway network and on



York Outer Ring Road has over 30,000 vehicles travelling on it per day

the rail route between York, Harrogate and Leeds. The arterial routes in Harrogate are frequently blocked with high levels of vehicles and at peak times there are often delays of around 20 minutes travelling into the town centre.

Annex B contains more details around specific improvements in Harrogate and York.

Enhancing the reliability of our current transport network

The existing transport network is one of the biggest assets for the economy. It is essential to the movement of raw materials, to provide access to markets for finished products and for employees to travel to and from work. For the large predominately rural LEP area one of the major transport constraints on the economy is the condition of the road network.

Despite additional investment and improved efficiency in the delivery of highway maintenance works, overall the local road network is deteriorating. The road surface is getting worse every winter and this also contributes towards deeper 'structural' problems. Despite additional local investment and improved efficiency in the delivery of highway maintenance works the current level of funding is not sufficient. As the network continues to deteriorate business and commuting travel on links from the feeder villages to the local service centres will get progressively more difficult and unreliable. This is likely to have a significant adverse impact on rural businesses, including tourism and agriculture.

Research with business organisations regularly highlights the unpredictability of journeys as a major constraint on their potential for growth. For example recent research by YouGov has estimated that, on average, SME businesses affected by poor road condition lose over £8,000 a year on vehicle damage and increased fuel costs. A third of businesses also lose about £15,000 each per year because the condition of local roads reduces their competitiveness (The economic impact of local road condition, YouGov for the Asphalt Industry Alliance (AIA), 2010).

The Government document Transport – an engine for growth recognises that an "efficient transport system depends on effective maintenance". Furthermore, the Gearing up for efficient highway delivery and funding document highlights that the Local Growth Fund will be the main source of funding for major maintenance schemes.

The proposals to maintain rural connectivity in the LEP area are set out in Annex B.

For a large, predominately rural area one of the major transport constraints on the economy is the condition of the road network



Recent research by YouGov has estimated that, on average, SME businesses affected by poor road condition lose over £8,000 a year on vehicle damage and increased fuel costs.

Telecommunications and broadband

As well as the physical connectivity provided by transport, in the increasingly information driven economy, the e-connectivity (including broadband internet) is an equally important factor in business success. The large geographical area and low population density of North Yorkshire are the principal reasons why commercial organisations are not implementing the infrastructure required to provide broadband to many North Yorkshire businesses and residents. The low number of connections per kilometre makes developing the infrastructure commercially unattractive. Whilst significant progress has been made in rolling out superfast broadband there are still a number of 'not-spots' where it is not available.

There are numerous risks to future business growth and the competitiveness of businesses in the LEP area if these 'not-spots' are not addressed:

- Business parks will not attract tenants unless the latest broadband technology is available capable of supporting e-commerce. Without the marketing and sales opportunities offered by the internet small businesses, which form the bulk of North Yorkshire's private sector economy, will struggle to reach markets outside a very local area.
- Opportunities for home-based or remote working which has numerous benefits are minimal without internet access.
- The lack of elements such as a transactional website where customer purchases can be made online, or the ability to place orders with suppliers, or send information, images or data files, restricts the ability for businesses to trade effectively.
- Employers without broadband are potentially missing out on recruiting the best staff to further their business.
- There is evidence that people increasingly consider broadband availability as they look at places to live. The local housing market is more at risk of declining property values as people reject properties in digitally excluded areas. Digitally excluded areas will become less desirable, especially to families of working age with children.

A report commissioned by Connecting North Yorkshire and carried out by Regeneris Consulting provides evidence of the potential economic impact and estimated that planned investment in superfast broadband has the potential to generate GVA over 15 years of between £8.8m - £337.2m.

The large geographical area and low population density of North Yorkshire are holding back the infrastructure required to provide broadband



in the increasingly information driven economy, the e-connectivity (including broadband internet) is an equally important factor in business success.