

Policy Committee – 18th July 2017

GROWTH DEAL 4 PROJECT PROPOSALS



Report of the Strategic Manager (Planning and Regeneration)

Lead Member: Enterprising Craven (Councillor Myers)

Ward(s) affected: All Wards

1. Purpose of Report

To update Members regarding a potential submission of projects in response to a call for a “Growth Deal 4” round from the York, North Yorkshire and East Riding Local Enterprise Partnership.

2. Recommendations

Members are recommended to:

- 2.1 Approve that the four projects as detailed in section 4 for submission to the York, North Yorkshire and East Riding Local Enterprise Partnership Local Growth Deal 4 Fund.
- 2.2 Give delegated authority to the Director of Services in consultation with the Lead Member for Enterprising Craven to agree the final project submissions for the YNYER LEP Growth Deal 4.
- 2.3 That the Leader of the Council writes to NYCC seeking that they become the project lead for improvements to the A59.

3. Background

- 3.1 Growth Deal is the process by which Government agrees a package of projects, funding and powers with a Local Enterprise Partnership (LEP). To date there have been three Growth Deals with Craven District being successful in securing investment for the Skipton Flood Alleviation Scheme (round 2 - £1.2m) and the Skipton Housing and Employment Growth project (round 3 - £4.68m).
- 3.2 The YNYER LEP have announced a call for bids for a Growth Deal 4 round in June 2017 with the aim of using potential budget underspend in 2018/19. YNYER LEP has an excellent record in delivering projects through Growth Deal and has managed to meet the spend profiles to date but in 2018/19 it is anticipated that

there will be a number of projects from the first two rounds that will not come to fruition for a range of reasons so the LEP is preparing contingencies to use this underspend. It is unclear how much funding will be reallocated but it could be as high as £20m.

3.3 In broad terms the LEP require projects that:

- Fit with the LEP strategy
- Deliver housing, employment land and/or transport improvements
- To preferably spend the Growth Deal 4 funding in 2018/19.
- The project will be complete by March 2021

3.4 By necessity the process of calling for projects and their prioritisation has very tight time scales so that an April 2018 start date is possible. The key dates for the Growth Deal 4 process are:

14 June 2017	– Agreement of process and draft criteria determined
30 June 2017	– Completion of all one to one meetings with LAs
1 July 2017	– Launch of formal call for proposals
31 July 2017	– Closing date for all Expressions of Interest
Mid-August 2017	– One to one meetings with project applicants
30 August 2017	– Appraisal and Prioritisation of projects completed
15 September 2017	– LEP Board agree project prioritisation
December 2017	– Full Business Plan/Application to be submitted

4. Craven DC Response to Call for Projects

4.1 As with previous rounds of Growth Deal the funds purpose continues to support delivery of the Strategic Economic Plan (SEP) for the York, North Yorkshire and East Riding Local Enterprise Partnership. The YNYER SEP has five priorities:

- Profitable and ambitious small and micro businesses;
- A global leader in food manufacturing, agri-tech and biorenewables;
- Inspired people;
- Successful and distinctive places;
- A well connected economy.

In particular the LEP is seeking projects that contribute to delivering opportunities set out in the SEP for:

- Growth towns;
- Coastal and rural areas;
- Strategic transport.

4.3 In April 2016 Craven District Council submitted a long list of projects ranging from immediate priorities through to those projects that are a longer term goal. We have revisited these projects and of the 21 projects on the long list, 12 are either being

delivered by other means – other funding sources or through the private sector – or they have been found to be unfeasible. The projects from the original list that do not meet the delivery date criteria of the LEP are Bentham Station Rd, Threshfield Quarry and the Embsay and Bolton Abbey Railway Extension.

- 4.4 Discussions with the LEP have highlighted four potential projects that they would welcome being further developed for this current round. These are support for Accelerating Housing and Employment Land Delivery, to Redevelop Engine Shed Lane Depot, to Redevelop Skipton Town Hall and Improve the A59 from the A65 roundabout to the A56 roundabout. Each of these projects is at a different stage of development and so the exact terms of any proposal or offer from the LEP is not clear at this stage. It is anticipated that these four projects will be able to achieve significant spend in 2018/19, be delivered by March 2021 and meet the aims of the LEP.
- 4.4 It is important that we match our priorities with those of the funder and we will be having a further round of discussions on the 13th July. As a result of this there is likely to be a degree of refinement and reprioritisation so the broad projects outlined below are based on what we currently know and expect.
- 4.5 **Accelerating Housing and Employment Land Delivery** – the LEP are interested in supporting the delivery of a housing pipeline and in particular around the development of a revolving fund within the Joint Venture that will allow more marginal economic projects to be delivered across Craven. The approach would be to use LEP funding to accelerate the delivery of projects that can generate profits that would create the revolving fund. The LEP is unlikely to be able to simply transfer funds directly into a revolving fund as they need to ensure actual spend in 2018/19 and also they require a project which will generate some tangible outputs. If the Council is minded, it may be that we use the Horse Close site as the initial project to retain the developer profits to create the revolving fund. It is unclear whether the funding would be a grant or a loan but these issues will be discussed in the coming weeks. If the funding is a loan, then depending on the terms, this could allow the development to reduce the risks, accelerate delivery and increase the surpluses for the revolving fund. If Horse Close is to be submitted as the first project this will be the subject of a future report to Policy Committee.

Skipton Rock Quarry, which was part of the original long list, is a possible project in partnership with Tarmac that support from the LEP and the Joint Venture could support the delivery new employment land. Initial discussions with Tarmac have been positive and we aim to seek the support of the LEP in the project.

- 4.6 **Redevelopment the Engine Shed Lane Depot** – when the Waste Management Team is relocated from Engine Shed Lane, the depot will be become surplus to requirements. The site will need to be demolished and it is highly likely that there will be extensive decontamination work required so the land value is expected to be very low. With the upgrade of Engine Shed Lane it is an opportunity to contribute to the economic uplift of the area to create a range of business units for new and existing businesses on the site. We will be asking for support from the LEP to

bridge the funding gap to make the scheme viable. If the Engine Shed Lane Depot is to be submitted then this will be the subject of a future report to Policy Committee.

- 4.7 **Redevelopment of Skipton Town Hall** – projects related to culture and tourism are rarely supported through Growth Deal but there are an increasing number of similar projects that require funding to support the visitor economy and also the wider economic aspirations of an area. We have therefore been asked to submit an expression of interest for the funding that will allow the completion of the plans for the Town Hall to create a visitor attraction and performance venue.
- 4.8 **Improvements to the A59** – NYCC Area Highways Office and Craven DC jointly submitted a bid to the National Productivity Infrastructure Fund to deliver a series of highway improvements along the A59 so that congestion is eased and safety improved while accommodating housing and employment growth in Skipton and at Broughton Hall. The NPIF bid was not selected but we are being encouraged to resubmit the application for Growth Deal 4. It is essential that NYCC agree to become the lead organisation for this project if it is to proceed and so we will be having meetings with officers to try to reach an agreement. Also it may strengthen the case if we formally write to NYCC seeking their support.
- 4.10 To ensure the Council can meet the LEP timescales for submission of projects for the next Growth Deal it is recommended that delegated authority is given to the Director of Services, in consultation with the Lead Member for Enterprising Craven to agree the final project submissions for the YNYER LEP Growth Deal.

5. **Implications**

Financial Implications

- 5.1 Projects included within a Growth Deal submission may be required to provide match funding from public or private sources although the YNYER LEP guidance does not define a maximum intervention rate for Growth Deal. The funding profile for individual projects will be confirmed through the project development process.
- 5.2 Future match funding requirements from the District Council will, where possible, utilise existing financial commitments to add value to Council priorities. Where new financial commitments from the District Council are required bids will need to be assessed and considered against competing funding priorities.
- 7.3 Subject to approval of a project within a Growth Deal individual projects will be presented through further reports to this Committee detailing specific financial implications.

Legal Implications

- 7.4 There are no legal implications in approving the recommendations of this report. Subject to approval of a project within a Growth Deal a further report will be presented to this Committee detailing specific legal implications.

Contribution to Corporate Priorities

- 7.5 The submission of projects to form part of a LEP Growth Deal contributes to the Enterprising Craven Priority of the Council Plan 2017 - 2020 that will facilitate economic growth across Craven by enabling the development of new employment land, bringing forward housing land and improving the quality and capacity of the District's transport infrastructure.

Risk Management

- 7.6 There is the potential risk to our reputation if Craven DC and our partners cannot deliver the projects to the profile that we will be agreeing. We will therefore need to work closely with our partners to develop a realistic schedule.

7.7 Equality Impact Assessment

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

8. Consultations with Others

Financial Services
Legal Services

9. Access to Information: Background Documents

York, North Yorkshire & East Riding Local Enterprise Partnership: Call for Future Local Growth Fund Projects

10. Author of the Report

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

11. Appendix

None

