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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>31 MARCH 2016</b>
<b>REPORT OF THE:</b>	<b>HEAD OF ECONOMY AND INFRASTRUCTURE JULIAN RUDD</b>
<b>TITLE OF REPORT:</b>	<b>THE RYEDALE ECONOMIC ACTION PLAN 2016-20</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To adopt the Ryedale Economic Action Plan (REAP) 2016 - 2020 to set the economic priorities and principle activities for the Council and its work with partners during this period.

### **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that:
- (i) the Ryedale Economic Action Plan 2016-20 at Annex C be adopted;
  - (ii) the proposed 'Priority Economic Projects' for 2016-20 and 2020+ be agreed and highlighted within the REAP.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 The Ryedale Economic Action Plan (REAP) will drive the Council's support for local employment and businesses in Ryedale and seeks to improve economic conditions for the residents of Ryedale. The proposed priorities and related projects will be delivered by both Ryedale District Council, the private sector and other agencies and organisations with a remit to support and develop the local economy.
- 3.2 The proposed Action Plan for 2016-20 takes account of current opportunities together with the views of partners and stakeholders in establishing local economic actions and priorities.
- 3.3 The highlighted Priority Economic Projects are identified to guide future funding bids and negotiations with partners and to allocate staff resources. These are divided between projects that are achievable before 2020 and those that can only be delivered after 2020 but which require action now if a scheme is to be brought forward and funding allocated.

## **4.0 SIGNIFICANT RISKS**

4.1 Risks are identified in Annex A

## **5.0 POLICY CONTEXT AND CONSULTATION**

5.1 Ryedale District Council Aim 2: To create the conditions for economic success.

## **REPORT**

### **6.0 REPORT DETAILS**

6.1 The Ryedale Economic Action Plan is a short document outlining what the economic priorities are of Ryedale District Council, what objectives the Council is seeking to achieve (almost always in some form of partnership) and the core activities and projects that will be pursued during 2016-20 to achieve these objectives. It is intended to provide a pipeline of projects and to assist delivery of the Local Plan and help integrate activities with the York, North Yorkshire and East Riding Local Enterprise Partnership (YNYER LEP).

6.2 The first Ryedale Economic Action Plan (REAP) ran from 2012 to 2015 and had an aim to create the right conditions for economic success in Ryedale, with objectives:

- A To have economic structure and supporting infrastructure in place
- B To have opportunity for people and business; ensuring Ryedale businesses are at the centre of economic development and local people are equipped with the skills required by our businesses

6.3 The REAP has to be sufficiently flexible to adapt to changing economic issues such as

- Changes in external funding factors such as global commodity prices or Government funding policies. The recent reduction in the oil price has already impacted on businesses in Ryedale for example.
- Alternative governance arrangements both locally and at international levels. A decision on the EU referendum may impact on the local economy. At the more local level, there are ongoing discussions about a devolution deal and the proposals for a Combined Authority that will focus on delivering economic prosperity.
- Whilst current and short term projects are indicated in the Plan, all of the longer term activities cannot be identified at this stage. The REAP is therefore an attempt to determine the priorities and principles for public sector economic interventions that are right for Ryedale. These may take some time to come to fruition e.g. major road schemes will typically have a lead in period of over 7 years between approval in principle and delivery.

6.4 To review the 2012-15 REAP and inform the content of the 2016-20 Plan the following have been undertaken:

- A review of progress in delivering the 2012 to 2015 REAP
- Consultation with local business stakeholders. This includes employers at all scales, business groups and industry sectors
- Conversations with the YNYER Local Enterprise Partnership and with commercial agents and house builders operating in Ryedale
- A review of the economic intelligence (statistical analysis) in Ryedale, including a SWOT analysis (reproduced at Annex B).

- 6.5 Details of the above review were presented to Members at a Briefing on 3 March 2016 and a copy of the presentation and accompanying video have been sent to all Members. Please refer to this presentation as the detailed information is pertinent to the content of the 2016-20 REAP and only key issues are highlighted in this report.
- 6.6 There has been considerable progress made in delivering the 2012-15 REAP and Ryedale enjoys very low unemployment and high levels of economic and entrepreneurial activity. It has particular strengths in manufacturing (food and advanced engineering), agriculture, accommodation and food and arts and entertainment. Achievement of the following projects for the 2012-15 Plan is notable:
- A64 Brambling Fields junction improvement
  - York Road Industrial Estate underway
  - £2.1m Local Growth Fund for Agri Business Parks at Eden Camp
  - Food Enterprise Zone designated
  - £8.3m Local Growth Fund for FERA / National Agri Food Innovation Campus
  - National Centres of Excellence - Crop Health and Livestock
  - Major expansion at McKechnies, Propak, Yorkshire Baker
  - A business-friendly Council
  - Supported apprenticeships
  - Skills - Opportunity Knocks, Skills Summit, Careers Advice support, Businesses into Schools , Derwent Training Association expansion and investment.
  - Year-on-year growth of visitor economy
  - Creative economy commissioning
- 6.7 However, a number of major projects have been progressed but not achieved, not least of which are A64 improvements and provision of employment land in northern Ryedale. Furthermore, an analysis of economic data shows that Ryedale faces particular challenges in terms of:
- a low wage economy and high housing affordability gap
  - low growth and productivity
  - Skills and recruitment difficulties for local businesses and a shrinking workforce
  - Support for young people entering the workforce
  - The need for employment land, particularly in Northern Ryedale.
  - transport connectivity and a perception that Ryedale is remote and poorly connected to the national network
  - road infrastructure in and around Malton and Norton
  - broadband and mobile connectivity
  - limited capital and revenue funding at a local authority level
- 6.8 The review of data and progress does show that Ryedale has future opportunities for economic success via the following sectors and projects:
- Agri-food – NAFIC / Food Enterprise Zone / Malton food town / food producers
  - Advanced engineering (including potash and off shore wind supply chains)
  - Visitor and creative economy
  - Increase to half-hourly rail service – opportunity but need to mitigate additional delays in M&N
  - Allocation of up to £250m for Hopgrove scheme
  - Devolution and a combined authority
  - Edenhouse Road capacity
  - Further releases of Local Growth Fund
  - Marketing of Ryedale as a high quality location with opportunities for economic growth

- 6.9 On the basis of the review a draft REAP for 2016-20 has been produced and this is at Annex C. The 5 new priorities for the REAP 2016 to 2020 have been drawn from the York, North Yorkshire and East Riding LEP's Strategic Economic Plan to assist further integration. These are:
1. Profitable and ambitious SMEs. Support strategic employers to expand.
  2. Global leader in food, manufacturing, agri tech and bio-renewables
  3. Inspired People (Skills)
  4. Successful and distinctive places
  5. A well connected economy
- 6.10 The proposed activities and (currently known) projects in the REAP are outlined in Annex C. They have been developed in response to current opportunities, outstanding actions from the REAP 2012-15 and review of Ryedale's economic situation.
- 6.11 The principles for delivery of 2016-20 REAP are:
- That all activity is undertaken in partnership with the private sector either at consultation and/or delivery phase, to ensure that the needs of our private sector 'customers' are taken into account.
  - That delivery outcomes are right for Ryedale, no matter which organisation is responsible for delivery.
  - That activity to develop jobs that attract higher wages than the Ryedale average will receive priority.
  - That public sector economic development activity and delivery in Ryedale is streamlined via enhanced joint working in YNYER to avoid duplication and ensure that opportunities to attract public sector investment in Ryedale are maximised.
- 6.12 The attached draft REAP does not yet rank projects in priority order. However prioritisation is important to guide future funding bids and negotiations with partners and to allocate staff resources. The following are proposed as Ryedale's 'Priority Economic Projects' to be progressed:

**Priority Economic Projects for delivery 2016-20**

- Northern Ryedale employment sites (Pickering, Kirkbymoorside - Kirkby Mills and Ings Lane, Helmsley)
- Delivery of Malton Food Enterprise Zone
- Delivery of National Agri-Food Innovation Campus
- Marketing of Ryedale both to potential investors and to visitors
- Norton south-east link road
- Skills initiatives
- Enhanced communication links including cycle, high speed broadband and mobile phone connectivity.
- Supporting the development of the Creative Hub in Malton.

**Priority Economic Projects - for delivery 2020 onwards**

- A64 dualling Hopgrove-Barton Hill
- A64 Norton - Scarborough selective improvements
- A64 Crambeck - Musley Bank dualling
- Malton/Norton - new river and rail crossing / enhanced rail parking / Derwent Park

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

a) Financial

There are currently no financial implications beyond current budget allocations although individual projects and initiatives will be considered over the life of the REAP that have funding implications. Business development and growth in Ryedale will attract an increase in Business Rates revenue and from 2020 this will replace direct funding support from Government. This means that economic growth will be a primary requirement to provide local authority services.

b) Legal

There are no legal implications.

c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)

It is worth noting that the success of the local economy has implications for other areas including access to housing (the Fuel Poverty Overview and Scrutiny Review identified access to well paid jobs as a priority for Ryedale residents for example.) A successful business community is also essential in delivering the Ryedale Plan.

## **8.0 NEXT STEPS**

8.1 The Economy Team will further develop the Action Plan through to delivery phase, including timescales and target outcomes. Progress will be reported on the Covalent performance management system.

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#### **Background Papers:**

Presentation pack to Members for 3 March 2016 Briefing, including SWOT analysis, statistical information and video.

#### **Background Papers are available for inspection at:**

Ryedale House, Malton