



## **POLICY AND RESOURCES COMMITTEE**

Thursday 3 April 2014 at 6.30 pm

Council Chamber, Ryedale House, Malton

### **Agenda**

**1 Emergency Evacuation Procedure**

The Chairman to inform Members of the Public of the emergency evacuation procedure.

**2 Apologies for absence**

**3 Minutes of the Policy & Resources Committee held on the 6th & 13th February 2014** (Pages 3 - 8)

**4 Minutes of the meeting of the Resources Working Party held on the 19th March 2014** (Pages 9 - 10)

**5 Urgent Business**

To receive notice of any urgent business which the Chairman considers should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972.

**6 Declarations of Interest**

Members to indicate whether they will be declaring any interests under the Code of Conduct.

Members making a declaration of interest at a meeting of a Committee or Council are required to disclose the existence and nature of that interest. This requirement is not discharged by merely declaring a personal interest without further explanation.

### **PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL**

- 7 **Policy on Retail Relief for Business Rates** (Pages 11 - 16)
- 8 **Ryedale Development Fund- Remaining Major Projects** (Pages 17 - 24)
- 9 **Derwent Training Association Expansion** (Pages 25 - 30)
- 10 **Local Enterprise Partnership Funding** (Pages 31 - 44)
- 11 **Exempt Information**  
Certain information in this report is considered to be exempt as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) as the information relates to the financial or business affairs of any particular person.
- 12 **Milton Rooms Options Appraisal** (Pages 45 - 150)
- 13 **Leases of Orchard Fields & Lady Spring Wood** (Pages 151 - 156)
- 14 **Revenue Write Offs** (Pages 157 - 160)
- 15 **Sundry Debtor Write Offs** (Pages 161 - 174)
- 16 **Minutes of the meeting of the Senior Management Contracts Working Party held on the 11 March 2014** (Pages 175 - 176)
- 17 **Any other business that the Chairman decides is urgent.**

# Public Document Pack Agenda Item 3

## Policy and Resources Committee

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Held at Council Chamber - Ryedale House, Malton, North Yorkshire YO17 7HH  
on Thursday 6 February 2014

### Present

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Councillors Mrs Cowling (Chairman), Acomb (Vice-Chairman), Mrs Goodrick, Ives, Legard, Maud, Ward and Woodward

By Invitation of the Chairman: Councillor Paul Andrews, Councillor Arnold, Councillor Clark, Councillor Hope, Councillor Mrs Sanderson and Councillor Windress

### In Attendance

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Will Baines, Simon Copley, Paul Cresswell, Peter Johnson and Janet Waggott

### Minutes

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#### 48 **Apologies for absence**

Apologies for absence were received from Councillor Wainwright.

#### 49 **Urgent Business**

There were no items of urgent business.

#### 50 **Declarations of Interest**

No interests were declared.

### **PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL**

#### 51 **Financial Strategy 2014/2015**

Considered – Report of the Corporate Director (s151).

#### **Recommendation to Council**

That the Council is recommended:

- (i) To approve the Council's Financial Strategy (Annex A) which includes:
  - a. Savings/additional income totalling £401k (Financial Strategy Appendix A)
  - b. Growth Pressures totalling £417k (Financial Strategy Appendix A)
  - c. The Prudential Indicators (Financial Strategy Appendix B)
  - d. The revised capital programme (Financial Strategy Appendix D)
  - e. The Pay Policy 2014/2015 (Financial Strategy Appendix E)

- (ii) a Revenue Budget for 2014/15 of £7,175,230 which represents no increase in the Ryedale District Council Tax of £176.72 for a Band D property (note that total Council Tax, Including the County Council, Fire and Police is covered within the separate Council Tax setting report to Full Council);
- (iii) to approve the special expenses amounting to £35,180;
- (iv) to note the financial projection for 2015/16 – 2019/20 (Annex B);
- (v) that the £952k New Homes Bonus not required to support the Revenue Budget in 2014/15 is placed in a new reserve, the 'NHB Reserve'. All allocations from this reserve are to be made by the approval of Council;
- (vi) that the Corporate Hospitality Budget be reduced by £770 to £1,000 for 2014/15, and a criterion be applied to use of this budget so that it is only used for meetings involving people external to the Council. This budget is then reviewed next year to ensure it is sufficient for future years. The saving to be allocated to the general reserve.

**52 Any other business that the Chairman decides is urgent.**

There being no other business, the meeting closed at 7.20pm.

# Public Document Pack Agenda Item 3

## Policy and Resources Committee

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Held at Council Chamber - Ryedale House, Malton, North Yorkshire YO17 7HH  
on Thursday 13 February 2014

### Present

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Councillors Acomb (Vice-Chairman), Mrs Burr MBE, Mrs Cowling (Chairman),  
Mrs Goodrick, Ives, Legard, Maud, Ward and Woodward

### In Attendance

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Audrey Adnitt, Paul Cresswell, Julian Rudd and Janet Waggott

### Minutes

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53 **Apologies for absence**

None

54 **Minutes of the Policy and Resources Committee on 5 December 2013**

**Decision**

That the minutes of the Policy and Resources Committee held on 5 December 2013 be approved and signed by the Chairman as a correct record.

55 **Minutes of the Resources Working Party Meeting held on the 7 January 2014**

**Decision**

That the minutes of the Resources Working Party held on 7 January 2014 be approved and signed by the Chairman as a correct record.

56 **Urgent Business**

There were no items of urgent business that the Chairman considered should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)9b) of the Local Government Act 1972.

57 **Declarations of Interest**

Councillor Maud declared a personal non-pecuniary but not prejudicial interest in agenda item 11 (A64 Memorandum of Understanding) as a resident of Rillington formally owning land adjacent to the A64.

Councillor Woodward declared a personal non-pecuniary but not prejudicial interest in agenda item 13 (Hardship Relief) as he was a vegan and animal rights campaigner.

Councillor Ives declared a personal non-pecuniary but not prejudicial interest in agenda item 13 (Hardship Relief) as he was acquainted with several employees of the applicant.

Councillor Legard declared a personal non-pecuniary but not prejudicial interest in agenda item 11 (A64 Memorandum of Understanding) as his family resided by the A64.

**PART 'A' ITEMS - MATTERS TO BE DEALT WITH UNDER DELEGATED POWERS OR MATTERS DETERMINED BY COMMITTEE**

**58 Scrutiny Review - Members' roles on Outside Bodies and as Member Champions**

**Considered – Report of the Corporate Director (s151)**

**Decision**

That the officers provide notes of the indicative voting and comments of the Committee on the draft recommendations and these be submitted to the Overview and Scrutiny Committee for consideration at its meeting on the 20 February 2014.

**59 Delivering the Council Plan**

**Considered – Report of the Chief Executive**

**Decision**

That the report be noted.

**60 Revenue Budget Monitoring Report**

**Considered – Report of the Corporate Director (s151)**

**Decision**

That the report be noted.

**61 Treasury Management Monitoring Report**

**Considered – Report of the Corporate Director (s151)**

**Decision**

- i. That the report be received.
- ii. That current investments and performance in 2013/14 be noted.

**PART 'B' ITEMS - MATTERS REFERRED TO COUNCIL**

**62 A64 Memorandum of Understanding**

**Considered – Report of the Head of Economy and Infrastructure**

**Recommendation to Council**

That Council be recommended to approve the Ryedale District Council commitment to and participation in the Memorandum of Understanding on the A64 trunk road improvement strategy.

**63 Exempt Information**

**Resolved**

That under Section 100(A)(4) of the Local Government Act 1972 that the public be excluded from the meeting for the following item as there will be a likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A of the Act as the information provided relates to individuals.

**64 Hardship Relief**

**Considered – Report of the Corporate Director (s151)**

**Decision**

That non-domestic rates hardship relief for 2013/14 for the application referred to in the report, financed through the Business Rates Retention Scheme, be approved.

**65 Any other business that the Chairman decides is urgent.**

There being no items of urgent business, the meeting closed at 8.20pm.

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## Resources Working Party

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Held at Meeting Room 1, Ryedale House, Malton  
on Wednesday 19 March 2014

### Present

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Councillors Acomb, Clark, Mrs Cowling (Chairman), Mrs Goodrick, Ives, Mrs Keal, Legard and Maud

### In Attendance

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Councillors Paul Andrews, Mrs Frank and Wainwright

Paul Cresswell, Peter Johnson, Phil Long and Julian Rudd

### Minutes

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45      **Apologies for absence**

Apologies for absence were received from Councillor Woodward.

46      **Minutes**

**Decision**

That the minutes of the meeting of the Resources Working Party held on 7 January 2014 be approved and signed by the Chairman as a correct record.

47      **Urgent Business**

There were no items of urgent business which the Chairman considered should be dealt with as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972 (as amended).

48      **Declarations of Interest**

No interests were declared.

49      **Budget Planning 2015/2016**

Considered – Report of the Corporate Director (s151).

**Decision**

That Members note the projections for the 2015/16 budget and did not identify any specific areas of the budget for further consideration by the Resources Working Party at this time.

50      **Ryedale Folk Museum**

Considered – Verbal report of the Corporate Director (s151).

**Decision**

That the verbal report be noted and that officers meet with the Ryedale Folk Museum to obtain further information for the Working Party.

**51 Lease at Orchard Fields and Lady Spring Woods**

Considered – Report of the Corporate Director (s151).

**Decision**

That the report be noted.

**52 LEP Funding**

Considered – Verbal report of the Corporate Director (s151).

**Decision**

That the report be noted.

**53 Capital**

Considered – Report of the Corporate Director (s151).

**Decision**

That the report be noted.

**54 EMIS**

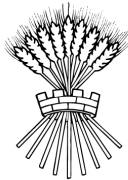
Considered – Report of the Corporate Director (s151).

**Decision**

That the report be noted.

**55 Any other business that the Chairman decides is urgent.**

There being no other business, the meeting closed at 8.15pm.



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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>3 APRIL 2014</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>POLICY ON RETAIL RELIEF FOR BUSINESS RATES</b>
<b>WARDS AFFECTED:</b>	<b>ALL WARDS</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To submit for members' consideration a policy for the determination of the allocation of Discretionary Business Rate Relief to retail business premises.

### **2.0 RECOMMENDATIONS**

- 2.1 That Council is recommended to approve:
- (i) a Discretionary Business Rates Policy to award retail relief in accordance with Department for Communities and Local Government (DCLG) guidelines with the following additional provisions:
    - (a) All ratepayers in England & Wales will be eligible for the reoccupation relief. However, any ratepayer that occupies 50 or more premises will not be eligible to receive the £1,000 retail relief;
    - (b) Charity shops in receipt of 80% Mandatory Business Rates Relief shall not be granted discretionary retail relief.
  - (ii) That Discretionary Retail Relief be awarded as follows:
    - (a) Via delegated authority to Council officers for 2014/15 and 2015/16 only;
    - (b) That an application process is not a mandatory requirement, but that officers reserve the right to request information in order to apply any award of relief.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 The Chancellors' 2013 autumn statement announced that retail premises with rateable values of less than £50,000 would be eligible for a reduction of £1,000 on their business rates bill from 1 April 2014. In addition, to reduce the number of empty shops in town centres, the Government is allowing a relief amount of 50% for 18

months on any retail premises that has been empty for over one year. DCLG announced that the award of these reductions are to be on a discretionary basis by the billing authority. It is therefore prudent for the Council to have a policy for the award of these reductions that ensures business growth and sustainability of local businesses.

#### **4.0 SIGNIFICANT RISKS**

- 4.1 The expected number of premises to receive the £1,000 reduction is likely to exceed 370. Without formulating a policy, there is the risk that application of this particular reduction to any business could breach state aid limitations.
- 4.2 If a policy is not formulated, relief can be applied to businesses that do not necessarily boost the local economy.

#### **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 The provision of relief is mandated through legislation.
- 5.2 The announcements made and late provision of guidance have meant that consultation has not been possible on these proposals.

### **REPORT**

#### **6.0 REPORT DETAILS**

- 6.1 As this is a measure for 2014-15 and 2015-16 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief under section 47. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.
- 6.2 Properties that will benefit from these reliefs will be occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.
- 6.3 DCLG guidance considers shops, restaurants, cafes and drinking establishments to mean:
- i. Hereditaments that are being used for the sale of goods to visiting members of the public:
- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
  - Charity shops
  - Opticians
  - Post offices
  - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
  - Car/ caravan show rooms
  - Second hand car lots

- Markets
  - Petrol stations
  - Garden centres
  - Art galleries (where art is for sale/hire)
- ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:
- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
  - Shoe repairs/ key cutting
  - Travel agents
  - Ticket offices e.g. for theatre
  - Dry cleaners
  - Launderettes
  - PC/ TV/ domestic appliance repair
  - Funeral directors
  - Photo processing
  - DVD/ video rentals
  - Tool hire
  - Car hire
- iii. Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:
- Restaurants
  - Takeaways
  - Sandwich shops
  - Coffee shops
  - Pubs
  - Bars

6.4 To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

**Properties that do not benefit from the granting of this relief**

6.5 The list below sets out the types of uses that government does not consider to be retail use for the purpose of this relief. Again, it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

i. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)
- Post office sorting office

ii. Hereditaments that are not reasonably accessible to visiting members of the public.

6.6 It is estimated that in terms of the £1,000 reduction, the value of relief that will be applied in accordance with the proposed policy will be in the region of £350k for the 2014/15 financial year and be applicable to approximately 370 business premises in the district. It is not known the number of premises that will receive the 50%

reoccupation relief as this is dependent on business growth throughout the 2014/15 financial year.

- 6.7 The reliefs can be applied in conjunction with other reductions from business rates such as small business rate relief.
- 6.8 Businesses who are eligible for the relief, but whose liability is less than £1,000 will receive relief amounting to their net annual liability.
- 6.9 In granting the relief the Council must consider State Aid implications. State Aid is the means by which the EU regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to state aid. Retail relief will be compliant where it is awarded within De Minimis rules. To administer De Minimis it is necessary for each local authority to establish that the award of aid will not result in the business having received more than 200,000 euros of State Aid in a three year period (consisting of the current and preceding two years).
- 6.10 It is for the state aid reason that the first criteria has been introduced as a high street chain operating from small premises could breach this limit is operating in a number of authorities areas. Without such an exclusion and taking into account the number of premises that will be entitled to the £1,000 reduction, significant administrative costs and processes may need to be introduced to ensure state aid provisions were not breached.
- 6.11 When applying the 50% reoccupation relief, administration efforts will be carried out in order to ensure state aid is not breached as it is expected that the quantity of cases for this particular reduction will not be substantial. In addition, this relief strongly supports the Councils' corporate objective of promoting business growth and should therefore have limited restrictions.
- 6.12 Shops that are occupied by registered charities currently receive 80% mandatory relief and are required to pay the remaining 20% of their charge. It is proposed to exclude charity shops from being granted retail relief in order to cap relief advantages charities have over other high street businesses.

## **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:
- a) Financial  
There is no financial implication as award of the relief is reimbursed through Section 31 grant. This is then managed through the rate retention system and the business rates pool.
  - b) Legal  
There are no significant legal implications in considering this report.
  - c) Other  
There are no significant other implications in considering this report.

**Paul Cresswell**  
**Corporate Director (s151)**

**Author: Alan McCarten, Senior Revenues Officer**  
Telephone No: 01653 600666 ext: 377

E-Mail Address: alan.mccarten@ryedale.gov.uk

**Background Papers:**

DCLG Business Rates Retail Relief Guidance

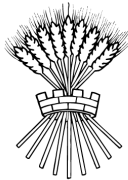
**Background Papers available for inspection:**

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/275589/Business\\_Rates\\_Retail\\_Relief\\_guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275589/Business_Rates_Retail_Relief_guidance.pdf)

Revenues Section, Ryedale House.

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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>3 APRIL 2014</b>
<b>REPORT OF THE:</b>	<b>HEAD OF ECONOMY AND INFRASTRUCTURE JULIAN RUDD</b>
<b>TITLE OF REPORT:</b>	<b>RYEDALE DEVELOPMENT FUND – REMAINING MAJOR PROJECTS</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To seek the allocation of the remaining £25,000 of Ryedale Development Fund (RDF) towards the cost of investigatory work and project development to advance major capital projects (with employment and economic benefits) to the point of construction.

### **2.0 RECOMMENDATIONS**

- 2.1 That Council is recommended to approve funding from the RDF budget to each of the following initiatives:
- (i) £20,000 towards the progression of targeted A64 Improvements; and
  - (ii) £3,000 towards the progression of the Malton to Pickering Cycle Route.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 The Major Projects element of the RDF was established to bring projects forward with necessary investigatory work and project development to advance major capital projects to the point of construction. £100K was earmarked for this fund, utilising New Homes Bonus (March 2013 Minute 220 refers). Of this, £75K has been previously approved by Council (June 2013 Minute 9 refers).

### **4.0 SIGNIFICANT RISKS**

- 4.1 As the RDF is intended for investigatory works and project development, it is difficult to identify all the risks prior to technical studies being undertaken. However, the risks can be mitigated on the basis of the investigatory works planned and they do not therefore present an obstacle to project delivery.

## 5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The Council has a corporate aim of creating the conditions for economic success. This is detailed in the Ryedale Economic Action Plan 2012 – 2015. [http://www.ryedale.gov.uk/pdf/Ryedale Economic Action Plan Final web.pdf](http://www.ryedale.gov.uk/pdf/Ryedale_Economic_Action_Plan_Final_web.pdf). There are two objectives, of which the first is most relevant to this report: 'To have economic structures and supporting infrastructure in place'.
- 5.2 The York, North Yorkshire and East Riding Local Enterprise Partnership (LEP) has developed the Strategic Economic Plan. This document outlines the strategic priorities for the LEP area. <http://www.businessinspiredgrowth.com/media/143056/Strategy-Final-Draft-December-19.pdf>. There are 5 priorities, of which the fifth is the most relevant to this report: A well connected economy.

## REPORT

### 6.0 REPORT DETAILS

- 6.1 The RDF Major Projects Fund is intended to provide necessary investigatory work and project development to advance major capital projects. This will enable RDC, working in partnership with other public and private sector organisations, to develop the projects with technical studies such as site investigation works, feasibility studies, transport and highways studies and design work for examples. 11 projects were presented to Members for RDF Major Projects funding in June 2013.
- 6.2 3 projects were approved for funding at this meeting; Milton Rooms Improvement, Malton Livestock Market and FERA's Applied Innovation Campus.
- 6.3 3 projects were not recommended to be investigated further: Malton and Norton Transport Interchange, Malton Public Realm Improvements and Derwent Park.
- 6.4 5 projects were deferred for further information.
- Employment Land at Pickering – This project is still out for market testing, to ascertain demand in the project.
  - Investigation into Kirkbymoorside Engineering Park – Discussions have been held with the major employers on site and the NYCC Highways. It is anticipated that this project will form part of the 'Rural Employment Sites' application to the Local Economic Partnership 'Single Local Growth Fund' bid.
  - High Speed Broadband to Rural Business Parks – NYCC has recently announced additional funding of over £8million will be available to extend the 'fibre to the cabinet' scheme to more premises in North Yorkshire. Once this second phase of the project is complete, 'Superfast North Yorkshire' (the delivery arm for high speed broadband projects) will be in a position to ascertain where the remaining gaps are.
  - Expansion of Derwent Training – The project will be the subject of a separate report to the Policy and Resources Committee.
  - Targeted A64 Improvements – Discussions between the A64 Authorities and the Highways Agency have lead to a phased approach to upgrading the A64, including the potential for improvements between the Hopgrove roundabout and junction improvements required for the expansion of the FERA site at Sand Hutton.

- 6.5 An additional project is also now proposed: Malton to Pickering Cycle route.
- 6.6 The LEP is currently developing the 'bidding document' to Government for major funding to deliver the Strategic Economic Plan. The capital element is the 'Single Local Growth Fund bid' (SLGF). RDC has submitted projects for inclusion in the bid (including some of those listed in 6.4 above). These comprise of short term detailed projects for 2015/16 delivery and funding requested for longer term projects up to 2021. Design and investigatory projects have not been accepted as part of this process, so this essential early phase in project development must be funded from RDC and partner resources.
- 6.7 Malton and Norton are presented in the Strategic Economic Plan as the key growth towns for the area between York and Scarborough. The SEP highlights improvements to East-West transport connections (including the A64 between York and Scarborough) as the headline transport priority for the LEP.

#### **Further A64 Improvements**

- 6.8 In summary, the A64 Authorities are working together, in partnership with the Highways Agency to identify route improvements and bring forward construction-ready schemes for the York to Scarborough section.
- 6.9 As part of a package of wider scheme development studies across Yorkshire and the North East, the Highways Agency is now planning to take forward a feasibility study of options for upgrading the length of the A64 between Hopgrove Roundabout and the dual carriageway near the Jinnah Restaurant. The study will consider upgrading this section to dual carriageway standard and options for junctions from Hopgrove to the FERA site at Sand Hutton, which is to become the National Agri Food Innovation Campus and is (subject to appropriate highway improvements) a focus for growth with this sector. The Highways Agency study is currently expected to be undertaken between July 2014 and May 2015.
- 6.10 Officers from Ryedale, Scarborough and North Yorkshire Councils propose that a similar (but less detailed) study be undertaken of those remaining sections of the A64 to the east where dualling has not been undertaken:
- Crambeck to Musley Bank junction. south west of Malton
  - Brambling Fields to Staxton Roundabout, east of Norton
- 6.11 The Highways Agency would support the Study through information provision. The Study would:
- identify schemes for inclusion in potential future funding bids. Construction is not likely ahead of 2021 due to funding and / or scheme delivery issues
  - cost in excess of £50k based on experience of the costs of previous works
  - identify options considering:
    - § Contribution towards economic growth from journey time savings and improved journey time reliability
    - § Road safety benefits.
  - Options are likely to include a review of Rillington Bypass and identification of potential routes for a bypass of Sherburn.
  - Options east of Malton and Norton are likely to be single carriageway as traffic flows are unlikely to justify dual carriageway. For Crambeck to Musley Bank it is anticipated that the commission will identify an indicative alignment for upgrading to dual carriageway.
  - identify specific route options together with a robust cost estimate and BCR for each option.

- include an initial assessment of environmental constraints (based on existing data)
- 6.12 This Study is the next step in the 'normal' development of any major transport scheme and should identify a number of feasible improvement options. The following step in the process will be to identify 'preferred routes' for each option. This would require more detailed design work and a much more detailed environmental assessment and public consultation. This is outside of the scope (or affordability) of this current commission.
- 6.13 NYCC has identified funding of up to £20,000 subject to funding from other sources and initial indications are positive from Scarborough Council. On this basis, the report recommends that £20K be allocated by this Council towards this work, utilising the Major Projects fund of the RDF.

#### **Malton to Pickering Cycle Route**

- 6.14 The project aims to connect the market towns of Norton, Malton and Pickering with a safe cycle route, predominantly off the A169 and linking significant employment sites between the towns; Flamingo Land and the Ryedale Exhibition and Leisure Village and maximising linkages to potential employment development sites in the future. RDF funding of £3K is sought to commission the necessary studies to progress this project. The total project cost is estimated at £22K.
- 6.15 This project was originally identified in 2013 in a collaborative bid to Government to support cycling infrastructure. The bid was led by the North York Moors National Park Authority and included a cycle route from Malton to join the Sustrans national cycle network and to link significant employment sites. This bid to the DfT was not successful but elements are now being taken forward to other funding schemes with a view to delivery. The project was also highlighted by the 'Raising Cycling in Ryedale Group' and the 'Ryedale Market Towns Promotion' group to develop a safe cycle link between the 5 market towns, contributing to the visitor economy and the growth in cycle touring.

## **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:
- a) Financial  
This proposal implements the decision by Council on 7 March 2013 to allocate £100K of New Homes Bonus funding to progress major projects, as part of the Ryedale Development Fund.
  - b) Legal  
Allocations will need to be in accordance with state aid regulations. An 'offer letter' detailing the terms and conditions of the investment will be made to the lead partner.
  - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
These initiatives seek to enhance economic activity in Ryedale to the benefit of both Ryedale residents and businesses.

## **8.0 NEXT STEPS**

- 8.1 The importance of getting projects through the development phase has been

highlighted during the LEP 'Plan for Growth' submission process. Projects which are ready for development (with risks identified and mitigated and permissions in place) and can deliver timely outputs (in terms of economic growth) have clear priority in the Plan for Growth and the LEP's bid for competitive Government funding. Consequently, it is likely that further allocation of resource to the Ryedale Development Fund will be necessary to ensure projects in Ryedale are investment ready.

**Julian Rudd**  
**Head of Economy and Infrastructure**

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**Background Papers:**  
None.

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Ryedale Development Fund – Remaining Major Projects Summary – ANNEX A

Project Name / Description	Potential Benefits of the Project	RDC Role / Input Required	Current Status	Next Steps/ Tasks	Indicative Timescales	Indicative Cost Estimates	Other Partners/ Contributions	Major Risks
<b>Further A64 Improvements to junctions/safety/journey time (Crambeck to Musley Bank and Brambling Fields to Scarborough)</b>								
<p>Targeted A64 improvement interventions to address:</p> <p>a. road safety</p> <p>b. traffic flow and vehicle grouping</p> <p>c. connectivity to developments</p> <p>d. management of visitor traffic and seasonal variations in traffic volumes</p>	<ul style="list-style-type: none"> <li>Improvements to highway safety leading to                             <ul style="list-style-type: none"> <li>Reduced numbers of accidents</li> <li>Reduced numbers of casualties</li> <li>Reduced road closure incidents</li> <li>Reduce congestion and delays resulting from above</li> </ul> </li> <li>Increase <i>reliability</i> of travel times</li> <li>Maximise connectivity between York, Malton and Scarborough and provide additional capacity to facilitate expected housing and employment growth, with associated economic activity.</li> </ul>	<p>Partnership working alongside the Highways Agency and other affected Local Authorities</p> <p>RDC role:</p> <p>Input into prioritisation of interventions.</p> <p>Progression of key projects through building of a business case and environmental assessment for each.</p> <p>Lobbying of LEP (to ensure inclusion in 'Plan for Growth' and other potential funders and supporters;</p> <p>RDC would need to collect CIL contributions to the infrastructure and be a partner in applications for funding from sources including LEP.</p>	<p>Jacobs (commissioned by NYCC) produced the "A64 Connectivity Study Final Report" in Feb 2011 which set out a range of potential short, medium and long term improvements and traffic management measures.</p> <p>The first of these, Provision of an enhanced Brambling Fields junction, was completed in Sept 2012.</p> <p>The affected local authorities (RDC, NYCC, CofY and SBC) are using the production of a new A64 route strategy by the Highways Agency to seek to progress a number of the improvement interventions on the A64 route corridor. These will include targeted highways improvements (eg to specific junctions or to provide sections of widened carriageway), road safety and traffic management measures and public transport improvements etc</p> <p><i>JR to update?</i></p>	<ul style="list-style-type: none"> <li>Establish partnership steering group to take forward project</li> <li>Partnership discussion and agree approach to prioritisation of measures</li> <li>Further design and assessment work to provide more detail on configuration, costs and impacts of prioritised measures</li> <li>Develop funding proposals for selected schemes</li> <li>Detailed design work and cost estimates</li> <li>Procurement</li> <li>Commence delivery / construction of local sustainable transport opportunities and A64 enhancements / traffic management measures</li> <li>Implement Package of Short-Term Interventions</li> <li>Implement Package of Medium-Term Interventions</li> <li>Implement Package of Long-Term Interventions</li> </ul>	<ul style="list-style-type: none"> <li>Mid 2013</li> <li>Late 2013</li> <li>Early - Mid 2014</li> <li>2014 - 2016</li> <li>2014 – 2016</li> <li>2014 – 2016</li> <li>Up to 2018</li> <li>2018-21</li> <li>Beyond 2021</li> </ul>	<ul style="list-style-type: none"> <li>-</li> <li>-</li> <li>Up to £500K</li> <li>-</li> <li>Up to £15m</li> <li>-</li> <li>£44.5m*</li> <li>£104.7m*</li> <li>£152.5m*</li> </ul>	<ul style="list-style-type: none"> <li>Highways Agency</li> <li>North Yorkshire County Council</li> <li>City of York Council</li> <li>Scarborough Borough Council</li> <li>Network Rail / Rail and public transport operators</li> </ul>	<ul style="list-style-type: none"> <li>Failure to agree prioritisation of interventions between local authority partners and / or a shared funding mechanism</li> <li>Failure to attract significant levels of mainstream funding</li> <li>Level of funding and CIL contributions required to fund improvements are unobtainable</li> <li>Competing demands for use of developer contributions (e.g. for affordable housing, local services &amp; amenities and - in the case of Malton/Norton - a potential new river/rail link)</li> <li>Limitations to funding mean that limited progress can be made in implementing interventions in the medium term.</li> <li>Survey and analysis undertaken for individual schemes discover major obstacles or costs with implementation.</li> <li>Delays on A64 during construction</li> </ul>
<p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>Investment of £20,000 from the Ryedale Development Fund (e.g. to progress initial surveys, investigations and outline design work) . Officer time to develop this project with partners.</li> </ul>								

NB All Potential Timescales and Cost Estimates are *initial assessments only* at this stage as the scope and scale of proposed projects is not yet known.

Project Name / Description	Potential Benefits of the Project	RDC Role / Input Required	Current Status	Next Steps/ Tasks	Indicative Timescales	Indicative Cost Estimates	Other Partners/ Contributions	Major Risks
<b>Malton to Pickering cycle route</b>								

Project Name / Description	Potential Benefits of the Project	RDC Role / Input Required	Current Status	Next Steps/ Tasks	Indicative Timescales	Indicative Cost Estimates	Other Partners/ Contributions	Major Risks
To develop a safe cycle route linking Norton and Malton with Pickering.	<ul style="list-style-type: none"> <li>Improved access to employment sites on the A169 for employees from the towns of Norton, Malton and Pickering.</li> <li>Link Norton, Malton and Pickering into the national Sustrans route</li> <li>Improve visitor economy infrastructure for cycle tourism. (Particularly from the Hull ports to the North York Moors National Park and from the Vale of Pickering tourism infrastructure to the market towns.)</li> </ul>	<ul style="list-style-type: none"> <li>RDC to lead partnership working with community group and private sector employees along the route.</li> <li>Involvement of NYCC in design and adoption of cycle route</li> <li>RDC likely to be lead partner in application to LEP for this project to be implemented</li> </ul>	<p>Project is worked up to initial phase as was originally part of the NYMNPA bid. Estimated cost £15K</p> <p>Community support expressed by local cycling support group, market towns and visitor economy sectors.</p> <p>Feasibility study is next step to ascertain way forward, likelihood of private sector match funding and involve the correct project team.</p>	<p>Establish a project team to take the project forward. Including Sustrans, MTC, NTC, PTC and NYCC.</p>	May 2014	<p>Feasibility study £3K + VAT.</p> <p>Estimated total cost £15K</p>	<p>Partner contributions will be sought from the Town Councils, NYCC, private sector and the LEP. The feasibility study will identify potential funders and likelihood of attracting LEP investment.</p>	<ul style="list-style-type: none"> <li>Ongoing adoption and maintenance of the cycle route, once delivered. Involvement of NYCC Highways at early stage and private sector will indicate willingness to support ongoing maintenance of the route.</li> <li>Lack of direct outputs may reduce access to LEP funding. Outputs based on other cycle bids (such as NYMNPA) will be used, giving proxy information. Sustainable transport specific funding will be targeted. (Outputs tend to be towards non economic outputs (eg jobs) rather than conversion from car transport.</li> <li>Lack of investment by private sector. Private sector will be engaged from beginning. However, it is likely that this will be viewed as a public sector project.</li> </ul>
				<p>Feasibility study to identify route, including land ownership, capital requirements, adoption and maintenance issues.</p> <p>Bid to LEP for sustainable transport funding towards implementation.</p>	<p>Commission study and report result back to project group.</p> <p>September 2014.</p>			

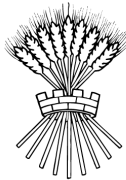
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**Recommendation:**

- Investment of £3,000 from the Ryedale Development Fund (e.g. to progress feasibility study and outline design work / costings) . Officer time to develop this project with partners.

**NB** All Potential Timescales and Cost Estimates are *initial assessments only* at this stage as the scope and scale of proposed projects is not yet known.





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<b>EXEMPT PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>3 APRIL 2014</b>
<b>REPORT OF THE:</b>	<b>HEAD OF ECONOMY AND INFRASTRUCTURE JULIAN RUDD</b>
<b>TITLE OF REPORT:</b>	<b>DERWENT TRAINING ASSOCIATION EXPANSION</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To request financial investment into the Derwent Training Association expansion project.

### **2.0 RECOMMENDATION**

- 2.1 That Council is recommended to approve £30,000 investment in the DTA expansion project utilising funding from the New Homes Bonus Reserve.

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 To support the development of the training facility, aimed at high technology engineering; a priority of the Ryedale Economic Action Plan. The project will create additional capacity at the training facility for apprenticeships and trainers to support both local businesses and young people.

### **4.0 SIGNIFICANT RISKS**

- 4.1 The major risks are highlighted in Annex A.
- 4.2 The investment would be subject to a grant agreement, which mitigates the major risks.

### **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 The Council has a corporate aim of creating the conditions for economic success. This is detailed in the Ryedale Economic Action Plan 2012 – 2015. [http://www.ryedale.gov.uk/pdf/Ryedale\\_Economic\\_Action\\_Plan\\_Final\\_web.pdf](http://www.ryedale.gov.uk/pdf/Ryedale_Economic_Action_Plan_Final_web.pdf). There are two objectives of which the second is most relevant to this report: Opportunity for people and businesses; ensuring Ryedale businesses are at the

centre of economic development and local people are equipped with the skills required by our businesses. Objective B5 highlights the need for sector specific support for the high technology engineering sector.

- 5.2 The York, North Yorkshire and East Riding Local Enterprise Partnership (LEP) has developed the Strategic Economic Plan. This document outlines the strategic priorities for the LEP area.  
<http://www.businessinspiregrowth.com/media/143056/Strategy-Final-Draft-December-19.pdf>  
There are 5 priorities, of which the third is the most relevant to this report: Inspired People.

## REPORT

### 6.0 REPORT DETAILS

- 6.1 Derwent Training Association is an employer lead training facility and registered charity, based at York Road Industrial Estate, in Malton, providing high quality training in the high technology engineering and manufacturing field. It was founded in 1988 and is managed by local industry leaders. It is a 'not for private profit' organisation and has a programme of continuous reinvestment in its facilities and equipment. Further details are available on the DTA website.  
<http://www.derwenttraining.co.uk/>
- 6.2 As an industry lead organisation, DTA strives to keep pace with technological advances required by business. This requires both capital investment in training machines and revenue investment in quality teaching staff with updated skill sets. DTA are anticipating taking on an additional trainer and increasing the non contact time with students (to improve quality of teaching and training time.) The average class size is 8 which enables bespoke courses tailored for business requirements. However, it does increase the cost of provision, compared with an urban training facility.
- 6.3 DTA engage well with partner organisations. They have chaired the Ryedale Work and Skills Partnership, are members of the Ryedale Business Forum, are key exhibitors at the annual 'Opportunity Knocks' careers event, and work closely with North Yorkshire Business Education Partnership to create opportunities for engagement of engineering businesses in schools. They are hosting a 'Girls into Science' evening with Malton School and FERA in March. A radio and press publicity campaign is currently underway to encourage young people to take up apprenticeship vacancies which DTA manage on behalf of client companies.
- 6.4 Members will recall the expansion of DTA onto a new site was one of 11 projects considered for Ryedale Development Fund investment to provide technical studies to bring forward projects to the point of construction. (Policy and Resources June 2013 minute 9 refers). The project was deferred for more information. The project seeking funding now is to expand on the current site at York Road Industrial Estate and involves construction as opposed to funding for technical background studies. Drawn plans and quantity surveyor cost estimates have already been completed. The anticipated cost is £72,600 including VAT. As DTA is not VAT exempt, this cannot be reclaimed
- 6.5 A change of management at DTA has lead to a review of the plans to develop off-site and a proposal to expand on the current site has been prepared. The project is planned for completion by September, to be ready for the new intake. Through a

small side extension, mezzanine floor and reconfigured class rooms, this will create

- 27% increase in student intake capacity (from 55 p.a. in 2013 to 70 p.a. estimated).
- Focus on expanding area of 'clean' technology and electronics
- Improved non-contact time for trainers
- Improved facilities for students and staff. This includes an expanded locker room and kitchen facilities. Separate toilet facilities for staff which is a requirement for safeguarding when younger students are present will also be created.
- Additional workshop / classroom.

6.6 DTA have approached the LEP to seek funding for this proposal. There are two key funding streams; Skills capital and Regional Growth Fund (RGF) 4.

- Skills Capital Fund is for colleges refurbishment and expansion of their estates. The funding for this scheme is not available until 2015. As this project is relatively small and due for completion by September 2014, this scheme is not appropriate.
- RGF4 is a business grant programme which provides capital grants of between £5,000 and £1million up to 20% of the capital investment. This is to create new jobs and business growth. It is not possible to 'match' public sector investment with RGF4. Consequently, DTA have applied to the LEP for RGF4 funding for the new equipment required to fit out the expansion, rather than the expansion itself.

6.7 A review of 2013 Accounts (available as background papers) demonstrates that DTA is operating within its reserves policy. Undertaking an expansion of this size independently would take DTA outwith its reserves policy and could place the organisation at risk. The investment requested here will enable the project to proceed in a timely and expedient manner, to meet anticipated growth in demand for training provision for this sector.

6.8 DTA were successful in an application to The Ryedale Apprenticeship Project in September 2013. £16,500 was awarded for the purchase of equipment including a hydraulics bench and associated IT equipment.

6.9 The need for a quality, local, engineering training facilities is anticipated to grow substantially in the next few years. Ryedale has a number of successful engineering companies that do experience difficulties recruiting skilled employees due to locational factors (including high house prices). 'Growing their own' skilled workforce is therefore an alternative that many businesses choose. Employment opportunities in engineering are likely to increase due to the investment by York Potash and the offshore wind industry. Although this presents an opportunity for local businesses in the supply chain, there is also a risk of loss of skilled workforce to these new opportunities.

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

a) Financial

There is currently no provision for this project in the capital programme. The investment is being requested from the New Homes Bonus Reserve. There is presently £956k in the NHB Reserve.

b) Legal

A grant agreement will be drawn up. This will ensure that DTA are responsible for ensuring planning requirements are met and state aid regulations are adhered to.

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

The expansion will provide additional facilities for young people entering a career in engineering and support business growth.

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**Head of Economy and Infrastructure**

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**Background Papers:**

DTA Accounts

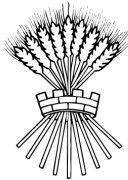
**Background Papers are available for inspection at:**

Ryedale House / Charity Commission website

## DERWENT TRAINING ASSOCIATION – RISK MATRIX – ANNEX A

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Planning permission will be required	If planning permission is not granted, the project will not proceed.	<b>3</b>	<b>D</b>	DTA have consulted Building Control regarding regulations for internal adjustments. Grant offer letter will be subject to planning permission.	<b>2</b>	<b>B</b>
State Aid regulations could be breached	If the public sector funding is exceeded, the recipient could have the aid reclaimed from them.	<b>3</b>	<b>D</b>	DTA will be asked to confirm that the grant will not result in them exceeding state aid regulations.	<b>1</b>	<b>A</b>
Cost of construction could exceed available funding	The project would not go ahead	<b>3</b>	<b>D</b>	The QS study has been undertaken itemising the project costs.	<b>2</b>	<b>B</b>
Disruption of DTA activity during expansion project	Students would not be able to access the training facility	<b>4</b>	<b>D</b>	This smaller scale expansion can be undertaken in phases and during the quieter holiday period. Classes would be adjusted to take account of the building works.	<b>3</b>	<b>B</b>
Double counting of outputs from previous Ryedale Apprenticeship Project Grant	Value for Money for the scheme in terms of outputs is diminished	<b>3</b>	<b>C</b>	The grant offer letter will ensure that outputs are not counted 'twice' with the RAP funding. This project enables an additional 20 places p.a in perpetuity.	<b>1</b>	<b>A</b>

<b>Score</b>	<b>Likelihood</b>	<b>Score</b>	<b>Impact</b>
1	Very Low	A	Low
2	Not Likely	B	Minor
3	Likely	C	Medium
4	Very Likely	D	Major
5	Almost Certain	E	Disaster



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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES</b>
<b>DATE:</b>	<b>3 APRIL 2014</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>LOCAL ENTERPRISE PARTNERSHIP FUNDING PROPOSAL</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## EXECUTIVE SUMMARY

### 1.0 PURPOSE OF REPORT

- 1.1 To request financial contribution to the future funding of the York, North Yorkshire and East Riding Local Enterprise Partnership. (LEP)

### 2.0 RECOMMENDATION

- 2.1 That Council is recommended to approve a £20,250 contribution to the LEP towards the development of the Local Growth Team financed from the NHB Reserve.

### 3.0 REASON FOR RECOMMENDATION

- 3.1 To ensure the LEP operates effectively and is enabled to deliver the Strategic Economic Plan. (SEP)

### 4.0 SIGNIFICANT RISKS

- 4.1 Significant risks are highlighted in Annex A.

### 5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The Council has a corporate aim of creating the conditions for economic success. This is detailed in the Ryedale Economic Action Plan 2012 – 2015. [http://www.ryedale.gov.uk/pdf/Ryedale Economic Action Plan Final web.pdf](http://www.ryedale.gov.uk/pdf/Ryedale_Economic_Action_Plan_Final_web.pdf).

There are two objectives:

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

- 5.2 The York, North Yorkshire and East Riding Local Enterprise Partnership (LEP) has developed the Strategic Economic Plan. This document outlines the strategic priorities for the LEP area.

<http://www.businessinspiredgrowth.com/media/143056/Strategy-Final-Draft-December-19.pdf>

There are 5 key 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

## **REPORT**

### **6.0 REPORT DETAILS**

- 6.1 A proposal for funding the LEP in 2014/15 )and then reviewed annually over the next 7 years up to 2021), to deliver the Strategic Economic Plan has been presented to Local Authority Leaders and Chief Executives. This is appended in Annex B. It includes detail on delivery structures and costs.
- 6.2 Each partner is asked to contribute to the annual operational costs of the proposed structure required to deliver the Strategic Economic Plan (SEP) and the Plan for Growth. Each North Yorkshire District Council is asked to contribute £20,250 in 2014/15. NYCC is asked to contribute £243,000 and City of York and East Riding of Yorkshire Council are also contributing. (Their contribution has been reduced proportionally on the basis that they are in more that on LEP and the transport infrastructure is dealt with separately.)
- 6.3 A presentation by the LEP summarising ambitions and priorities of the SEP is available on RDC website. To deliver the SEP there are two major funding streams; the EU Structural and Investment Plan (which concerns EU funding up to 2021) and the Single Local Growth Fund, which is the competitive bid to Government, starting in 2015/16 for 6 years, up to 2021.

### **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:
- a) Financial  
£20,250 for 2014/15 is sought from the New Homes Bonus reserve, with a further in principle sum for future years, until the end of the programme in 2021. This assumes that the Government's competitive approach to funding remains
  - b) Legal  
Ryedale District Council will have equal voting rights with the other Districts, as the contributions have been worked out on that basis.
  - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
Additional activity will be undertaken by RDC staff to develop projects for submission to the Single Local Growth Fund and EU Structural and Investment Plan. This may involve staff and financial resource, from the Ryedale Development Fund.



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**Background Papers:**  
None.

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## LEP FUNDING-- RISK MATRIX – ANNEX A

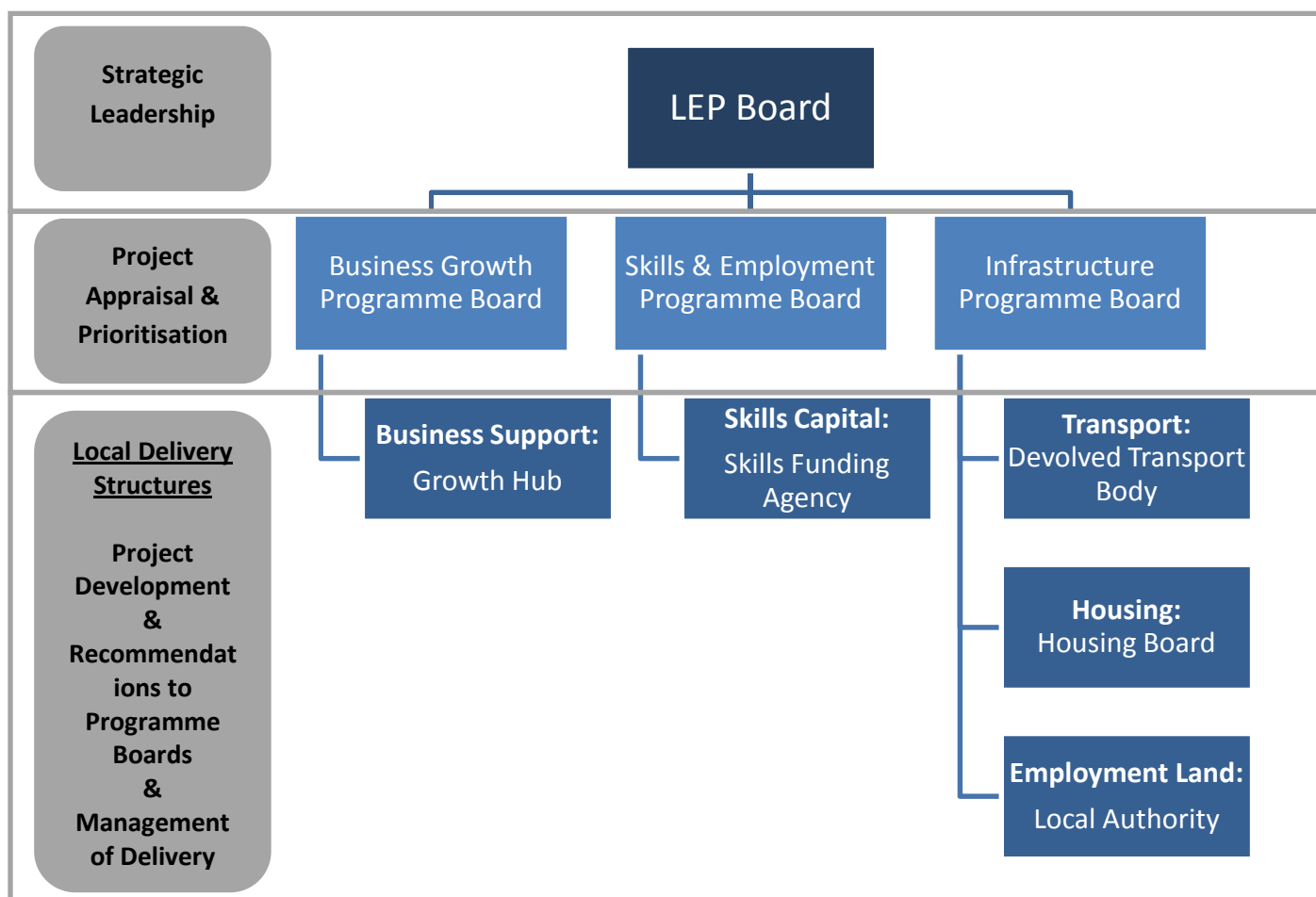
Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Lack of involvement of Ryedale District Council in decision making.	Potential for Ryedale projects to be overlooked.	<b>4</b>	<b>C</b>	Involvement of Council Leader on Infrastructure Board and Officers as part of Local Growth Team, will ensure Ryedale priorities remain on agenda.	<b>2</b>	<b>B</b>
Failure to deliver SEP.	No progress with strategic economic development issues across the spectrum; skills, infrastructure, housing etc.	<b>4</b>	<b>D</b>	LEP must engage with Government and competitively bid for Local Growth Fund for capital projects on an annual basis.	<b>2</b>	<b>B</b>
Failure to deliver Ryedale projects as part of SEP	No progress with Ryedale's economic and housing priorities.	<b>4</b>	<b>D</b>	Ensure Ryedale has well developed projects ready for bidding process. Ensure Ryedale projects are in the bidding documents.	<b>2</b>	<b>B</b>
Failure of Ryedale to engage with LEP activity, including cross administrative boundary issues such as A64.	Ryedale does not have access to Government funding for strategic projects; this is only through the LEP structures and processes	<b>5</b>	<b>D</b>	Ensure Members and Officers are engaged with LEP processes at appropriate levels.	<b>1</b>	<b>A</b>
Ryedale projects are not prioritised by the LEP	No progress with Ryedale's economic and housing priorities.	<b>4</b>	<b>C</b>	Ryedale must provide evidence for and develop quality projects appropriate for LEP funding. Annual funding of LEP with additional in kind support for SEP activity will ensure that Ryedale has a seat at the table.	<b>2</b>	<b>B</b>

<b>Score</b>	<b>Likelihood</b>	<b>Score</b>	<b>Impact</b>
1	Very Low	A	Low
2	Not Likely	B	Minor
3	Likely	C	Medium
4	Very Likely	D	Major
5	Almost Certain	E	Disaster

## York, North Yorkshire & East Riding LEP Funding Proposal

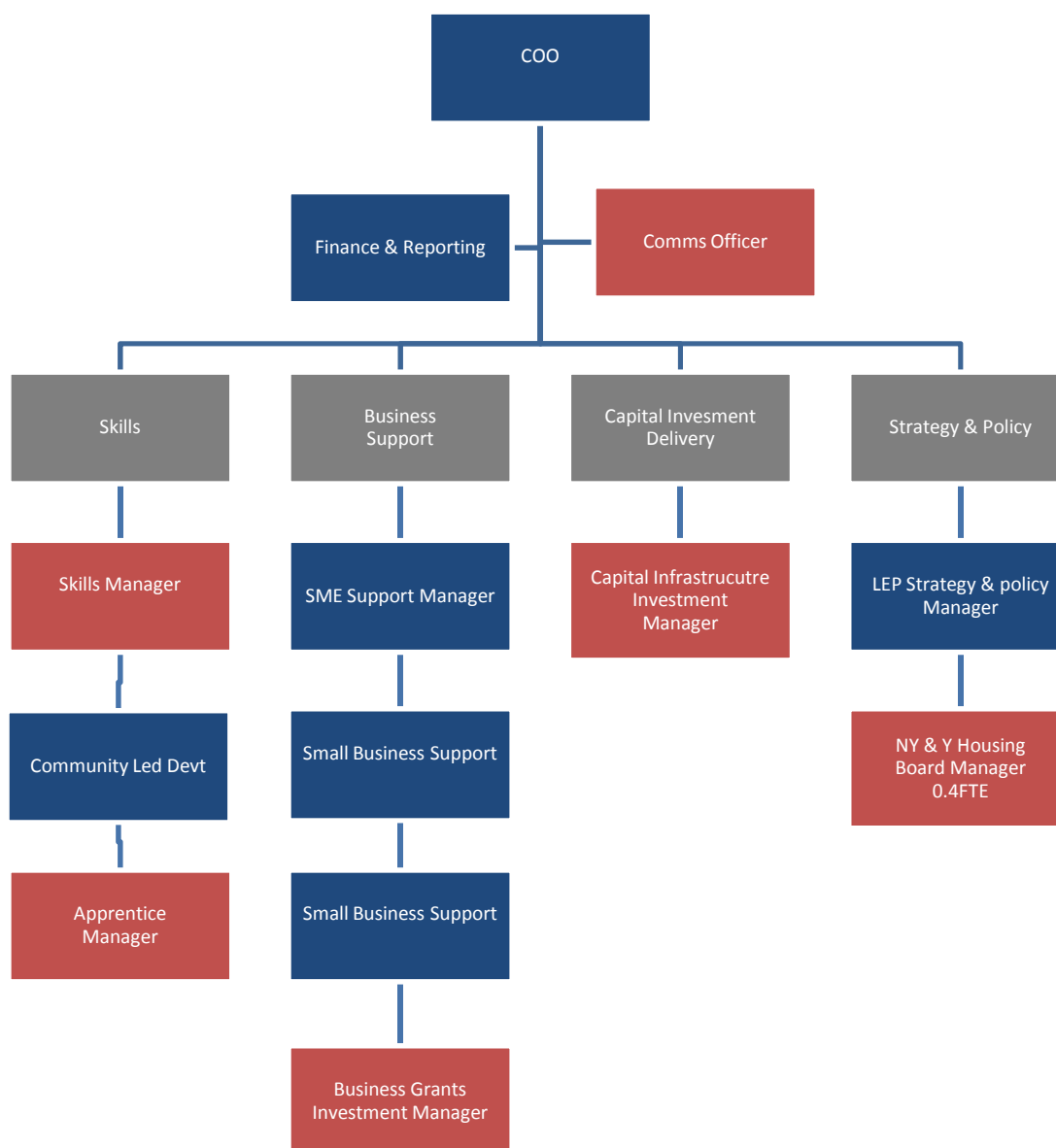
- 1 This paper sets out a proposal on how the York, North Yorkshire & East Riding LEP could be funded. The two drivers in developing this model are;
  1. Ensure delivery of its Strategic Economic Plan,
  2. to maximise the investment into the LEP area from the Single Local Growth Fund and other competitive sources.
- 2 To give some context, the governance structure below outlines how the LEP will work with the existing structures which operate across the LEP area.
3. To support the LEP Programme Boards a Local Growth Team will be created. The Local Growth Team will consist of the LEP Secretariat and key local delivery partners. This will include Senior Local Authority Economic Development Officers, together with the Managing Officers of established local delivery structures, such as the York and North Yorkshire Housing Board and the Devolved Local Transport Body, where there is experience of managing multi-million pound funding programmes.
- 4 The principle driving this model is to benefit from the existing expertise in the region and to capitalise on the resources currently in place.

York, North Yorkshire & East Riding LEP Funding Proposal



5 The current LEP Secretariat structure is detailed below. The blue boxes are funded by existing Local Authority contributions, the red boxes by external funding sources (Grants etc)

York, North Yorkshire & East Riding LEP Funding Proposal



- 6 In addition a short term secondment from Ryedale has been supporting the development of the LEP Strategic Economic Plan.
- 7 If the LEP is to be successful in delivering its Strategic Economic Plan and in maximising the funding it secures into the region, it needs to ensure the Local Growth Team it creates, has the right skills, knowledge and capacity.
- 8 To date NYCC has disproportionately funded the LEP secretariat costs. The role of the LEP has significantly evolved whereby the Strategic Economic Plan will attract far greater financial investment in to all Local Authorities growth plans. Therefore a more equitable allocation of costs is required.

York, North Yorkshire & East Riding LEP Funding Proposal

9 There are two clear sets of roles required to create an effective Local Growth Team.

1. **Strategic Leads** to operate across the LEP geography, engage with key local partners along with regional and national bodies to identify and secure investment opportunities. They would also take responsibility and be directly accountability to the Programme Boards for delivery of key investments. It is estimated each of these posts would be 0.5 FTE and expertise is required in -  
Transport, Housing, Coastal & Rural/Environmental

It is proposed that these posts are funded via a cash contribution into the LEP

2. **Project development/delivery** capacity. These posts are to ensure that LEP investments are delivered on the ground and that future priority projects are developed in to a high quality, investment ready position to support future bids for funding.

Reflecting different resources and needs within each Local Authority, it is proposed that these contributions are made through a mix of cash contributions, in kind delivery and secondment

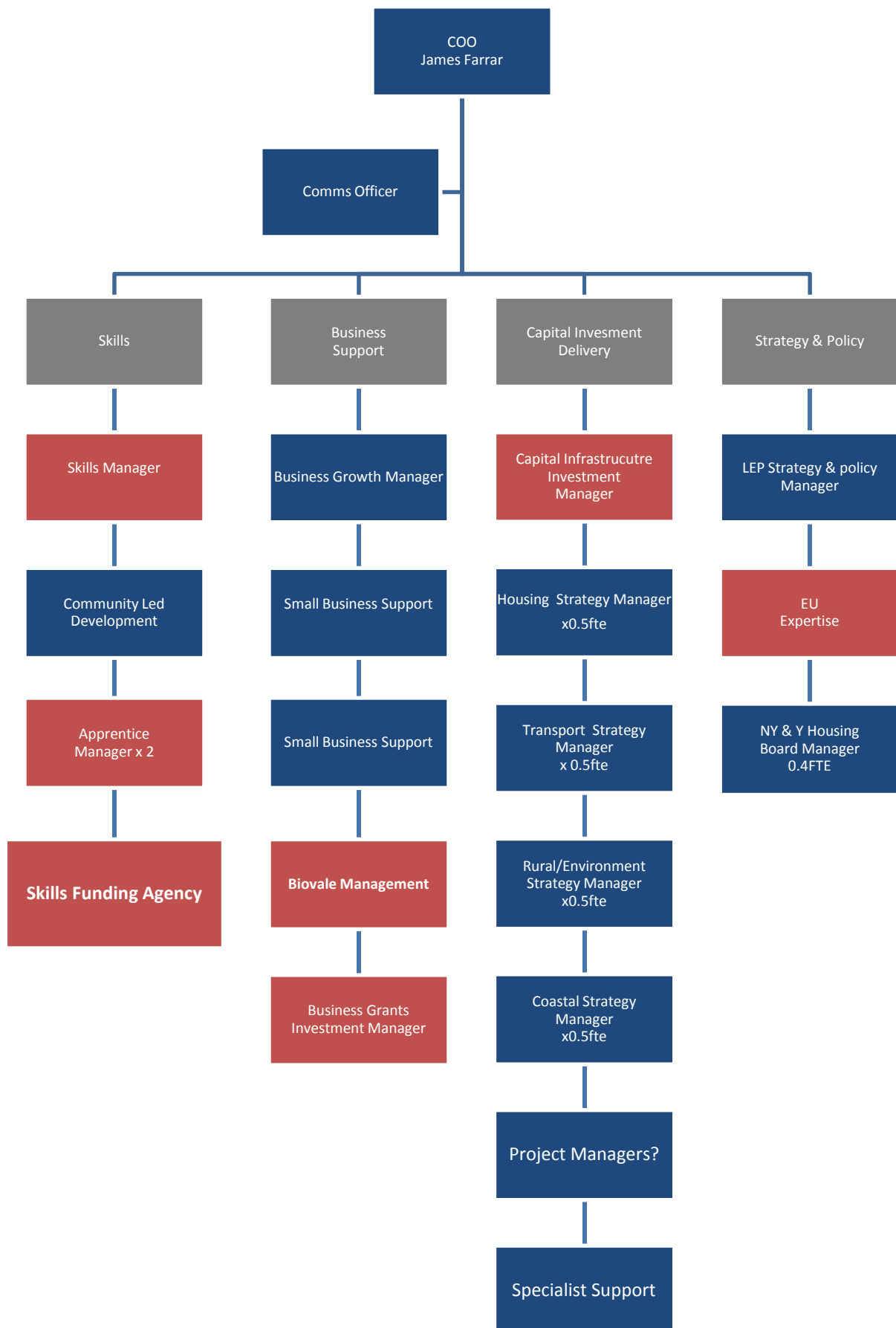
10 The LEP also has a requirements for additional Business Support and Skills capacity. **All funding** for these posts will be secured from external sources.

11 The organisation structure below summarises the proposed Local Growth Team which is required to maximise investment and growth across the LEP area.

Please note: The **blue boxes** are to be funded by Local Authority contributions, the **red boxes** are funded by external funding sources (Grants etc) at no cost to Local Authorities.



York, North Yorkshire & East Riding LEP Funding Proposal



York, North Yorkshire & East Riding LEP Funding Proposal

York, North Yorkshire & East Riding LEP Funding Proposal

**Posts & Costs required to deliver the LEP SEP / LEP Capacity Funds (£250k)**

<b>Costs</b>	<b>LA Funding</b>	<b>LEP Capacity Funding</b>	<b>LEP Successful Bids</b>
<b>Existing Posts</b> Chief Operating Officer Senior Managerx2 (1xSME & 1xStrategy Manager) Enterprise Partnership Officersx3 Research Officer  <b>New Posts</b> Housing Strategy Manager Coastal Strategy Manager Transport Strategy Manager Environment/Rural Strategy Manager	329,000		
<b>Funded Via LEP Capacity Funds</b> Comms Officer Skills Manager NY & Y Housing Board Manager 0.4fte		105,000	
<b>Funded via successful LEP Bids/EU Funding</b> Regional Growth Fund Manager Growing Places Infrastructure Manager Apprentice Managersx2			180,000
<b>Non Staff Costs</b> Premises Travel, Stationery, etc	30,000	30,000	
<b>Total Costs to be funded through cash contributions</b>	<b>£473,000</b>		
<b>ADDITIONAL CAPACITY which would deliver increased regional efficiency and cost savings</b>  <b>Potential activity could include:</b> Project delivery Feasibility work Future business cases Project development Transport support Consultation Masterplanning	170,000  To be determined at Local Authority level funded through a mix of cash, in kind, secondment	145,000	
Total Budget	643,000	250,000	180,000
<b>Current LA Cash Contributions Total £389k</b>	<b>NYCC £314,000 (82%)</b> <b>Other LA £75,000 (18%)</b> These costs exclude Accountable Body, finance, legal and admin support provided to the LEP secretariat at no cost by NYCC.		

York, North Yorkshire & East Riding LEP Funding Proposal

<p><b>Proposed Cash Contributions</b>  <b>Total requirements £486k</b></p>	
<p>If the full cost of the LEP (£486,000) was split in accordance with the LEP voting rights, the contribution would be £20,250 per vote.                  NYCC £141,750                  East Riding £121,500                  City of York £81,000                  Districts £20,250 each</p>	
<p><b>Proposed allocation</b>                  City of York and East Riding get 50% reduction based on their transport being 100% in another LEP                  City of York - £40,500                  East Riding - £60,750                  NYCC – £243,000                  7x Districts - £20,250</p>	

**Key Points:**

- The LEP would not retain any of the funding for the new posts required. This is about
  1. Better utilisation of expertise within Local Authorities; and
  2. Ensuring those Local Authorities whose employees take a regional role are compensated; and
  3. Developing a future pipeline of good quality investments and ensuring successful delivery of existing approvals.
- The aim is to utilise our best talent on a regional basis, allowing all Local Authorities to benefit from the expertise and creating better quality investment project moving forward.
- It assumes government will continue with their existing strategy of backing projects which are 'Shovel Ready' and high quality.
- Project development is therefore done at risk and we need to maximise the quality of proposals and the potential for investment.
- The LEP Governance proposes to utilise the existing governance structures to manage delivery (Housing Board, Devolved Local Transport Body etc), this provides support to those structures to ensure they have the capacity to deliver the investments.

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