



## Call for Local Growth Programme Pipeline Projects

### Introduction

The York North Yorkshire East Riding LEP is committed to developing real economic growth and is calling for partners to submit information on projects that will contribute to the delivery of the Strategic Economic Plan for York, North Yorkshire and East Riding.

The five priorities for economic growth set out in the Strategic Economic Plan for the York, North Yorkshire and East Riding Local Enterprise Partnership are:

- Profitable and successful businesses
- A global leader in agri-food and biorenewables
- Inspired people
- Successful and distinctive places
- A well connected economy

The Strategic Economic Plan Update 2016 can be viewed by following this link:

<http://www.businessinspiredgrowth.com/about-the-lep/publications/>

Local Growth Funding is delivered through the York, North Yorkshire and East Riding Growth Deal. This is a Deal with Government to support key capital investments that deliver jobs and growth. Our Growth Deal is currently valued at £145m to be delivered between 2015 and 2021. A review of our Growth Deal has recently been undertaken. Annex 1 sets out an update on “How have we done so far?”

To ensure that Growth Deal funding remains directed to capital infrastructure investments that will help to deliver our Growth Deal ambitions (ie to March 2021), we are always looking for more high quality, good value projects. Throughout the lifetime of the Growth Deal opportunities arise to reallocate funds or bid for more.

We are therefore keen to have a good range of pipeline projects, at various stages of preparation, where they can demonstrate a good strategic fit, and where they meet the original priorities of the Growth Deal.

This call for projects is particularly seeking bids for projects that contribute to delivering the opportunities set out in the SEP that will contribute to:

- Unlock the housing growth the area needs and fast-track employment sites with market demand for high value sector growth

- Improve East West connectivity, particularly between towns and their neighbouring cities, maximise rail investment through station improvements and better access, and ease congestion in York and Harrogate
- Enhance the resilience of the local economy, particularly to flooding
- Ensure widespread reliable telecommunications and high speed broadband
- Skills Capital (there will be a separate call for skills capital projects)

Priority will be given to projects which have a well developed outline business case and the potential to commence in 2018/19, particularly where housing and employment growth is enabled or accelerated. Projects should be capable of completion by March 2021.

Early or concept stage projects should also be submitted as this will help to inform a piece of work being undertaken through the YNYER Directors of Development Group to determine the overall pipeline of projects and the resources and/or skills which may be needed to develop these to a point where they can support the delivery of economic growth across the LEP area.

Identifying these early or concept stage projects will also help to establish a longer term pipeline of projects in readiness for a potential range of future funding opportunities, such as through the Homes and Communities Agency.

Therefore, this call aims to identify:

- Projects that could be considered as substitute projects in the current Growth Deal programme (where they meet relevant criteria)
- the range of projects that are being developed to deliver the SEP
- the state of readiness of projects
- the extent of demand for feasibility and development stage work to advance projects to full business case

Projects should be able to demonstrate a business case for intervention (or at least in principle where the business case is not yet fully developed) including:

- Justification of local economic need
- Evidence of failure in commercial markets
- Barriers to development due to lack of or inadequate infrastructure
- Viability gaps for development of sites
- Opportunity to accelerate delivery of development
- Mechanisms for recovery of developer contributions, where uplift occurs

Applicants will be required to undertake the role of Lead Organisation for the project as it progresses.

Lead Organisations should also consider the overall cost implications of promoting a project, including pre-construction development costs, how to manage risks and impact of potential cost over-runs during the construction stage.

## Process

This call for projects is the first stage in the process of identifying and prioritising projects that will form a pipeline that will deliver economic growth and contribute to the priorities of the Strategic Economic Plan for York, North Yorkshire and East Riding.

**Step One:** Completion of the Outline Application Form – the Lead Organisation for a project **must** complete this form. This form requests information to help decide if a project meets the gateway requirements, as well as providing enough detail to enable the LEP to assess the project.

**Review of Submissions** – once initial assessment of submissions has been completed, a workshop will be arranged with each Lead Organisation to review the submitted application jointly. Where possible this will be based on Local Authority geography. The session will provide opportunity to review the proposals, and where necessary refine submission details. Meetings will be scheduled during August 2017.

**Step Two:** There will be a report to the LEP Board in September 2017 based on the submissions received, and the outcome of the review of these. This will determine suitability and make recommendations in principle to identify :

- projects that should be admitted to the pipeline programme;
- the need for further work to be undertaken on projects to enable further consideration for the pipeline; or
- projects that are not considered suitable in this instance.

**Step Three:** Once admitted to the pipeline of projects, Infrastructure & Joint Assets Board and Skills Boards respectively, will make decisions on management of existing programme commitments, and invite projects to proceed to the Full Business Case stage.

**Step Four:** Completion of Full Business Case – for those projects that are admitted to the current Growth Deal programme, a full business case **must** be completed and agreed before funding is allocated. Any project seeking funding in 2018/19 must be in a position to have a Full Business Case completed by December 2017. If a business case cannot be produced within the timescale as set out in the Outline Application Form or if it is unsatisfactory then the fund will **not** be allocated to that project.

**Step Five:** Due Diligence – the final stage before the contract is released is to carry out due diligence covering the legal and financial suitability of the company and the project.

## Key Criteria

***Only Capital Infrastructure projects located within the York, North Yorkshire and East Riding Local Enterprise Partnership area may apply.***

All projects must be:

Fully completed by March 2021 although priority will be given to projects able to be delivered by end of March 2019

Able to demonstrate their contribution to delivery of the LEPs Strategic objectives and their direct outputs;

State Aid compliant;

Able to evidence the need for funding and the impact the funding will make to the delivery of the project (additionality)

It will not be possible to support:

- Revenue costs
- costs that have been incurred before a grant offer is made
- items that only benefit an individual or sole business
- items that are not directly needed to deliver the proposed work
- loan repayments or contributions to general appeals
- political or religious activities

### Project Appraisal and Selection

The appraisal of projects will be carried out in accordance with HM Treasury Green Book principles (Five case approach: strategic, economic, financial, commercial, management).



Applicants should ensure that they are familiar with the standards required for full business case appraisal at an early stage. The full version of HM Treasury Green Book "Appraisal and Evaluation in Central Government" can be viewed at :

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220541/green\\_book\\_complete.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf)

In addition, reference should be made to the DCLG Appraisal Guide (December 2016) <https://www.gov.uk/government/publications/department-for-communities-and-local-government-appraisal-guide>

The York North Yorkshire East Riding LEP Assurance Framework provides more information about governance and process. This can be viewed in full at : <http://www.businessinspiredgrowth.com/about-the-lep/publications/>

The following are suggested as an outline guide for consideration :

- whether the need for the project has been clearly demonstrated
- evidence of option appraisal and business case
- how well the project meets the priorities of the Strategic Economic Plan
- how well the project fits with local and sub-regional plans and priorities
- potential for alternative funding, partnering, joint schemes
- estimated costs with level of detail to reflect the current stage of the project
- potential of the project to contribute to economic growth
- potential of the project to achieve payback
- how likely the project is to be successful
- how risks will be managed and mitigated
- economic outputs and impacts created by the project
- how the benefits of the project will be sustained after LEP funding finishes.

Post project implementation appraisal will be undertaken to document the success or otherwise of delivery against the key project objectives after project completion and following a period of validation. This will allow assessment of the validation of the initial objectives used for project approval, by comparison with against the outcomes achieved, to determine the benefits of the project, in terms of value for money, whether it has achieved what it set out to do, and at what cost. This will give the opportunity to highlight the 'lessons learned' from the process which can then be applied to future projects both in terms of success and less successful outcomes.

### **Support**

Queries on the completion of the Outline Application Form and process should be directed to:

General Infrastructure Liz Philpot Tel: 07790 556678 or Julian Rudd 07932 603086

[liz.philpot@eastriding.gov.uk](mailto:liz.philpot@eastriding.gov.uk) or [Julian.rudd@ryedale.gov.uk](mailto:Julian.rudd@ryedale.gov.uk)

Transport Infrastructure Projects James Gilroy Tel: 01609 534019

[James.Gilroy@northyorks.gov.uk](mailto:James.Gilroy@northyorks.gov.uk)

Skills Capital Annabel Jelley Tel: 07580 794718

[annabel.jelley@businessinspiredgrowth.com](mailto:annabel.jelley@businessinspiredgrowth.com)

Housing Sarah Hall Tel: 07773 367378

[Sarah.hall@hambleton.gov.uk](mailto:Sarah.hall@hambleton.gov.uk)

### **Timetable**

Call for pipeline projects open Friday 7<sup>th</sup> July 2017

Closing date for submission of Outline Applications 5pm 31<sup>st</sup> July 2017  
Review of Submissions by 31<sup>st</sup> August 2017  
Report to YNYER LEP Board 15<sup>th</sup> September 2017  
Feedback to applicants September and October 2017  
Full business plan submitted for projects starting on 1<sup>st</sup> April 2018 by End December 2017  
Decisions on full Business Plan for initial projects end February 2018.

**Please send completed Outline Application Forms to**  
**[Enquiries@businessinspiredgrowth.com](mailto:Enquiries@businessinspiredgrowth.com)**  
**to arrive no later than 5pm on Monday 31<sup>st</sup> July 2017**

**York North Yorkshire East Riding LEP**  
**The Lodge**  
**2 Racecourse Lane**  
**Northallerton**  
**North Yorkshire**  
**DL7 8AH**  
**E.mail for submissions :**  
**[Enquiries@businessinspiredgrowth.com](mailto:Enquiries@businessinspiredgrowth.com)**

### How have we done so far? Building on our Growth Deal :

**Our overall performance is excellent but facing some major challenges** – spend on profile and outputs just beginning to be delivered. However the second half of the Programme will be a major challenge.

**An intelligent place-by-place approach to investment** – The barriers to growth differ fundamentally across our diverse urban, rural and coastal geography and the towns and cities within it. So we have taken an approach which understands the nuance of the economies of different parts of the LEP area, to make bespoke investments which have the biggest impact and take account of the whole. We have seen this in Scarborough, Bridlington, Skipton and Catterick.

**Building more homes is essential** – While we have significantly increased housing delivery, there is still much work to do to tackle our long term challenges around housing availability, affordability and demography.

**Major East-West transport as the priority for transport investment** – We have excellent North-South connectivity with the East Coast Mainline and A1(M), but major road and rail improvements are needed to make the most of this and better connect towns and cities across the LEP area and the North.

**Our economy will deliver jobs: creating higher value jobs and improving productivity is where intervention is needed** - We need to do everything we can to unlock and connect people to high value employment sites *where there is strong market demand* As a largely rural geography we need to focus intently on delivering the limited number of sites where there is strong demand for new high value business space.

**Improving flood resilience is vital for our economy and businesses** – the flooding of winter 2015/16 highlighted the need for investment in flood resilience, taking an approach around at risk river catchment areas to protect jobs, avoid major disruption to business and de-risk growth in the future.

**We can do more to maximise the impact of national investment in high speed rail** – There is the opportunity to fast-track growth and connectivity around key stations to maximise the economic opportunity of planned national and regional rail improvements, and for widespread benefit across the LEP area and the North.

**The coast needs holistic interventions to stimulate market demand** – A whole place approach is required to make real inroads into the challenges around jobs, housing and deprivation on the coast. With the right investments, there is much opportunity for these towns to become major economic assets.