

LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD

**MEETING TO BE HELD AT 2.30 PM ON WEDNESDAY, 19 JULY 2017
IN COMMITTEE ROOM A, WELLINGTON HOUSE,
40-50 WELLINGTON STREET, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST**
- 3. MINUTES OF THE MEETING HELD ON 17 MAY 2017**
(Pages 1 - 10)
- 4. PANEL CHAIR UPDATES**
 - (a) COMMUNICATIONS, MARKETING AND BUSINESS ENGAGEMENT UPDATE**
(Led by: Rashik Parmar)
(Pages 11 - 24)
 - (b) BUSINESS, INNOVATION AND GROWTH PANEL UPDATE**
(Led by: Andrew Wright)
(Pages 25 - 46)
 - (c) EMPLOYMENT AND SKILLS PANEL UPDATE**
(Led by: Stephanie Burras)
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 - (d) GREEN ECONOMY PANEL UPDATE**
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(Pages 51 - 54)
- 5. GROWTH DEAL UPDATE**
(Author: Lynn Cooper, Led by: Melanie Corcoran)
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- 6. GOVERNANCE UPDATE**
(Author: Caroline Allen, Led by: Caroline Allen)
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- 7. ECONOMIC REPORTING**
(Author: Patrick Bowes, Led by: Rob Norreys)
(Pages 67 - 78)
- 8. LCR ENTERPRISE ZONES STRATEGY AND IMPLEMENTATION PLAN - VERBAL UPDATE**
(Author: David Walmsley, Led by Rob Norreys)
- 9. BROADBAND INFRASTRUCTURE UPDATE**
(Author: Colin Blackburn, Led by: Rob Norreys)
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- 10. EUROPEAN STRUCTURAL AND INVESTMENT FUNDS (ESIF) - SUSTAINABLE URBAN DEVELOPMENT (SUD)**
(Author: David Walmsley, Led by: Rob Norreys)
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- 11. TRANSPORT FOR THE NORTH**
(Author: Liz Hunter, Led by: Rob Norreys)
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- 12. HS2 GROWTH STRATEGY**
(Author: Liz Hunter, Led by: Rob Norreys)
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- 13. NATIONAL POLICY UPDATE**
(Author: David Walmsley, Led by: Rob Norreys)
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- 14. CREATING THE ENVIRONMENT FOR GROWTH (STRATEGIC PRIORITY 4)**
 - (a) LEEDS CITY REGION PLANNING PORTFOLIOS BOARD UPDATE**
(Pages 99 - 104)
 - (b) LEEDS CITY REGION LAND AND ASSETS BOARD UPDATE**
(Pages 105 - 110)
- 15. ANY OTHER BUSINESS**
- 16. DATE OF THE NEXT MEETING**
19 September 2017, Committee Room A, Wellington House, Leeds

Signed:

A handwritten signature in black ink, appearing to be "B. M. M." with a long horizontal stroke underneath.

WYCA Managing Director

17.

18.

(a)

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**Minutes of the meeting of the
Leeds City Region Enterprise Partnership (LEP) Board
held on 17 May 2017
Committee Room A, WYCA, Wellington House, Leeds**

Present:

Board Members:

Roger Marsh OBE	LCR LEP (Chair)
Stephanie Burras CBE	Ahead Partnership
Ian Cherry	Nexus Vehicle Management
Dave Harris	RBS Corporate Banking Yorkshire
Joanna Robinson	Mansfield Pollard
Andrew Wright	Reliance Precision
Cllr Keith Aspden	City of York Council
Cllr Judith Blake	Leeds City Council
Cllr Susan Hinchcliffe	Bradford Council
Cllr David Sheard	Kirklees Council

In Attendance:

Caroline Allen	WYCA
Roger Baker	WYCA
Farzana Chowdhury	WYCA
Sue Cooke	WYCA
Melanie Corcoran	WYCA
James Farrar	North Yorkshire County Council (for Cllr C Les)
Racheal Johnson	WYCA
Rob Norreys	WYCA
Ben Still	WYCA
Andy Wallhead	Wakefield Council (for Cllr P Box)
David Walmsley	WYCA
Michelle Burton	WYCA

1. Apologies for Absence

Apologies for absence were received from the following members of the Board:

Professor Bob Cryan CBE	University of Huddersfield
Paul Hamer	WYG

Cllr Peter Box CBE
Cllr Carl Les
Rashik Parmar
Cllr Tim Swift

Wakefield Council
North Yorkshire County Council
IBM's Academy of Technology
Calderdale Council

2. Declarations of Interest

Stephanie Burras declared an interest, as Chief Executive of the Ahead Partnership, in a stream of work within the remit of the Employment & Skills Panel (ESIF CEIAG Enterprise and Innovation in Young People) for which the Ahead Partnership were acting as a sub-contractor delivering part of the project but are not the contract holder.

3. Minutes of the last meeting and matters arising

Resolved: That the minutes of the meeting held on 21 March 2017 be approved as an accurate record of that meeting and signed by the Chair.

4. Panel Chairs Reports

The following reports were presented to the Board for information and update:

- Communications, Marketing and Business Engagement
- Business, Innovation and Growth Panel (update presented by Andrew Wright)
- Employment and Skills Panel (update presented by Stephanie Burras)
- Green Economy Panel (update presented by Noel Collings)

Combined Authority Brand and Identity Project

The Board received a presentation and update on work to develop a new Brand and Identity for WYCA.

The project had a brief to facilitate the delivery of a clear, coherent and compelling identity for WYCA providing clarity about its role and relationship with other bodies including the LEP.

With the aim to be at the forefront of the regional economic agenda nationally and internationally, WYCA wanted a brand identity which was flexible and capable of meeting the changing needs of the organisation whilst also achieving cost savings and providing better value for money.

Members considered the implications for the LEP Brand which would retain its own identity but with a clearer positioning as a business-facing brand and a concise narrative about the relationship between WYCA and the LEP.

Subject to a decision by the Combined Authority, it has been proposed that there would be stronger focus on Leeds City Region as the core geography with some minor modifications to visual brand identity and to reflect a “brand family” approach.

During the course of the presentation there were many positive highlights to note including MIPIM going from strength to strength, the visit to China which included talks on markets outside the European Union and engagement with SMEs on the Industrial Strategy.

Resolved:

- (i) The Board received and noted the Panel Chairs’ reports.
- (ii) The Board noted and welcomed the presentation on the WYCA Brand Identity Project.

5. LEP Nominations to the West Yorkshire Combined Authority

The Board considered a report of WYCA’s Director of Resources regarding LEP Board nominations to the West Yorkshire Combined Authority (WYCA).

The LEP Board were asked to consider the nomination of a member of the LEP Board member to be a member of WYCA and a substitute LEP member to act in the LEP member’s absence.

Resolved:

That the LEP Board:

- (i) Approve the nomination of the LEP Chair, Roger Marsh, as the WYCA LEP Member and;
- (ii) Approve the nomination of the the LEP Vice Chair, Professor Bob Cryan, as substitute for the WYCA LEP member.

6. Governance Arrangements

The Board considered a report of WYCA’s Managing Director regarding the adoption of new governance arrangements to provide a consistent, accountable and transparent framework across both the LEP and WYCA.

The Board discussed in detail the proposed changes to governance arrangements which WYCA’s Managing Director had been asked to progress, in consultation with the LEP Board. It was recognised that the changes would provide an opportunity for greater integration between WYCA’s committees and the LEP Panels and would be

an important step in promoting transparency and accountability and also in ensuring compliance with current and emerging legislation.

The benefits of the revised governance model include:

- The decision making process would be streamlined to increase pace and remove duplication, ensuring decisions are taken at the appropriate level across the organisation.
- Increasing transparency – committees would meet in public with agendas published in advance thereby enhancing public engagement and understanding.
- The private sector would be consistently included across all aspects of city region policy making and implementation.

The first step in the process would involve converting the LEP Panels (Business Innovation and Growth, Employment & Skills and Green Economy) and the Strategic Land and Assets Board to become advisory committees of WYCA, and the Investment Panel to become a sub-committee of the Investment Committee, placing the panels within the WYCA decision making structure. Reconstituting the LEP Panels as advisory committees to WYCA would mean that they would be subject to the statutory governance arrangements which local authorities and their committees operate within. The key differences were highlighted in paragraph 2.13 of the submitted report.

The Board stressed the importance of ensuring that all Panel members were fully informed about the governance changes and what they would mean both operationally for the Panels and in terms of their individual membership. In view of the fact that formal appointments to the Panels would have to be made at WYCA's Annual Meeting on 29 June, a mechanism for confirming Panel membership was discussed. It was proposed that the first cycle of new advisory committees would commence in September and that the meetings scheduled for June and July would provide an ideal opportunity to discuss the transitional changes with Panel members and to provide them with guidance and support. It was proposed that to allow a period of transition, there would be no substantive changes to the scope of each Panel's work or membership structure at the present time but the cycle of meetings would be re-visited to ensure they fed into the meeting cycle of the LEP Board and WYCA.

Further to earlier consideration at the March meeting of the Board it was further agreed that with effect from the July LEP Board meeting it would meet in public in order to provide a consistent, accountable and transparent framework across both the LEP and WYCA.

The Board also gave consideration to the nomination of two non-voting LEP Board private sector representatives to WYCA's Transport Committee to ensure greater integration between the LEP and WYCA.

Resolved:

- (i) That the proposal to integrate LEP Panels into WYCA's decision making structure, as detailed in the submitted report, be unanimously agreed.
- (ii) That early communication take place with the Panel Chairs and Panel Members on the proposed changes and the next steps in the process.
- (iii) That Ian Cherry be nominated as a private sector non-voting member for appointment to the Transport Committee. In the absence of a second nomination, the Chair volunteered to assist however it was subsequently clarified that the Chair could not sit as a private sector representative given his position as a member of WYCA. Therefore it was subsequently agreed that a second private sector member would be nominated in due course following a recruitment exercise later in the year.
- (iv) That, with effect from the next scheduled meeting of the LEP Board (on 17 July 2017), meetings of the LEP Board be held in public.

7. Growth Deal Update

The Board considered an update report of WYCA's Director of Delivery on the 2017/18 Growth Deal allocation and Key Performance Indicators, together with an update on the final estimated outturn of the Programme for 2016/17.

It was reported that the Cities and Local Growth Unit had confirmed the payment arrangements for the Growth Deal for 2017/18, including the Round 3 award of £67.45m, which were set out in paragraph 2.1 of the submitted report. The first payment of £30m for 2017/18 had been received, however the second payment was dependent on achievement of certain conditions in the form of Key Performance Indicators (KPI's) which had been jointly developed with the Cities and Local Growth Unit. The Board considered the KPI's, set out in Appendix A to the report which had been approved by the West Yorkshire and York Chief Executives subject to formal notification of expected profile spend being provided to each project sponsor, which had been done.

The Board noted the update on the final estimated outturn of the Growth Deal Programme for 2016/17 which was set out in paragraph 2.5 of the submitted report. It was reported that considerable work had been undertaken by both WYCA and the project sponsors to achieve the estimated outturn of £85.71m (representing 99% of profiled spend).

There was discussion around the need for resources to accelerate projects. It was confirmed that WYCA are appointing a recruitment agency to attract additional resources from outside the region to support the WY+TF

Resolved:

- (i) That the report be noted.
- (ii) That the Key Performance Indicators as set out in Appendix A of the submitted report be approved.

8. Economic Reporting

The Board considered an update report of WYCA's Director of Policy, Strategy and Communications on the latest economic and business intelligence.

The Board were provided with an update on the main national and international economic developments as set out in paragraph 2.2 of the submitted report and the headlines for both the Leeds City Region and Yorkshire & the Humber.

Resolved: That the report be noted.

9. Industrial Strategy Response SEP Refresh Presentation

The Board considered a report of WYCA's Director of Policy, Strategy and Communications providing an update on the Leeds City Region's response to the Government's Industrial Strategy green paper and the opportunity to refresh the SEP in light of significant economic and social policy changes.

It was reported that the joint West Yorkshire Combined Authority/LCR LEP response to the Industrial Strategy green paper had been submitted to Government. However, this was followed immediately by the announcement of the General Election which meant that next steps would need to take account of a new Parliament.

During the course of the consultation on the green paper, it had become clear that there were several drivers for refreshing the purpose of LCR's Strategic Economic Plan (SEP) and the timing of such a refresh.

The Board were given a presentation on the rationale for refreshing the SEP and discussed whether the existing SEP and its supporting plans were fit for purpose. It was considered that there was value in reviewing/revising the SEP in light of significant changes as a result of Brexit, the outcome of the General Election, the Industrial Strategy and Inclusive Growth.

It was proposed that work would commence in September to comprehensively refresh the evidence base, with particular focus on productivity and taking account of work underway in Leeds, Bradford and Kirklees to refresh local strategies. There would also be a Gap analysis of the SEP and supporting delivery plan coverage to identify any new themes/issues (eg culture and sport).

The LEP Board meeting and away day on 19th September would also provide an opportunity to review findings from the evidence base work and the review of SEP plans and to consider next steps prior to recommendations to WYCA.

Resolved:

- (i) That the joint WYCA/LCR LEP response to Government's consultation on the industrial strategy green paper be noted.
- (ii) That the proposals to review and refresh the SEP be noted and that, following work to refresh the evidence base, further consideration be given to the matter at the September meeting of the LEP Board.

10. SUD and ESIF Funding

The Board considered a report of WYCA's Director of Policy, Strategy and Communications providing an update on the current position in relation to the implementation of the Leeds City Regional European Structural and Investment Funds (ESIF) Strategy following the outcome of the EU Referendum in June 2016 including an update on progressing Intermediate Body Status for the Sustainable and Urban Development (SUD) strand of the programme.

The Board were provided with an update on the latest position with the ESIF Programme. It was reported that work had continued at pace to ensure Calls continue to be developed and published and that projects received were appraised as quickly as possible and Funding Agreements issued by the Managing Authorities for approved projects. Increased emphasis by the Chancellor on value for money in autumn 2016 had however slowed the pace of some appraisals and funding agreements being issued, including Calls for European Social Fund being delayed further. A list of projects which were either approved or in appraisal stage was appended to the submitted report, together with a planned timetable of Calls over the next 12 months.

Members were provided with an update on progression of Intermediate Body Status for the Sustainable and Urban Development (SUD) strand of the programme and the development and delivery of the Call, the details of which were set out in paragraph 4.1 of the report.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That thanks be placed on record to Heather Waddington for all her hard work in what has been a complex and challenging time for European funding.

11. Enterprise in Education

The Board considered a report of WYCA's Executive Head of Economic Services providing an update on the work of the LEP and WYCA on the Enterprise in Education agenda, under the oversight of the Employment and Skills Panel (ESP).

It was reported that the ESP had made good progress in a short space of time with a modest budget; there were presently seven co-ordinators working at a local authority level connecting schools with businesses. During the summer term, the team would be completing a review with schools and businesses to support and challenge the development of a planned and progressive approach to careers, employability and enterprise education in secondary schools.

The Board were updated on other activities and work-streams ongoing under the Enterprise in Education agenda including:

- developing an enhanced model of the Enterprise Adviser Network delivery in schools targeted towards schools with higher numbers of pupils from deprived Wards on roll;
- a national pilot of activity to promote apprenticeships in schools working closely with apprenticeship learning providers and schools to change perceptions and make it easier to understand and navigate the different options available to young people choosing the apprenticeship route;
- a 12 month careers campaign, currently in planning phase, aimed at enriching impartial careers advice, raising awareness of career opportunities in the LCR including in growth and skills shortage sectors;
- a #techgoals campaign aimed at promoting digital careers.

Resolved: That progress with activity on the Enterprise in Education agenda be noted.

12. Leeds City Region Planning Portfolios Board

The Board were provided with an update report on the activity of the LCR Planning Portfolios Board.

Resolved: That the update report be noted.

13. Leeds City Region Strategic Land and Assets Board Update

The Board were provided with an update on report on the activity of the LCR Strategic Land and Assets Board.

Resolved: That the update report be noted.

14. Enterprise Zones – Update on Implementation Plan and Governance

The Board were provided with an update report on the Enterprise Zones Strategy and Implementation Plan and enhanced governance arrangements.

Resolved:

- (i) That the enhanced Enterprise Zone governance arrangements be noted; and
- (ii) That the preparation of the LCR EZs Strategy and Implementation Plan and timescales for submission/publication be noted.

15. Response to Housing White Paper: ‘Fixing our Broken Housing Market’

The Board were provided with an information report on the LCR response to the Housing White Paper ‘Fixing our broken housing market’ which had been submitted to the Department for Communities and Local Government on 28 April 2017

Resolved: That the report and response to the Housing White Paper be noted.

16. Date and time of next meeting

The next meeting of the LEP Board will be held on 19 July 2017 at 2.30pm in Wellington House, Leeds.

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Panel Chair: Rashik Parmar
Author: Racheal Johnson



Report to: LEP Board

Date: 19 July 2017

Subject: Communications, Marketing and Business Engagement Update

1. Purpose

- 1.1 To provide LEP Board members with an update on marketing, communications and business engagement activity undertaken since the last Board meeting.
- 1.2 To outline to Board members planned activity for the coming months, in line with the agreed communications and marketing strategy.

2. Information

Channel performance

- 2.1 The Board is asked to note the following performance updates in relation to the LEP's key communications and marketing channels for May and June 2017.

Media coverage (9-30 June 2017)

Stories issued/ supported:	9
Total pieces of coverage:	38
Estimated reach:	1,889,659
Estimated Advertising Value Equivalent (AVE)	£102,288.40

Breakdown of coverage:

National stories	0
Regional stories	17
Local stories	20
Trade	1

No stories were issued until 9 June due to General Election purdah restrictions.

- 2.2 Select recent media highlights are included at **Appendix 1**.

Website (May)

	www.the-lep.com	www.investleedscityregion.com
Primary audience	<ul style="list-style-type: none"> City Region businesses (primarily SMEs) 	<ul style="list-style-type: none"> Potential investors in the City Region
Sessions	6,600	2,822
Page views	19,959	6,580

June:

	www.the-lep.com	www.investleedscityregion.com
Primary audience	<ul style="list-style-type: none"> City Region businesses (primarily SMEs) 	<ul style="list-style-type: none"> Potential investors in the City Region
Sessions	6,853	2,207
Page views	21,380	5,074

- 2.3 Lower traffic in May compared with March reflects a reduction in campaign activity and stories driving traffic to the sites during General Election purdah.

Social media

- 2.4 Twitter – May:

	@LeedsCityRegion	@InvestLCR
Impressions	50,100	32,900
Profile visits	4,209	399

June:

	@LeedsCityRegion	@InvestLCR
Impressions	105,000	37,400
Profile visits	5,798	564

Marketing and lead generation

- Due to General Election purdah, marketing and lead generation activity has been limited throughout May however a marketing plan for the LEP's support offer to regional businesses has now been agreed, and similar plans are about to be agreed on the trade and investment and skills agenda.
- The LEP's eNews continued to be issued throughout the purdah period. In May the overall open rate increased to 16% (from an initial baseline of 10%).

- The LEP supported the Yorkshire Business Market in Harrogate Manufactured Yorkshire conference in Leeds in April and May respectively, generating 38 leads for the Growth Service.
- Marketing activity in support of the LEP's Enterprise Adviser initiative has contributed to targets for the initiative being exceeded with over 100 City Region business leaders now recruited as Enterprise Advisers and 130 schools.

Trade and investment marketing

- 2.5 An update on trade and investment marketing activity is included in the Business, Innovation and Growth Panel update (Agenda Item 4B).

Forthcoming activity:

- 2.6 The Board is asked to note the following activity planned for the coming quarter:
- **Significant uplift in stories post-purdah** – now that the purdah period has ended, a comprehensive story plan has been produced with at least one local, regional, national or international story scheduled per day throughout June and July covering the full breadth of the West Yorkshire Combined Authority (WYCA)/ LEP agenda.
 - **Continued roll-out of Let's Talk Real Business campaign (ongoing after purdah)** – including continued release of media and video case studies, targeted advertising and events.
 - **WYCA branding project (ongoing)** – the WYCA took a decision on a preferred way forward around the future WYCA brand at its 29 June meeting. WYCA members, whilst welcoming the options put forward, chose to wait to take a decision on the Combined Authority's name until the shape of possible devolution deals becomes clearer. As a result, developing the existing visual identity will be a key focus for the communications and marketing team over the coming weeks.
 - **Innovation event (28 June) and campaign** – a high-profile innovation event in partnership with the Innovate UK and Bradford-based engineering firm, Borg Warner, showcasing the signing of a bespoke partnership agreement with the government's innovation agency. The event will be followed by a social campaign and media content highlighting the Leeds City Region's innovation strengths and the innovation support available for SMEs.
 - **Launch of new innovation and business support products (July)** – including the Access to Innovation programme, Strategic Business Growth programme and other ESIF-funded products.
 - **Skills campaigns (July – Sept and beyond)** – a number of skills campaigns are scheduled throughout the summer and into September, targeting businesses, education providers, careers advisers and young people. This are:

- **Continuation of the #techgoals campaign** supporting teachers to develop young people's digital skills. The campaign has already reached close to 10,000 young people.
- **Continuation of the Enterprise Advisers campaign** encouraging yet more business leaders to sign up as Advisers and engaging with a wider number of schools. By July it is expected that 26,000 engagements between business and schools will have taken place as a result of the LEP's support.
- **Apprenticeship campaigns** – a telemarketing campaign is underway to provide SMEs with tailored advice on taking on an apprentice. This will be supported by digital marketing, social media and media activities selling the benefits to business of apprenticeships and demystifying the Apprenticeship Levy for small and larger firms.
- **Careers campaign** – a campaign is in the early stages of development ready for launch in September to promote the career opportunities in Leeds City Region's key growth sectors to schools, parents and young people. The campaign is being developed with significant input from young people and schools, and will reflect the latest data about the City Region's labour market.
- **Business advice pop-up cafes (June – September)** – a programme of business advice pop-up cafes is being planned for this summer, building on the success of previous well-received events.
- **Export campaign (ongoing)** – as part of the LEP's promotion of business growth support, a marketing campaign is underway to encourage more SMEs to consider exporting – particularly to markets outside the EU. The campaign includes a series of blogs, media content, and social media marketing focusing on real-life exporting success stories from City Region SMEs.

3. Recommendations

- 3.1 That the LEP Board note the highlight report in section 2.1 to 2.5 on recent communications and marketing performance.
- 3.2 That the LEP Board note and comment as appropriate on the planned activity in section 2.6 onwards.

4. Appendices

- 4.1 Appendix 1: Media and social media highlights.



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Following

NEWS: Leeds City Region's #techgoals makes #digital a (virtual) reality for over 10,000 young people the-lep.com/news-and-blog/ ... (vi/



Retweets
11

Likes
14

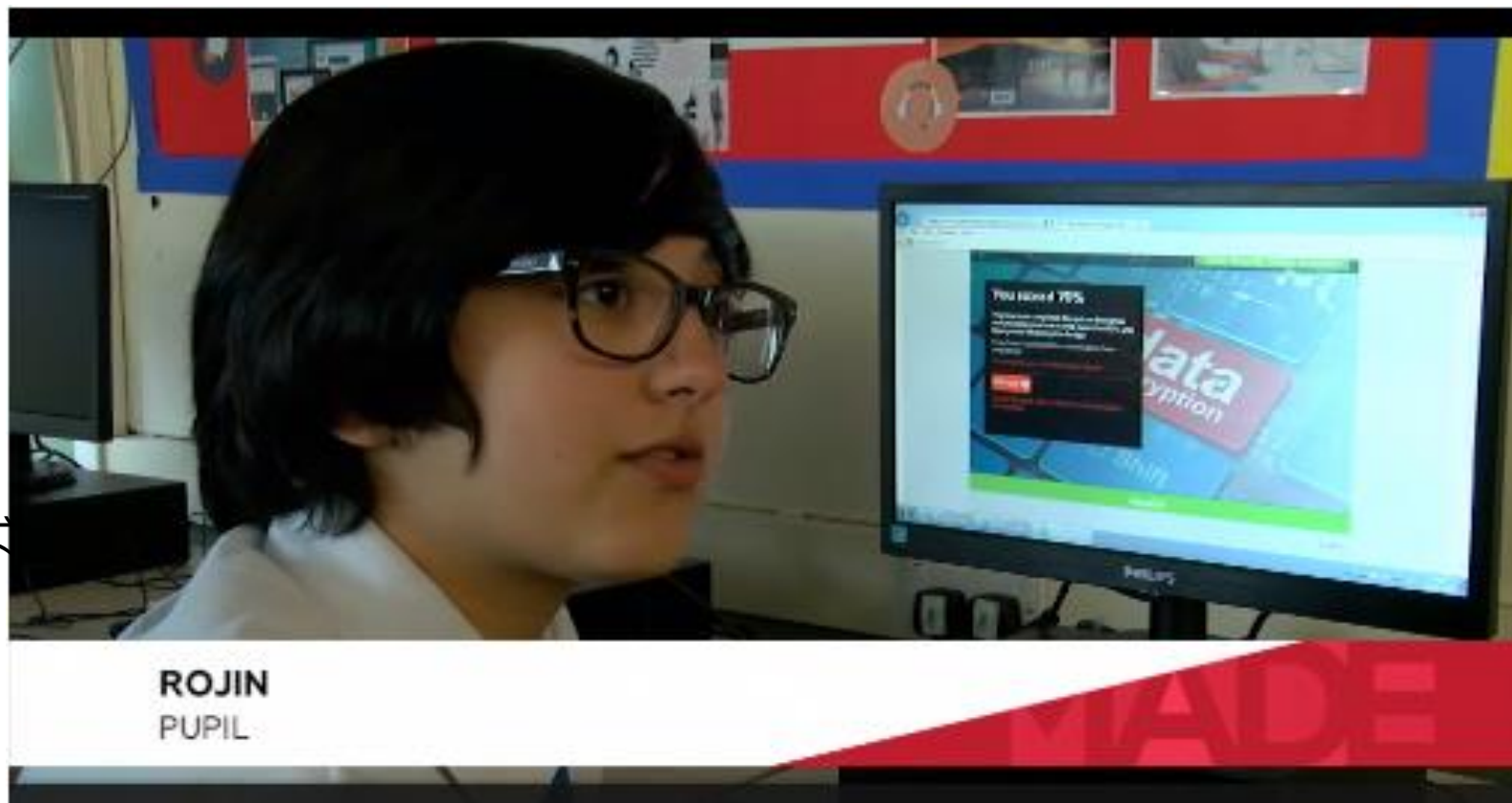


The LEP @LeedsCityRegion · Jun 14

.@SHinchcliffe was jst on @bcbradio talking abt our ground breaking #techgoals initiative! Listen again in an hour: podcasts.canstream.co.uk/bcb/







ROJIN
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NEWS

More than 130 schools across Leeds City Region benefit from specialist business advice as pioneering programme exceeds all targets

Posted on:
23/06/2017
at: 01:39PM



18





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NEWS: #LeedsCityRegion is leading the way in new industrial revolution says @rogermarshOBE and @FractlUK the-lep.com/news-and-blog/ ...



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9:03 AM - 14 Jun 2017



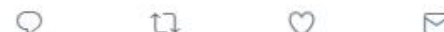
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12:23 PM - 13 Jun 2017



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NEWS: Leeds City Region serves up £9m boost for #business and #innovation the-lep.com/news-and-blog/ ...



10:27 AM - 19 Jun 2017

11 Retweets 8 Likes



11



8



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Great #export story about growth of #Knaresborough company #LetsTalkRealBusiness 🇺🇸 🌍 🚁



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NEWS: #Knaresborough company @nmgroupinnovate invest £800k in new #tech for #export markets #LetsTalkRealBusiness the-lep.com/news-and-blog/...

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Likes
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1

5





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NEWS: Leeds City Region to target global and [#northshoring](#) [#tech](#) firms [@gxpsummit](#) 18-20 June
investleedscityregion.com/invest/news/ta ...



2:41 PM - 14 Jun 2017

15 Retweets 18 Likes



NEWS

NORDEC works complete following Growth Deal investment

Posted on:
23/06/2017
at: 12:00PM



Work has been completed on the new Northern Dental Education Centre (NORDEC) located in the heart of Bradford.

We spoke to @JanetWaggott, CEO @SelbyDC, on Weds about the impact the new extension @SelbyCollege will have on the local area #skillscapital




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23



Bdaily Editor

Nick Hill

28 JUN 2017

Newly formed partnership aims to drive business innovation across Leeds City Region

A newly announced partnership is aiming to put businesses in the Leeds City Region at the “forefront of ground-breaking advancement and development.”


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Nick Hill

@nickhillbdaily

Following

Newly formed partnership aims to drive #business #innovation across @LeedsCityRegion @innovateuk @WestYorkshireCA
bdaily.co.uk/articles/2017/ ...



HIGHLIGHTS

[#Techgoals initiative aims to make Leeds City Region a global tech hub by training the next generation of developers](#) Telegraph & Argus

[#techgoals on Made in Leeds](#) Made in Leeds

[Cllr Hinchcliffe and #techgoals on BCC Bradford](#) BCC Bradford

[£9m boost for business and innovation in Leeds City Region](#) BQ Live

²⁴
[Leeds City Region's bosses hope to persuade technology firms to move to Yorkshire](#) Yorkshire Evening Post

[Newly formed partnership aims to drive business innovation across Leeds City Region](#) BDaily

[20 jobs created as electricity network operator invests £800k in new technology](#) BDaily

[Northern Dental Education Centre opens at Bradford College's Advanced Technology Centre](#) Telegraph & Argus

[Leeds City Region impresses at London Tech Week](#) Insider

Panel Chair: Andrew Wright
Authors: Sue Cooke, Rob Norreys



Report to: LEP Board

Date: 19 July 2017

Subject: Business Innovation and Growth Panel Update

1. Purpose

- 1.1 To provide the LEP Board with an update on the work of the BIG Panel.

2. International Trade

Trade Performance and Outlook

- 2.1 In the year to March 2017, the UK Export value went up 11% on last year. All English regions saw an increase. Yorkshire and the Humber saw an increase in the value of exports of 7.6%.
- 2.2 The total number of UK businesses exporting increased by 6.6%, between Q1 (quarter 1) 2016 and Q1 2017. During the same period, Yorkshire & the Humber saw an increase of 5.6%, with around 7,404 exporters in the region.
- 2.3 The British Chambers of Commerce (BCC) Quarterly Economic Survey for Q1 2017 reports that 26% of manufacturers and 10% of service businesses reported improved export sales in quarter 1 2017, up from 16% and 8% respectively in Q4 2016.
- 2.4 The positive message is reiterated in the EEF/BDO Manufacturing Outlook 2017 Q2, which finds that exports continue to be boosted by healthy global demand, especially from markets in Asia, North America and Europe, and weak Sterling.
- 2.5 The survey shows that mechanical and electrical equipment and electronics are reporting a growing strength in export sales. Food and drink sales overseas however appear to be dropping, perhaps in response to consumers feeling the effect of rising inflation in other advanced economies.

Trade Delivery Partners Update - Department for International Trade

- 2.6 Following the General Election, it has now been confirmed that The Rt Hon Dr Liam Fox MP remains as Secretary of State for International Trade and President of the Board of Trade. Also continuing are The Rt Hon Greg Hands MP as Minister of State for Trade and Investment, Lord Price CVO as Minister of State for Trade Policy and Mark Garnier MP as Parliamentary Under Secretary of State.

- 2.7 DIT (Department for International Trade) have appointed Crawford Falconer as the Chief Trade Negotiation Adviser and Second Permanent Secretary. This position is in addition to the existing Permanent Secretary Antonia Romeo.
- 2.8 The draft list of Northern Powerhouse trade missions is now being finalised and will be formed from the following long list:

Ireland	UAE (Gulfood)
Denmark	UAE (Arab Health)
Netherlands	USA (Boston, Technology)
China (Food & Hotel)	USA (San Francisco, Technology)
USA (Female Founders)	Singapore & Malaysia (Advanced Manufacturing)
Germany (Medica)	China

- 2.9 Some of these missions will be managed by DIT in the region and will present opportunities for joint working to promote and maximise the benefits to businesses in the city region.
- 2.10 Other forthcoming activities include the UK tour of the Heads of Post from the Gulf States in September, Export Strategy workshops and sector specific workshops and activities to help businesses overcome the reported barriers to export.

Exporting for Growth (EfG)

- 2.11 The take up of the European funded EfG export grant programme in the city region currently stands at 50 Grant offer letters issued with a total value of grant offer letters being £173,150.
- 2.12 In May, we opened a second round of activity with Kaola.com to introduce suppliers of consumer goods to them for the Chinese online market <http://www.the-lep.com/for-business/international-trade/e-commerce-opportunity-in-china/>.
- 2.13 The China Britain Business Council has written a blog for us to accompany the launch and have agreed that we can share their ecommerce guide with businesses who apply.
- 2.14 We are publicising through the LEP website and social media channels as well as through the Growth Managers and Skills Service Advisers. In addition, we are working with a range of partners to spread the word including the members of the trade working group (DIT, Chambers, Enterprise Europe Network, Yorkshire Universities, Yorkshire Asian Business Association & private sector) as well as through other contacts such as Manufacturing Yorkshire. Some businesses we are contacting direct where we think this opportunity may be of interest because their products are a particular target of Kaola.com.

- 2.15 The final draft of the trade analysis we commissioned to look at trade in the Leeds City Region has been completed by MDS Transmodal. This provides us with a valuable insight into the trade picture in the region rather than having to rely on the Yorkshire & the Humber view that is generally available.
- 2.16 Alongside an analysis of the current volume and value of the trade in goods, it will also give us insight into key export sectors, existing export markets and potential in other markets. This will be used to help inform where we focus our resources to explore those untapped opportunities further.
- 2.17 The International Trade Working Group members have identified some priority initiatives within the four pillars of the plan (simplify, connect, inspire, target). Some activities will improve the tools and methods we use to communicate messages to businesses such as improvements to the website, a trade app and a regional calendar of events for example.
- 2.18 We are working with the trade group to identify key priorities we can work on collaboratively. This will focus on a small number of key markets and/or sectors relevant to the city region. The aim is to identify and target key opportunities from which we can create a greater impact in terms of benefits to businesses locally.

Inward Investment

Inward Investment Performance and Outputs

- 2.19 New performance targets for 17/18 are indicated in the table below. There have already been two new significant inward investment project successes in this financial year.
- **Project Beagle (Apr)** – Major project expansion for a biologics drug development company. Confirmed creation of a new site in the region creating 400 jobs.
 - **Project Primrose (May)** – A major UK business operations company establishing a new global shared service centre in Leeds due to become fully operational in October. Creating 500 jobs.

Successes 17/18	Apr/May	Jul/Sep	Oct/Dec	Jan/Mar	Target	Total 16/17
Number of Projects	2				20	2
Number of Jobs	900				1000	900
Supplementary indicators	Q1 Apr/Jun	Q2 Jul/Sep	Q3 Oct/Dec	Q4 Jan	Target	Year to Date
New enquiries	8				60	
Propositions issued in response to enquiries	3				48	
Inward Investor meetings	27				48	

2.20 In addition there is one success which is still pending but close to being classed as confirmed.

- **Project Thomson** – A significant European retailer considering UK locations, which has now selected Leeds. A meeting will be held in June to understand the support around their media launch and job numbers to be established

Overview of the investment pipeline

2.21 There are 72 live projects/enquiries on the investment pipeline, representing a potential 6,165 jobs plus 750 safeguarded jobs. The enquiries are split between the following sectors:

Live projects, investment pipeline (See Appendix A for pie chart reference)				
Sector	Projects	% of total	Jobs (potential)	% of total
Manufacturing	30	42%	1,803	29%
Healthcare and Life Sciences	9	12.5%	787	13%
Financial, Professional and Business Services	9	12.5%	1,505	24%
Digital	14	19%	985	16%
Other	10	14%	1,085	18%
Total	72	100 %	6,165	100%

2.22 There are currently 22 Category A (within sector and over 50 jobs) projects on the pipeline, which represent an overall opportunity for a potential of 4,481 jobs.

Recent developments

2.23 The pilot Key Account Management (KAM) project undertaken in February/March resulted in 19 meetings with existing investors including 16 from the Advanced Manufacturing sector with 9 potential projects identified.

2.24 The EY UK Attractiveness survey was published in May and was very positive for the region. It reported that Yorkshire and Humber recorded more Foreign Direct Investment (FDI) in 2016 than any year since 1997 with 98 projects and overtook the North West in terms of FDI attraction.

2.25 Under Growth Deal 3 (GD3) the West Yorkshire Combined Authority (WYCA) was allocated £13.45m of funding to run business grants programmes to grow the region's economy. £12.45m of this funding has been assigned to a Strategic Inward Investment Fund designed to support inward investment projects locating in the Leeds City Region. WYCA sought external advice on the design of this scheme and the fund has progressed through the WYCA assurance process. This scheme will be operational from August 2017.

This fund aims to attract new businesses to the region and secure expansions from existing large businesses. Therefore, projects creating new jobs in Leeds City Region will be given highest priority. A specific focus will be on foreign owned businesses because this represents entirely new economic activity at a national level, with a lower degree of associated displacement. Also, due to the current macroeconomic climate (i.e., the EU Referendum result), it is evident that we are now operating in an increasingly competitive market place for attracting investment from foreign owned businesses. UK businesses with internationally mobile projects can also access the scheme where these investments create over 150 new jobs.

Although job safeguarding projects are not the priority objective for this fund, it is proposed there is flexibility in the fund to be deployed for safeguarding where the need is sufficiently important at the city region scale (e.g. safeguarding c.500 jobs or more). (See Appendix 1 for full criteria)

- 2.26 The remaining £1m from the GD3 allocation will be used to support small interventions attracting inward investor businesses in the digital and technology sector. This scheme (Digital Sector Soft Landing Scheme) is currently being designed and will be operational from the end of the summer.
- 2.27 The Digital and Technology Industries research report has been finalised by KADA and the findings will inform our future digital sub sector propositions and marketing collateral.
- 2.28 We are undertaking numerous business development initiatives across the UK and overseas to attract enquiries. There is a sustained plan of business development activity that will be executed this financial year.

Innovation

Relationship with Innovate UK

- 2.29 The Partnership Agreement between WYCA/The LEP and Innovate UK setting out the principles and practical arrangements for closer collaboration between the organisations was signed at an official event on 28th June. The Partnership Agreement will ensure the two organisations work better together to enable LCR SMEs to access Innovate UK support and funding.
- 2.30 The signing, with Kevin Baughan, Deputy CEX of Innovate UK took place alongside a roundtable Panel session, where invited attendees debated alongside Innovate UK 'how we can ensure the Leeds City Region fulfils its potential as a competitive force driving the UK's innovation and business growth, particularly as the country exits the EU.' A further update will be provided at the meeting.

Leeds City Region Science and Innovation Audit

- 2.31 The draft Science and Innovation Audit has now been submitted to BEIS, with feedback expected shortly with a view to finalising the report before the end of June. Emerging propositions include:
- Clinical evaluation: a national 'test bed' clinical evaluation hub and network for medtech devices.
 - Enhanced high level skills: a med tech skills academy
 - Joined up connected and continuous innovation support: an integrated med tech innovation hub linked with med tech nodes across the UK (linking with the emerging work by Leeds City Council and Leeds Teaching Hospital around a Leeds Innovation District).
 - Sustainable infrastructure: grow on and scale up space, support for businesses to start and grow, coupled with continued infrastructure investment in national centres of research excellence.
 - Strategic leadership, providing vision, direction and common purpose: strategic leadership for med tech innovation.
- 2.32 Once the Audit has been finalised, the team will be holding further discussions with key stakeholder groups and partners across the UK: LEP, local authorities, BEIS, the Office for Life Sciences, industry, universities, and the NHS to develop each of the five propositions into business development and investment plans.
- 2.33 At their last meeting, BIG Panel discussed these exiting opportunities which are emerging to position Leeds City Region at the heart of medtech capability across the UK and beyond.
- 2.34 No funding or resources were provided as part of the development of the audit, and no funding is attached to the completion of the audit. It is however anticipated that the identification of key research and innovation strengths will support any decision making around place based funds.

Innovation support programmes

- 2.35 Pre delivery activities are now underway for the £9.2m Access Innovation programme. Led by WYCA and funded by ESIF, Access Innovation will support SMEs to develop new products and processes, and to develop long term productive working relationships with R&D specialist organisations. This programme will encourage SMEs who have not typically engaged with Universities to work together.
- 2.36 The programme went live in mid-June with the soft launch event taking place on 28th June. The event, hosted by Borg Warner and running alongside Partnership Agreement signing and Panel session, will allow SMEs to find out more about the new programme whilst hearing from Borg Warner about their experiences.

- 2.37 The three Innovation Growth Advisors are now developing a more in depth knowledge of expertise available in Leeds City Region research institutions, and working with them to develop a workshop programme for SMEs focussed on current 'hot topics' related to innovation.

Digital

Digital Delivery Plan

- 2.38 Work is continuing on the development of a Digital Plan for the Leeds City Region. To inform this, and to support wider inward investment activity, research has been commissioned to assess the comparative, relative and emerging competitive advantages of the Leeds City Region digital and technology sector.

Digital summit

- 2.39 To help define a clear vision and set the overall ambition, a Digital Summit will be held in autumn 2017 to bring together key stakeholders across the City Region. This event will also be used to showcase the range of 'world class' digital assets and infrastructure in the city region, the strength and diversity of the digital sector, and the importance of digital inclusion.
- 2.40 The Mayor of Greater Manchester recently announced the same ambition to hold a Digital Summit this year. Discussions are ongoing with colleagues in Greater Manchester and Tech North to ensure that where possible, messages and branding is joined up and complementary.

Digital Enterprise Programme

- 2.41 The Digital Enterprise programme was formally launched in early February 2017. Led by Leeds City Council on behalf of a number of local authority partners including WYCA, the LEP has invested £750k of match funding. The programme helps businesses to invest in digital technologies through both a voucher scheme and workshops and masterclasses on specific topics.
- 2.42 The programme has received a huge number of applications from SMEs for funding to support investment in ICT/digital related projects facilitating growth, inclusion and business development, with 473 applications received, against a target of 150. The level of demand has resulted in a temporary suspension of the scheme (at the end of March) to help manage the backlog.
- 2.43 The second phase of the scheme is currently being planned and will be launched in the summer of 2017, along with the new Digital Knowledge Exchange service – which offers SME owners/managers the opportunity to attend workshops/masterclasses, undertake a digital audit or receive mentoring support to help them acquire a greater level of knowledge and confidence to use or commission digital technology solutions to grow their business.

Business Support

LEP Capital Grants Programme

2.44 The programme supports capital investments being made by businesses across the city region that are expanding and creating new jobs. It is currently funded via £33.7m from the Local Growth Fund (LGF) up to March 2021.

2.45 The table below presents progress to date:

Target Measure	6-Year Target (April 15 to March 21)	Achieved (as of June 17)
Expenditure	£33.7m	£25.6m (committed) £17.14m (actual)
New Jobs Created	4,100	4,604 new (committed) 1,760 safeguarded (committed) 1,282 new (actual) 1,583 safeguarded (actual)
Businesses Supported	765	460 (committed) 357 (actual)
Public/ Private Sector Leverage	£168.5m	£246m (committed) £133.3m (actual)
Total Cost Per Job Created	No contractual target	£5,560 (committed) £13,370 (actual)

2.46 As the above table highlights, the programme is performing well terms of how much it costs for each new job to be created cost per job, with current figure of £13,370 being significantly below the national average for programmes of this nature.

2.47 The June 2017 Investment Panel recommended the approval of two grants totalling £236,500. The first is for £110,000 for a food manufacturing business that is making a £1.1 million investment in a new production facility, which will create 30 new jobs. The second is for £126,500 for an internet-wholesaler that is investing £1.27m in a new distribution, repair/service and assembly facility, resulting in the creation of 104 new jobs.

2.48 Future funding agreements for grants of over £100K will include options for how the grant-recipients can contribute to the Inclusive Growth strategy. For example, local supply chain opportunities, links to the enterprise in schools agenda and supporting higher-level apprenticeships.

LEP Business Floods Recovery Fund

2.49 The above fund has now closed to new applications and has approved funding of £3.18m to support capital investments by 66 businesses, predominantly in Calderdale and Leeds, badly affected by the floods in late 2015. The grants will attract a further £10m of investment from the businesses receiving them. To date, £1.85m has been paid to the businesses and has this helped them get back to somewhere close to how

they were operating before the floods. The grants will help to safeguard over 1500 jobs in the city region.

LEP Growth Service

- 2.50 The service provides businesses across the city region with access to products and services that can help them to grow. This includes those directly delivered by the LEP and those available by other organisations, such as Department for International Trade, Innovate UK, Local Authorities, Chambers of Commerce and Universities.
- 2.51 Since its launch in July 2015, the service has supported over 3,600 businesses, over 1,200 of which have been given more intensive support from a team of district-based SME Growth Managers. The most popular topics for support amongst businesses remain access to finance, training staff and recruiting staff. Manufacturing remains the most popular sector for businesses, followed by Creative & Digital and Financial & Professional Services.
- 2.52 Early figures for 2017/18 show a continued growth in interest and engagement levels from SMEs in the city region, with May 2017 receiving 59% more enquiries (phone calls and emails) than the corresponding month in 2016, and the first two months of 2017/18 receiving 26% more enquiries than the April to June period of 2016/17.
- 2.53 Three business 'Pop-Up' cafés will take place in July 2017 at Hebden Bridge, Castleford and Steeton as a way to better engage with businesses in the more outlying parts of the city region. These free events allow smaller firms to meet professional experts on a range of key business issues and opportunities all under one roof. The experts, who provide their expertise for free, cover topics such as finance, sales and marketing, social media and exporting. Attendees also have direct access to the LEP's business support products, alongside those of other partners.
- 2.54 The service is funded directly from Central Government at circa £500K per year, but this only runs to the end of March 2018, with no current commitment beyond that time. Therefore, the LEP/CA is now working closely with other LEPs across the North, and with the Government, to attract additional funding.
- 2.55 **Appendix 1** provides more detailed information and analysis on enquiries to the Growth Service in 2016/17 and to date in 2017/18.

New Business Support Programmes

- 2.56 The £2.66m Resource Efficiency Fund (REF) is being delivered through the LEP Growth Service over the next three years. It is jointly-funded by the Government's Local Growth Fund (LGF) and the European Regional Development Fund (ERDF), and provides advice and funding to SMEs to identify and put in place improvements on how they use water, waste and energy. Please see the Green Economy update report for further detail on the delivery of REF to date.

- 2.57 Led by the LEP/WYCA, the new £7.2m Strategic Business Growth project began in June 2017 with funding from Europe and the UK Government. The project team is now in place, and a delivery contract has been awarded to Winning Pitch following a recent open procurement exercise.
- 2.58 Winning Pitch will provide a group of circa 300 small businesses with tailored advice and guidance on how to grow. The support will consist of expert one-to-one coaching, one-to-many workshops on current 'hot topics' for business growth and peer-to-peer mentoring to provide ongoing benefits beyond the lifetime of the contract. Another key element of the project will be Winning Pitch closely monitoring and reporting the impact of their support on the SMEs over the lifetime of the contract. This will include a range of indicators related to productivity, rather than just focussing on employment creation.
- 2.59 The £400m Northern Powerhouse Investment Fund (NPIF) is now in full operation across the city region, and has had a healthy number of enquiries and applications since the regional launch in March 2017. The fund provides micro, debt and equity finance to growing SMEs, and latest figures from the British Business Bank indicate that over £800K of advances have been made to city region businesses across the three sub-funds. The LEP Growth Service and SME Growth Managers continue to make numerous referrals to NPIF where the businesses concerned are looking for debt and/or equity finance. Similarly, NPIF is referring clients to the LEP, particularly for the capital grants and the Skills Service.

Inclusive Growth

- 2.60 The team is exploring how both current and future programmes can be better aligned to meet inclusive growth priorities and proposals for this will be presented at a future meeting. More detail on current government thinking around this can be found at agenda item 13.

3. Recommendations

- 3.1 The LEP Board is asked to note the contents of the panel update.

Analysis of enquiries to the LEP Growth Service 2016/17 and 2017/18

1. Analysis of business enquiries 2016/17

- 1.1 Performance data is monitored on a weekly, monthly and quarterly basis. The following information presents more detail on the performance of the Service Gateway and SME Growth Managers throughout 2016/17 and 2017/18 to date.

Table 1: Performance against headline targets for 2016/17

Target Measure	Target	Achieved 1 April 16– 31 Mar 17
Expenditure	£512,500	£512405.51
All business enquiries handled by the LEP gateway (helpline, email and web)	No contractual target	2469
SMEs supported - light-touch & intensive (such as attendance at LEP events, sign-ups to the LEP eNewsletter, referrals to other products/services)	2100	2050
SMEs supported - intensively by SME Growth Managers (more ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	525	666

- 1.2 The Service supported a total of 2050 SMEs over the course of the year, averaging 512 business engagements per quarter. Although just shy of the target of 2100 SMEs, the Service recorded over 2460 interactions (activity line red below) with those businesses by the end of 2016/17, indicating confidence by many businesses in returning to the Service for multiple streams of support.

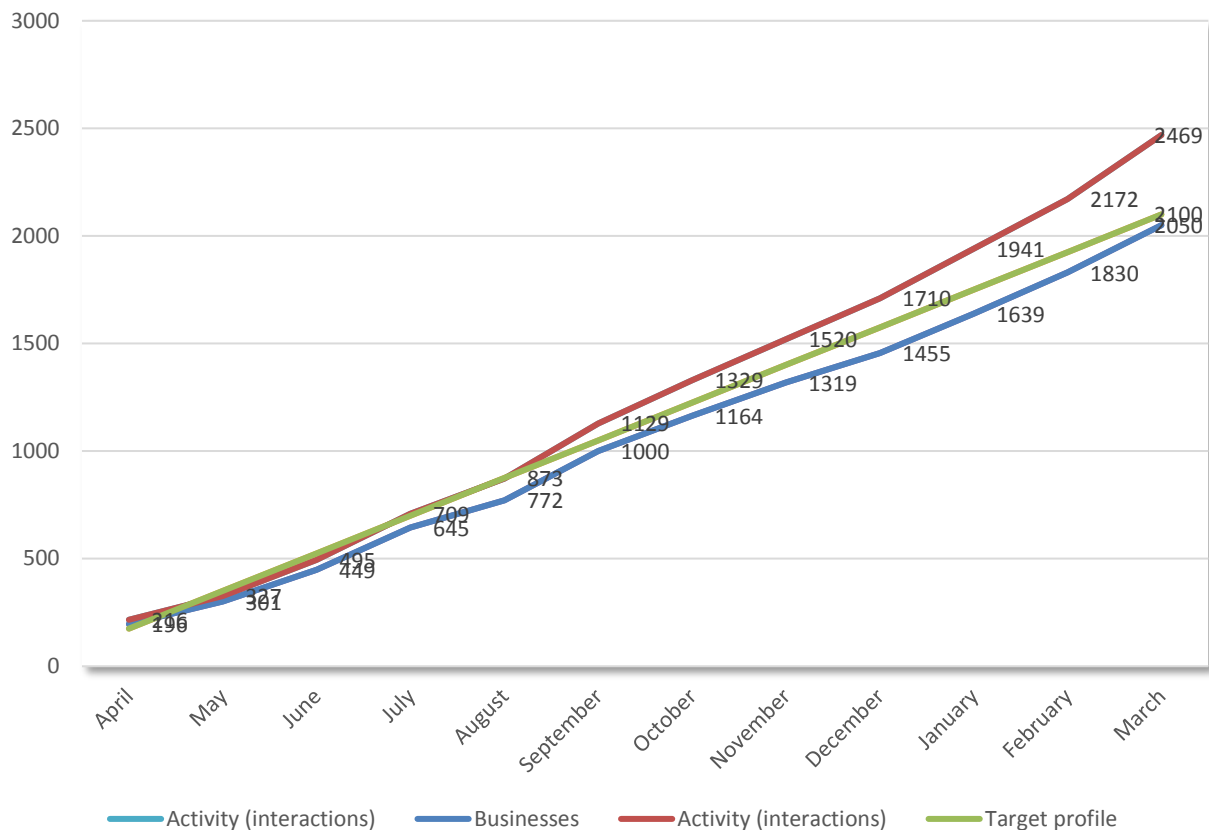


Figure 1: Actual/projected performance against the target of supporting 2100 businesses (Apr 16 – Mar 17).

- 1.3 Level 1 (light-touch support) and Level 2 (more intensive support) enquiries represent the target client group. Overall trends have shown that enquiries into the Gateway have generally continued to rise month by month, with March 17 recording the highest number of enquiries throughout the year (n= 209). Quarter 4 in particular, saw a surge in the number of general enquiries accounting for 36% of the annual total, which may be attributed to the proactive marketing campaign 'Let's talk real business', targeted e-marketing activities, increased 'pop-up' business advice cafés and the launch of new business support products, including, Ad:Venture, Digital Enterprise, the Resource Efficiency Fund and the Manufacturing Growth Programme launched at the end of quarter three/early quarter 4.

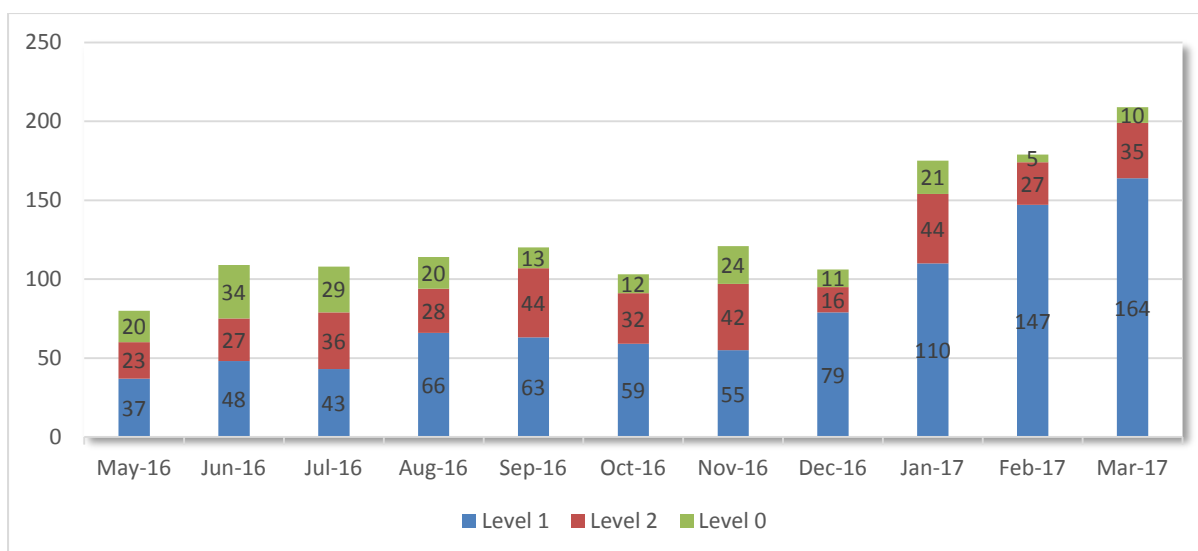


Figure 2: LEP Growth Service enquiries to the gateway by client group (Apr 16 – Mar 17)

- 1.4 There have been 1553 recorded enquiries via the Gateway throughout the year of which 83% (n= 1301) were from our target businesses (i.e. those with plans to grow). Encouragingly, the number of overall enquiries has increased by 31% compared with 2015/16 (although delivery commenced in earnest from July 2015 onwards). Likewise the number of enquiries from our target clients has also increased by 49% compared to 2015/16 (same caveat as above)

Table 2: Number of enquiries into the Gateway (June 15 – Mar 17)

Enquiry Type	Total July 15 – Mar 16	Total April 16 – Mar 17
Level 0 – Non Target Client Group	410	252
Level 1 – Light Touch Referral	427	911
Level 2 – In depth Referrals	235	390
Total Gateway Interactions	1072	1553

- 1.5 Overall, the routes of enquiry from businesses accessing the Service has remained fairly stable throughout the year, with the most popular route being the telephone helpline (47%). This percentage, however, has declined slightly since the start of the year (-2%), whilst the percentage of email enquiries has slightly increased (+2%). The percentage of enquiries via the website has remained unchanged and is largely attributed to the application forms for many of the programmes being online only.

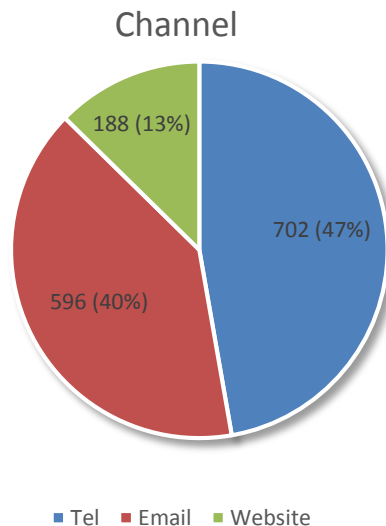


Figure 3: Gateway channels of enquiry (Apr 16 - Mar 17)

- 1.6 Of those businesses that provided information on how they heard about the Service, the Internet remains the most frequently cited channel, followed by referrals from another LEP product/service and referrals from another business or friend.

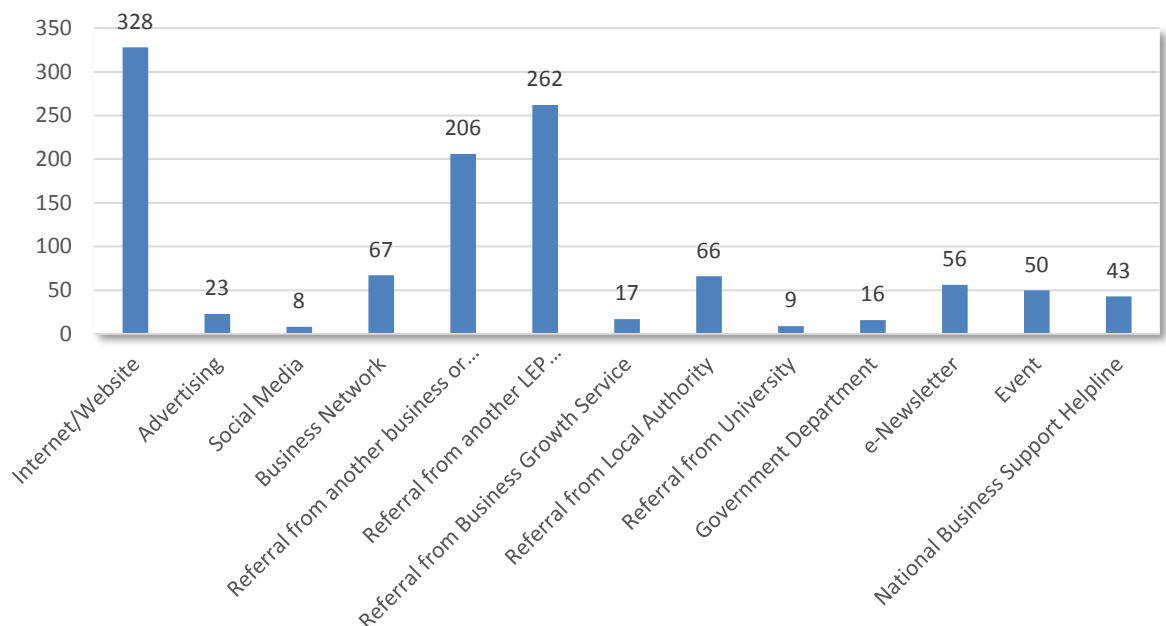


Figure 4: How customers report hearing about the service (Apr 16 – Mar 17)

- 1.7 The SME Growth Managers have collectively exceeded their target of intensively supporting 525 businesses, having provided support to 875 businesses, 666 of which have been, or continue to be, account-managed. This is a particularly positive result considering a reduction of Growth Manager-presence in Calderdale in Quarter 3 and Selby since Quarter 3 to May 17. Table 3 below provides a breakdown of the number of clients supported by the managers in their districts.

Table 3: SME Growth Manager clients by district (Apr 16 – Mar 17)

SME Growth Manager	Total Clients	Intensively Supported
Bradford & Craven (x2 FTE)	125	121
Calderdale (x1 FTE)	83	56
Harrogate (x1 FTE)	110	89
Kirklees (x1.5 FTE)	141	96
Leeds (x2.5 FTE)	163	118
Wakefield (x1 FTE)	126	105
York (x1 FTE)	100	58
Selby (x0.5 FTE)	21	19
Total	875	666

- 1.8 Figure 5 shows the spread of enquiries to the Gateway across the LCR compared to the percentage of SMEs by district. The number of enquiries from Leeds-based businesses has remained disproportionately high throughout the year, although the percentage has dipped slightly by 3.8% since the start of the year. Enquiries from businesses in Kirklees, Wakefield and Bradford have been fairly consistent with their proportion of the business base over the year, whilst there has been a marginal over-representation of enquires from Calderdale businesses.

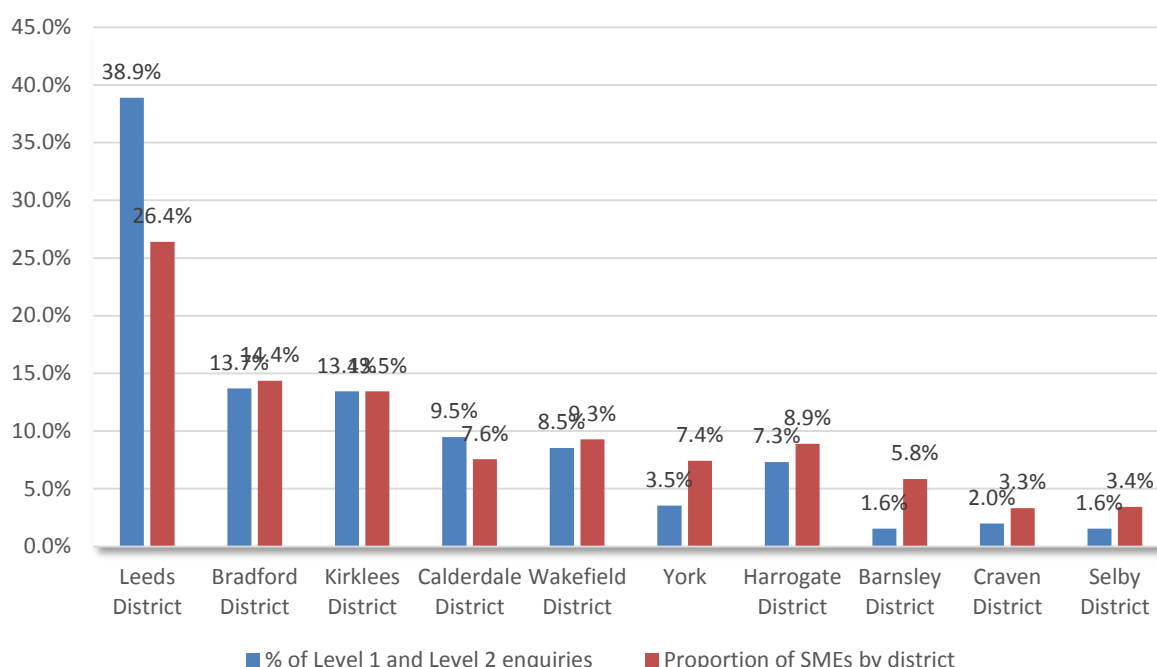


Figure 5: SME enquiries compared to the proportion of SMEs by district (Apr 16 – Mar 17)

- 1.9 There has been no change to the most popular topics that businesses request support with. Access to Finance continues to top the list overall for Gateway

enquires, whilst Skills and Recruitment continues to be the most popular topic for Growth Manager clients. The intensive support offered by the Growth Manager involves a more detailed diagnostic and ongoing assessment of business need, which likely accounts for the differences identified.

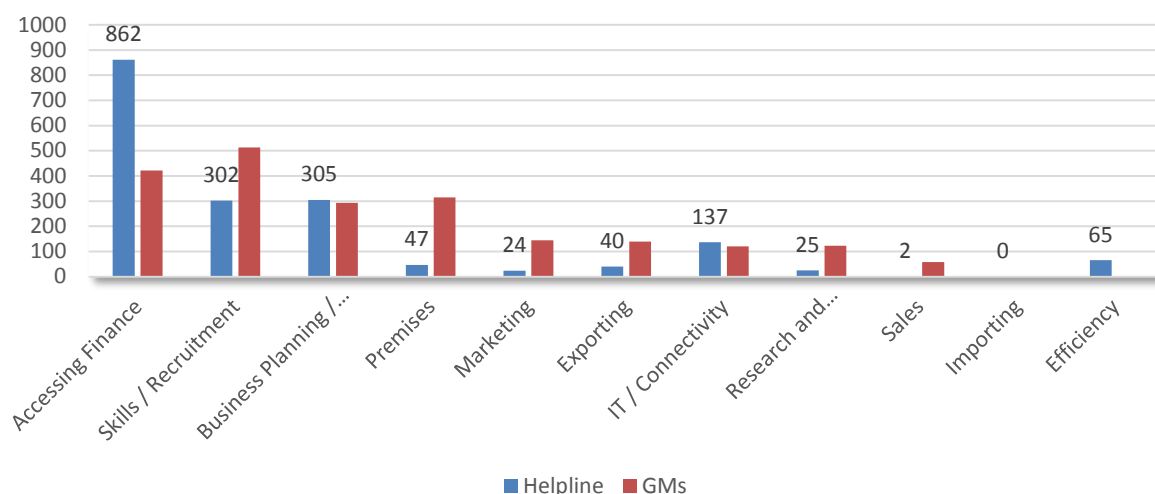


Figure 6: Topics for business support (Apr 16 – Mar 17)

- 1.10 Since the launch of the Service in July 2015, businesses from the Manufacturing Sector have consistently provided the highest number of enquiries into the Gateway. Likewise, it remains that Growth Manager-clients are more likely to be in the LEP's priority sectors, particularly Manufacturing and Digital, than those firms that come directly through the Gateway. This is attributable to the nature of the current support offer which lends itself to these two sectors, and the prominence of SMEs in these priority sectors across our largest districts.

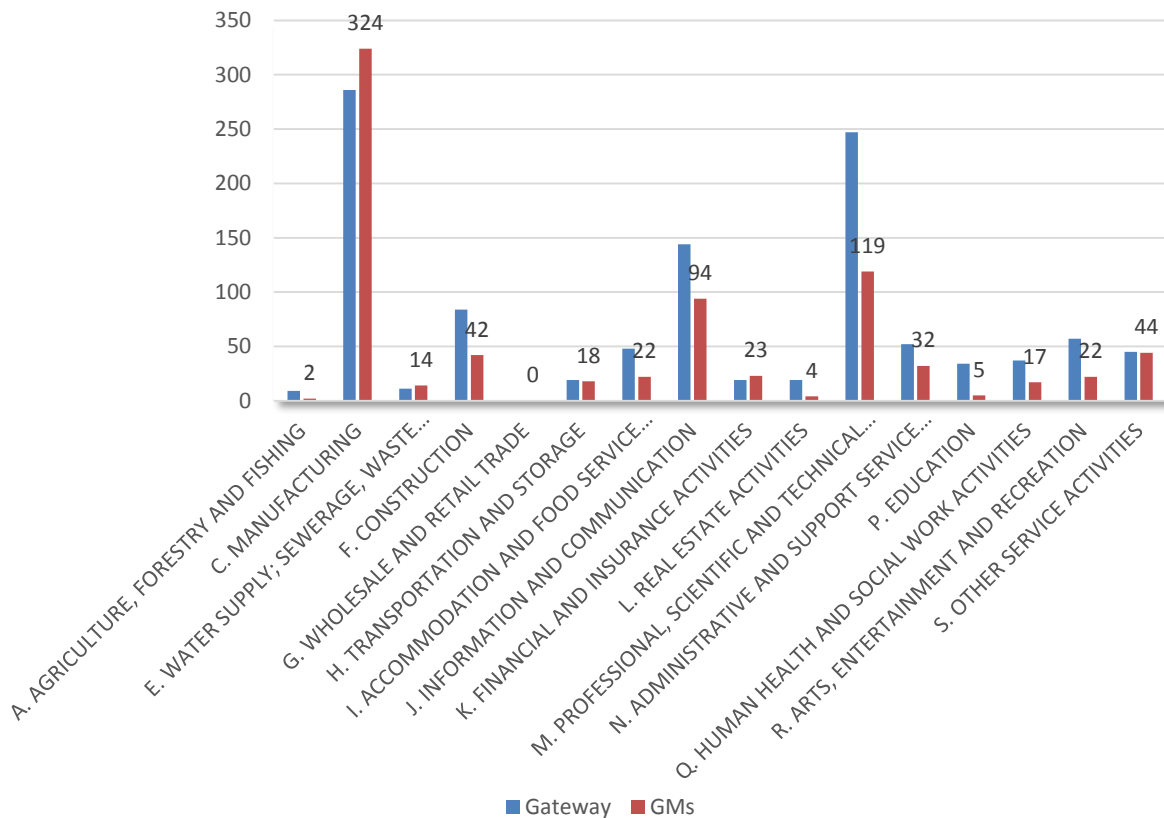


Figure 7: Percentage of Growth Service clients (Gateway and Growth Manager) by sector (Apr 16 – Mar 17)

- 1.11 Figure 8 below illustrates the breadth of referrals to business support products and organisations from both the Gateway and Growth Managers. The highest number of referrals for both routes remains unchanged i.e. to LEP products, including the Skills Service, Capital Grants and Apprenticeship support. High interest in the Digital Enterprise scheme, launched in quarter 4, has attracted over 473 referrals alone, proving to be a particularly popular product for businesses. Referrals to other providers and products, particularly by the Growth Managers, have continued to increase.

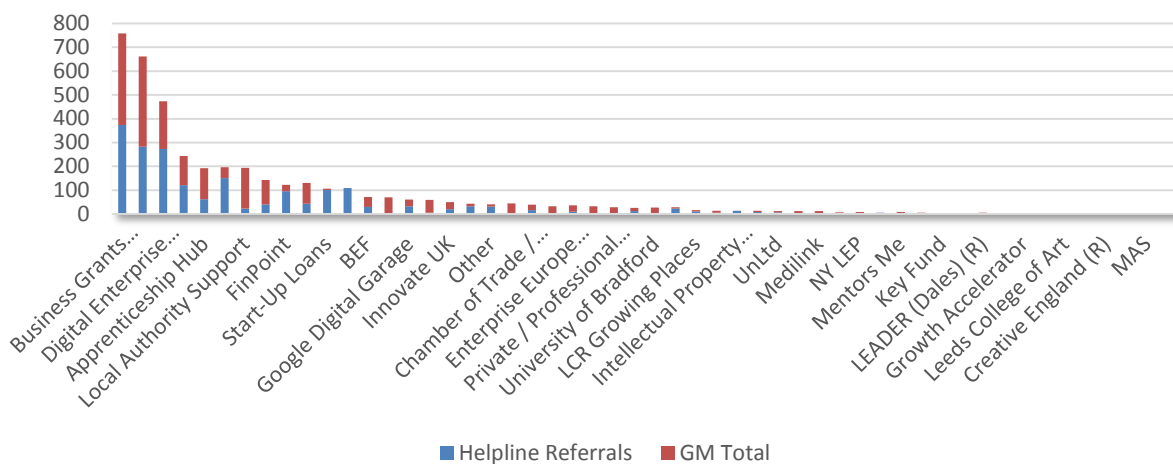


Figure 8: Number of business support referrals (Apr 16 – Mar 17)

- 1.12 Of the 52 products referred to via the Service, DIT is the 7th most popular referral route with 103 referrals being made throughout the year. Similarly, 183 referrals have been made to the collective of universities and colleges in the city region. Table 4 provides a breakdown of the referrals made to each of the universities in LCR.

Table 4: Growth Manager-referrals to Universities and Colleges in LCR (Apr 16 – Mar 17)

University/College	Helpline Referrals	GM Total	Total Referrals + signposts
Leeds Beckett University	1	69	70
University of Leeds	1	43	44
University of York	2	30	32
University of Bradford	0	27	27
University of Huddersfield	0	12	12
Leeds College of Art	0	1	1
York St Johns University	0	1	1
Leeds Trinity University	0	0	0

- 1.13 Growth Manager-clients are sourced from various routes, with the largest number from existing Local Authority (LA) contacts/marketing leads (there is a target for 25% new clients in 2017/18). The volume of referrals from the LEP has been consistent over the year, whilst business networks continue to prove fruitful for Growth Managers in York, Wakefield and Harrogate in particular. Both Leeds and Wakefield have utilised private/professional support in the form of engaging with banks/accountants to source clients.

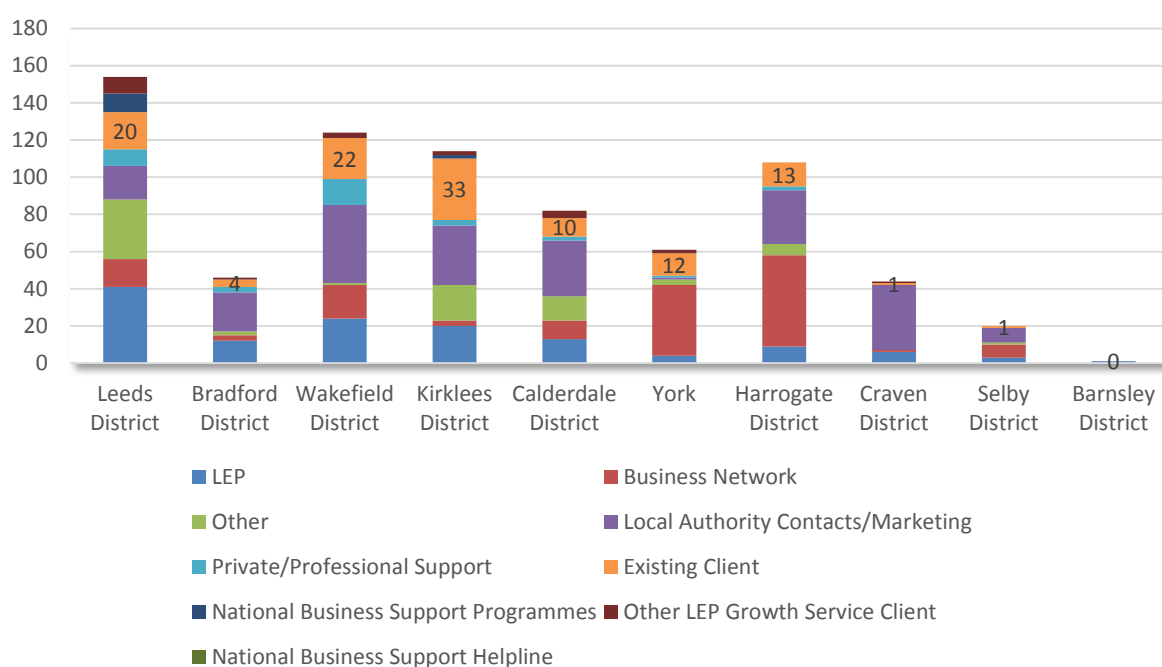


Figure 9: Source of Growth Managers' clients (Apr 16 - Mar 17)

2. Analysis of business enquiries 2017/18

- 2.1 Building on last year's performance, the Service is anticipating a continued growth in the number of enquiries into the Gateway, particularly with the introduction of a range of new business support products (Ad:Venture, Digital Enterprise, Strategic Business Growth Programme, REF and Access Innovation), which are attracting high levels of interest. As such, and in combination with ongoing stakeholder engagement and the enhanced marketing and communications approach, Table 5 below presents the increased targets for 2017/18.

Table 5: Headline targets and performance for 2017/18

Target Measure	Target	Achieved (April to May 17)
Expenditure	£512,500	£90,000
All business enquiries handled by the LEP gateway (helpline, email and web)	No contractual target	411
SMEs supported - light-touch & intensive (such as attendance at LEP events, sign-ups to the LEP eNewsletter, referrals to other products/services)	2500	340
SMEs supported - intensively by SME Growth Managers (more ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	630	118

- 2.2 The Service is working towards a target of 625 business engagements per quarter in order to achieve the annual 2017/18 target (supporting 2500 individual businesses). Early quarter 1 performance indicators show encouraging progress towards these targets, with 340 target businesses supported in the first two months of the year, 118 intensively by the Growth Managers.

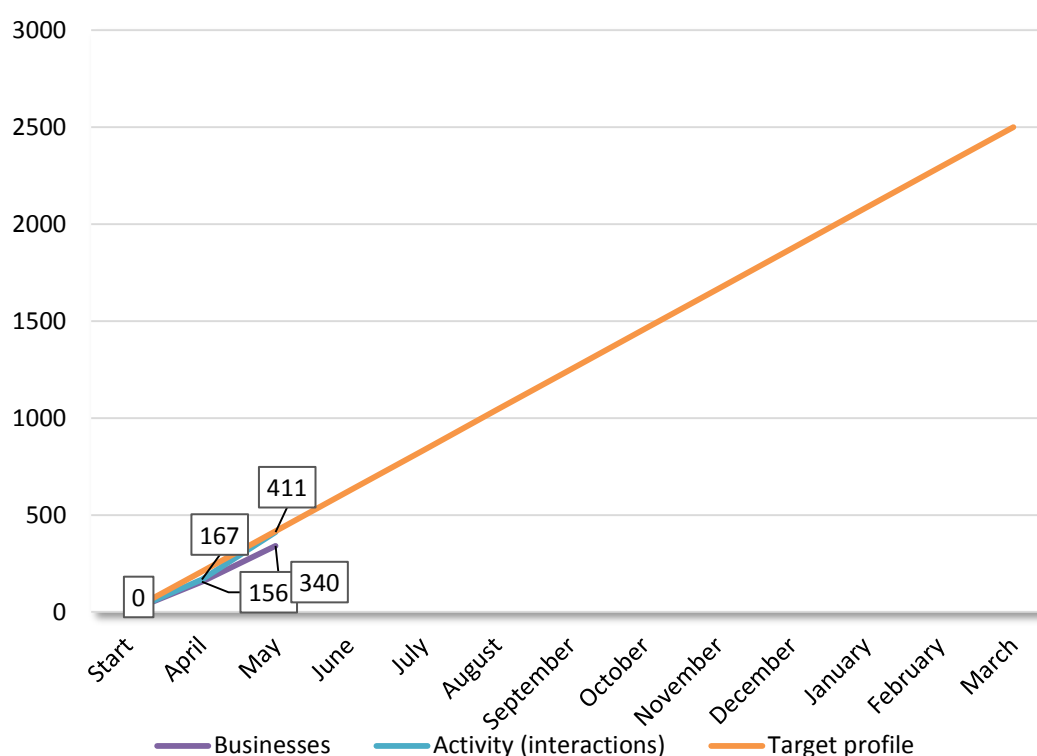


Figure 10: Actual/projected performance against the target of engaging 2500 businesses (Apr 17 – Mar 18).

- 2.3 Enquiries to date into the Gateway are also encouraging and point towards a continued growth trajectory for the year. Of the 340 businesses supported this quarter to date, 71 have contacted the service multiple times leading to a total of 411 enquiries.

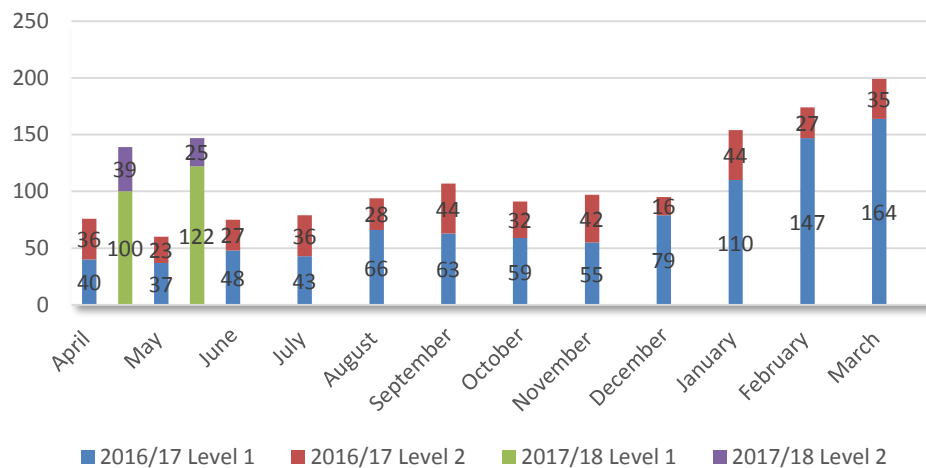


Figure 11: Comparison of enquiries to the Service gateway (Apr/May 16 v Apr/May 17)

- 2.4 May 2017 has also been the busiest month to date for the Gateway, with a 59% increase in enquiries from target clients compared to May 16. Additionally, the number of enquiries in the first two months of Quarter 1 has already surpassed the total number of enquiries compared with the corresponding quarter in 2016 by 26%.

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Director: Sue Cooke, Executive Head of Economic Services
Author: Michelle Burton



Report to: LEP Board
Date: 17 July 2017
Subject: Employment and Skills Panel update

1 Purpose

- 1.1 To provide the LEP Board with an update on the work of the Employment and Skills Panel (ESP);
- 1.2 To seek the LEP's endorsement for delivery agreements with FE colleges in West Yorkshire, which will influence the alignment of activity – including that funded through the Adult Education Budget – with the ambitions set out in the Leeds City Region Employment and Skills Plan.

2 Influencing the Skills System

- 2.1 Since the last meeting, Delivery Agreements have been developed for each of the seven Further Education Colleges in West Yorkshire, setting out individualised and measurable expectations of how Colleges have agreed to work toward LEP and CA priorities for the LCR. Delivery Agreements will influence the full range of college provision and are an important next step in strengthening broader relationships with providers.
- 2.2 Each College has also developed a commentary to be published alongside the Delivery Agreements, setting out the context for the baseline figures and the actions they will put in place to align with LEP and WYCA priorities. At its meeting on 28 June, the Panel endorsed the draft Delivery Agreements.
- 2.3 The draft Delivery Agreements and commentaries are attached to these papers for the LEP Board's comment and endorsement.

3 More and Better Apprenticeships

- 3.1 The Apprenticeship Grant for Employers (AGE) is in its final phase, offering grants for companies who meet the eligibility criteria with a new apprentice starting their learning before 31 July 2017. Registrations for phase 4 opened on 1 January. To mid-April, 700 registrations have been received for Phase 4 and are currently undergoing initial eligibility checks.
- 3.2 The new funding regime as a result of the Apprenticeship reforms and levy is now live. Informal feedback still reflects some confusion in the business world around the

new funding model. The Combined Authority/LEP had planned an extended apprenticeship marketing and promotion campaign to coincide with start of the new of the changes on 1 May. This was, however, temporarily postponed due to the politically restricted period ahead of the General Election. The campaign, #Letstalkrealtraining, has now been launched and builds upon the concepts of the LEP's general business engagement campaign.

4 High Level Technical Education

- 4.1 The LEP/WYCA have carried out research to analyse the pipeline of higher and degree apprenticeship provision against demand. Key messages from the research include that there is a robust Higher and Degree Apprenticeship offer in Management and Leadership but Colleges and Universities are expecting to offer far fewer places on STEM courses. There is a particular risk of under-supply in Manufacturing and Engineering, and Digital skills. The Panel endorsed a recommendation to develop an action plan to set out next steps for developing a robust offer for higher level technical education.
- 4.2 At the Panel's meeting in March 2017, it was noted that a call for bids to develop Institutes of Technology was anticipated. The Panel recommended that one single LCR bid should be put forward with clear strategic fit with LEP priorities.

5 Great Education Connected to Businesses

- 5.1 The Enterprise Adviser Network (EAN) is now working with 134 secondary schools, and over 100 business volunteers have applied to act as Enterprise Advisers. A senior leadership delegation from the Careers and Enterprise Company spent the day in Leeds City Region on Wednesday 7 June meeting with school representatives, employers and partners. They were impressed with the quality of the Network in Leeds City Region, the spirit of partnership working, the passion and commitment of employer volunteers and the professionalism and energy of the Enterprise Coordinators. Officers of the West Yorkshire Combined Authority sought assurances that the Careers and Enterprise Company continued to value the partnership with the LEP and/WYCA and remained committed to a localised approach.
- 5.2 A second grant offer letter has been received offering 100% funding for two additional Enterprise Coordinators to support work in the Opportunity Area of Bradford. The role of the Enterprise Coordinators in Bradford will be to support and challenge all secondary schools to create capacity and develop a progressive entitlement for all learners to have 4 or more employer encounters in their school career. It is anticipated that recruitment of the new posts will commence over the next few months, subject to acceptance of the grant offer letter by the West Yorkshire Combined Authority.
- 5.3 Young people, teachers, employers, parents and partner organisations are being consulted prior to the development of a 12 month careers campaign. The campaign will be launched in the autumn term and will include several phases including a focus

on skills shortage and growth sectors, building upon the current #techgoals campaign and activity. #techgoals is a unique programme intended to enhance the teaching and learning of digital skills in the classroom to ensure our next generation of tech leaders are inspired and informed about the skills they need for future careers opportunities in the City Region.

6 Building Workforce Skills and Attracting Talent

- 6.1 The Skills Service closed for new grant applications on 31 March 2017. All training must be completed by 30 June 2017 and final payments to businesses will be processed by 29 September 2017. An evaluation is underway, focusing on the impact of the Skills Service on businesses' behaviour, productivity and growth.
- 6.2 As of 30 April 2017:
- 3742 enquiries received
 - 2096 skills assessments have been completed
 - 1663 approved applications
 - 9072 people have been upskilled
 - £3.93m value of grants approved
- 6.3 The West Yorkshire Consortium of Colleges has submitted a Full Application to deliver a Skills Service funded through the European Social Fund to 2020. News on the outcome of the application is awaited. In the interim, a contract variation has been agreed with Calderdale College to enable experienced staff to be retained and to focus on:
- keeping the skills service 'brand' warm by continuing to provide skills support to employers;
 - providing a comprehensive training needs and skills planning service that helps businesses to identify skills gaps and skills development needs linked to their business growth plans/objectives;
 - identifying and referring business to appropriate support and funding sources, such as the LEP growth service;
 - providing advisory support to Apprenticeship Levy paying companies to:
 - Provide information on the apprenticeship levy.
 - Work with businesses to develop a 'high level' skills plan which will enable them to look at where apprenticeships may be an option to address skills needs in order to maximise use of their levy pot.

7 Inclusive Growth

- 7.1 As outlined in agenda item 13, the purpose of this work is to ensure that all communities, including the most disadvantaged cohorts, are able to benefit from economic growth. Specific actions for the employment and skills agenda being explored by the Employment and Skills Panel include:

- Ensuring that outcomes for the most disadvantaged groups are tracked and prioritised for improvement in Delivery Agreements, soon to be published with WY Colleges;
- Providing enhanced activity for 6,000 of our most disadvantaged young people through the LEP's Enterprise in Education activity;
- Piloting approaches to in-work progression, supporting people in low paid work and in receipt of means tested benefits to upskill and progress in work;
- Developing a menu of employer "asks" as a condition of grants, for example paying the living wage, engagement with schools, recruitment of apprentices and training lower paid staff;
- Developing an employment model linked to major capital and infrastructure schemes in order to maximise local employment benefits;
- Engaging with businesses to support them to recruit and retain employees with health issues, particularly mental health problems.

Panel Chair: Paul Hamer
Authors: Jacqui Warren



Report to: LEP Board

Date: 19 July 2017

Subject: Green Economy Panel Update

1. Purpose

- 1.1. To provide an update on progress against the Green Economy Panel's (GEP) major projects.

2. Energy Accelerator

- 2.1 The West Yorkshire Combined Authority (WYCA) submitted a revised application for approximately 3.5 million euros to the European Investment Bank's ELENA technical assistance programme. Further clarifications have since been sought from the ELENA Team. WYCA responded to these clarifications on 15 June 2017 and now hope to be in a position whereby the application will be reviewed by the European Investment Bank in July 2017. It is estimated that approval will take up to six weeks.
- 2.2 Subject to a successful application, permission will be sought from the Combined Authority to accept the funding and proceed to set up and launch the Energy Accelerator (EA). Recruitment of staff and suppliers will also re-commence. WYCA hope to be in a position to launch the EA by December 2017.

3. Better Homes Yorkshire

- 3.1 The Better Homes programme launched in March 2015. At the end of the second year of the Programme, 2,480 homes have received energy efficiency or renewable energy measures (747 in Year 2), with a contract value of £11.2m. Almost 75% of the value has been delivered by LCR supply chain, with a further 20% by contractors just outside (i.e. Doncaster). In total 35 different sub-contractors have been awarded work through the programme and 204 jobs have been sustained.
- 3.2 Work has now commenced to improve properties in the Holbeck area of Leeds, this is part of a wider Group Repair scheme; almost 100 properties have now been completed in Bradford, with investment of £850k Local Growth Fund, and £150k match funding (ECO and customer contributions). Wakefield, York, Selby, Harrogate and Craven (Phases 2 and 3) are mobilising; works have commenced in Barnsley and will complete over the summer.

- 3.3 The final phase (Phase 4, £1m) projects have now been developed with Kirklees and Calderdale. Kirklees is a mixed tenure scheme, in partnership with Kirklees Neighbourhood Housing and Kirklees Building Services; 290 hard to treat properties will benefit and is part of a wider KNH investment programme to upgrade the thermal efficiency of 750 'hard to treat' council owned properties in the Deighton/Brackenhall area of Huddersfield. The project in Calderdale will improve 115 hard to treat properties in some of the most deprived areas of the district; privately owned and rented properties will be targeted. The project is part of the Council's £1.4m Affordable Warmth programme which is also providing heating, insulation and energy advice and support for lower income households.
- 3.4 Phase 4 has now been approved by Investment Committee, thus fulfilling a key political aim of delivering a project in every district. Including Phase 4, the total LGF investment in the Tackling Fuel Poverty programme is now £6m, and together with the match funding, the total value is expected to be over £11m.

4. Resource Efficiency Fund (REF)

- 4.1 The REF continues to make good progress.
- 4.2 The following table summarises progress for June

REF Activity	June 2017
Total Business Contacts	164
Businesses Visited	160
Assessments Commissioned	96
Type I/II Assessments Completed	79
Type III Reviews Completed	34
Businesses Completed	24
Grant Application Forms Issued	13
Grants Approved	10
Grants Completed	2

- 4.3 Work is now being focused on efforts to convert visits and assessments into a greater flow of grant applications.

5. District Heat Network (DHN) Programme

- 5.1 The DHN Programme continues to support 15 schemes across the Region. All are at varying stages of development. The most recent work includes energy mapping on 4 schemes in the LCR – Clifton Enterprise Zone; Carlton and Monk Bretton (Barnsley); Squire Lane (Bradford); Southbank, Leeds.

6. Green and Blue Infrastructure Strategy and Delivery Plan

- 6.1 The Strategy was approved by the Board in March 2017, however, temporary resources are been sought from WYCA to complete the Delivery Plan.

7. Zero Carbon Energy Strategy and Delivery Plan

- 7.1 WYCA have secured £49,900 from the BEIS's LEP Energy Strategy fund. In total only 9 LEPs/combined LEPs were successful.
- 7.2 This funding will help determine a clear short and long term approach to meeting the target of achieving a zero carbon energy economy (as set out in Priority 3 of the SEP).
- 7.3 The main outputs from this work will include:
- 1) Refreshed robust energy baseline.
 - 2) Scenarios to understand what the LCR energy economy could look like in 2036 and what we need to begin to deliver now.
 - 3) Technology options appraisal to identify potential / current strengths.
 - 4) Creation of a Delivery Plan that will highlight:
 - Major current / future gaps to focus on delivering
 - New opportunities to explore in terms of clean energy generation, energy efficiency, transport, smart technology / grids
 - Highlight the regions current and future potential (including an evidence base of current strengths and future opportunities to explore with the wider LEP panels in areas such as jobs, skills, training)
 - Draw out key roles and mechanism to deliver the Plan (including key roles for the LEP and WYCA)
- 7.4 It is envisaged that this work will create, for the first time, a coherent, evidenced, strategic delivery plan that will put the LCR in a better position to articulate how it aims to work towards creating a zero carbon energy economy by 2036. In the shorter term (next 10 years) it will also identify what opportunities to target to make the City Region a leading edge centre for zero carbon energy (as per Priority 3 of the SEP).
- 7.5 There has been some slight delays commencing this work. This was due to delays in receiving the grant funding. Work has now commenced creating key project initiation documents, project plans and tender specifications for the research. It is anticipated that a draft Energy Strategy and Delivery Plan will be completed by March 2018.

- 7.6 The York, North Yorkshire and East Riding LEP have also secured this BEIS funding. Work is now underway exploring joint opportunities and to ensure alignment of the strategies and plans.

8. Recommendations

- 8.1 The Board is asked to note progress.

Director: Melanie Corcoran,
Director of Delivery
Authors: Lynn Cooper



Report to: LEP Board

Date: 19 July 2017

Subject: Growth Deal Update

1. Purpose

- 1.1 To update the Board on the current progress on spend and performance on the Growth Deal in 2017/18.

2. Information

Outturn 2016/17

- 2.1 The final outturn (subject to audit) for the Growth Deal 2016/17 is £84.77m. This is lower than the estimate of £85.71m reported to the LEP Board on 17 May 2017 but still represents 98% of the revised forecast.

Expenditure 2017/18

- 2.2 Monthly monitoring of expenditure against profile has now commenced for the 2017/18 financial year. The table below details target expenditure for the year and the first quarter, actual spend and percentage achieved against target.

	Target spend 2017/18	Target Spend Quarter 1	Target Spend Quarter 1	% of 2017/18 target
Priority 1 - Business	£13.52m	£0.59m	£1.85m	14%
Priority 2 - Skills Capital	£29.33m	£3.03m	£0.51m	1.5%
Priority 3 - Environmental Infrastructure	£8.07m	£0.46m	£0.08m	0.1%
Priority 4a - Housing & Regeneration	£3.87m	£0.15m	£0	
Priority 4b - West Yorkshire + Transport Fund	£37.46m	£0.80m	£0	
Priority 4c - Flood Resilience	£2.00m	£0	£0	
Priority 4d - Enterprise Zones	£4.00m	£0	£0	
WYCA Programme Management	£1.90m	£0	£0	
Total	£100.15m	£4.22m	£2.44m	2.4%

- 2.3 In reviewing the table it should be noted that whilst spend on the WYCA internally delivered projects (included in Priorities 1, 3, and 4b) as well as Skills Capital and Housing projects is monitored each month, the partner led WY+TF projects submit quarterly claim forms so spend on these projects can only be updated at the end of each quarter.
- 2.4 The attached Growth Deal Dashboard at **Appendix 1** and Growth Deal Pipeline at **Appendix 2** detail the latest forecast expenditure and provide a RAG rating for each project. Although it is too early in the year to determine how the Growth Deal is performing against its annual target of £100.15m the forecast spend is currently £95.34m, this reduction is due to changes made to forecast expenditure following direct consultation with partner organisations on the spend targets for each project. This shortfall against target will be addressed through changes in project spend during the year and the development of pipeline projects.

Programme and Project Risk

- 2.5 The main risk to the Programme is the failure to achieve the £100.15m profiled expenditure for 2017/18. This risk is carefully monitored through ongoing review of individual projects and RAG rating of each one. The key areas of risk at programme level to the achievement of spend can be summarised as follows:
- New projects in the pipeline which are subject to approval in 2017/18 (either of the full business case at decision point 5 or development costs at decision point 2): total £32.9m. At 33% of total forecast spend this represents the greatest risk to the programme. This must be assessed as a Red risk, mitigation involves ongoing support and additional capacity ensuring that projects are brought forward in accordance with agreed timetables.
 - Slippage of projects currently in delivery e.g. Leeds College of Building. The majority of these projects will only be identified as the Programme progresses. The main mitigation will be to accelerate expenditure on other projects wherever possible.
 - Projects where funding is approved but where legal agreement is not yet signed e.g. Huddersfield Incubation and Innovation Programme. Minimal risk to the overall Programme, whilst this is a Red risk for the project it is only an Amber risk for the Programme.
 - Payment of the second tranche of Growth Deal funding for 2017/18 is subject to achievement of Key Performance Indicators. Whilst all the KPIs are achievable they could be subject to external factors there is minimal option for mitigation. However the KPIs will be closely monitored to identify any issues as early as possible.
- 2.6 A number of individual projects are currently assessed as Red rated, the reasons for these are detailed below:

- **Huddersfield Incubation and Innovation Unit**

Huddersfield University has reported that a change request will be submitted on this project which is likely to come forward for consideration by the Investment Committee at its next meeting in September. Expenditure on this project cannot be achieved until the change request is considered.

- **Energy Accelerator**

A revised application was submitted in May 2017 to the European Investment Bank for the match funding for this project. Following negotiation the funding requested has been reduced from €5.5m to €3.5m. Clarification was requested by the EIB on a number of points, this has now been provided. A decision on the application is expected by the end of July 2017.

- **Leeds District Heat Network**

The Combined Authority agreed conditional approval for additional funding for this project up to £10m subject to receipt of further information and confirmation of business rate income. A revised proposal is due to come forward for consideration through the Assurance process in the Autumn. Leeds City Council has confirmed there will be no expenditure on the project in 2017/18, expenditure will commence in 2018/19.

- **WY+TF Pipeline**

Projects to the value of £21.6m in this financial year are currently included in the WY+TF pipeline, this represents 66% of the total programme pipeline. The majority of this spend relates to three projects: East Leeds Orbital Road £8.5m, A629 Phase 1a £4.5m and Rail Station Car Parks £5.8m.

Key Performance Indicators

- 2.7 At the last meeting it was reported that a number of Key Performance Indicators were in the process of being agreed with the Cities and Local Growth Unit. Discussions are still ongoing to finalise the exact wording and targets of the KPIs, however three of the deadlines have passed or are imminent, progress towards achieving them is detailed in the table below:

Key Performance Indicator	Progress
<p>WYCA is undergoing a One Organisational design process. Business cases for Delivery and Policy and Strategy teams were approved in March / April 2017. These include 8 programme management posts, 11 project definition / development posts and 22 project management posts.</p> <p>KPI 1 - 75% of these posts will be filled by end June. Remaining posts will either be recruited internally or externally appointed by end September.</p>	<p>The restructure of the Delivery Directorate is currently being implemented all internal recruitment through slotting in and ring-fenced posts will be completed by the end of June 2017.</p>

<p>WY+TF - WYCA and project sponsors (LAs) have identified a need for between 20 and 25 FTE posts to accelerate project development and address specific skills gaps. This resource requirement will be met via direct recruitment and, where gaps remain, through recruitment of a strategic partner.</p> <p>KPI 2 – At least 10 appointments will be made, and a decision taken on how to cover remaining gaps (including possible appointment of a strategic partner to provide consultancy support), by end of July. A strategic partner (or equivalent) will be appointed by end of September.</p>	<p>Appointments have been made by a number of individual authorities. Tenders seeking appointment of a recruitment consultant have been received and are currently being evaluated.</p>
<p>WYCA and LAs have identified a need to boost capacity to drive housing and regeneration projects in to full development (ie. beyond initial feasibility/demolition/enabling works).</p> <p>KPI 3 – WYCA and LAs, with the HCA where appropriate, will identify by end June the additional capacity required to accelerate the delivery of housing and regeneration projects (and associated housing and employment outputs). Arrangements to address the identified capacity gap will be in place by end of September.</p>	<p>Capacity needs have been identified.</p>

- 2.8 Progress towards achieving the remaining KPI's is ongoing a further update will be provided at the LEP Board meeting in September.

Outputs and Achievements

- 2.9 The Leeds City Region Growth Deal Programme is now entering its third year of delivery and a number of major projects have either reached completion or will do so in the over the next six months. These include:
- **Wakefield Eastern Relief Road** – the first major WY+TF transport project to be completed, opened on 27 April 2017
 - **Aire Valley Park and Ride** – the second major transport project will be complete and opened this month.
 - Four skills capital projects are due to be formally opened by October: **Selby College (opened 28 June 2017), Bradford College, Leeds City College Printworks and Wakefield College.**
 - A number of station car park extensions are due to commence on site over the summer with **South Elmsall** already on site and due to open in June.
- 2.10 The Growth Deal rounds 1 and 2 has two main output targets to achieve: creation of 10,000 jobs and building 2,000 new homes. Each project within the Growth Deal

must contribute to achievement of these outputs. The table below details the forecast timetable for achievement of these outputs based on the approved projects within the programme:

Jobs created or safeguarded	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /25	Total
Priority 1	225	2,304	663	639	344	317	0	4,492
Priority 2	0	0	5	2	6	24	0	37
Priority 3	0	0	0	1	2	2	10	15
Priority 4 H&R	0	0	100	515	1,787	1,412	300	4,114
Priority 4 WYTF	0	0	1,928	7,143	534	6,110	18,067	33,782
Priority 4 EcRes	0	75	250	175	22,500	0	0	23,000
Total	225	2,379	2,946	8,475	25,173	7,865	18,377	65,439
New homes created	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /25	Total
Priority 4 H&R	0	0	8	88	250	829	911	2,086
Priority 4 WYTF	0	0	0	350	96	2,951	10,058	13,455
Total	0	0	8	438	346	3,780	10,969	15,541

- 2.11 Some projects can demonstrate direct achievement of outputs, to date the Business Growth Programme has created 2,600 jobs (in accordance with the Growth Deal definition). However a number of the projects within the programme will, by their nature, only achieve these outputs indirectly. An example of this is that transport projects will not create sustainable jobs or new homes themselves but will instead open up areas where new jobs and homes will be created. In order to be able to claim these outputs all LEP's have to identify Growth Deal impact sites which are to be mutually agreed with the Government. Note: It is likely that there is some double counting in the figures above as some will be achieved directly and others indirectly, this issue will need to be addressed and will be considered in consultation with partner organisations once the impact areas are agreed.
- 2.12 The opportunity afforded through the agreement of the impact sites will be used to engage in further discussions with the Government to consider a wider acknowledgement of the outputs achieved by the Programme.

3. Recommendations

- 3.1 The LEP Board is recommended to note the report and consider progress made in implementing the Programme and the major risks to full delivery in 2017/18.

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Growth Deal dashboard

Figures accurate up to:	End of May 2017
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Expenditure relates to GD1 & 2 except where specifically noted

2017/18	£100,154,776	Total Outturn Forecast	£95,925,616
Target		Actual	£2,447,620

Project name	Project responsibility	Previous years spend		In-year spend and RAG rating (2017/18)				Future forecast spend			TOTAL spend (actual + forecast)
	Senior Responsible Officer	2015/16	2016/17	Agreed annual allocation	Actual spend to date (May 2017)	Total of actual and forecast	RAG rating	2018/19	2019/20	2020/21	
Business Growth Programme	Sue Cooke	£6,660,742	£8,337,742	£3,001,516	£866,407	£3,001,516	GREEN	£0	£0	£0	£18,000,000
Access to Capital Grants Programme	Sue Cooke	£0	£1,513,095	£1,671,020	£400,000	£1,778,265	GREEN	£4,882,399	£4,252,397	£3,273,844	£15,700,000
Huddersfield Incubation & Innovation Programme	Liz Townes-Andrews	£0	£0	£2,983,986	£0	£2,922,000	RED	£0	£0	£0	£2,922,000
Leeds University Innovation Centre	Ceri Williams	£0	£2,416,585	£613,415	£583,415	£583,415	GREEN	£0	£0	£0	£3,000,000
Priority 1 pipeline	Henry Rigg/David Shepherd			£5,250,000	£0	£3,221,044		£5,907,008	£6,437,480	£6,692,952	£22,258,484
Priority 1: Growing Business		£6,660,742	£12,267,422	£13,519,937	£1,849,822	£11,506,240		£10,789,407	£10,689,877	£9,966,796	£61,880,484
Round 1 - Shipley College Mill	Nav Chohan	£119,000	£0	£0	£0	£0	N/A	£0	£0	£0	£119,000
Round 1 - Leeds City College Printworks	Jane Pither	£933,800	£7,794,608	£270,167	£0	£269,950	GREEN	£0	£0	£0	£8,998,358
Round 1 - Calderdale College	Denise Cheng Carter	£2,000,000	£2,977,000	£0	£0	£0	N/A	£0	£0	£0	£4,977,000
Round 1 - Kirklees College	Ian Webster	£3,000,996	£100,001	£0	£0	£0	N/A	£0	£0	£0	£3,100,997
Round 2a - Wakefield College	John Foster	£0	£3,327,133	£0	£0	£0	N/A	£0	£0	£0	£3,327,133
Round 2a - Selby College	Liz Ridley	£0	£693,748	£0	£0	£0	N/A	£0	£0	£0	£693,748
Round 2a - Shipley College Salt Building	Nav Chohan	£0	£300,000	£0	£0	£0	N/A	£0	£0	£0	£300,000
Round 2a - Bradford College	Andy Welsh	£0	£250,000	£0	£0	£0	N/A	£0	£0	£0	£250,000
Round 2b - Leeds College of Building	Ian Billyard	£0	£1,263,639	£7,886,362	£14,469	£4,930,675	AMBER	£5,555,686	£150,000	£0	£11,900,000
Round 2b - Leeds City College Quarry Hill	Jane Pither	£0	£10,045,152	£14,774,848	£0	£15,466,166	GREEN	£5,884,682	£2,004,000	£0	£33,400,000
Round 2b - Kirklees College Learning Village	Ian Webster	£0	£3,367,457	£6,396,761	£499,242	£7,086,485	GREEN	£634,273	£0	£0	£11,088,215
Priority 2: Skilled People, Better Jobs		£6,053,796	£30,118,737	£29,328,138	£513,710	£27,753,277		£12,074,641	£2,154,000	£0	£78,154,451
Resource Efficiency Fund	Sue Cooke	£0	£0	£323,721	£0	£323,721	GREEN	£251,163	£145,116	£0	£720,000
Energy Accelerator	Colin Blackburn	£0	£0	£490,986	£0	£476,789	RED	£123,211	£0	£0	£600,000
Leeds District Heat Network	David Outram	£0	£8,345	£4,867,923	£0	£0	RED	£6,991,655	£0	£0	£7,000,000
Tackling Fuel Poverty (Phases 1,2,&3)	Colin Blackburn	£0	£781,414	£2,092,200	£84,089	£2,176,289	GREEN	£2,034,497	£0	£0	£4,992,200
Priority 3 pipeline	Colin Blackburn	£0	£0	£300,000	£0	£300,000	N/A	£707,800	£0	£0	£1,007,800
Priority 3: Clean Energy and Economic Resilience		£0	£789,759	£8,074,830	£84,089	£3,276,799		£10,108,326	£145,116	£0	£14,320,000
East Leeds Housing Growth - Red Hall	Martin Farrington	£2,000,000	£2,000,000	£0	£0	£0	N/A	£0	£0	£0	£4,000,000
East Leeds Housing Growth – Brownfield Sites	Martin Farrington	£0	£1,100,000	£0	£0	£0	N/A	£0	£0	£0	£1,100,000
Halifax Town Centre (Northgate House)	Mark Thompson	£300,000	£0	£0	£0	£0	N/A	£1,000,000	£0	£0	£1,300,000
One, City Park, Bradford	Steve Hartley	£400,000	£0	£0	£0	£0	N/A	£1,600,000	£2,200,000	£1,000,000	£5,200,000
Barnsley Town Centre	David Shepherd	£1,757,000	£0	£0	£0	£0	N/A	£0	£0	£0	£1,757,000
Kirklees Housing sites	Naz Parker	£200,000	£205,000	£104,000	£0	£104,000	GREEN	£191,000	£300,000	£0	£1,000,000
Bath Road, Leeds	Martin Farrington	£580,000	£0	£0	£0	£0	N/A	£0	£0	£0	£580,000
Bradford Odeon	Steve Hartley	£0	£0	£0	£0	£0	N/A	£325,000	£0	£0	£325,000
Forge Lane, Kirklees	Paul Kemp	£0	£0	£0	£0	£0	N/A	£4,620,000	£0	£0	£4,620,000
York Central	Neill Ferris	£0	£1,421,500	£1,128,500	£0	£1,128,500	GREEN	£0	£0	£0	£2,550,000
Wakefield Civic Quarter	Andy Wallhead	£0	£0	£1,085,000	£0	£1,085,000	GREEN	£15,000	£0	£0	£1,100,000
York Guildhall	Neill Ferris	£0	£791,500	£1,556,000	£0	£1,556,000	GREEN	£0	£0	£0	£2,347,500
Priority 4 H&R pipeline	See pipeline sheet	£0	£0	£0	£0	£195,000	N/A	£6,105,435	£2,011,437	£5,000,000	£13,311,872
Priority 4a: Housing and Regeneration		£5,237,000	£5,518,000	£3,873,500	£0	£4,068,500		£13,856,435	£4,511,437	£6,000,000	£39,191,372
Wakefield Eastern Relief Road	Neil Rodgers	£15,284,765	£14,435,236	£0	£0	£0	N/A	£0	£0	£0	£32,019,001
		£0									£0
Aire Valley Park and Ride	Gary Bartlett	£0	£5,950,649	£3,123,453	£0	£3,099,679	GREEN	£0	£0	£0	£9,050,328
		£0									£0

Wakefield City Centre - Phase 1 Kirkgate	Neil Rodgers	£0	£76,972		£0	£0	£4,450,000	GREEN	£0	£0	£0	£4,526,972
		£0										£0
South Elmsall Rail Car Parking Extension	Kate Thompson	£0	£120,000		£0	£0	£0	GREEN	£0	£0	£0	£120,000
		£0										£0
Priority 4 WYTF pipeline	Development	£2,739,455	£5,583,889		£34,334,918	£0	£14,863,645	RED	£3,609,500	£2,112,000	£1,315,000	£30,223,489
	Delivery	£0	£0				£18,349,032		£104,452,959	£185,270,752	£156,107,532	£464,180,275
Priority 4b (WYTF) WYCA Delivery Costs	Kate Thompson	£1,570,197	£1,354,748		£0	£0	£1,382,847	N/A	£1,377,675	£1,530,717	£1,900,000	£9,116,184
Priority 4b: Transport		£19,594,417	£27,521,495		£37,458,371	£0	£42,145,203		£86,338,885	£62,840,750	£42,459,250	£280,900,000
Mytholmroyd Flood Alleviation (GD3)	Adrian Gill	£0	£2,500,000		£0		£0	N/A	£0	£0	£0	£2,500,000
Leeds Flood Alleviation (GD3)	Martin Farrington	£0	£3,786,981		£0		£0	N/A	£0	£0	£0	£3,786,981
Skipton Flood Alleviation (GD3)	Adrian Gill	£0	£1,500,000		£0		£0	N/A	£0	£0	£0	£1,500,000
Priority 4c: Pipeline	Adrian Gill				£2,000,000	£0	£2,000,000	AMBER	£3,500,000	£4,500,000	£2,200,000	£12,200,000
Priority 4c: Flood Resilience		£0	£7,786,981		£2,000,000		£2,000,000		£3,500,000	£4,500,000	£2,200,000	£19,986,981
Priority 4d: Pipeline	Colin Blackburn				£4,000,000		£4,000,000	AMBER	£5,000,000	£5,000,000	£6,000,000	£20,000,000
Priority 4d: Enterprise Zone					£4,000,000		£4,000,000		£5,000,000	£5,000,000	£6,000,000	£20,000,000
WYCA Delivery costs - non Tranport		£475,122	£765,373		£1,900,000	£0	£1,175,598	N/A	£0	£0	£0	£2,416,093
Total Growth Deal expenditure		£38,021,077	£84,767,767		£100,154,776	£2,447,620	£95,925,616		£141,667,694	£89,841,180	£66,626,046	£516,849,381

West Yorkshire Transport Fund pipeline

Last updated		Figures accurate up to end of May 2017
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Project name	Senior Responsible Officer		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL to March 2021
Transport projects at Stage 2 that will commence in 2017/18									
A629 Phase 1a: Jubilee Road to Free School Lane & monitoring	Mark Thompson	Development costs	£160,000	£1,442,043	£708,000	£0	£0	£0	£2,310,043
		Delivery costs	£0	£0	£3,868,152	£3,258,750			£7,126,902
Fitzwilliam Country Park and Rail Car Park	Neil Rodgers	Development costs	£0	£0	£0	£0	£0	£0	£0
		Delivery costs	£0	£0	£582,332	£0	£0	£0	£582,332
Leeds ELOR and North Leeds Outer Ring Road	Gary Bartlett	Development costs	£929,199	£1,554,106	£1,262,452	£313,000	£10,000	£0	£4,068,757
		Delivery costs	£0	£0	£7,237,548	£27,646,000	£27,000,000	£14,814,000	£76,697,548
Leeds Station Gateway - New station Street	Liz Hunter	Development costs	£0	£41,036	£106,500	£0	£0	£0	£147,536
		Delivery costs	£0	£0	£591,000	£1,000,000			£1,591,000
UTMC (formerly HNEP)	Richard Hadfield (Kirklees)	Development costs	£0	£29,011	£130,030	£100,000	£0	£0	£259,041
		Delivery costs	£0	£0	£250,000	£1,550,000	£2,000,000		£3,800,000
Rail Parking Package - Hebden Bridge	Melanie Corcoran	Development costs	£0	£0	£0	£0	£0	£0	£0
		Delivery costs	£0	£0	£615,000	£615,000	£0	£0	£1,230,000
Rail Parking Package - Mytholmroyd	Melanie Corcoran	Development costs	£0	£0	£0	£0	£0	£0	£0
		Delivery costs	£0	£0	£1,820,000	£1,820,000	£0	£0	£3,640,000
Rail Parking Package - Shipley	Melanie Corcoran	Development costs	£0	£0	£0	£0	£0	£0	£0
		Delivery costs	£0	£0	£1,275,000	£1,275,000	£0	£0	£2,550,000
Rail Parking Package - Steeton and Silsden	Melanie Corcoran	Development costs	£0	£0	£0	£0	£0	£0	£0
		Delivery costs	£0	£0	£1,265,000	£1,265,000	£0	£0	£2,530,000
Rail Parking Package - Mirfield	Melanie Corcoran	Development costs	£0	£0	£0	£0	£0	£0	£0
		Delivery costs	£0	£0	£845,000	£845,000	£0	£0	£1,690,000
Rail Parking Package - Normanton	Melanie Corcoran	Development costs	£0	£0	£0	£0	£0	£0	£0
		Delivery costs	£0	£0	£0	£1,440,000	£0	£0	£1,440,000
Aire Valley, Leeds Integrated Transport Package - Phase 1: Aire Valley D&R	Gary Bartlett	Development costs	£277,672						
		Delivery costs	£0						
Wakefield City Centre Package Phase 1 Kirkgate	Neil Rodgers	Development costs	£72,878						
		Delivery costs	£0						
TOTALS			£1,439,749	£3,066,196	£20,556,014				
Transport projects at Stage 2 that will commence post 2017/18									
Bradford Interchange Station Gateway	Julian Jackson	Development costs	£25,000	£20,838	£12,187	£0	£0	£0	£58,025
		Delivery costs	£0	£0	£0			£14,305,000	£14,305,000
Bradford FS Station Gateway	Julian Jackson	Development costs	£20,000	£116,717	£1,093,915	£0	£0	£0	£1,230,632
		Delivery costs	£0	£0	£0	£1,283,700	£11,553,300		£12,837,000
A650 Tong Street	Julian Jackson	Development costs	£0	£21,038	£100,023				£121,061
		Delivery costs	£0	£0	£0	£1,000,000	£2,000,000	£3,030,000	£6,030,000
Bradford to Shipley Corridor	Julian Jackson	Development costs	£30,000	£5,011	£301,000	£0	£0	£0	£336,011
		Delivery costs	£0	£0	£0		£4,311,000	£23,916,000	£28,227,000
Harrogate Road New Line	Julian Jackson	Development costs	£146,399	£15,601	£500,000	£0	£0	£0	£662,000
		Delivery costs	£0	£0	£0	£2,757,000	£1,035,000		£3,792,000
A650 Hard Ings Road - Phase 1: Hard Ings Road Only	Julian Jackson	Development costs	£137,628	£301,133	£204,701	£0	£0	£0	£643,462
		Delivery costs	£0	£0	£0	£3,800,000	£2,547,000	£30,000	£6,377,000
SE Bradford Access Rd	Julian Jackson	Development costs	£0	£0	£91,000	£0	£0	£0	£91,000
		Delivery costs	£0	£0	£0				£0
Halifax Station Gateway	Mark Thompson	Development costs	£156,738	£44,171	£0	£0	£0	£0	£200,909
		Delivery costs	£0	£0	£0		£1,870,962	£7,483,848	£9,354,810
A629 Halifax to Huddersfield Corridor improvements monitoring	Mark Thompson	Development costs	£0	£0	£0	£0	£0	£0	£0
		Delivery costs	£0	£0	£0				£0
A629 Phase 1b: Elland Wood Bottom to Jubilee Road	Mark Thompson	Development costs	£169,994	£198,719	£1,200,000	£0	£0	£0	£1,568,713
		Delivery costs	£0	£0	£0	£9,200,309	£8,275,399		£17,475,708
A629 Phase 2a: Eastern Gateway & Station Access improvements	Mark Thompson	Development costs	£44,591	£280,192	£1,881,724	£0	£0	£0	£2,206,507
		Delivery costs	£0	£0	£0		£5,596,000		£5,596,000
A629 Phase 2b: Northern gateway and Bus Interchange/Hubs	Mark Thompson	Development costs	£4,310	£0	£0	£0	£0	£0	£4,310
		Delivery costs	£0	£0	£0	£1,407,000	£9,621,500	£9,261,500	£20,290,000
A629 Phase 2c: Southern and Western Gateways	Mark Thompson	Development costs	£5,460	£0	£0	£0	£0	£0	£5,460
		Delivery costs	£0	£0	£0	£2,000,000	£5,000,000	£2,531,000	£9,531,000
A629 Phase 4: Ainley Top	Mark Thompson	Development costs	£0	£51,736	£150,000	£0	£0	£0	£201,736
		Delivery costs	£0	£0	£0		£10,000,000		£10,000,000
A641 Bradford - Huddersfield Corridor	Mark Thompson	Development costs	£0	£60,829	£125,000	£0	£0	£0	£185,829
		Delivery costs	£0	£0	£0	£10,000,000	£11,000,000	£15,000,000	£36,000,000
Huddersfield Station Gateway	Richard Hadfield	Development costs	£27,615	£22,385	£0	£0	£0	£0	£50,000
		Delivery costs	£0	£0	£0		£5,000,000		£5,000,000
A653 Leeds to Dewsbury Corridor (M2D2L)	Richard Hadfield	Development costs	£0	£59,261	£160,000	£0	£0	£0	£219,261
		Delivery costs	£0	£0	£0	£2,000,000	£10,500,000		£12,500,000
M62 Junction 24a	Richard Hadfield	Development costs	£0	£12,976	£35,000	£0	£0	£0	£47,976
		Delivery costs	£0	£0	£0		£18,500,000		£18,500,000
A62 and A644 Corridors incorporating Cooper bridge	Richard Hadfield	Development costs	£110,000	£15,000	£0	£0	£0	£0	£125,000
		Delivery costs	£0	£0	£0	£10,395,000	£10,395,000	£20,790,000	£41,580,000
Wakefield City Centre Package Phase 2 Ings Road	Neil Rodgers	Development costs	£0	£0	£270,000	£0	£0	£0	£270,000
		Delivery costs	£0	£0	£0		£3,017,000	£15,000	£3,032,000
Glasshoughton Southern Link Road	Neil Rodgers	Development costs	£80,000	£0	£466,123	£0	£0	£0	£546,123
		Delivery costs	£0	£0	£0	£3,192,000	£2,433,000		£5,625,000
Castleford Station Gateway	tbc	Development costs	£0	£20,329	£266,083	£0	£0	£0	£286,412
		Delivery costs	£0	£0	£0	£1,485,000	£1,485,000	£730,000	£3,700,000
Castleford Growth Corridor Scheme	Neil Rodgers	Development costs	£67,000	£73,917	£0	£0	£0	£0	£140,917
		Delivery costs	£0	£0	£0	£11,750,000	£10,000,000		£21,750,000
Leeds Station Gateway - Yorkshire Hub	Liz Hunter	Development costs	£0	£54,468	£95,000	£115,000	£95,000	£95,000	£454,468
		Delivery costs	£0	£0	£0				£0
A65-LBIA Link Road	Gary Bartlett	Development costs	£8,688	£266,812	£1,084,134	£0	£0	£0	£1,359,634
		Delivery costs	£0	£0	£0	£1,468,200	£1,583,616	£2,270,086	£5,321,902
Leeds City Centre Network and Interchange Package	Gary Bartlett	Development costs	£31,337	£278,000	£1,366,000	£651,500	£717,000	£0	£3,043,837
		Delivery costs	£0	£0	£0			£3,998,986	£3,998,986
Thorpe Park Station	Liz Hunter	Development costs	£0	£3,382	£190,000	£285,000	£0	£0	£478,382
		Delivery costs	£0	£0	£0			£5,000,000	£5,000,000
A6110 Leeds Outer Ring Rd	Gary Bartlett	Development costs	£0	£0	£286,000	£0	£0	£0	£286,000

		Delivery costs	£0	£0	£0				£0
Rail Parking Package - Programme	Melanie Corcoran	Development costs	£108,336	£409,181	£335,773	£0	£0	£0	£853,290
		Delivery costs	£0	£0	£0				£0
Parking extensions at Rail Stations (PEARS)	Melanie Corcoran	Development costs	£0	£137,997	£0	£0	£0	£0	£137,997
		Delivery costs	£0	£0	£0				£0
York Central Access	Neil Ferris	Development costs	£0	£0	£930,000	£1,050,000	£120,000	£0	£2,100,000
		Delivery costs	£0	£0	£0		£10,000,000	£20,894,000	£30,894,000
York Northern Outer Ring Road	Neil Ferris	Development costs	£0	£0	£1,040,000	£470,000	£470,000	£420,000	£2,400,000
		Delivery costs	£0	£0	£0	£2,000,000	£8,000,000	£10,000,000	£20,000,000
A629 Phase 5 - Ainley Top into Huddersfield	Richard Hadfield	Development costs	£52,000	£48,000	£98,000	£0	£0	£0	£198,000
		Delivery costs		£0			£2,546,975	£2,038,112	£4,585,087
TOTALS			£1,225,096	£2,517,693	£12,281,663				
TOTAL development costs			£2,739,455	£5,583,889	£14,863,645	£3,609,500	£2,112,000	£1,315,000	£30,223,489
TOTAL delivery costs			£0	£0	£18,349,032	£104,452,959	£185,270,752	£156,107,532	£464,180,275
GRAND TOTAL			£2,739,455	£5,583,889	£33,212,677	£108,062,459	£187,382,752	£157,422,532	£494,403,764

Director: Rob Norreys, Director of Policy,
Strategy and Communications
Authors: Caroline Allen and Julie Haigh



Report to: LEP Board

Date: 19 July 2017

Subject: Governance Update

1. Purpose

- 1.1 The purpose of this report is to update the LEP Board in relation to the steps that have been taken in respect of the LEP Panels since the last Board meeting when the proposal to integrate the Panels into the West Yorkshire Combined Authority (WYCA) decision making structure was agreed.
- 1.2 The report also considers the matter of future recruitment to potential forthcoming private sector vacancies on the LEP Board, the Panels and the Transport Committee and starts to map out an approach to undertaking this exercise.

2. Information / Update

- 2.1 Since 17 May when the LEP Board agreed that the LEP Panels become advisory committees and sub-committees of WYCA the proposal was subsequently approved by WYCA at its annual meeting of WYCA on 29 June. The advisory committees will come into effect from 1 September 2017. The terms of reference of the Panels have been revised to provide consistency in language and approach but the revisions are not intended to change the scope of the respective Panels remit in any substantive form and were approved at the annual meeting.
- 2.2 The current membership has effectively been rolled over to the new arrangements with the exception of a small number of representatives who have indicated at this point that they do not wish to transfer. All Panels have now had a governance paper on their most recent agenda with a legal officer in attendance to speak to the report and answer any questions. In addition, private sector representatives have each been written to individually and been provided with guidance and information to assist the transition and the feedback has been that Panel members have found this has been helpful to them.
- 2.3 In terms of next steps, a seminar for new WYCA members is scheduled to take place on 31 July and all new Panel members will be invited to that. In September each voting member will be contacted to complete their register of interests form. Contact details of the Monitoring officer and other key officers will be provided to enable members to discuss or clarify any issues when completing this.

3. Recruitment

- 3.1 A number of long standing Members have recently advised that commitments elsewhere mean they will be stepping down in the coming months. In light of any further declarations of Members stepping down it is considered an opportune time to carry out a full refresh of the LEP Board and WYCA advisory committees and therefore a review of the membership of these will take place over the Summer with a view to refreshing them during the Autumn.
- 3.2 In advance of the proposed review, the recent activity to transition the Panels to Advisory Committees has highlighted various sector shortages that should be addressed as we develop our Local Inclusive Growth Industrial Strategy.
- 3.3 It is therefore proposed that, as in previous rounds of recruitment and to ensure an open and fully transparent process, Members, Chief Executives and business intermediary partners are encouraged to share this opportunity with their networks in order to maximise interest from the widest possible backgrounds. The opportunity will also be openly advertised to draw new Members and ensure that, amongst other factors, the Diversity and Equality process is adhered to.
- 3.4 It is also proposed that a selection panel should be formed to consider individuals who express an interest. The LEP Chair will sit on this panel with key officer involvement throughout the process, however we are keen to seek your views on other appropriate private and public sector representatives. Should no suggestions be received then this decision will be made by the LEP Chair.
- 3.5 Following the conclusion of this recruitment process, nominations for the advisory committees and for the vacant private sector representative on the Transport Committee will be brought to the LEP Board for their recommendation to the Combined Authority.
- 3.6 Beyond the immediate recruitment needs it has been become evident that an “ongoing refresh programme” tasked purely for this purpose is required. This will conduct timely reviews and any necessary refresh as and when appropriate.

4. Recommendations

- 4.1 The LEP Board is asked to:
- (i) note the update re the LEP Panels;
 - (ii) note and provide any comments on the proposed LEP Board and WYCA Advisory Committees refresh to take place over the next few months;
 - (iii) assist in utilising their networks to attract new Members; and
 - (iv) offer suggestions of individuals to form the selection panel alongside the LEP Chair.

Director: Rob Norreys, Director of Policy, Strategy and Communications
Author: James Hopton



Report to: LEP Board
Date: 19 July 2017
Subject: Economic Reporting

1 Purpose

- 1.1 To provide an update on the latest economic and business intelligence for the Board.

2 Information

- 2.1 This report and the attached economic update and dashboard are based on the latest available economic and business intelligence information at the time of writing.

- 2.2 The main national and international economic developments since the last Board meeting include:

- The latest Economic Outlook from the OECD points to a modest acceleration in global growth, from 3% in 2016 to 3.5% in 2017.
- Whilst most developed economies are expected to follow global trends, the OECD forecasts UK growth to slow to 1.6% this year and 1% in 2018. This is broadly in line with their previous forecast, though growth this year is now expected to be 0.1% lower.
- The number of people in work in the UK continues to rise, with 109,000 more people employed in the three months to April than the preceding three months and the employment rate at a record high of 74.8%.
- Inflation reached 2.7% in May – its highest level for five years, whilst regular pay growth has fallen to 1.7%, its lowest level since the start of 2015. As such, incomes are declining in real terms.

- 2.3 For Leeds City Region and Yorkshire & Humber, headlines include:

- The number of new business bank accounts opened so far in 2017 is an almost identical figure to 2016. New business account activity has outstripped the national average so far this year.
- Employment in Yorkshire & Humber increased by 14,000 in the three months to April, taking the region's employment rate to 73.5% up from 72.2% a year ago.
- Exports from Yorkshire & Humber increased by 6.2% in Q1 2017, the fastest increase of any English region and outpacing overall UK growth of 1.6%. The value of goods exported from the region was at its highest level in a single quarter for over 4 years.

- Business activity in Yorkshire & Humber accelerated in May according to the Markit/Lloyds Bank Regional PMI. The region outperformed the national picture and other Northern regions.

3 Recommendations

- 3.1 The LEP Board is asked to note the analysis presented in the economic update and dashboard and consider how this relates to the work of the LEP and its strategy.

ECONOMIC UPDATE: LEEDS CITY REGION, JULY 2017

Key points at glance

This report presents the latest assessment of the Leeds City Region economy. It sets out the recent developments in the world's leading economies, along with trends and forecasts for global growth. It analyses the recent economic performance of the UK, before considering in more detail the latest developments in Leeds City Region.

National and international headlines

- The latest Economic Outlook from the OECD points to a **modest acceleration in global growth**, from 3% in 2016 to 3.5% in 2017. Global trade is picking up and investment is increasing, though productivity and wage growth remains subdued particularly in developed nations.
- Whilst most developed economies are expected to follow global trends, the **OECD forecasts UK growth to slow to 1.6% this year and 1% in 2018**. This is broadly in line with their previous forecast, though growth this year is now expected to be 0.1% lower.
- Markets have fluctuated in recent times with uncertainty increasing after the inconclusive general election outcome. Weak consumer data has contributed to the economic slowdown.
- The **number of people in work continues to rise**, with 109,000 more people employed in the three months to April than the preceding three months and the employment rate at a record high of 74.8%
- Inflation reached 2.7% in May – its highest level for five years, whilst regular pay growth has fallen to 1.7%, its lowest level since the start of 2015. As such, **incomes are declining in real terms**.
- Average house prices are continuing to grow nationally, although have levelled off to an extent in the last year. **Nationally, average house prices are now 8 times higher than average earnings**

Key City Region and local developments

- The number of new business bank accounts opened so far in 2017 is an almost identical figure to 2016. **New business account activity has outstripped the national average so far this year.**
- **Employment in Yorkshire & Humber increased by 14,000 in the three months to April**, taking the region's employment rate to 73.5% up from 72.2% a year ago.
- **Exports from Yorkshire & Humber increased by 6.2% in Q1 2017, the fastest increase of any English region** and outpacing overall UK growth of 1.6%. The value of goods exported from the region was at its highest level in a single quarter for over 4 years.
- **Business activity in Yorkshire & Humber accelerated in May** according to the Markit/Lloyds Bank Regional PMI. The region outperformed the national picture and other Northern regions.
- The **mean house price paid in the City Region stood at £188,000 at the end of 2016, up 3.7% on a year earlier.**
- House prices in **most areas of Leeds City Region are more affordable to local residents** than in the country as a whole. As with the national picture, affordability has been an increasing issue in recent years.

Key conclusions and outlook

- The fact that labour market expansion is now being driven by the creation of full-time positions suggests that the **degree of slack in the labour market is lessening**, and issues that have been apparent since the crash, such as underemployment and weak productivity growth may beginning to ease.
- The **divergence between wage growth and inflation is accelerating**. This is one of a number of factors which now appears to be weighing on consumer confidence, along with the uncertainty created by the UK general election outcome. Concerns have been heightened by the falling savings ratio, which suggests that consumers are using savings and cheap, readily available credit to sustain spending, and have little spare capacity to cope with increasing costs.
- The **Bank of England is increasingly concerned about rising inflation**, which is now far outstripping the official 2% target. This led to the most significant split at the Bank over whether to increase interest rates since 2011.
- Official and other data emphasises that **Leeds City Region has strong existing trade relationships outside of Europe** – particularly with the US, which is a major market for the City Region's key export commodities such as medicine and pharmaceuticals. These strengths emphasise the important role the City Region is already playing in expanding trade beyond the EU.

These issues are explored in greater detail in the remainder of this document.

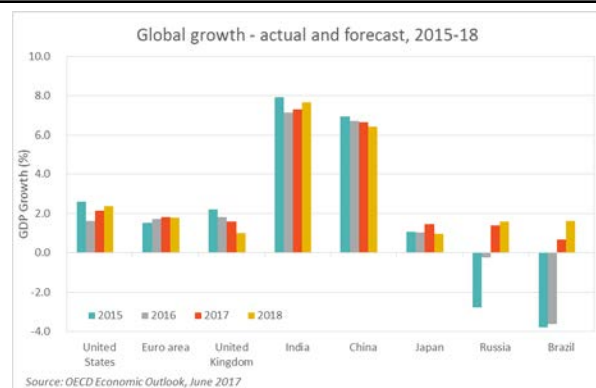
ECONOMIC UPDATE: LEEDS CITY REGION, JULY 2017

Introduction

- This report presents the latest assessment of the Leeds City Region economy. It sets out the recent developments in the world's leading economies, along with trends and forecasts for global growth. It analyses the recent economic performance of the UK, before considering in more detail the latest developments in Leeds City Region.
- New data available includes updated global economic forecasts from the OECD, whilst new official UK data is available on the labour market to April 2017, and inflation and international trade to May 2017. Survey data also provides an update on business sentiment.
- For Leeds City Region, data on business bank accounts is available up to May, whilst further data is available on regional and sub-regional international trade. Analysis of the City Region housing market is also presented.

Global context and forecasts

- The latest Economic Outlook from the OECD points to a modest acceleration in global growth, from 3% in 2016 to 3.5% in 2017. Global trade is picking up and investment is increasing, though productivity and wage growth remains subdued particularly in developed nations.
- Whilst most developed economies are expected to follow global trends, the OECD forecasts UK growth to slow to 1.6% this year and 1% in 2018, with real incomes continuing to be squeezed by high inflation and low wage growth.
- In the USA, job creation slowed in May but was still sufficient to take the country's unemployment rate to a 16 year low. The country's manufacturing sector continues to grow at a recent pace, although expansion has slowed from its recent high. This solid data has contributed to US authorities planning to begin easing the support provided to the economy since the banking crisis in 2008. The IMF has however downgraded its outlook for the US, citing concerns about the impact of recent budget proposals.
- The Eurozone recovery continues to gather pace, with French GDP revised up, and job creation at its highest level since the financial crash. Private sector growth across the single currency area has expanded at the fastest pace in six years, according to Markit's PMI survey, whilst an IFO survey of business confidence in Germany reached a new record high.
- Elsewhere, China has continued to grow at a strong pace, with analysts expecting growth of 6.7% in Q2 compared to a year earlier, down only marginally on Q1. In India, growth slowed markedly in Q1, a move largely attributed to demonetisation moves by the government. The country's longer term outlook remains positive, however.
- Currency markets have seen a high degree of fluctuation in recent weeks. Sterling fell sharply after the inconclusive UK election, but has since recovered amid suggestions that the Bank of England could increase interest rates. The IMF's downgrade of the US outlook has led to small falls in the dollar, whilst the Euro has strengthened following French elections and positive data for the Eurozone economy.
- Oil prices have fallen in recent weeks, with output outstripping demand. Prices are now around 20% lower than at the start of 2017. Commodity prices more generally are down around 7% since the start of the year, with some foodstuffs also falling in price.



Global economy summary: The Eurozone recovery continues to gather pace, led by high levels of optimism in France and Germany. Global growth is expected to similarly strengthen over the second half of the year, though there are doubts about how proposed reforms in the US may impact the economy, and falling commodity prices are a risk for emerging nations.

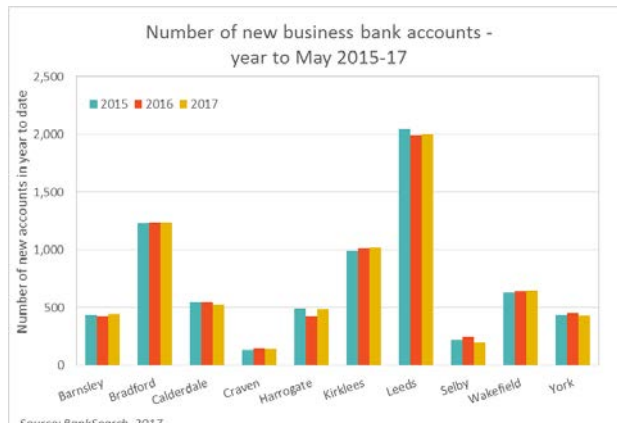
UK economic performance

Indicator	Latest position	Chart	Trend
Economic headlines	<p>UK GDP growth has been confirmed at to 0.2% in Q1 2017, its lowest level since the start of 2016 and a slowdown from 0.7% in Q4 2016. The service sector was the only area of the economy to record growth in Q1, up 0.2%. Output from production and construction was largely flat.</p> <p>Markets have fluctuated in recent times with uncertainty about the UK's approach to Brexit increasing after the inconclusive general election outcome. Weak consumer data has also increased fears that the economy is slowing.</p>	<p>UK GDP growth - 2007-17</p> <p>Source: Office for National Statistics, 2017</p>	
Confidence and sentiment	<p>Data from the Markit/CIPS PMI surveys suggests business activity continued to expand in June. Though the pace of expansion slowed for manufacturing, construction and service sector firms, it remained in positive territory. Concerns over input prices remain elevated but have eased recently.</p> <p>An Institute of Directors survey immediately after the general election found a sharp fall in confidence among IoD members with 57% pessimistic about the UK outlook, up from 37% a month earlier.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-17</p> <p>Source: Markit/CIPS PMIs, 2016-17</p>	
Labour market	<p>The number of people in work continues to rise, with 109,000 more people employed in the three months to April than the preceding three months. The employment rate is at a record high of 74.8%. 427,000 more people are working full-time than a year ago, whilst the number working part-time has declined by 54,000.</p> <p>Unemployment has fallen by 50,000 over the past three months, to 1.53 million. The unemployment rate of 4.6% is also a record low.</p>	<p>UK employment growth, 2008-17</p> <p>Source: Office for National Statistics, 2017</p>	
Trade and exports	<p>Growth in the volume of retail sales slowed to 0.6% in the three months to May. This slowdown is emphasised by a 1.2% fall in sales between April and May, whilst year on year growth is at its lowest level since 2013.</p> <p>The UK's trade deficit (the difference between exports and imports) widened to £8.6bn in the three months to April, compared to a deficit of £6.9bn in the preceding three months. Service sector exports declined, whilst some goods imports increased.</p>	<p>UK balance of trade - 2007-17</p> <p>Source: UK Trade, ONS 2017</p>	
Inflation and wages	<p>Inflation reached 2.7% in May – its highest level for five years. Increasing costs for food, energy and recreational goods all contributed to the increase.</p> <p>Regular pay growth has fallen to 1.7%, its lowest level since the start of 2015. As such, incomes are declining in real terms and are expected to continue to do so in the near term with inflation forecast to exceed 3%.</p>	<p>Wage growth and inflation, 2008-17</p> <p>Source: Office for National Statistics, 2017</p>	

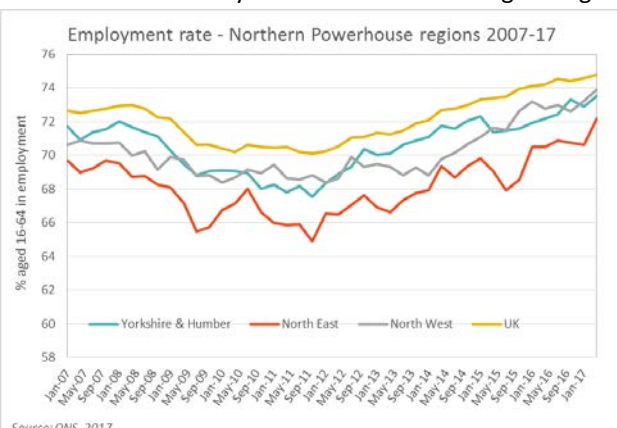
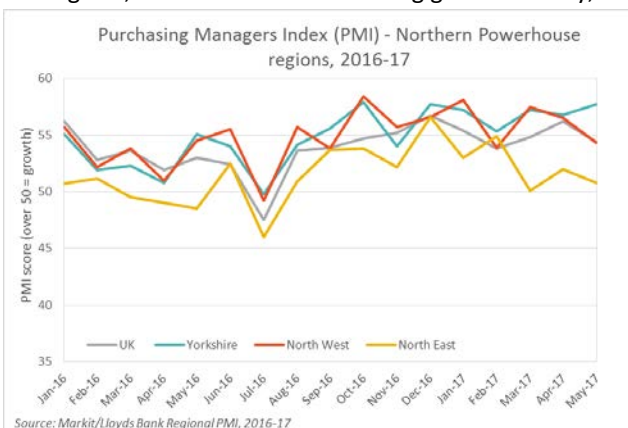
UK economy summary: The employment picture remains healthy in the UK, and businesses report that activity continues to expand at a solid pace. Recent growth has largely been driven by consumer spending, though high inflation, lower wage growth and uncertain post-general election appear to be weighing on consumer confidence.

Leeds City Region – Business Performance and Labour Market

- The number of new business bank accounts opened in Leeds City Region rebounded in May. 1,440 new accounts were opened in May, broadly in line with May 2016 and up 11.5% from April's low. 7,150 new accounts have been opened in Leeds City Region so far in 2017, an almost identical figure to 2016. This compares to a 2.5% fall in new accounts opened nationally, and ranks the City Region 8th out of 38 LEPs.
- At district level, Harrogate (+15.8%), and Barnsley (3.5%) have seen the fastest increases so far this year, whilst the number of new accounts is down on last year in Calderdale, Craven, Selby and York.



- Business activity in Yorkshire & Humber accelerated in May according to the Markit/Lloyds Bank Regional PMI. The region's PMI of 57.7 is above the UK reading of 54.4, suggesting activity expanding at a more rapid pace locally than nationally (a reading of above 50 represents growth). The Yorkshire & Humber PMI is higher than other northern regions, each of which saw slowing growth in May, and Yorkshire is second only to East Midlands among UK regions.



- Employment in Yorkshire & Humber increased by 14,000 in the three months to April, taking the region's employment rate to 73.5% up from 72.2% a year ago. The rate is below that of the UK (74.8%), but higher than the North East (72.2%) and similar to the North West (73.9%).

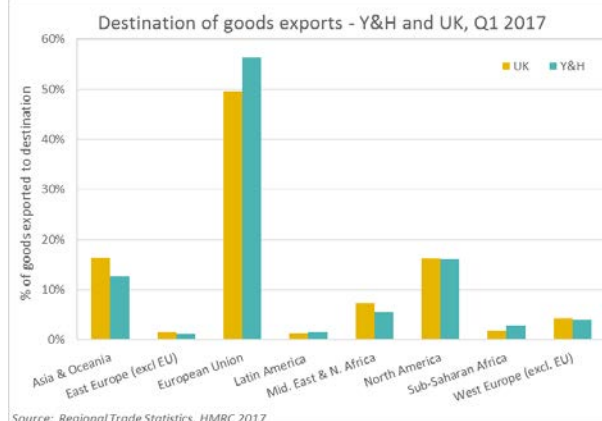
Summary: Business activity in Leeds City Region remains solid, with new business bank accounts suggesting business formation is on a par with the same period in recent years. The Yorkshire & Humber region has performed well in recent months compared to other Northern regions and the UK as a whole with regard to business activity and employment growth.



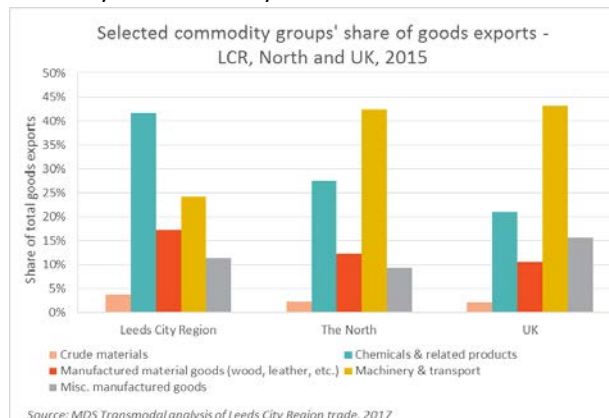
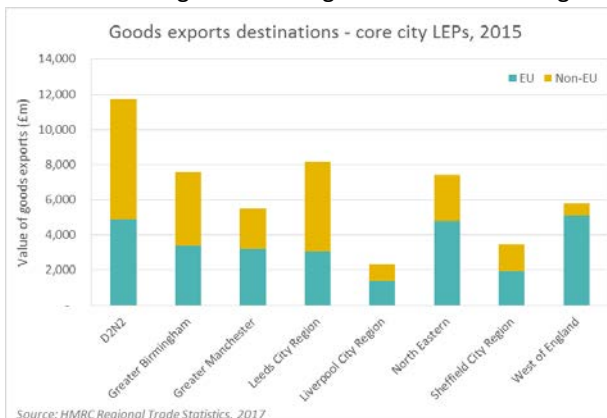
Leeds City Region – Trade, exports and investment

- A recently-commissioned study of export activity in Leeds City Region carried out by MDS Transmodal has identified a number of key export strengths and opportunities for the City Region which help to explain Leeds City Region's strong export links with the US. The work suggests around 25% of the City Region's goods exports are accounted for by pharmaceutical and medical products. The US is by far the biggest market for this commodity, accounting for around £2bn of the £2.5bn of pharma goods exported from LCR in 2015.
- Other key export commodities identified in the research include chemicals, accounting for 9% of LCR exports compared to a 3.5% share nationally and worth £875m in LCR in 2015. General industrial equipment and machinery accounted for a similar share of LCR exports, also exceeding their 4.8% national share.
- The study supports the HMRC findings that the US is already a key export market for Leeds City Region, though the EU remains a significant trading partner, and the City Region remains relatively under-exposed to Asian markets.

- The Yorkshire & Humber region exported goods worth £3.9bn in Q1 2017, according to HMRC's Regional Trade Statistics. This is the highest value of goods exported from the region in a single quarter for over 4 years. This is an increase of 6.2% on Q4 2016, the fastest increase of any English region and outpacing overall UK growth of 1.6%. The value of goods exports from the region is 21% higher than a year ago, a rate of change similar to the UK as a whole.
- The destination of the region's goods exports has remained relatively static of late, with the EU as the largest market for Yorkshire & Humber goods exports accounting for 56% of the region's exports by value in Q1 2017. 16% of goods headed to North America, and around 13% went to Asia & Oceania. The picture in the region is similar to that of the UK, though Yorkshire & Humber tends to be more reliant on the EU as an export market, and slightly under-represented in Asia and the Middle East.



- Additional analysis carried out by HMRC at LEP level, suggests that the EU only accounts for 38% of goods exports from Leeds City Region, with over 60% of LCR exports heading outside of the single market. The US is by far the largest single trading partner on this analysis, accounting for 33% of LCR goods exports in 2015, followed by Germany (7%) and France (5%). This suggests Leeds City Region is less reliant on the EU as an export market than the rest of the Yorkshire & Humber region. The City Region's strong performance on exports to the US also means that the share of LCR goods heading outside of the EU is greater than in any other core city LEP.

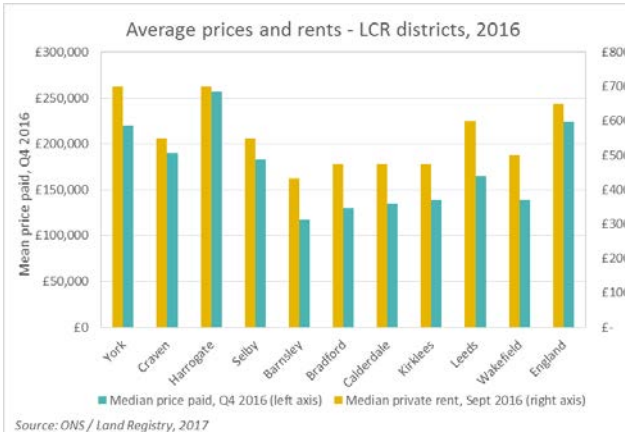
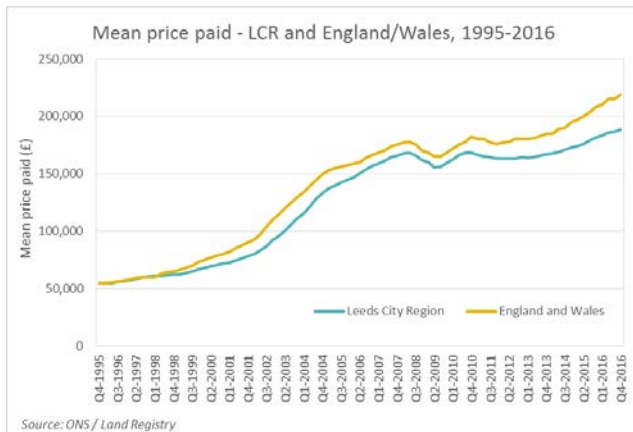


Summary: Goods exports from Yorkshire & Humber increased faster than any other English region between Q4 2016 and Q1 2017, though the data can be subject to substantial fluctuation. Further work has identified medicinal products and pharmaceuticals as important export commodities for the City Region, with the US as a key market.

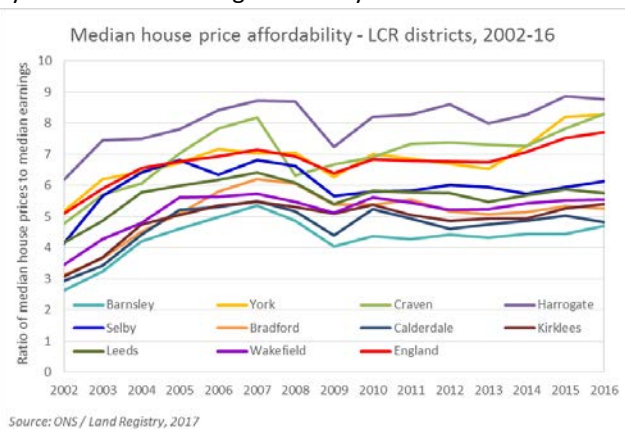
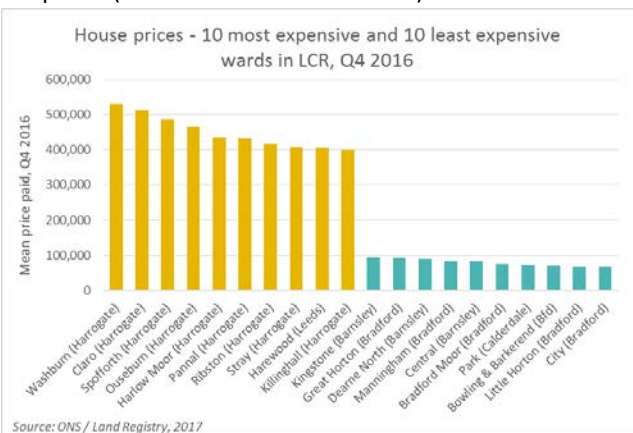


In Focus: Leeds City Region housing market and affordability

- The mean house price paid in the City Region stood at £188,000 at the end of 2016, up 3.7% on a year earlier. Local prices have broadly followed the national picture, though local prices and national averages have been increasingly diverging since 2009. Prices in England and Wales increased by 5.3% across 2016, to an average of £219,000.
- Highest house prices are to be found in areas such as Harrogate (where prices are above the national average), as well as York, Craven and Selby. Lower house price areas tend to be in the south of the City Region. This pattern is largely replicated in terms of private sector rental values.



- 9 of the 10 wards with the highest house prices in Leeds City Region are in Harrogate, with Harewood in Leeds the only other ward to make the top 10. Average prices are around £400,000 or above in these wards. The 10 wards with the lowest prices all have average costs below £100,000 and are largely dispersed between Bradford and Barnsley although Park ward in Calderdale also makes the list.
- Resident incomes across the LCR also reflect these spatial patterns, but have not risen at the same rate as house prices (and rents to a lesser extent). As a result affordability has been worsening in recent years.



- In 2002, only Harrogate had a higher affordability ratio than the England as whole. Median prices in Harrogate were 6.2 times average earnings, compared to an average across England of 5.1. York was broadly in line with England, with other areas of the City Region relatively more affordable, with prices 2.6 times earnings in Barnsley, 4 times in Leeds and around 3 times in the rest of West Yorkshire.
- In all areas of the City Region, affordability was worsening in the years before the downturn. The crash and subsequent fall in house prices helped to stall this, though affordability ratios remained substantially higher than they had been in 2002. Post-recession, affordability ratios have been increasing (worsening) again in England, and in the North Yorkshire areas of LCR. Other parts of the City Region have remained relatively stable since 2009.
- By 2016, affordability ratios were higher than the national average of 7.7 in Harrogate (8.8), York and Craven (both 8.3). Barnsley (4.7) and Calderdale (4.8) are the most affordable areas, with prices elsewhere in West Yorkshire around 5.5 times average earnings.
- Similar patterns are visible when looking at ratios of lower quartile earnings and house prices. Lower quartile house prices are more than 8 times lower quartile earnings in Harrogate and York, but below 5 times in Barnsley, Bradford and Calderdale, meaning the cheapest 25% of properties are relatively more affordable to those on lower incomes.

Summary: House prices in Leeds City Region are generally below the national average, and in most areas are more affordable to local residents than in the country as a whole. As with the national picture, affordability has been an increasing issue in recent years, and there are hotspots in the City Region where prices and affordability outstrip the national average.



Conclusions and outlook

- Survey data suggests that the UK economy remains continues to expand, with activity increasing across all areas of the economy. However, the pace of expansion has slowed in recent months as the election and other issues contribute to increasing uncertainty with evidence that businesses are delaying investment decisions.
- Official labour market data remains positive, with employment continuing to reach new record highs. The fact that expansion is now being driven by the creation of full-time positions suggests that the degree of slack in the labour market is lessening, and issues that have been apparent since the crash, such as underemployment, may be beginning to abate.
- A tightening of the labour market could also, in time, contribute to addressing one of the other key challenges facing the economy – low productivity. One theory on why productivity growth has stalled is that easy access to labour has provided firms with a cheap method of meeting increasing demand. As such labour becomes harder to come by, companies may increase capital investment in order to improve productivity and meet demand.
- However, there are also some significant headwinds forming, and the fact that UK growth has been revised down to 0.2% in Q1 confirms a slowdown is underway. Furthermore, that growth was entirely driven by the service sector, indicating that relatively strong recent export performance has had limited impact on the economy as a whole.
- The latest data shows that the divergence between wage growth and inflation is accelerating. This is one of a number of factors which now appears to be weighing on consumer confidence, along with the uncertainty created by the UK general election outcome. Service sector growth has been largely driven by consumer demand, so clearly any slowdown in this area is likely to be keenly felt.
- The Bank of England is increasingly concerned about rising inflation, which is now far outstripping the official 2% target. This led to the most significant split at the Bank over whether to increase interest rates since 2011. Concerns have been heightened by the falling savings ratio, which suggests that consumers are using savings and cheap, readily available credit to sustain spending, and have little spare capacity to cope with increasing costs.
- The Bank has previously said it is willing to “look through” higher inflation, in part because it is largely driven by external factors, such as the fall in the value of sterling post-EU referendum, and partly due to concerns that increasing interest rates would harm households who are already struggling with subdued wage growth. However, some now expect wages to begin to increase now that the labour market is tightening, and a rise in increase rates could be justified to keep inflation in check.
- The pound has been increasingly volatile since the UK election, though it has recently rebounded to around £1.30 against the dollar. Any further increase could help mitigate further rises in inflation, as could the recent fall in oil prices. Survey data suggests that businesses’ concerns over import costs, whilst still elevated, have eased recently.
- Whilst new local data is relatively limited for this update, that which is available suggests the City Region is performing well against the national economy. Levels of business activity are above the national average and comparable to pre-referendum levels, according to data from BankSearch and the Lloyds Regional PMI.
- Export data for Yorkshire & Humber is also largely positive, although this data can be somewhat erratic so quarterly fluctuations should be treated with caution. Additional analysis by HMRC, along with locally commissioned work carried out by MDS Transmodal, is helping to substantially improve our understanding of exports from Leeds City Region. This work points to some clearly defined strengths for the City Region in export terms, most notably medicinal and pharmaceutical products.
- This research also highlights opportunities for the City Region to increase its export activity in new markets, most notably Asia, but also emphasises that the City Region has strong existing trade relationships outside of Europe – particularly with the US, which is a major market for the City Region’s key export commodities outlined above. These strengths emphasise the important role the City Region is already playing in expanding trade beyond the EU.
- However, it should also be noted that estimates of export destinations do not account for relationships between local firms in the supply chains of original equipment manufacturers (OEMs) elsewhere in the UK who then export finished goods to the EU. As such, estimates of export activity could underestimate exposure to the EU.

This briefing has been produced by the Regional Economic Intelligence Unit. Any comments or queries can be addressed to reiu@westyorks-ca.gov.uk

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National and international				Leeds City Region			
Indicator	Latest position	Chart	Trend	Indicator	Latest position	Chart	Trend
Economic headlines	<p>UK GDP growth has been revised down to 0.2% in Q1 2017, its lowest level since the start of 2016. The service sector was the only area of the economy to record growth in Q1, up 0.2%. Output from production and construction was largely flat.</p> <p>Markets have fluctuated in recent times with uncertainty about the UK's approach to Brexit increasing after the inconclusive general election outcome. Elsewhere, the recovery in the Eurozone is gathering pace and US data suggests the labour market remains healthy.</p>	<p>UK GDP growth - 2007-17</p> <p>Source: Office for National Statistics, 2017</p>		Economic headlines	<p>Business activity in Yorkshire & Humber accelerated in May according to the Markit/Lloyds Bank Regional PMI. The region's PMI of 57.7 is above the UK reading of 54.4, suggesting activity expanding at a more rapid pace locally than nationally (a reading of above 50 represents growth).</p> <p>The Yorkshire & Humber PMI is higher than other northern regions, each of which saw slowing growth in May, and Yorkshire is second only to East Midlands among UK regions.</p>	<p>Purchasing Managers Index (PMI) - Northern Powerhouse regions, 2016-17</p> <p>Source: Markit/Lloyds Bank Regional PMI, 2016-17</p>	
Business performance & confidence	<p>Data from the Markit/CIPS PMI surveys suggests business activity continued to expand in June. Though the pace of expansion slowed for manufacturing, construction and service sector firms, it remained in positive territory. Concerns over input prices remain elevated but have eased recently.</p> <p>An Institute of Directors survey immediately after the general election found a sharp fall in confidence among IoD members with 57% pessimistic about the UK outlook, up from 37% a month earlier.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-17</p> <p>Source: Markit/CIPS PMIs, 2016-17</p>		Business performance & confidence	<p>1,440 new business bank accounts were opened in LCR in May, broadly in line with May 2016 and up 11.5% from April's low. 7,150 new accounts have been opened in Leeds City Region so far in 2017, an almost identical figure to 2016. This compares to a 2.5% fall in new accounts opened nationally.</p> <p>At district level, Harrogate (+15.8%), and Barnsley (3.5%) have seen the fastest increases so far this year, whilst the number of new accounts is down on last year in Calderdale, Craven, Selby and York.</p>	<p>Number of new business bank accounts - Leeds City Region, year to May 2008-17</p> <p>Source: Banksearch, 2017</p>	
Trade and exports	<p>Growth in the volume of retail sales slowed to 0.6% in the three months to May. This slowdown is emphasised by a 1.2% fall in sales between April and May, whilst year on year growth is at its lowest level since 2013.</p> <p>The UK's trade deficit (the difference between exports and imports) widened to £8.6bn in the three months to April, compared to a deficit of £6.9bn in the preceding three months. Service sector exports declined, whilst some goods imports increased.</p>	<p>UK balance of trade - 2007-17</p> <p>Source: UK Trade, ONS 2017</p>		Trade	<p>The Yorkshire & Humber region exported goods worth £3.9bn in Q1 2017, according to HMRC's Regional Trade Statistics. This is the highest value of goods exported from the region in a single quarter for over 4 years. This is an increase of 6.2% on Q4 2016, the fastest increase of any English region and outpacing overall UK growth of 1.6%.</p> <p>Additional analysis carried out by HMRC at LEP level, suggests that the US is the City Region's largest single trading partner, accounting for 33% of LCR goods exports in 2015, followed by Germany (7%) and France (5%).</p>	<p>Export of goods - Yorkshire & Humber and UK, 2013-17</p> <p>Source: Regional Trade Statistics, HMRC 2017</p>	
Labour market	<p>The number of people in work continues to rise, with 109,000 more people employed in the three months to April than the preceding three months. The employment rate is at a record high of 74.8%.</p> <p>Unemployment has fallen by 50,000 over the past three months, to 1.53 million. The unemployment rate of 4.6% is also a record low. However, regular pay growth has fallen to 1.7%, its lowest level since the start of 2015. With inflation at 2.7%, incomes are declining in real terms</p>	<p>UK employment growth, 2008-17</p> <p>Source: Office for National Statistics, 2017</p>		Labour market	<p>Employment in Yorkshire & Humber increased by 14,000 in the three months to April, taking the region's employment rate to 73.5% up from 72.2% a year ago. The rate is below that of the UK (74.8%), but higher than the North East (72.2%) and similar to the North West (73.9%).</p> <p>As with the national picture, recent trends have seen full-time positions increase, with a slight fall in the number working part-time.</p>	<p>Employment rate - Northern Powerhouse regions 2007-17</p> <p>Source: ONS, 2017</p>	
Forecasts/prospects	<p>The latest Economic Outlook from the OECD points to a modest acceleration in global growth, from 3% in 2016 to 3.5% in 2017. Global trade is picking up and investment is increasing, though productivity and wage growth remains subdued.</p> <p>The OECD forecasts UK growth to slow to 1.6% this year and 1% in 2018, with real incomes continuing to be squeezed by high inflation and low wage growth.</p>	<p>Global growth - actual and forecast, 2015-19</p> <p>Source: IMF World Economic Outlook, April 2017</p>		Other indicators	<p>The mean house price paid in the City Region stood at £188,000 at the end of 2016, up 3.7% on a year earlier. Prices in England and Wales increased by 5.3% across 2016, to an average of £219,000.</p> <p>Affordability ratios were higher than the national average of 7.7 in Harrogate (where prices are 8.8 times average earnings), York and Craven (both 8.3). Barnsley (4.7) and Calderdale (4.8) are the most affordable areas, with prices elsewhere in West Yorkshire around 5.5 times average earnings.</p>	<p>Mean price paid - LCR and England/Wales, 1995-2016</p> <p>Source: ONS / Land Registry</p>	
Summary	<p>Much of the survey data suggests that the UK economy remains relatively healthy, with activity continuing to expand at a solid pace across all areas of the economy. Labour market data is also positive, with employment continuing to reach new record highs. The fact that expansion is now being driven by the creation of full-time positions suggests that the degree of slack in the labour market is lessening. However, official data has confirmed that the economy is slowing, and consumer confidence is falling on the back of weak wage growth and high inflation. These factors are likely to weight on growth in the coming months. Local data suggests the City Region has seen modest strengthening of late, with data on exports, business activity and employment growth all relatively strong.</p>						

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Director: Rob Norreys, Director of Policy, Strategy and Communications
Author: Colin Blackburn



Report to: LEP Board

Date: 19 July 2017

Subject: Broadband Infrastructure Update

1. Purpose

- 1.1 To provide an update on the enhancement of broadband infrastructure to deliver the SEP ambition of 100% superfast broadband through the delivery of the West Yorkshire and York Broadband Programme and other potential future programmes.

2. Information

- 2.1 The LEP's Strategic Economic Plan places 'Good growth' at the centre of its ambitions and vision for the city region. The SEP acknowledges that the City Region economy is growing, and access to digital infrastructure is one of those areas seen as critical to future performance business productivity. The SEP has an ambition to achieve 100% superfast broadband coverage across the City Region.
- 2.2 In a rapidly changing and often unpredictable world, the ability to quickly exploit new ideas, opportunities and technologies will be critical to economic success and social progress. Businesses that innovate imaginatively can see significant growth, and achieve big improvements in efficiency and productivity. Those businesses that capitalise on the full potential of new technology and data can gain crucial market advantage.
- 2.3 Nationally, Broadband Delivery UK (BDUK)(DCMS) has a target of 97% superfast coverage by the end of 2017 and of extending coverage further beyond that. Currently, superfast broadband access in the City Region sits at around 98% coverage, but with the successful delivery of the existing broadband infrastructure programmes, coverage in West Yorkshire and York for example, will increase to over 99% by 2019/20. However, fast average broadband speeds are not matched across the whole City Region and up take by households and businesses is below national levels (63% in West Yorkshire compared to 68% in the UK).
- 2.4 The update below focusses on progress in West Yorkshire and York with delivery of the broadband infrastructure programme (Contracts 1-2), although the potential Phase 3 proposals may include the wider City Region.

Contract 1

- 2.5 Phase 1 (Contract 1) of this scheme commenced in 2013 with BT as infrastructure partner and deployment has now been completed. Leeds City Council was the initial contracting authority; however the contract was novated to WYCA in 2016. The project came in ahead of schedule and under budget by over £2m. This capital sum is being reinvested into Contract 2, as per contract obligations, in order to deliver increased superfast broadband coverage.
- 2.6 The Contract 1 capital build programme only included the four districts of Leeds, Bradford, Calderdale and Wakefield, although the associated demand stimulation activity also included Kirklees as well.
- 2.7 The final delivery outputs of Contract 1, which importantly providing enhanced broadband access to over 65,000 homes and business premises, is set out in the table below; along with the current Contract 2(A) anticipated key outputs

Phases 1 + 2(A) Summary Programme Outputs*

	Contract 1		Contract 2		Totals	
	Structures	Premises	Structures	Premises	Structures	Premises
Bradford	96	7,833	39	1,572	135	9,405
Calderdale	109	20,614	28	1,568	137	22,182
Kirklees	0	0	215	24,111	215	24,111
Leeds	143	21,099	39	2,245	182	23,344
Wakefield	102	16,346	31	2,193	133	18,539
York	0	0	47	1,724	47	1,724
	450	65,892	399	33,413	849	99,305

***Does not include Phase 2(B) ERDF funding Outputs which are currently being modelled**

Contract 2

- 2.8 Phase 2 (Contract 2) extended the geographical coverage of the programme to the whole of West Yorkshire and York and again BT is the infrastructure partner. This was contracted in June 2016 and the first phase (2A) of Contract 2 deployment is underway and is funded by a combination of ERDF funding; Contract 1 underspend; BDUK; and local match from Contract 1 headroom. The Contract 2A investment totals £15.1m.
- 2.9 By June 2017, BT had delivered 115 'live' cabinets providing 15,298 superfast premises against the quarterly target of 15,368; a shortfall of only 70 and nearly halfway to the Contract 2 programme final target of 33,000 homes and business premises by the end of June 2018.

- 2.10 BT are currently modelling the potential additional coverage that can be delivered with the additional ERDF funding that has been secured (c£7m) plus additional match funding from BT - taking into account the available postcodes in compliance with State Aid rules. The results of the modelling will be available by early July 2017 and the expectation is that this will give West Yorkshire and York up to 99% fibre (Fibre to the Cabinet) coverage.
- 2.11 BT Openreach are now *re-modelling* with an anticipated extra £5m of their own capital investment as required by the contract. This is likely to take the end of deployment up to December 2020, giving a programme end date of end of March 2021.
- 2.12 To enable BT to continue with the survey, planning, and physical deployment associated with Contract 2B, a Change Request has been necessary to define the contract change, associated deployment schedule and finances resulting from the injection of capital investment for Contract 2B from ERDF and from the reinvestment of BT underspend from Contract 1.

Potential Contract 3

- 2.13 An additional £1.11m has been provisionally secured from BDUK for a future programme subject to WYCA and partners securing match funding. WYCA Investment Committee agreed on the 1st December 2016 to progress to full business case a proposal for the £1.1m match to be funded from the Local Growth Fund. The intention is for this joint funding to be spent on procuring (through an open OJEU tender process) a technology solution(s) that will enable WY&Y partners to accomplish the 100% coverage ambition set out in the City Region SEP. There is also the intention to bid for both additional ESIF and EAFRD funding when the calls are released later this year.
- 2.14 The first step of this work is the running of an Open Market Review (OMR). This is where companies supplying broadband infrastructure to West Yorkshire and York are requested to inform WYCA of their present and future (next 3 years) superfast coverage by individual premise. This data then forms the basis of identifying what geographies (urban or rural) will still be without broadband of <30 Mbps [superfast broadband minimum speed] once the current Contract 2 is complete.
- 2.15 The OMR has been completed and the data is currently being analysed to provide an updated mapping position. The BT modelled data will for the first time include information at the 'premise level' rather than just the postcode level as previously, providing a more specific information on coverage.
- 2.16 In addition, and as part of a wider review of existing WYCA frameworks and structures, officers will be reviewing the current governance arrangements for the Broadband programme later this year.

3. Future Full Fibre Programme

- 3.1 Following the publication of the UK Digital Strategy in March 2017 and the subsequent Budget Statement, DCMS is developing a Local Full Fibre Networks Programme (LFFN) with funding availability of upto c£700m. The programme will build on the consultation exercise undertaken in late 2016 and will take forward ambitions to extend full fibre networks. DCMS are interested in exploring options around voucher schemes as a means to delivering more fibre to end users. At this stage DCMS are interested in considering options for any type of end user – business, residential or other including public sector.
- 3.2 Officers are in discussions with DCMS regarding potential opportunities for schemes to stimulate more investment in fibre infrastructure, particularly to businesses, with potential pilot schemes that could help inform the national programme, which is intended to be launched in 2018/19.

4. Enterprise Zones

- 4.1 The LCR EZs are city region strategic priority areas with the potential to deliver significant new commercial and industrial development, creating new jobs and economic growth. However, currently the broadband infrastructure provision to the EZ sites is minimal due to a variety of reasons including that the industry tends to be responsive to consumer demand so investments will not be put in place ahead of a user being present, but State Aid rules preclude public funding being invested on some vacant sites.
- 4.2 The Leeds EZ is not currently eligible for superfast broadband under the public-funded WY&Y programme due to state aid rules. There are also leased lines going into businesses in the Thornes Farm site part of the Leeds EZ. This is common practice as many businesses locating within EZs tend to be companies demanding more consistent speeds and resilience than the 'residential' superfast broadband can provide (i.e. up to 80Mbps). Nevertheless, WYCA and local authority partners are liaising with digital providers (including BT and Virgin) via the WY&Y Broadband Team in looking for solutions to providing faster broadband on all the EZs.

5. Strategy and Policy Update - New Build Developments and Fibre Broadband

- 5.1 Ofcom's Connected Nations Report (November 2015) states that "High quality, widespread communications, fixed and mobile are an engine of our economy and the pulse of our society. They are not 'nice-to-haves,' but essential enablers of our working and social lives. As businesses and consumers drive an ever-increasing demand for communications, the infrastructure that serves them must keep pace with their demands and needs."
- 5.2 Now commonly regarded as the fourth utility, the expansion of fixed line 'superfast' broadband (typically over 24 megabits per second) has seen huge investment in recent years. As well as the commercially funded roll out, primarily by BT Openreach

and Virgin Media, National and Local Government is investing over £1.7bn in bringing superfast fibre optic broadband to 95% of UK premises by the end of 2018.

- 5.3 In West Yorkshire and York, the two phases of the superfast broadband programme will mean that 99% of premises in the district have access to superfast broadband by the end of 2020 (subject to confirmation of Contract 2B outputs).
- 5.4 Broadband infrastructure must keep pace with the ever increasing demand for communications. The amount of data used by consumers rose by 40% in just 12 months between 2014 and 2015. Demand for data and speed is driven partly by services, such as internet-based TV streaming providers (Netflix, Amazon Prime, Apple TV, BBC iPlayer) and partly by the actual increase in speeds. With higher available speeds, more and more becomes possible.
- 5.5 The 'internet of things' is a concept which predicts a future where hundreds of types of household devices are connected to the internet. According to technology research consultant Gartner, there will be 26 billion devices connected to the internet of things by 2020. While it is impossible to accurately predict the speed requirements of the future, it is clear that faster speeds and higher data usage is a trend which looks set to continue.
- 5.6 The National Planning Policy Framework (NPPF) recognises the importance of infrastructure in delivering sustainable economic growth, and states that 'the development of high speed broadband technology and other communications networks also plays a vital role in enhancing the provision of local community facilities and services'. There is also an expectation that in preparing Local Plans, local planning authorities should support the expansion of electronic communications networks, including telecommunications and high speed broadband.
- 5.7 BT Openreach announced recently that Fibre to the Premises (FTTP) would be built for free to housing developments with 30+ premises. For smaller developments, a contribution may be needed from the developer to jointly fund the deployment of a local FTTP network.
- 5.8 Virgin Media working with the House Builders Federation (HBF) will provide developers with all the equipment to connect homes to its network and offer a rebate scheme to cover any costs of the work. The scheme is part of Virgin Media's £3bn Project Lightning network expansion that will see its network reach 17 million UK premises by 2019.
- 5.9 Whilst this is welcomed for developments currently being planned, the WY&Y Delivery Team have received a number of enquiries of recently completed developments where the developer has not provided any type of superfast broadband connections to its new properties.
- 5.10 City Region Chief Planning Officers continue to meet with industry representatives on this matter, and there is broad consensus of the importance of enhancing planning policy and the planning process to provide a stronger supportive planning policy

approach in Local Plans across the city region; and to ensure that adequate broadband connectivity to new developments is delivered. Calderdale and Bradford planners are currently implementing planning policies to seek to ensure this happens, and other city region authorities are exploring how they could also seek to enhance broadband connectivity through their planning powers and decision making processes.

6. Recommendations

- 6.1 That the LEP Board notes the positive delivery performance of the West Yorkshire and York Broadband Infrastructure programme.
- 6.2 That the LEP Board notes the ongoing activity to further develop broadband infrastructure projects to seek to deliver the SEP ambition of 100% superfast broadband coverage.

Director: Angela Taylor,
Director of Resources
Authors: Heather Waddington



Report to: LEP Board

Date: 19 July 2017

Subject: European Structural and Investment Funds (ESIF) - Sustainable Urban Development (SUD)

1. Purpose

- 1.1 This report asks the LEP Board to note the content of the report and provide comments.

2. Background

- 2.1 As part of the EU regulations governing the European Structural and Investment Funds (ESIF), a minimum of 5% of the European Regional Development Fund (ERDF) earmarked for the UK as a whole must be allocated in support of Sustainable Urban Development (SUD) strategies. SUD strategies are intended to set out integrated actions to tackle the variety of challenges affecting urban areas in an environmentally sustainable fashion.
- 2.2 On 6 April 2017, the West Yorkshire Combined Authority (WYCA) considered and noted the roles and responsibilities relating to Intermediate Body status delegated to WYCA in order to deliver the SUD Strategy, part of the ESIF Programme. At this meeting WYCA agreed the outline shape of the SUD Call and agreed for officers to develop the full Call with the Managing Authority (MA), Department for Communities and Local Government (DCLG), in order for it to be published July 2017.

3. Progress to date

- 3.1 The full Call has now been produced in draft form and is based on a national template designed by DCLG, which includes a section on the Local Development Need which sets out the ambition and priorities for investment in the SUD area (West Yorkshire and York). The Call focuses on developing ecologically sound and resilient site development, especially in key economic growth sites with a priority to be given to SEP Spatial Priority Areas.
- 3.2 WYCA considered the draft Call at its meeting on the 29 June 2017 and agreed the Call.
- 3.3 It is expected the Call will be published in mid-July. The final iteration of the Call may be subject to final editing by the MA prior to formal publication but these changes

will not alter the substance of the Call in anyway. It is expected the Call will be open for approx. 8 weeks for applicants to submit outline bids for the funding.

4. Recommendations

- 4.1 The LEP Board is asked to note the content of the report and to provide any comments.

Director: Rob Norreys, Director of Policy Strategy and Communications
Author: Liz Hunter



Report to: LEP Board

Date: 19 July 2017

Subject: Transport for the North

1. Purpose

- 1.1 To update the LEP Board on Transport for the North's development of a Transport Strategy and to note progress on our road and rail priorities for Transport for the North, including the development of a Northern Powerhouse Rail network.

2. Information

Strategic Transport Plan

- 2.1 Transport for the North (TfN) is seeking approval later in 2017 to be a Sub-National Transport Body. As part of their transition to this statutory status, TfN are developing a Strategic Transport Plan for the North of England, working with northern LEPs and Local Transport Authorities. To inform the Strategic Transport Plan, TfN have developed a range of documents as an evidence base. The principal items of evidence TfN have published at this point are the Non-Technical Summary of the Economic Growth and Transport Demand Analysis, as well as the Initial Integrated Rail and Major Roads Reports. It is important to note that these are published as consultants' reports, from which TfN and its Partners will draw evidence for the STP itself
- 2.2 The Major Roads Report introduces the proposal of a Major Road Network for the North, which incorporates the Strategic Road Network, plus other economically important roads that connect the North's important economic centres, to provide a coherent and integrated network that needs to be resilient, reliable and efficient.
- 2.3 TfN, with Rail North, has been taking an integrated, evidence-based approach to identify the strategic improvements needed to rail infrastructure and services across the North. This includes delivering rail franchising commitments through Rail North, development of fast, frequent east-west journeys through plans for Northern Powerhouse Rail, and identifying other strategic improvements for rail to enhance passenger and freight services.
- 2.4 TfN will publish a Single Integrated Rail Plan by the end of 2017 which will support the Strategic Transport Plan by setting out an integrated programme of schemes to

deliver Northern Powerhouse Rail, HS2, Network Rail enhancements and franchise commitments. It will be informed by evidence developed in the Initial Integrated Rail Report, freight and logistics work and the update of the Rail North Long Term Rail Strategy.

- 2.5 TfN is also proposing a new Northern Transport Demand Model (NTDM) to show how the volume and pattern of transport demand would respond to the changes in population and employment resulting from the economic growth envisaged by the Northern Powerhouse Independent Economic Review (NPIER). As part of this work, TfN have developed four scenarios that reflect futures in which interventions (including the programme of transport improvements outlined in the Northern Transport Strategy) have achieved the transformation in the economy of the North but with differential patterns of travel demand based on responses to non-transport factors (such as land use policy, energy prices and technological changes). TfN are working with WYCA on how these future scenarios relate to the LCR.
- 2.6 TfN published their background material on the 21 June. Follow-up events are being held in Bradford, Leeds and York where Members, businesses and other interested parties can hear more about TfN's work. TfN will publish their draft Transport Strategy later in 2017.

Update on WYCA Priorities

- 2.7 Alongside the Department for Transport, TfN are continuing to work with delivery partners HS2 and Network Rail on the development of the Northern Powerhouse Rail (NPR) concept. WYCA and the Leeds City Region LEP are involved and represented in the work.
- 2.8 The recent focus of TfN's work has been on understanding the case for NPR to serve eight 'Other Significant Economic Centres' (OSECs) across the north, which in the Leeds City Region includes Bradford, Huddersfield and York as well as Leeds. The work done to date demonstrates that bringing these places into the NPR network potentially adds net benefits to the scheme, however more work needs to be done to examine the feasibility and costs of doing so, to ensure an affordable, value for money business case can be demonstrated. Wakefield is also an OSEC and further work needs to be done by TfN to examine the case for it to be served by NPR, dovetailing with the study being undertaken by HS2 considering the case for a South Yorkshire Parkway station. As reported previously, WYCA and the LCR LEP's position is amongst other things, for Leeds, Bradford and York to be on the NPR network.
- 2.9 The current focus for TfN is to finalise the case for passive provision to be made in the Hybrid Bill for HS2 Phase 2b for NPR/HS2 touchpoints i.e. junctions and station infrastructure. Including this infrastructure (and associated landtake) in the HS2 Phase 2b Hybrid Bill, the design work for which starts later this year, will save time, money and disruption later once NPR is in construction, and is a huge opportunity to make tangible progress now on the development and implementation of NPR. The

proposed junctions of most immediate relevance for the Leeds City Region are between Leeds and Sheffield and east of Leeds.

- 2.10 Transport for the North are commencing the next tranche of work to conclude in September 2018. This work will define the NPR network to strategic outline business case level, and should determine whether or not the Leeds City Region's position on NPR will be included in the eventual network design.
- 2.11 Other priorities alongside NPR and HS2 agreed by WYCA included a robust review of future road and rail priorities, significant improvements to transform the distribution network, particularly considering rail freight and surface access to the region's airports. The agreed focus was on more reliable and predictable journeys on the M62 and M1 and short term improvements such as acceleration of the smart motorway programme and associated junction improvements (e.g. Leeds/Huddersfield stretch of the M62), alongside rail interventions such as East Coast Mainline and, TransPennine and Calder Valley Lines.
- 2.12 Through the Major Roads Report and Integrated Rail Report mentioned above TfN have considered a number of strategic corridors for further work and agree with our priority areas. These workstreams include Northern Powerhouse Rail, Smart North and seven geographic connectivity priorities that reflect the economic links across the North:
 - i. East Coast to Scotland
 - ii. Southern Pennines
 - iii. West Coast to Sheffield City Region
 - iv. Yorkshire to Scotland
 - v. Central Pennines
 - vi. Connecting the Energy Coasts
 - vii. West and Wales
- 2.13 Given there is current activity (being led by either TfN or Partners) on each of the top four above, TfN have concluded that this work should be completed and that the need (or otherwise) for further work on these Strategic Development Corridors, be re-assessed in Autumn 2017.
- 2.14 TfN have concluded that further detailed work is undertaken on the Strategic Development Corridors v, vi and vii above. The suggested next stage of this work is to develop Strategic Outline Programme business cases for the three corridors. This will enable TfN and Partners to identify the preferred interventions on a corridor, and the links to other investments that may be needed.
- 2.15 Of the three they are proposing to do more work on, the Central Pennines Corridor has the most direct impact for the Leeds City Region. This corridor broadly extends from Lancashire through to West Yorkshire, North Yorkshire, East Riding and Hull, and includes links to Liverpool City Region Atlantic Gateway, Leeds North West Quadrant and to North Yorkshire's east coast. Across this corridor there are key

population centres and a diverse mix of strategic movements that need to be catered for, as well as providing enhanced and additional road and rail capacity across the Pennines. Freight and Logistics has a key role in supporting the ports, airports and inland ports as well as servicing the businesses located across the corridor.

- 2.16 When WYCA set out its priorities for TfN in 2016, this included the M62 corridor and upgrades to existing east – west rail corridors such as the Calder Valley and TransPennine line via Huddersfield as mentioned above. WYCA has been working with officers at TfN to ensure that these priorities are properly considered as part of this corridor brief, including consideration of what will be delivered as part of the near term TransPennine Route Upgrade scheme.
- 2.17 Separately, the LEP Board has already reviewed and endorsed the results of the East-West Trans-Pennine corridor study which was jointly commissioned by WYCA/Leeds City Region LEP, Lancashire County Council/Lancashire LEP and North Yorkshire County Council/North Yorkshire and East Riding LEP. The Combined Authority have also agreed that the recommendations are provided as evidence into the next stage of work being carried out by TfN. This corridor could have an important role to play alongside the WYCA priorities already agreed and we will work with TfN to better understand how connectivity improvements could support our economic objectives.

Statutory Body

- 2.18 Every constituent authority of TfN, including WYCA, has to consent to draft regulations to establish the TfN before they are laid before Parliament. It is currently anticipated that a paper will be considered by the Combined Authority in August on the draft regulations.

3. Recommendations

- 3.1 That the LEP Board notes the progress being made by Transport for the North to develop a transport strategy and note progress against WYCA's priority areas.

Director: Rob Norreys, Director of Policy, Strategy and Communications
Authors: Tom Gifford



Report to: LEP Board

Date: 19 July 2017

Subject: HS2 Growth Strategy

1. Purpose

- 1.1 To provide the LEP Board with an update on the development of the Leeds City Region HS2 Growth Strategy.
- 1.2 Through a presentation at the meeting, to provide an opportunity for LEP Board members to shape the regional connectivity priorities required to support HS2 from Leeds.

2. Information

- 2.1 In the 2016 Budget, Government announced they were making available funding to those cities with a HS2 station to develop a growth strategy to set out how they intended to maximise the arrival of HS2. HS2 is more than a transport scheme; the new railway will be an engine for growth through generating jobs, help rebalance the economy between north and south, and provide a platform for the country's future prosperity. HS2 will connect people and businesses, enhancing productivity and commercial activity. It will act as a catalyst for city centre regeneration and major development schemes. Current estimates predict that HS2 will generate benefits of at least £60 billion for the UK.
- 2.2 The West Yorkshire Combined Authority (WYCA) set out its continuing support for HS2 coming to Leeds at its meeting in July 2016. WYCA concluded that only transformational change to connectivity through new and radically improved HS2 and NPR networks, together with improvements to City Region transport networks, would support the Leeds City Region's Strategic Economic Plan vision and objectives. The proposed LCR HS2 Growth Strategy will sit firmly within the City Region policy framework and as such is clearly linked to the Strategic Economic Plan 2016 – 2036 vision and wider strategic framework and investment priorities and also complements the West Yorkshire Transport Strategy.
- 2.3 The LCR HS2 Growth Strategy is intended to support and complement the Phase 2 Hybrid Bill. To enable this, an initial submission is proposed to be made to Government in autumn 2017, followed by more detailed strategy development during 2018. The LCR HS2 Growth Strategy will consider how interventions delivered

alongside HS2 in Leeds and the wider City Region could spread the benefits of HS2 across the city region, as well as a focused look at growth in the area around Leeds station (e.g. South Bank, and City Square areas). A key component of the LCR HS2 Growth Strategy will establish the major local and regional connectivity priorities which are required to enable and maximise economic growth associated with HS2 coming to Leeds.

- 2.4 The Leeds City Region ('LCR') Strategic Economic Plan (SEP), 2016-2036, is the ambitious, long-term strategy to fulfil the Leeds City Region's exceptional economic potential, and cement its place as a growth engine for the North and the nation as a whole. Refreshed in 2016, the vision is "to be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone".
- 2.5 The West Yorkshire Transport Strategy supports the Leeds City Region Strategic Economic Plan's targets of creating an additional 35,700 jobs over the next 20 years, and growing the City Region economy at a faster rate than the national average. The Transport Strategy sets out the vision, objectives and proposed policies at a West Yorkshire level. Whilst it does not look in detail at spatial plans for individual districts it does set out that the ambition is for a transformational metro style public transport system that connects different modes of transport into one network which includes improvements to local connectivity, especially for strategic growth areas across the Region.
- 2.6 The Leeds Transport Strategy also maintains an ambition to have a transport system which can transport large numbers of people through the growing city; this includes considering options for mass transit.
- 2.7 This connectivity workstream will need to develop a strategy which builds on the existing policy framework and incorporates the existing body of evidence, to establish how different modes, including rail, mass transit and bus rapid transit can unlock economic growth constraints, to realise the policy aspirations for Leeds and across the City Region.
- 2.8 ARUP have been new commissioned to support this work and will establish from an economic perspective, corridor constraints across the Leeds City Region, both now and into the future. This will identify corridor gaps which need to be addressed through improved connectivity. From which, the commission will:
 - Develop a comprehensive, evidence based and robust HS2 connectivity component for the HS2 Growth Strategy, considering both local and regional connectivity requirements. This will establish the case for individual corridor connectivity interventions, as well as a set of priority schemes for including within the HS2 Growth Strategy submission. This includes developing a prioritised package of connectivity schemes across rail, mass transit and bus rapid transport.

- Consider the case for a Leeds City Region Mass Transit system, which sits within the context of broader connectivity requirements for the HS2 Growth Strategy, West Yorkshire Transport Strategy and LCR Strategic Economic Plan.
- 2.9 To support this work, it is proposed that LEP Board support the development of the strategy. A presentation will be provided at the meeting to facilitate a discussion with LEP Board members around:
- The emerging objectives of the LCR HS2 connectivity strategy.
 - The likely drivers and trends for future connectivity up to 2050.
 - Potential regional connectivity priorities which are required to support HS2.
 - An outline programme of work and when the details around when the LEP Board will be updated on progress.

3. Financial Implications

- 3.1 Funding for development of the LCR HS2 Growth Strategy includes two grant awards totalling £1.25m from central government. WYCA is the accountable authority for the grants. Financial approval was gained from WYCA to spend the Phase 2 grant of £625k as part of the Capital Approvals report at the 6 April 2017 meeting.

4. Legal Implications

- 4.1 As the Local Transport Authority for West Yorkshire, WYCA has a statutory duty to produce and review a Local Transport Plan and this role is fulfilled through the on-going production of the West Yorkshire Transport Strategy. As with other modal strategies (such as the Bus Strategy), this new Leeds City Region HS2 Connectivity Strategy will become a daughter document of the West Yorkshire Transport Strategy and LCR Strategic Economic Plan.
- 4.2 The new LCR HS2 Connectivity Strategy will be a key component of the LCR HS2 Growth Strategy submissions. It will consider which of the existing mass transit related planning policies identified in existing extant planning documentation (such as the Leeds UDP) would still be required. Land already within WYCA ownership from development of previous mass transit schemes will be retained until the new LCR HS2 Connectivity Strategy identifies that it is no longer required for this purpose.

5. Staffing Implications

- 5.1 Development work is being undertaken within the Transport Policy team. Additional staffing resources are being established through the WYCA One Organisation, organisational design process.

6. External Consultees

- 6.1 All LCR district authorities are being consulted with on the development of the LCR HS2 Growth Strategy.

7. Recommendations

- 7.1 That the LEP Board provide comments and advice around the development of the Leeds City Region HS2 Connectivity Strategy.

8. Background Documents

- 8.1 None.

Director: Rob Norreys, Director of Policy, Strategy and Communications
Authors: David Walmsley



Report to: LEP Board

Date: 19 July 2017

Subject: National Policy Update

1. Purpose

- 1.1 To inform LEP Board Members of important developments in the national policy context and summarise steps being taken by the LEP to put the Leeds City Region on the front foot in fostering inclusive growth.

2. Information

- 2.1 Since the last LEP Board meeting, the General Election and Queen's Speech have shaped the direction for national economic and social policy. The following are key features to note.

- 2.2 The overwhelming focus of this Parliament is to **take forward the UK's exit from the European Union**. There will be eight new 'Brexit' Bills, of which the most relevant to the Leeds City Region are:

- **Repeal Bill** to formally withdraw the UK from the EU and transfer to UK law EU legislation, which the UK Parliament will then amend as it sees fit.
- **Customs Bill** so the UK can put in place excise regimes for future trade agreements.
- **Trade Bill** to provide the legal framework for the UK to strike free trade deals with other countries and ensure domestic businesses are protected from unfair trading practices.
- **Immigration Bill**, enabling the government to end free movement of EU nationals into the UK, but still allows the country to attract "the brightest and the best".

- 2.3 As LEP Members will be aware, the Chancellor has introduced a **more flexible fiscal policy**, including dropping the commitment to eliminate the deficit by 2019/20. The current commitment is to balance the budget by the middle of the 2020s. Post-Election, government has sought to progress some aspects of fiscal policy associated

with Brexit. For example, ‘repatriated funds’¹ will fund a Shared Prosperity Fund “designed to reduce inequalities between communities” and across the UK.

- 2.4 The funding of vital **local infrastructure and services** is, however, less certain than before the election. Previous commitments to localise 100% of business rates growth appear to have been shelved, and there is little indication that major city regions will have powers to raise their own funding for local infrastructure via a local mayoral levy on business rates. Furthermore, a genuine solution to the funding of adult social care – the most acute funding pressure facing local government – appears even more remote after Manifesto plans received a hostile reception and were absent from the Queen’s Speech. Government’s commitment “to work to improve social care” and “bring forward proposals for consultation” suggests there may not be an effective solution soon, which will continue to constrain local government’s investment in infrastructure and public goods that underpin growth.
- 2.5 The **inclusive growth challenge** is growing as real wages fall (with wage rises slower than inflation) and jobs growth hasn’t permeated across the whole labour market. This real terms fall in living standards particularly affects those reliant on benefits (which have been frozen) and low wages², who proportionately spend more on the types of goods that have risen, like food and electricity.
- 2.6 In his Mansion House speech³, the Chancellor recommitted to addressing the UK’s **productivity** weaknesses as a way to achieving sustainable growth. He cites tackling under investment (both public and private); inadequate skills and regional disparities as the three priority areas. The Queen’s Speech confirms that government “will spread prosperity and opportunity across the country through a new **modern industrial strategy**”. This corresponds with the steer from the last LEP Board meeting which resolved to consider how to move forward with an inclusive, local industrial strategy at the September away day. Ahead of that, and to put the city region on the front foot, there have been exploratory discussions with officials about how this might be co-produced by a powerful partnership of government, the LEP and Combined Authority, universities, businesses and community groups to stimulate inclusive growth.
- 2.7 The LEP and West Yorkshire Combined Authority have an established position to pursue the **devolution of powers and resources** so better, more targeted decisions can be made by people familiar with, and accountable to, local communities and businesses. This is the most effective way to achieve transformative social and economic change. The General Election campaign and post-Election negotiations have, however, paid relatively little attention to the potential of devolution. The Conservative Manifesto committed to both “consolidate our approach, providing clarity across England on what devolution means for different administrations so all authorities operate in a common

¹ Comprising European Regional Development Fund (ERDF), European Social Fund (ESF) and parts of the European Agricultural Fund for Rural Development (EAFRD).

² The ‘national living wage’ increased by an above inflation 4% in April 2017 from £7.20 to £7.50 for over 25s. The Living Wage Foundation rate outside of London is £8.45.

³ 20 June 2017 - <https://www.gov.uk/government/speeches/mansion-house-2017-speech-by-the-chancellor-of-the-exchequer>

framework” and that for “combined authorities that are based around our great cities, we will continue to support the adoption of elected mayors, but we will not support them for the rural counties”.

- 2.8 Regardless of the pace and extent of devolution, other ingredients of the industrial strategy approach are being pursued. This includes, for example, a **Science and Innovation Audit for the city region’s med-tech sector**, led by the University of Leeds. It offers the opportunity for the sector to agree with government the interventions required to put the city region at the forefront of a growing market forecast to be worth \$530bn by 2022.
- 2.9 Finally, the Queen’s Speech included a commitment for ministers to **enhance rights and protections in the modern workplace**. This follows a review, led by Matthew Taylor, Chief Executive of the RSA, about how employment practices need to change to keep pace with modern business models like digital platforms. It is due to report soon and a new approach has potential to be an important driver of inclusive growth.

3. Recommendations

- 3.1 It is recommended that LEP Board Members note the content of the report.

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Board Chair: Councillor Peter McBride
Author: Justin Wilson



Report to: LEP Board

Date: 19 July 2017

Subject: Leeds City Region Planning Portfolios Board Update

1. Purpose

- 1.1 To provide the LEP Board with an update on the activity of the LCR Planning Portfolios Board.

2. Progress Update

- 2.1 Since the last update was provided to the LEP Board, the LCR Planning Portfolios Board has not met. The last meeting took place on Friday 17 January 2017 and was reported to the 21 March 2017 LEP Board meeting. The next meeting of the Board is Friday 21st July 2017.
- 2.2 The membership of the Planning Portfolios Board is presented at **Appendix 1**.

Local Plans

Bradford

- 2.3 On Monday 10 October 2016 Gavin Barwell, Minister of State (Housing and Planning), issued a direction under the provisions of the Planning and Compulsory Purchase Act 2004 to the City of Bradford Metropolitan Council. The Direction prevented the adoption and use of the Plan for development management activities.
- 2.4 Following consideration of the matters raised in in the Holding Direction it has been formally withdrawn by the Minister of State (Housing and Planning) in his letter dated 28 March 2017. This now allows the Council to proceed towards the adoption of their Core Strategy.

Strategic Planning

- 2.5 The last Planning Portfolios Board meeting considered the spatial planning implications of the Government's **Housing White Paper and DCLG planning consultations** relating to delivery of affordable housing and changes to planning policy/ legislation. The Board agreed to develop an LCR response to the

consultations by the 1 May 2017 deadline in consultation with LCR district housing and planning lead officers.

- 2.6 The joint WYCA/LEP response to these consultations was submitted to DLGG for consideration on Friday 28 April.

Joint Evidence

- 2.7 A **Joint Waste Capacity Analysis** has been commissioned by WYCA on behalf of the 5 WY authorities. The commission is due to complete by September 2017.
- 2.8 Work on the **West Yorkshire Local Aggregates Assessment Supplementary Paper** relating to magnesium limestone resource is now complete. The 17th February Board meeting provided endorsement of the document and recommended it for endorsement following stakeholder consultation. Stakeholder consultation has now been completed and it will be published in the next few weeks.
- 2.9 An updated work programme is attached for information at **Appendix 2**.

3. Recommendations

- 3.1 The LEP Board is asked to note the progress made to date and provide any comments.

LCR Planning Portfolios Board Members

Board Members
Cllr Alex Ross-Shaw (Bradford)
Cllr Richard Lewis (Leeds)
Cllr Peter McBride (Kirklees)
Cllr Denise Jeffery (Wakefield)
Cllr John Mackman (Selby)
Cllr Ian Gillies (York)
Cllr D Sutherland (Calderdale)
Cllr Gareth Dadd or Cllr Chris Metcalfe (North Yorks)
Cllr Richard Foster (Craven)
Cllr Doug Birkinshaw (Barnsley)
Cllr Rebecca Burnett (Harrogate)

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Planning Portfolios Board Work Programme

Theme	Potential Activity	LCR Lead	LA Lead	Timescale (C= Task Complete)
Core Activities				
Local Plans	<ul style="list-style-type: none"> Authorities to consult Planning Portfolios Board on Local Plans as set out in the Statement of Cooperation for Local Planning Provide regular updates and share best practice between LCR Authorities Explore further opportunities for LCR joint / collaborative working 	Justin Wilson	All LCR authorities	Ongoing
LCR Statement of Cooperation	<ul style="list-style-type: none"> Scope / prepare for 2017 update 	Justin Wilson	All LCR authorities	Summer '17
Strategic Planning Review	<ul style="list-style-type: none"> Implementation of Review recommendations Provide progress update for Planning Portfolios Board 	Colin Blackburn / Justin Wilson	ALL LCR Authorities	Ongoing Summer '17
WYCA – DM Responses	<ul style="list-style-type: none"> WYCA comments on strategically important planning applications Progress reporting to Planning Portfolios Board 	Justin Wilson / Michael Long	All LCR Authorities	Ongoing Ongoing
Minerals & Waste (WY)	<ul style="list-style-type: none"> Publish consultation draft 2016 WY Local Aggregates Assessment Scope and establish procedures for joint WY Minerals and Waste evidence base Commence work on joint WY Minerals and Waste evidence base 	Carole Howarth (WY M&W Lead) & Michael Eaglestone (WY M&W Officer)	All LCR authorities (lead officers identified WY)	Complete Complete Summer '17

Joint Evidence / Joint Working				
Housing Projections / LCR Requirement	<ul style="list-style-type: none"> Update 'LCR Housing Requirement' work following publication of ONS 2014-based household projections (12 July 2016) Consider implications from LPEG recommendations re OAN and anticipated government response Update assessment of emerging Local Plan OAN vs. LCR / SEP targets 	Justin Wilson	All LCR authorities	Ongoing
CIL	<ul style="list-style-type: none"> Cross-boundary working on charging schedules Joint working on broad planning obligations strategy/legal opinion about how to use S106 agreements 	Alison Gillespie / Justin Wilson	CIL Officer Group	Ongoing
LCR SuDS SPD	<ul style="list-style-type: none"> Scope the role and purpose of the SPD and consider alignment with work in Sheffield City Region Confirm subsequent timescales and milestones 	Colin Blackburn / Alison Gillespie	Simon Taylor (Kirklees)	Early '17
REM	<ul style="list-style-type: none"> Enhanced usage of the REM in support of housing, planning and monitoring work (REIU to lead) 	Patrick Bowes	TBC	Early '17
LCR AMR (planning)	<ul style="list-style-type: none"> Issue data request for AMR 2016/17 	Justin Wilson (input from Rob Hignett)	DtC Officer Group	Ongoing
Viability	<ul style="list-style-type: none"> Consider development of a trusted framework of consultants to undertake viability assessments Develop shared approach to build-costs to provide consistency in viability assessments and CIL charging. Peruse joint training on viability issues for members (and bring the HCA into this conversation). 	Alison Gillespie	Tim Hill (Leeds)	On hold
Gypsies and Travellers	<ul style="list-style-type: none"> Portfolios Board discussion Feb 15 agreed to continue to monitor emerging policy and results of enquiries. 	Justin Wilson	Neville Ford (Wakefield)	Ongoing

Board Chair: Councillor Tim Swift
Authors: Colin Blackburn



Report to: LEP Board

Date: 19 July 2017

Subject: Leeds City Region Strategic Land and Assets Board Update

1. Purpose

- 1.1 To update the LEP Board on the discussions and actions that took place at the Land and Assets board on 13 April 2017.

2. Information

- 2.1 The meeting of the LCR Strategic Land and Assets Board took place on 13 April with Councillor Tim Swift of Calderdale the Chair. The Board continues to focus on housing growth and acceleration, housing policy and the wider strategic use of land and assets. The Board was given updates on housing white paper consultation 'Fixing our broken housing market', housing policy position statement and accelerated development options. The second part of the Board agenda includes reporting from the One Public Estate Board, including details of One Public estate allocations and approvals.
- 2.2 The key agenda items for the Board were as follows:
- Housing White Paper and DCLG consultations
 - Leeds City Region housing draft policy position statement.
 - Accelerating delivery of housing – an update of LCR housing delivery and potential to support some authorities to deliver more.
 - One Public Estate Board update including minutes of the meeting on the 22nd March 2017.

2.3 The summary of actions was as follows:

No	Task	Requested	Actioned	By Whom	Comment	Status
1	<p><u>Housing White Paper and DCLG Consultations</u></p> <p>The Board considered a report on the Government's Housing White Paper 'Fixing our broken housing market'</p> <p>Resolved:</p> <p>The Board noted WYCA's emerging response to the White Paper.</p> <p>The Board supported the proposed response back to Government.</p> <p>The Board noted the tight timetable for responding and delegated authority to submit the response by 1st May.</p>	13/05/17	WYCA	CB/JF/AG/J W/RH		Ongoing
2	<p><u>Leeds City Region Draft Housing Policy Position Statement</u></p> <p>An update on the final draft Housing Policy position was provided for the board.</p> <p>Resolved:</p> <p>The Board noted the significantly improved housing delivery performance, already meeting the post 2021 City Region housing supply numbers.</p> <p>The Board noted the revised final draft Leeds City Region</p>	13/05/17		CB/RH		Ongoing

	<p>Housing Policy Position Statement.</p> <p>The draft work programme was considered, noted and to be included on the agenda for each meeting to monitor progress.</p>					
3	<p><u>Accelerating Housing Development- Strategic Resources Support</u></p> <p>That the Board was asked to consider how WYCA might deploy strategic resources to support authorities who required additional support to accelerate delivery.</p> <p>The Board welcomed the news that the SEP target of 10,000 homes per annum had been met during 2015/16.</p> <p>Resolved:</p> <p>The Board noted further work ongoing to develop a pipeline and identify with partners required additional capacity where requested to ensure delivery happens across the LCR.</p> <p>The Board requested comments be fed back to Directors of Development.</p> <p>The Board requested a future report to assess how districts can work together to provide Extra Care accommodation.</p>	13/05/17	WYCA	CB/JF/RH		Ongoing
4	<p><u>One Public Estate – including minutes of the OPE board 22nd March 2017.</u></p> <p>The Board noted the report and recommendations were</p>	13/05/17		JF/DMcD		Ongoing

	<p>discussed and agreed:</p> <ul style="list-style-type: none"> • Proposals to expand the partnership to invite Craven, Harrogate and Selby LA's as part of the overall WYCA governance review. • To form an Expression of Interest for OPE Wave 6 for Housing and Regeneration and / or Service Transformation and Co-location. • Noted minutes of the meeting held 22nd March 2017. 					
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- 2.4 The date of the next board meeting is 14 July 2017, 1.00-3.00pm, Trinity Room, 2nd Floor, City Exchange, 11 Albion Street, Leeds, LS1 5ES.

3. Recommendations

- 3.1 That the LEP Board note the agenda of the Land and Assets Board held on 13th April 2017 and the actions arising from it.

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