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**Report to:** LCR LEP Board

**Date:** 16 January 2018

**Subject:** HS2 Growth Strategy – Skills, Supply Chain and Connectivity

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## **1 Purpose**

- 1.1 To provide LEP Board with an update on the LCR HS2 Growth Strategy, which includes the LCR HS2 Connectivity strategy and LCR HS2 Skills and Supply Chain Strategy.

## **2 Information**

### HS2 and the LCR HS2 Growth Strategy Overview

- 2.1 HS2 has the potential to help the Leeds City Region LEP and its partners deliver transport strategy through:
- Reshaping our economic geography by bringing together the city regions centred on Leeds, Sheffield, Nottingham and Birmingham into a coherent and integrated economic zone of over ten million people, five million jobs, and some of the UK's most significant manufacturing clusters. HS2 will enable people to have greater access to jobs and attract businesses to invest here.
  - Adding capacity to the national network and therefore freeing up capacity creating opportunities to improve the frequency and reliability of rail services for commuters, business travel and potentially freight on the local and regional network.
  - Being a catalyst for growth – in Leeds and York where HS2 currently arrives and then, with improved local connectivity, to the economic hubs in Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Selby and Wakefield.
  - Creating opportunities for skills and employment which Leeds City Region is well placed to take advantage of with fourteen further education colleges and eight higher education institutions, the latter producing 35,000 graduates every year, many in vital STEM subjects.
  - Transforming Leeds Station – after local intervention, the proposals for an integrated station will now create a single interchange between HS2 services, and local rail services to places such as Bradford, Wakefield, Huddersfield and Halifax, and potentially future Northern Powerhouse Rail ('NPR') / HS3 services.

2.2 The LCR HS2 Growth Strategy has been developed to ensure the overall opportunity from HS2 is maximised for the region. The LCR HS2 Growth Strategy was considered by WYCA at its meeting on 5 October 2017 and also at the LEP Board on 19 September 2017. WYCA endorsed the principles of the Leeds City Region HS2 Growth Strategy and delegated final drafting of the submission to the Managing Director in consultation with the WYCA Chair. The LCR HS2 Growth Strategy incorporates a series of workstreams including:

- Leeds Integrated Station Masterplan
- Leeds City Region HS2 Connectivity Strategy
- Leeds City Region HS2 Skills and Supply Chain
- Leeds South Bank Infrastructure Delivery Plan

2.3 Since the 19 September 2017 LEP Board meeting, comments from Government around the overarching LCR HS2 Growth Strategy have been incorporated, the Leeds Station Masterplan has been published<sup>1</sup>; engagement on the masterplan has commenced; and WYCA Transport Committee and WYCA have considered and approved the components of the LCR HS2 Connectivity Strategy.

2.4 The purpose of this report is to provide WYCA with an overview of the LCR HS2 connectivity strategy and to seek support to the development of Inclusive Growth Corridor Plans as part of the next stage in work.

#### LCR HS2 Connectivity Strategy

2.5 The purpose of the LCR HS2 Connectivity strategy is to establish the major local and regional connectivity priorities which are required to enable and maximise growth associated with HS2 coming to the Leeds City Region. The new LCR HS2 Connectivity Strategy will become a 'daughter document' to both the LCR HS2 Growth Strategy and also the West Yorkshire Transport Strategy.

2.6 The LCR HS2 Connectivity Strategy has a natural focus on connectivity towards the HS2 / Northern PowerHouse Rail stations (i.e. Bradford, Leeds and York). A new overarching LCR Connectivity Strategy will consider connectivity across the entirety of the City Region.

2.7 The LCR HS2 Connectivity Strategy has three emerging strands:

- a) Embracing technology to create an integrated network
- b) Continued Government support for delivering our existing transport priorities
- c) Delivering Inclusive Growth through transforming connectivity on the corridors where the economic need is greatest.

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<sup>1</sup> The Leeds Station Masterplan can be found here:  
<https://southbankleeds.co.uk/assets/documents/2017.11.03-Leeds-Integrated-Station-Masterplan-LR-v6-DS.pdf>

## LCR HS2 Skills and Supply Chain Strategy

2.8 The Skills and Supply Chain Growth Strategy details how the Leeds City Region is proposing to truly accelerate its development as a national and international centre of excellence for skills and supply chain expertise in High Speed and Light Rail in the UK, achieving a position of global competitiveness and driving the UK's Industrial Strategy. Building on prior successes within the city region, it includes:

- An offer to Government: what we are going to deliver, how we will do it, and the evidence base for developing these propositions;
- How interventions are going to integrate and build on existing assets, programmes and good practice in the city region and elsewhere; and
- How HS2 will help LCR go further and faster in realising our vision, and what we need from our partners at the local and national level to help achieve this.

2.9 The skills and supply chain strategy is split into three priority themes:

- **Priority Theme 1** - Building and retaining talent for growth in the LCR
  - Career Insight Programme;
  - Careers Family Programme;
  - Employment Brokerage Plus; and
  - Graduate Retention/ Bursary Programme.
- **Priority Theme 2** - Building the supply chain capacity for success
  - HS2 Supply Chain Development and Accelerator Programmes
- **Priority Theme 3** - Nurturing economic innovation based on LCR strengths in digital, data analytics and academia
  - Institute for High Speed Railways and System Integration;
  - Catalyst Fund;

2.10 Collectively, the projects will help us to:

- Make the LCR the UK leader in Light Rail and High Speed Rail engineering and R&D;
- Have a globally competitive supply chain;
- Attract the very best UK talent to create a sustainable skills base; and
- Move the LCR from a low skills equilibrium to a higher skilled economy, with significantly increased skills levels and qualifications in areas such as STEM.

2.11 A summary document, which provides further detail regarding the proposed programmes is provided as **Appendix 1**.

2.12 This strategy builds on the objectives detailed in the LCR Employment and Skills Plan and the work that WYCA and its partners already does to support the development of a skilled workforce in the Leeds City Region. The proposed programmes detailed

above, will build on prior successes within the region and will link to current and future programmes. For example:

- The successful Enterprise Advisor programme, which has to date engaged and successfully linked 139 schools with 129 business leaders and aims to engage every secondary school in the region, will be further developed through the Careers Insight Programme. This will aim to reach every pupil in the region to enthuse and excite the next generation of engineers/infrastructure specialists.
- WYCA are currently developing a careers campaign for young people linked to local labour market information, the ambition is that this information will reach at least 40,000 young people. This builds on a successful #Techgoals campaign, which enhanced the teaching and learning of digital skills in the classroom for over 10,000 young people to ensure our next generation of tech leaders are inspired and informed about the skills they need for future career opportunities. The HS2 Careers Family Programme will further enhance this work.
- The Employment Brokerage Plus will build on a programme that has already been developed with Local Authorities, DWP and partners to support suppliers delivering the WY Transport Fund to employ local people.
- Through the Delivery Agreements that WYCA has developed with the seven West Yorkshire colleges, we are monitoring how the college provision meets local needs. This will include new provision such as degree level apprenticeships, required for HS2 and evidences the relationships and influencing role held by WYCA.
- The LEP Skills Service has upskilled over 10,000 individuals across the region since it commenced in 2015. This programme will continue through ESIF funding in 2018 and will further develop links with local businesses to undertake skills plans and provide training solutions for people in work, including SME employers working as part of the HS2 supply chain.

2.13 In order to ensure the proposed programmes add value and complement national initiatives, as well as City Region programmes, dialogue has commenced with a range of potential partners including The National High Speed Rail College in Doncaster and Transport for the North.

#### Next Steps and Timeline

- 2.14 Following feedback already received, public engagement with stakeholders around the LCR HS2 Growth Strategy, as well as on the Connectivity and Skills/Supply Chain commenced on 18 December 2017 and closes on 2 February 2018. All information is available on the WYCA website <http://www.westyorks-ca.gov.uk/hs2growthstrategy/>.
- 2.15 The next step would then be to turn the strategies into individual implementation plans, including the development of Inclusive Growth Corridor Plans for the Connectivity workstream. The approach to implementation will depend on how far the Government supports the plan financially.

### Budget announcement around the Transforming Cities Fund

- 2.16 The Chancellor announced in the November 2017 Budget, the 'Transforming Cities Fund' – A £1.7 billion fund to support intra-city transport. It will target projects to drive productivity by improving connectivity, reducing congestion and utilising new mobility services and technology.
- 2.17 In the Budget, the Chancellor set out that *“half will be allocated via competition for transport projects in cities and the other half will be allocated on a per capita basis to the 6 combined authorities with elected metro mayors – £74 million for Cambridgeshire and Peterborough, £243 million for Greater Manchester, £134 million for Liverpool City Region, £80 million for West of England, £250 million for West Midlands and £59 million for Tees Valley – enabling them to invest in their transport priorities.”*
- 2.18 If a devolution deal had been agreed at a Leeds City Region level, based on the per capita approach set out above, a mayor covering the Leeds City Region would have been directly granted an additional circa £250m to support investment in intra-city transport. This would have increased to circa £400-500m at a Yorkshire and Humber level.
- 2.19 Whilst missing out on this significant capital funding, the Transforming Cities Fund still provides an opportunity for Leeds City Region to bid against all other authorities (including Mayoral Combined Authorities which have already been granted funding) across England for the remaining £850m.
- 2.20 We are assuming that the guidance will be published early in the New Year with an expectation that bids will need to be submitted during March 2018.

### **3 Recommendations**

- 3.1 That LCR LEP Board note the progress on the LCR HS2 Growth Strategy and the on-going public stakeholder engagement.