

LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD

MEETING TO BE HELD AT 3.00 PM ON TUESDAY, 19 SEPTEMBER 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 19 JULY 2017**
Copy attached.
(Pages 1 - 6)
4. **PANEL CHAIR UPDATES**
 - (a) **COMMUNICATIONS, MARKETING AND BUSINESS ENGAGEMENT**
(Led by: Rashik Parmar)
(Pages 7 - 12)
 - (b) **BUSINESS INNOVATION AND GROWTH PANEL**
(Led by: Andrew Wright)
(Pages 13 - 22)
 - (c) **EMPLOYMENT AND SKILLS PANEL**
(Led by: Stephanie Burras)
(Pages 23 - 28)
 - (d) **GREEN ECONOMY PANEL**
(Led by: Paul Hamer)
(Pages 29 - 34)
 - (e) **LAND AND ASSETS PANEL**
(Led by: Cllr Tim Swift)

(Pages 35 - 40)

For decision

5. LEEDS CITY REGION ENTERPRISE ZONES PROGRAMME

(Author: Justin Wilson, Led by: Rob Norreys)

(Pages 41 - 48)

6. HS2 AND THE HS2 GROWTH STRATEGY UPDATE

(Author: Tom Gifford, Led by: Rob Norreys)

(Pages 49 - 54)

7. GROWTH DEAL UPDATE

(Author: Lynn Cooper, Led by: Melanie Corcoran)

(Pages 55 - 68)

8. AUTUMN BUDGET SUBMISSION

(Author: Marc Eatough, Led by: Rob Norreys)

(Pages 69 - 70)

9. ECONOMIC REPORTING

(Author: Patrick Bowes, Led by: Rob Norreys)

(Pages 71 - 82)

10. ANY OTHER BUSINESS

11. DATE OF NEXT MEETING

29 November 2017, Committee Room A, Wellington House, Leeds

For information

12. TRANSPORT STRATEGY AND BUS STRATEGY ADOPTION

(Pages 83 - 86)

13. HEATHROW LOGISTICS HUB

(Pages 87 - 90)

14. CREATING THE ENVIRONMENT FOR GROWTH (STRATEGIC PRIORITY 4)

(a) LEEDS CITY REGION PLANNING PORTFOLIOS BOARD UPDATE

(Pages 91 - 92)

Signed:

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WYCA Managing Director

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**MINUTES OF THE MEETING OF THE
LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD
HELD ON WEDNESDAY, 19 JULY 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Roger Marsh OBE (Chair)	Leeds City Region Enterprise Partnership
Stephanie Burras CBE	Ahead Partnership
Professor Bob Cryan CBE	University of Huddersfield
Dave Harris	Royal Bank of Scotland
Councillor Susan Hinchcliffe	Bradford Council
Rashik Parmar MBE	IBM's Academy of Technology
Tom Riordan	Leeds City Council
Joanna Robinson	Mansfield Pollard
Andrew Wright	Reliance Precision

In attendance:

Councillor Shabir Pandor	Kirklees Council
Angela Barnicle	Leeds City Council
Dave Newton	Arup Consultants
Ben Still	WYCA
Sue Cooke	WYCA
Melanie Corcoran	WYCA
Patrick Bowes	WYCA
Tom Gifford	WYCA
David Walmsley	WYCA
Farzana Chowdhury	WYCA

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Judith Blake CBE, Peter Box CBE, David Carr, Richard Cooper, Carl Les and Tim Swift.

2. DECLARATIONS OF INTEREST

Stephanie Burras declared an interest, as Chief Executive of the Ahead Partnership, which is a sub-contractor to the LEP Skills Service.

Roger Marsh OBE, Professor Bob Cryan and Councillor Susan Hinchcliffe declared an interest for item 10, ESIF and SUD, as members of WYCA.

3. MINUTES OF THE MEETING HELD ON 17 MAY 2017

Resolved: That the minutes of the meeting held on 17 May 2017 be approved and signed by the Chair.

4. HS2 GROWTH STRATEGY

The Board considered a report of the Director of Policy Strategy and Communications on the development of the Leeds City Region HS2 Growth Strategy. Members were also given a presentation by Dave Newton (ARUP), Tom Gifford (WYCA), and Angela Barnicle (Leeds City Council).

Members discussed the strategy, regional connectivity priorities and the opportunities HS2 as a whole could bring to the city region in respect of economic growth. They asked to be involved on the ongoing development of the Strategy and members were invited to a workshop to be held on 26 July 2017 where the future trends and drivers of connectivity would be discussed. The workshop would also be attended by representatives from districts across the city region, the Chamber of Commerce and DfT.

A progress report would be provided at the next meeting.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That a progress report be prepared for the next meeting.

5. PANEL CHAIR UPDATES

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

- Communications, Marketing and Business Engagement
- Business, Innovation and Growth Panel
- Employment and Skills Panel
- Green Economy Panel

Resolved: That the updates be noted.

6. GROWTH DEAL UPDATE

The Board considered a report on the current progress on spend and performance on the Growth Deal 2017/18.

Resolved:

- (i) That the progress made in implementing the Programme and the major risks to delivery in 2017/18 be noted.
- (ii) That a letter be sent to DCLG to register the LEP Board's concerns in respect of the changes to the KPI's, as detailed in the submitted report.

7. GOVERNANCE UPDATE

Members considered a report updating them on the steps taken to integrate the LEP Panels into the West Yorkshire Combined Authority decision making structure. Members also considered the matter of future recruitment to fill the forthcoming private sector vacancies on the LEP Board, the panels and the Transport Committee and agreed to form selection panels and utilise their networks to attract applicants.

Resolved:

- (i) That the update be noted.
- (ii) That members will help utilise their networks to recruit new members.
- (iii) That members will nominate members to form a selection panel alongside the LEP Chair.

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 Members 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 analysis presented in the economic update and dashboard be noted.

9. LCR ENTERPRISE ZONES STRATEGY AND IMPLEMENTATION PLAN - VERBAL UPDATE

The Board was given a verbal update regarding the Enterprise Zones Strategy and Implementation Plan. It was reported that the Implementation Plan was now completed and would be circulated to the Board Members.

Resolved: That the update be noted.

10. BROADBAND INFRASTRUCTURE UPDATE

The Board considered a report of WYCA's Director of Policy, Strategy and Communications which provided 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.

The report outlined progress with the delivery of the programme in West Yorkshire and York it was also noted that the potential phase 3 proposals may include the wider city region.

Resolved:

- (i) That the positive delivery performance of the West Yorkshire and York Broadband Infrastructure programme be noted.
- (ii) That the ongoing activity to further develop broadband infrastructure projects to seek to deliver the SEP ambition of 100% superfast broadband coverage be noted.

11. EUROPEAN STRUCTURAL AND INVESTMENT FUNDS (ESIF) - SUSTAINABLE URBAN DEVELOPMENT (SUD)

The Board considered a report of WYCA's Director of Resources which provided an update on the current position in relation to the European Structural and Investment Funds – Sustainable Urban Development.

It was reported that WYCA had agreed the call on 29 June 2017 and it is expected that the Call would be published in mid-July. Members noted that the final iteration of the Call may be subject to final editing by the Managing Authority prior to formal publication but these changes will not alter the substance of the Call. It was expected the Call would be open for approximately 8 weeks for applicants to submit outline bids for the funding.

Resolved: That the LEP Board noted the content of the report.

12. NATIONAL POLICY UPDATE

The Board considered a report of Director of Policy, Strategy and Communication which outlined the important developments in the national policy context and summarised steps being taken by the LEP to put the Leeds City Region on the front foot in fostering Inclusive Growth.

Members stressed the importance of securing a devolution deal and it was reported that a meeting with Yorkshire Leaders was to be held on 28 July to explore options.

Resolved: That the update report be noted.

13. LEEDS CITY REGION PLANNING PORTFOLIOS BOARD UPDATE

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

Resolved: That the update report be noted.

14. LEEDS CITY REGION 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.

15. TRANSPORT FOR THE NORTH

The Board considered a report of WYCA's Director of Policy Strategy and Communications which provided an update on the Transport for the North's (TfN) development of a Transport Strategy and progress with our road and rail priorities for Transport for the North, including the development of a Northern Powerhouse Rail Network.

Resolved: That the update report be noted.

16. ANY OTHER BUSINESS

It was noted that a workshop would be held prior to the next meeting and topics to be considered would include the Industrial Strategy and the Strategic Economic Plan refresh.

17. DATE OF THE NEXT MEETING

The next meeting will be held on 19 September 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 September 2017

Subject: Communications, Marketing and Business Engagement

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 below performance updates in relation to the LEP's key communications and marketing channels for July and August 2017. As noted in previous Board updates, the West Yorkshire Combined Authority Communications and Marketing team now covers the full breadth of the Combined Authority/ LEP agenda and the media statistics presented below refer to coverage across this broadened range of activity. New, more accurate search terms have been introduced so direct month-on-month and annual comparisons are not currently possible, but will be measured from this point on.

Media coverage (July 2017)

Media mentions:	851
Estimated reach:	52,161,712
Estimated Advertising Value Equivalent (AVE)	£ 1,707,814

Media coverage (August 2017)

Media mentions:	1,093
Estimated reach:	47,095,648
Estimated Advertising Value Equivalent (AVE)	£1,370,349

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

2.3 Website (July)

	www.the-lep.com	www.investleedscityregion.com
Primary audience	• City Region businesses (primarily SMEs)	• Potential investors in the City Region
Sessions	6,949	2,379
Page views	21,260	5,374

August:

	www.the-lep.com	www.investleedscityregion.com
Primary audience	• City Region businesses (primarily SMEs)	• Potential investors in the City Region
Sessions	5,527	2,092
Page views	16,907	4,495

2.4 Social media

Twitter – July:

	@LeedsCityRegion	@InvestLCR
Impressions	138,000	62,700
Profile visits	5,280	451
Follower growth	149	72

August:

	@LeedsCityRegion	@InvestLCR
Impressions	99,700	32,200
Profile visits	3,025	225
Follower growth	81	44

Marketing and lead generation

- Marketing activity in support of the LEP’s Enterprise Adviser campaign has contributed to the achievement of 26,000 interactions between businesses and school pupils since September 2016.
- Three business pop-up café events were held in July in Hebden Bridge, Castleford and Airedale (Steeeton) respectively, attracting over 70 businesses. All three events received a 100% satisfaction rating of either excellent or good.
- In July, the LEP launched its summer #LetsTalkRealTraining campaign aimed at highlighting the benefits to businesses of investing in skills and training and the support available.

- Also in July, the LEP supported the launch of the new ESIF-funded Export Exchange, which aims to encourage more businesses to trade overseas.
- Following from the announcement of the LEP/ Combined Authority's new partnership with Innovate UK on 28 June, a media launch of the new Access to Innovation and Strategic Business Growth programme was carried out generating positive local and regional coverage.
- Four new private sector sponsors for the Leeds City Region's delegation to MIPIM UK in October have been secured, and were announced on 31 August. In comparison to previous years our current confirmed private sector sponsorship has increased and is above target. The intention is to provide a bigger and bolder approach to MIPIM that accurately reflects the vibrancy of the City Region. We are proactively pursuing sponsors and commitment from civic leadership is extremely strong.
- Marketing plans to meet targets for key economic services including the LEP Growth Service, skills services, trade and inward investment have now all been agreed with the relevant Heads of Service and delivery is underway.

Trade and investment marketing

- 2.5 A full 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 period:
- **MIPIM UK – October 2017.** Leeds City Region will have a significant presence at this year's UK property and investment showcase, and is continuing to attract substantial sponsorship for the event from the private sector.
 - **Continued roll-out of Let's Talk Real Business campaign** – including continued release of media and video case studies, targeted advertising and events.
 - **Careers campaign** – building on the success of the LEP's flagship #techgoals campaign – which has now reached over 10,000 young people – a broader careers campaign focused on supporting young people to make informed choices about future career paths is in the final stages of development. The campaign is due to launch in early autumn and has a target of reaching 40,000 young people across the City Region. The campaign has been developed following substantial engagement and insight-gathering among young people about their career motivations and which communications channels they are most likely to respond to.
 - **Development of transport offer within the LEP Growth Service** – the West Yorkshire Combined Authority's Transport Services directorate offers a number of support services to businesses including access to corporate travelcards, free or low-cost bikes for apprentices and job-seekers, and other support to help

people travel to employment opportunities. Work is currently underway to link this activity with the existing LEP business support offer to maximise opportunities for cross-promotion via the Growth Service and ensure the features and benefits of these transport services are clearly communicated to local businesses.

- **Business advice pop-up cafes (September - October)** – a programme of business advice pop-up cafes is being planned for throughout the autumn, building on the success of previous well-received events. As noted above, the events continue to receive highly positive satisfaction ratings among the businesses attending and have become a critical part of the business support offer for small and micro businesses.
- **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.
- **Growth Deal media stories** – following significant media and other communications activity over the summer related to the completion of Growth Deal-funded improvements to FE colleges in the City Region (including the opening of Selby College’s new apprenticeship facility, a ground-breaking ceremony for Leeds City College’s new Quarry Hill campus and the opening of the new Leeds City College Printworks facility in August) the volume of Growth Deal projects either completed or in delivery is picking up pace. A comprehensive communications and engagement plan is in development to ensure the opportunities for stories and stakeholder engagement opportunities (including ministerial visits) are fully embraced.

Business engagement

- 2.7 The Business Communications Group has not met in this period but the next meeting will take place on 20 September 2017. A report will be brought to the next LEP Board meeting.
- 2.8 Plans are being actively developed for a Devolution Business summit in the near future which will seek to engage meaningfully with businesses in the region on progress towards devolution in Yorkshire. The summit will be a starting point for ongoing dialogue between politicians and businesses on this issue.

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.

Select media stories

July and August 2017

[Selby College Extension will support 1,200 new learners after LEP investment](#)

3 July

[Digital education campaign is proving a class act in Leeds city region](#)

Yorkshire Evening Post – 5 July

[Leeds in the running for Channel 4 relocation bid](#)

Business Desk – 13 July

[The Innovation Revolution – how the North is key to competing post-Brexit](#)

Huffington Post – 20 July

[Creating a pipeline of talent to meet business demands](#)

Yorkshire Post – 7 August

[Yorkshire Day Shining A Light On How Investment In The North Is Boosting The Economy
Piece By Piece](#)

Huffington Post – 1 August

[Yorkshire colleges first to publish targets in £56m AEB pre-devolution deal](#)

FE Week – 27 July

[Foreign investment on the rise in Yorkshire and the Humber, DIT reports](#)

B Daily – 25 August

[REVOLUTIONARY HOME CARE TECHNOLOGY IS ROLLED OUT IN BRADFORD](#)

[Invest Leeds City Region, 27 July](#)

[Leeds City College officially opens Printworks Campus redevelopment](#)

29 August

[Department for International Trade results show 26% increase in FDI](#)

29 August

[Works set to start on new Leeds College of Building campus, part-funded by LEP](#)

31 August

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



Report to: LEP Board
Date: 19 September 2017
Subject: Business Innovation and Growth Panel

1 Purpose

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

2 International Trade

New Developments

- 2.1 Whilst the outcome of post-Brexit trade negotiations are unclear, the UK's trading relationship with both the EU and other countries will undoubtedly change. The effects of international trade on sales, profits, productivity and innovation are well documented, and the city region needs to ensure that businesses here are best placed to address the potential impact of these changes and seize the opportunities that arise. As the global trading environment changes, our approach will also need to change to provide a more targeted and opportunity led approach to support the needs of the businesses located within the city region.
- 2.2 The International Trade Working Group is evolving to form a new wider and more inclusive partnership group to allow us to work more closely with a wider range of public and private sector partners and organisations in the city region who have an interest and role in supporting businesses to trade internationally. This will support the Trade Plan ambition to create 'closer and stronger collaboration between partners across the City Region resulting in more businesses exporting from Leeds City Region and the value of our exports increasing'.
- 2.3 The Trade and Investment team are looking at ways in which we can develop our web presence to provide a better platform to communicate and disseminate information on trade activities.

Trade Performance and Outlook

- 2.4 At a UK level the most recent data from HMRC shows that total trade exports for June 2017 were £28.3 billion, a decrease of £1.0 billion (3.5%) compared with the previous month, but an increase of £3.6 billion (15%) compared with June 2016.
- 2.5 The UK total export trade for Q2 of 2017 was £84.1 billion, an increase of 16% compared with £72.7 billion for Q2 of 2016. There was a trade deficit of £36.3 billion for Q2 of 2017, a decrease of 18% compared with Q2 of 2016.

- 2.6 The next national and regional trade data will be published in September and October respectively and will provide a clearer indication of how closely the Yorkshire and Humber region is following the national picture.

Trade Plan activities

- 2.7 The Trade & Investment team have recently concluded the latest call for Expressions of Interest (EOIs) for Kaola.com. We received 45 initial EOIs with 39 suppliers subsequently listed in the final catalogue for Kaola.com.
- 2.8 The Trade & Investment team are working with DIT to build additional activity around the Gulf Tour to the UK 2017, which will visit Leeds on 18th September as part of a national tour. <https://www.events.trade.gov.uk/gulf-tour-to-the-uk-2017/>.
- The Trade and Investment team will be running a campaign in the run up to this event to highlight the opportunities in the Gulf States for business in the city region.
 - On the 18th September, the Trade and Investment team are also hosting a breakfast roundtable for businesses in the healthcare sector and then co-ordinating two company visits to healthcare businesses during the afternoon.
- 2.9 Our partners in delivering these activities are DIT, Export Exchange, Medilink and the British Centre for Business in Dubai.
- 2.10 Further activity on the Gulf States will continue after the visit in September.
- 2.11 Working with DIT and the Honorary Consul for South Africa, the Trade and Investment Team are organising a visit from the South African High Commission to the city region in October. This will focus in particular on key sectors to highlight where the potential business opportunities may be for businesses in the city region.

Delivery Partners Update

Department for International Trade

- 2.12 The list of Northern Powerhouse trade missions has now been published <https://www.eventbrite.co.uk/o/northern-powerhouse-missions-14504816923>. The Trade and Investment team are currently looking at where opportunities for joint working may exist.

Exporting for Growth (EfG)

- 2.13 The take up of the European funded EfG export grant programme in the city region currently stands at 72 grant offer letters issued to the end of July 2017 making offers of a total of £247,581 in grant funding.

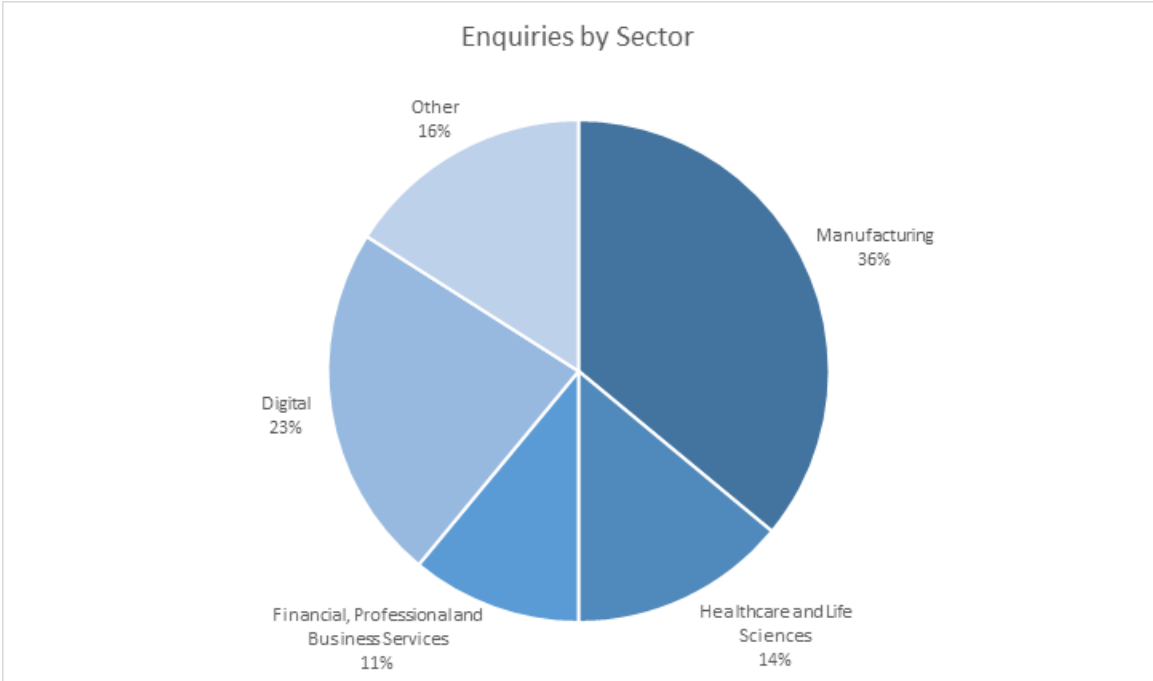
2.14 The new Export Exchange peer to peer network for the city region launched on 30th June and introduced the first 50 'Patrons' <https://www.exportexchange.co.uk/patrons.php>. The Patrons, all experienced exporters and business leaders, will share their expertise on every aspect of exporting and growth with fledgling SME exporters.

3 Inward Investment

Inward Investment Performance and Outputs

3.1 There has been one reported success since the last panel report, creating 300 jobs. The Trade and Investment Team continues to work on a number of large strategic inward investment opportunities, including Channel 4.

There is a strong mix of enquiries across our priority sectors as shown below.



New developments

3.2 The Trade and Investment team attended the Northern Powerhouse (NPH) Town Hall event in July to understand NPH's future strategic direction and partners were encouraged to input into the approach. DIT (NPH) are considering establishing an over-arching panel that defines and manages the inward investment strategy for the NPH. The Trade and Investment team are also being consulted on the forthcoming re-tender of DIT's national inward investment services contract.

3.3 Discussions over Key Account Management (KAM) funding with the Department for International Trade (DIT) are ongoing.

3.4 DIT announced the UK Foreign Direct Investment (FDI) results and the LCR results showed an increase of 22%.

- 3.5 LCR was represented at the London Technology week, meeting with multiple international contacts as well as exhibiting at the Global Expansion Summit.
- 3.6 The team hosted a delegation from the DIT Fintech and Innovation team and presented to delegates as part of a Chinese Investment Promotion Agency mission to the UK.

4 Innovation

Relationship with Innovate UK

- 4.1 The Partnership Agreement between WYCA/The LEP and Innovate UK setting out the principles and practical arrangements for closer collaboration between the organisations was officially signed at an event on 28th June.
- 4.2 The signing, between Kevin Baughan, Deputy CEX of Innovate UK, Andrew Wright, Chair of BIG Panel, and Cllr Tim Swift, BIG Panel Leader, took place alongside a roundtable Panel session, where invited attendees debated with 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.'
- 4.3 The second part of the day included an SME workshop session, hosted by Borg Warner, with the purpose of providing businesses with information on support available to innovate through the Access Innovation programme and Innovate UK.
- 4.4 Following on from this initial event, planning is underway to deliver an Innovate UK Local event in October 2017 at Unity Works, Wakefield. This event will showcase the range of support available through the Innovate UK family, including the network of Catapults, EEN and KTN alongside local innovation support.
- 4.5 The main objective of this event is to raise the profile and visibility of Innovate UK and the support and funding available for Leeds City Region SMEs to access. Recent analysis of Innovate UK data has shown that the reason our SMEs don't access their fair share of funding from Innovate UK is simply because they don't apply in the first place (as opposed to applying but being unsuccessful).

Northern Innovation Strategy

- 4.6 The eleven Northern LEPs have now established a working group to actively explore the development of a Northern Innovation Strategy. The working group is made up of officers from the LEPs/Combined Authorities of Greater Manchester, Hull and Humber, North East and Leeds City Region. The ambition of the group is to have a Northern Innovation proposal published in time to influence the Autumn Statement.

LEP University engagement

- 4.7 Roger Marsh will host his regular meeting with the City Region Vice Chancellors (VCs) on 4 October 2017. As discussed at the previous dinner, there will be continued discussion on the LEP's 'vision for the region', and on the ongoing opportunities to work more collaboratively on areas of mutual interest, such as innovation, inward investment and international trade. A meeting of the Leeds City Region Knowledge Transfer Directors will take place in September to support the meeting with the Vice Chancellors.
- 4.8 Leeds City Region Science and Innovation Audit is expected to be published in September. Once this has officially been released it will be circulated to the LEP with details of next steps.

Access Innovation

- 4.9 The £9.1m Access Innovation programme is now being delivered across the city region with funding from the European Regional Development Fund and the Local Growth Fund. Its primary objective is to help SMEs to become more productive and competitive through the development of new products, processes and services. This will be achieved by linking SMEs directly to the expertise and facilities within research intensive organisations, such as universities or Catapult Centres. The programme provides advice to businesses on which organisations can support them with their innovation activities, and also grants of between £5,000 and £50,000 towards the cost of working with the expert organisations.
- 4.10 The Access Innovation team is also working with a range of local and national partners to stimulate the appetite for innovation and Research and Development (R&D) investment amongst the city region's SME population. This involves one-to-one support for individual SMEs from the programme's three Innovation Growth Managers, and the delivery of sector-specific workshops and events on the premises of well-known business innovators.
- 4.11 The programme began working with businesses in late June 2017 and has now provided support to 127 SMEs, 57 of which have received one-to-one support from the Innovation Growth Managers resulting in detailed action plans for taking their innovation projects forward. Two applications for grants have been received and a number of other SMEs are currently working on their applications.
- 4.12 To date, the business sectors with the highest level of interest in the programme have been manufacturing, digital and healthcare. This will be built on in the next few months with more targeted marketing and communications activity, including eNewsletters and events.

5 Digital

Digital Plan

- 5.1 Work is underway to develop a Digital 'Plan' for the Leeds City Region as part of the Inclusive Industrial Strategy. This will include: digital infrastructure; digital inclusion;

digital skills (being mindful of the existing Employment and Skills Plan); digital opportunities for non-digital businesses and the digital sector. The Plan will seek to maximise and build on the City Region’s existing assets and capabilities to transform the productivity of our businesses and provide the present and future workforce with new opportunities to boost their earning power.

Digital Enterprise Programme

- 5.2 The Digital Enterprise programme was formally launched in early February 2017. It is led by Leeds City Council on behalf of a number of local authority partners in the city region, including WYCA, and is supported with £750K of match-funding from the LEP.
- 5.3 The Digital Growth Voucher scheme received a huge response from businesses in the first phase, which ran from February to March 2017. Approximately 150 voucher applications were expected, with the actual number of applications coming in at 480 (in 7 weeks.)
- 5.4 A mix of technologies was included in phase 1, ranging from hardware upgrades to website and digital connectivity projects, with many projects including a range of solutions (bundled projects).
- 5.5 The level of demand resulted in a temporary suspension of the scheme (at the end of March) to help manage the backlog. The second phase will now launch in September, with a third phase following in May 2018. Projects are being sought where applicants can demonstrate significant digital transformation for the business as well as economic impact.
- 5.6 The Digital Knowledge Exchange is a key component of the overall programme and will offer SMEs access to knowledge, expertise and advice on deploying digital solutions. It was launched in July 2017 with a keynote speech from Andrew Wright

6 Business Support

LEP Capital Grants Programme

- 6.1 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 £33.2m from the Local Growth Fund (LGF) up to March 2021.
- 6.2 The table below presents progress to date:

Target Measure	6-Year Target (April 15 to March 21)	Achieved (as of June 17)
Expenditure	£33.2m	£26.6m (committed) £19.4m (actual)

New Jobs Created	4,100	4,656 new (committed) 1,760 safeguarded (committed) 1,539 new (actual) 1,575 safeguarded (actual)
Businesses Supported	765	467 (committed) 362 (actual)
Public/ Private Sector Leverage	£168.5m	£274m (committed) £166.7m (actual)
Total Cost Per Job Created	No contractual target	£5,705 (committed) £12,582 (actual)

6.3 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 the current figure of £12,582 being significantly below the national average for programmes of this nature (circa £30K per new job).

6.4 The Business Investment Panel recently recommended the approval of three grants totalling £406,500. The first is for £110,000 for a large food manufacturer that is making a £1.1 million investment in new equipment and alterations to premises, which will result in the creation of 30 new jobs. The second is for £126,500 to an SME internet-wholesaler that is investing £1.26 million in fitting out a new distribution facility, which will create 104 new jobs. The third is for £170,000 for an automotive manufacturer that is investing £2.3 million in new equipment, leading to the creation of eighteen new highly-skilled jobs.

6.5 Consideration for how recipients of larger grants can contribute to the Inclusive Growth strategy is currently at an advanced stage. Examples of possible options include:- local supply chain opportunities, links to the enterprise in schools agenda and recruiting higher-level apprenticeships.

LEP Business Floods Recovery Fund

6.6 The above fund has now closed to new applications and has approved funding of £3.18m to support capital investments by 66 businesses badly affected by the floods in late 2015. The majority of the grants have gone to businesses in Calderdale (33) and Leeds (20), with seven awarded to York businesses, four to Bradford ones and two to ones in Kirklees. The grants will attract a further £10m of investment from the businesses receiving them. To date, £1.85m has been paid to the businesses, which has helped them to move closer to how they were operating before the floods. The grants will help to safeguard over 1500 jobs in the city region. This support for flood-affected firms is a good example of how funding can be diverted in a flexible and responsive manner to meet urgent businesses needs.

LEP Growth Service

6.7 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. The service is Leeds City Region's Growth Hub, of which there are 39 across the country.

- 6.8 Since its launch in July 2015, the service has supported over 3,200 businesses, over 1,300 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 and training and recruiting staff, with digital connectivity and business planning also proving popular in recent months. Manufacturing remains the most popular sector for business enquiries, followed by Creative & Digital and Financial & Professional Services.
- 6.9 The service has been receiving approximately twice as many enquiries per month this financial year than in the corresponding months of 2016/17, with July 2017 being the busiest month so far this financial year with 150 enquiries compared to 79 in July 2016. There also continues to be an increase in the volume of enquiries from businesses that want to grow, which represent the service's target customers. This can be partly attributed to more targeted communications activity, and to the introduction of new business support products in the city region that are focussed on growing firms.
- 6.10 Three 'Pop-Up' business advice cafés took place in July 2017 at Hebden Bridge, Castleford and Steeton. They were attended by 71 people from 61 businesses, with 81% of customers rating them as good and the remainder as excellent. These free events allow smaller firms to meet professional experts on a range of key business issues and opportunities all under one roof in their locality. 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. Two more events will take place in the early Autumn 2017 in Batley and Brighouse.
- 6.11 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 the city region's Local Authorities, other LEPs across the North and with the Government, to secure additional funding from April 2018 onwards.

New Business Support Programmes

- 6.12 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.
- 6.13 The £7m Strategic Business Growth (SBG) project is now being delivered by the LEP and its appointed contractor, Winning Pitch. It is also funded by ERDF and LGF, and

provides small businesses with a package of tailored support to help them achieve their growth potential. This includes one-to-one business coaching, one-to-many workshops on key areas of business growth and an important peer-to-peer element that allows businesses to share their experiences and expertise.

- 6.14 Winning Pitch has recruited three Account Managers to cover the city region, and has now contracted with 30 business coaches with a range of specialisms and good working knowledge of the different districts in LCR. A further 40 coaches will be contracted in the coming weeks to further extend the reach and expertise of the project. 29 businesses have engaged with the project to date, 11 of which are now developing practical Growth Action Plans with their allotted Account Managers.
- 6.15 Growth workshops and peer-to-peer board meetings will commence in September 2017, and will cover a range of topics, including;- management & leadership, recruitment, 'scaling-up' the businesses, finance and 'value proposition'. Another major element of the project will be the requirement for Winning Pitch to closely monitor and report the impact of their support on the SMEs over the lifetime of the contract. This will encompass a range of indicators related to productivity, which will include, but not be limited to, employment creation.
- 6.16 The Northern Powerhouse Investment Fund (NPIF) formally launched on the 22nd February 2017 and has since invested over £4million of funding into LCR businesses, including the first Equity Fund Investment of £100,000. There is an even spread of investments across the priority sectors of the city region's Strategic Economic Plan. NPIF is funded by ERDF, the British Business Bank (BBB) and the European Investment Bank. Approximately £18m of the city region's ERDF allocation is supporting the fund.
- 6.17 NPIF promotion has continued by both the appointed fund Managers and the BBB with extensive networking and attendance at key events. The focus is now on private sector professional intermediaries (e.g. banks, accountants and solicitors), business membership organisations and the LEP Growth Service to continue to widen awareness of, and participation in, the Fund.
- 6.18 Feedback from both fund managers, and the BBB, confirms a continued positive level of demand from businesses across the city region, which is reflected in the level of loans and investments completed to date and a healthy forward pipeline of SMEs looking for finance. The conversion rate from enquiries to successful applications has been higher than anticipated by BBB, which is a positive indication of the demand for external finance in the city region. Further positive indicators are that Leeds City Region has received the second highest number of applications into the fund of the nine LEP areas involved, and the highest number of applications converting into completed deals.

7 Inclusive Growth

- 7.1 Following an audit of current activity and ideas for future work, the Panel is considering how both current and future programmes can be better aligned to meet

inclusive growth priorities. More detailed proposals will be presented at the Panel's next meeting in December 2017.

8 Recommendations

8.1 The LEP Board is asked to note the contents of the Panel update.

Panel Chair: Stephanie Burras
Author: Michelle Burton



Report to: LEP Board
Date: 19 September 2017
Subject: Employment and Skills Panel

1 Purpose

- 1.1 To provide the LEP Board with an update on the work of the Employment and Skills Panel (ESP).

2 Re-Shaping the Skills System

- 2.1 In July 2017, Delivery Agreements were published with each of the seven FE Colleges in West Yorkshire, following the LEP Board's endorsement at its last meeting. The agreements are available to view at <http://www.the-lep.com/research-and-publications/> and set out individualised and measurable expectations of how Colleges have agreed to work toward LEP and CA priorities for the Leeds City Region. The agreements will influence how the Adult Education Budget (approx. £56m per annum) is utilised as well as broader college provision and are an important next step in strengthening broader relationships with colleges. The publication of these agreements was reported as a national first by FE Week <http://feweek.co.uk/2017/07/27/yorkshire-colleges-first-to-publish-targets-in-56m-aeb-pre-devolution-deal/>.
- 2.2 Next steps will include:
- Performance management of the Delivery Agreements by WYCA;
 - A workshop to be carried out with LA officers in September 2017, to explore how their AEB allocation is utilised and how success is measured and used to inform delivery;
 - Engagement with the largest independent training providers of AEB.
- 2.3 Good progress has been made towards a number of the recommendations set out in the report of the West Yorkshire Area Review of Post-16 Education.
- 2.4 Discussions have been taking place between various parties interested in the proposal to establish a single Aire Valley College (including Craven College, Shipley College and the Keighley Campus of Leeds City College).

3 Embedding Inclusive Growth in Employment and Skills Services

3.1 At their meeting on 1 September 2017, the Panel considered proposals for embedding Inclusive Growth in Employment and Skills services, including the following:

- Influencing providers: Outcomes for the most dis-advantaged groups identified in Delivery Agreements with WY Colleges.
- Enterprise in Education: Providing enhanced activity for 6,000 of our most disadvantaged young people.
- In-work progression: Published research report in July 2017 into models of in-work progression in low-wage sectors <http://www.the-lep.com/news-and-blog/news/new-report-finds-sector-based-support-can-help-bus/>.
- Launched “skills support for in-work claimants” project at LCR Skills Conference on 20 July.
- Skills Service: signposting available for businesses to engage with schools, recruit apprentices, train lower paid staff, etc.
- Local employment on major schemes: following LEP Board endorsement, WYCA is implementing social value in procurement policy for all schemes with a value of £0.5m or more.
- Apprenticeships: Apprenticeship Grant for Employers (AGE) offers enhanced grant to employers taking on their first apprentice (16-24 years old) when they pay the apprentice the living wage.

3.2 The Panel will continue to identify areas where more could be done and the LEP Board awayday will consider Inclusive Growth and Industrial Strategy.

4 More and Better Apprenticeships

4.1 The Apprenticeship Grant for Employers (AGE) is now closed to new registrations.

Phase One (Apprentice Starts 1 August to 31 December 2015 – financial year 2015/16) saw 1126 business receive grants totalling £2,279,000.

Phase Two & Three (Apprentice Starts 1 January to 31 December 2016 – financial year 2016/17) saw 1598 businesses receiving 1819 grants totalling £3,066,800.00.

Phase Four progress (Apprentice Starts 1 January to 31 July 2017 – financial year 2017/18)

Registrations for phase 4 closed on 4 August 2017. Over 1100 registrations have been received for Phase 4 and are currently undergoing initial eligibility checks. Checking and processing of payments will continue to March 2018.

4.2 A marketing/awareness campaign on Apprenticeships ran over the summer, mainly via social media. The campaign, #Letstalkrealtraining, was supported by a telemarketing campaign which contacted businesses who had already received some

LEP support but not for Apprenticeships. Skills Service Advisers are visiting companies to advise them on support available in relation to workforce development including how to make the most of Apprenticeships.

5 Raising the Bar on High Level Skills

5.1 At the annual LCR Skills Network conference, a £3.5m European Social Funded project “Reach Higher” was launched. This project will be delivered by the West Yorkshire Consortium of Colleges with the aim of widening participation in high level skills, particularly in skills shortage sectors and among under-represented groups. Activity will include support for work placements, internships and conversion programmes.

6 Great Education Connected to Businesses

6.1 The Enterprise Adviser Network (EAN) is now working with 136 secondary schools in Leeds City Region, and 123 businesses. 4,509 encounters¹ between employers and young people took place through the network between April and July 2017, of which 1,199 employer encounters were delivered to disadvantaged learners. The team has also signposted to partner activity, generating an additional 3,421 encounters.

6.2 Funding from Careers and Enterprise Company (CEC) to increase activity in the Opportunity Area (OA) of Bradford will be used to recruit an additional Enterprise Coordinator and a Lead Enterprise Coordinator. As well as delivering activity to improve social mobility in schools in Bradford, the Lead Coordinator will develop and implement an enhanced delivery model targeted at disadvantaged learners across the City Region, and will manage the growing team of Enterprise Coordinators.

6.3 A careers campaign is being developed with the aims of:

- Simplifying and enriching messages about careers choices
- Raising awareness and influencing opinions of key influencers about City Region’s key sectors and its career opportunities
- Addressing misconceptions about the North and instilling a sense of pride amongst young people that they are from and part of Leeds City Region

7 Building Workforce Skills and Attracting Talent

7.1 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.

¹ A ‘meaningful’ encounter with an employer is defined as one in which the student has an opportunity to learn about what work or further study is like, or what it takes to be successful at the workplace or learning provider. Students should be encouraged to reflect upon and share what they have learned from such experiences.

7.2 As of 31 July 2017:

- 3742 enquiries received
- 2096 skills assessments have been completed
- 1663 approved applications
- 10339 people have been upskilled
- 3.93m grants have been approved

7.3 The West Yorkshire Consortium of Colleges has submitted a Full Application to deliver the continuation of the Skills Service, which will be funded through European Social Fund until 2020. News of the outcome of this application is still awaited. In the interim, the Skills Service Advisors have been maintaining the Skills Service brand and providing a comprehensive training and skills planning service to support businesses to identify skills gaps and skills development needs linked to business growth objectives, including apprenticeship support.

7.4 An evaluation of the Skills Service is currently being undertaken, focusing on the impact of the support provided on businesses' behaviour, productivity and growth as well as the economic impact. The final report will include a range of case studies which will detail how the training support provided has influenced business and individuals' practice and development.

7.5 A programme of activity is being developed to address acute sector skills shortages:

- Digital skills
- Infrastructure and Construction
- Manufacturing and Engineering

7.6 This activity includes:

- Meetings have taken place with businesses in key sectors to help inform the development of solutions.
- To support the promotion of Digital careers in the region a Business Development and Marketing Officer (Digital Skills) is currently being recruited. Once in post this role will launch a national promotional campaign and secure employer sponsorship to continue and further develop the campaign.
- Funding is being sought to provide support for people to re-skill and access careers in skills shortage areas, particularly through a digital bursary scheme and to support women to access employment in the Engineering and Manufacturing sector.
- Employment and Skills clauses have been included in the invitation to tender to be part of the Consultancy framework for the West Yorkshire Transport Fund, in order to maximise the local employment outcomes generated by the scheme.
- Working with Local Authority officers, an Employment Brokerage model has been developed to support successful tenderers to meet their employment and skills requirements, and to support positive outcomes (eg schools engagement,

apprenticeships, jobs for people previously unemployed) to be generated by major schemes. This approach will be piloted when the West Yorkshire Transport Fund contracts are in place, and adapted if required before being fully rolled out and widely promoted.

8 Employability, Accessing Jobs and Realising Potential

- 8.1 At its meeting on 1 September, members of the Employment and Skills Panel recommended that the final phase of the Headstart project (City Deal funded activity to support people to access employment) should focus on piloting activity to support individuals aged 50 or over experiencing mental health issues to remain in work. This group has been identified as experiencing particular barriers to accessing and remaining in employment. The outcome of this pilot would be shared with stakeholders to inform the direction of employment policy development in Leeds City Region.
- 8.2 The LEP published a report in July 2017 exploring approaches to progression from low pay. The report is available to view here <http://www.the-lep.com/LEP/media/New/Enterprise%20Advisers/Report-Progression-from-low-pay-in-Leeds-City-Region.pdf> and shows that a sector-based approach to support could help to address in-work poverty in the City Region. The report concluded that a sector-based approach provided a logical and tailored point of entry through which to support businesses to improve staff progression and, in turn, address low pay and in-work poverty.
- 8.3 At the annual LCR Skills Network conference, a £2m European Social Funded project “More Skills, Better Jobs” was launched. This project will be delivered by the West Yorkshire Consortium of Colleges with the aim of tackling in-work poverty through skills development. The project will pilot approaches to in-work progression and will implement sectoral approaches, targeting individuals who don’t traditionally engage with training as well as engaging with employers directly.

9 Recommendations

- 9.1 The LEP Board is asked to note the contents of the Panel update.

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Panel Chair: Paul Hamer
Author: Jacqui Warren



Report to: LEP Board

Date: 19 September 2017

Subject: Green Economy Panel

1 Purpose

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

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. This funding is vital to establish the Energy Accelerator (EA). A decision from the EIB is anticipated in September 2017.
- 2.2 Subject to a successful ELENA application, permission will be sought from WYCA in October 2017 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 hopes to be in a position to launch the EA by January 2018.

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 Leeds City Region (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 All LGF funding (£6m) has now been secured for the LCR Tackling Fuel Poverty project, fulfilling a key political ambition of a scheme in every district. The Barnsley scheme has completed over the summer, resulting in 41 fuel poor households improved; work is well underway to improve properties in the Holbeck area of Leeds, this is part of a wider Group Repair scheme; additional ECO funding has been secured for the Bradford scheme, which will allow a further 18 properties to receive measures, bringing the total to 138 properties improved when the scheme completes in September. Wakefield, York, Selby, Harrogate and Craven have now mobilised, and are progressing.

3.3 The final phase (Phase 4, £1m) projects were awarded funding by WYCA in June 2017. 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.

Warm Homes Fund

3.4 National Grid announced a £150m Warm Homes Fund on 18th July, to be managed through National Grid's CIC 'Affordable Warmth Solutions'.

3.5 Local Authorities, Housing Associations and other organisations are eligible to apply for funding for the installation of affordable heating solutions in fuel poor households, who do not use mains gas as their primary heating fuel. National Grid envisages that this fund will be used to supplement local strategic plans and funds blended with local support.

3.6 The fund is split into three broad categories:

- Category 1. Urban homes and communities; for example new gas heating systems, it could also include heat network solutions.
- Category 2. Rural homes and communities primarily focused on 'non-gas' solutions i.e. heat pumps, oil and LPG.
- Category 3. Specific energy efficient/health related solutions – this may involve national or regional programmes which bring together relevant organisations and charities to promote energy efficiency and health related programmes in relation to fuel poverty.

3.7 The Fund will be run over a 3-year period with annual rounds of bids. Relating to the 1st year of funding available, Expressions of Interest were asked for by 31st July 2017 and full bids by 8th September 2017.

3.8 Led by WYCA, the Leeds City Region (LCR) Local Authority partners have developed a bid that aims to deliver over 700 heating systems to fuel poor homes, who do not use mains gas central heating systems as their primary heating fuel. An Expression of Interest was submitted to the Warm Home Fund (WHF) on 31st July 2017 and a full bid was submitted by the 8th September 2017.

4 Resource Efficiency Fund (REF)

- 4.1 The £2.66m Resource Efficiency Fund (REF) is being delivered through the Growth Service over the next three years as a key product to improve productivity and efficiency for SMEs in the city region. It is jointly funded by the LGF and European Regional Development Fund (ERDF), and provides advice and funding (grants of up to £10K on a 50% match-basis) to SMEs to identify and implement improvements related to their use of resources i.e. water, waste and energy.
- 4.2 203 businesses have engaged with the project (against an original target for the year of 167), with 196 having received visits from the two Resource Efficiency Fund Managers. Now the initial pipeline has been processed the flow of clients has stabilised as expected, additional marketing activity will take place from September 2017 to maintain momentum. The visits have resulted in 119 assessments being commissioned and the completion of 116 assessment reports to date.
- 4.3 The following table summarises progress up to August 2017

REF Activity	Sept 2017
Total Business Contacts	203
Businesses Visited	196
Assessments Commissioned	119
Type I/II Assessments Completed	116
Type III Reviews Completed	35
Businesses Completed	42
Grant Application Forms Issued	21
Grants Approved	15
Grants Completed	3

5 District Heat Network (DHN) Programme

- 5.1 The DHN Programme continues to support 12 active schemes in the LCR.
- 5.2 A number of schemes are coming to the end of the feasibility stage of project development and their respective local authorities will be required to make a decision on whether to progress to the production of an Outline Business Case (OBC) in the near future. Heat Networks Delivery Unit (HNDU) funding is currently available from central government to assist local authorities in the development of their OBC. The Energy Accelerator could, once approval from the EIB is granted, also assist local authorities in undertaking the work required to take district heat network projects through to financial close.

6 Green and Blue Infrastructure Strategy and Delivery Plan Refresh

Strategy elements

- 6.1 The refreshed Green and Blue Infrastructure (GBI) Strategy was approved in March 2017 by the LEP Board. The Strategy element of the refresh included an intensive period of engagement with over 50 local and regional stakeholders.
- 6.2 Five interconnected aims have been identified which link to the core purpose and allow green / blue infrastructure to deliver economic, social and environmental benefits. These aims are: Quality Places (for people and investment); Flood Risk Reduction; Health and Wellbeing; Wildlife and Habitats; and Climate Change, Air and Water Quality.
- 6.3 Seven priority areas have been identified for action that will deliver the aims of the Strategy and result in real, on the ground change:
- Effective water management and flood risk reduction;
 - Build GBI into physical development and housing;
 - Enhance green and blue corridors and networks;
 - Heighten community access to, and the enjoyment of, GBI;
 - Plant and manage more trees and woodlands;
 - Restore the uplands and manage them sustainably; and
 - Boost growth, jobs, skills and education through GBI.

Delivery Plan elements

- 6.4 Work has now commenced to create the GBI Delivery Plan. The Delivery Plan will set out the specific actions, responsibilities, resources, timescales and success measures for each priority and the strands of action within them. In some cases activity is already ongoing to deliver the Strategy element and the Delivery Plan will acknowledge this work and not look to duplicate.
- 6.5 Stakeholder engagement will form a major part of developing the Delivery Plan. A number of events and meetings will be taking place between September – December 2017.
- 6.6 It is envisaged that a draft Delivery Plan will be presented to the WYCA and LEP Board early in 2018 for comment and approval.

7 Zero Carbon Energy Strategy and Delivery Plan

- 7.1 Work continues to deliver a draft Energy Strategy and Delivery Plan by March 2018.

7.2 WYCA/LEP continue to work with the York, North Yorkshire and East Riding LEP. A series of joint pieces of research is currently being procured by WYCA to support both LEPs' strategies and delivery plans.

8 Recommendations

8.1 The LEP Board is asked to note the contents of the Panel update.

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Panel Chair: Cllr Tim Swift
Author: Colin Blackburn,
 Judith Furlonger



Report to: LEP Board
Date: 19 September 2017
Subject: Land and Assets Panel

1 Purpose

1.1 To update the LEP Board on the discussions and actions that took place at the Land and Assets Board on 14th July 2017.

2 Information

2.1 The meeting of the LCR Strategic Land and Assets Board took place on 14th July 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 including, moving forward, Leeds City Region Enterprise Zones. The Board agenda considered reports on:-

- Accelerating development and strategic resource requirements,
- Update from the Homes and Communities Agency,
- Changes to governance arrangements for Land and Assets Board and for LEP Panels,
- LCR Enterprise Zones Programme update,
- Leeds City Region Housing Market Monitoring Report- Spring 2017 (presentation),
- LCR update on the WYCA Housing Work Programme,
- One Public Estate Board Update,
- Items for Information included: LCR Redundant Mills feasibility and investment framework commissioned study; and Housing White Paper LCR response to DCLG Planning and Affordable Housing, Build to Rent consultations.

2.2 The summary of actions was as follows:

No	Task	Requested	Actioned	By whom	Comment	Status
1	<u>Changes to the governance arrangements for the Strategic land and Assets Board and for LEP Panels</u>	14/7/17	WYCA	CA/BS		Ongoing

	<p>The Board considered a report which outlined changes to governance arrangements to come into effect 1st Sept 2017. Strategic Land and Assets Board to be renamed Land and Assets panel and act as an advisory committee to WYCA. From 1st Sept the Enterprise Zones Strategic Oversight Board shall report to the Land and Assets Panel</p> <p>Resolved: The Board noted the report.</p>					
2	<p><u>Accelerating Housing Development- Strategic Resources Support</u></p> <p>An update on development of a proposition from WYCA on behalf of partners to be submitted to DCLG requesting additional resources.</p> <p>Resolved: The Board noted the report, supported the development of a City Region outward facing Prospectus, agreed WYCA enter discussions with DCLG to develop a package of support, agreed the Prospectus and pipeline be used as a basis for developing submissions to DCLG's Housing Infrastructure Fund Expression of Interest, that officers in liaison with City Region Chief Exec, LA partners and HCA prepare a HIF Forward Funding submission for</p>	14/7/17		CB/JF/RH		Ongoing

	delegated sign off by Managing Director, Chair requested further report for next LAB to agree pipeline schemes and by email update on the HIF bid ahead of submission of the bid on 28 th Sept and that a workshop be set up for LAB to explore new ways of working across the LCR to include invitations to Directors of Development to attend.					
3	<p><u>Homes and Communities Update</u></p> <p>Board was asked to note HCA reorganisation and new structure, that HCA Chief Exec Nick Walkley joined in March 17 and had visited Bradford and York, that the HCA will relaunch as Homes England in the autumn focus being delivering new homes faster, working with partners who wanted to accelerate growth and explore new partnerships and models of delivery.</p> <p>Housing Infrastructure Fund launched as a capital grant programme of up to £2.3bn aiming to deliver up to 100,000 new homes.</p> <p>Resolved: The Board noted the update.</p>	14/7/17	HCA	RP		Ongoing
4	<p><u>Leeds City Region Enterprise Zones Programme Update</u></p>	14/7/17	WYCA	RN/JW		Ongoing

	<p>The Board noted the content and programme update.</p> <p>Resolved: The Board endorsed the proposed approach for future LCR EZ programme update to LAB, requested a paper on the business rates and how this reflects on EZ sites, and requested a highlight report for future meetings.</p>					
5	<p><u>Leeds City Region Housing Market Monitoring- Spring 2017</u></p> <p>Board noted the presentation.</p> <p>Resolved: Board requested a further report on LCR land value patterns, low values and potential policy response.</p>	14/7/2017		JmCT		
6	<p><u>LCR 12 month Housing Work Programme</u></p> <p>Board noted the final LCR Housing Policy Position Statement, considered update of the work programme and inclusion of a highlight report for future meetings.</p>	14/7/2017		DW/JF		
7	<p><u>One Public Estate Update</u></p> <p>Board noted the contents of the report.</p> <p>Resolved: That WYCA Expression of Interest prepared for Phase 6 submission when announced and that the Chair in liaison</p>	14/7/2017		DW/JF		

	with City Region Chief Exec lead for Housing and Planning and WYCA Managing Director agree final submission for endorsement and sign off if required.					
8	<u>Leeds City Region Redundant Mills</u> Board noted the information item and further report anticipated on completion of the commissioned study.	14/7/2017		DW/JF/RH		
9	<u>Housing White Paper-LCR Response</u> Board noted the WYCA response.					

2.3 The date of the next Land and Assets Panel is 13th October 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 14th July 2017 and the actions arising from it.

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Director: Rob Norreys, Director of Policy, Strategy and Communications
Author: Justin Wilson



Report to: LEP Board

Date: 19 September 2017

Subject: Leeds City Region Enterprise Zones Programme

1 Purpose

1.1 This report sets out:

- The policy background to the Leeds City Region (LCR) Enterprise Zones (EZs) Programme
- A proposed approach for reinforcing the LCR Enterprise Zones Programme 'USP' which focuses on advanced/innovative manufacturing and delivery of inclusive growth outcomes
- An update on the emerging EZ investment strategy
- The principles of the proposed WYCA and Leeds City Council response to the High Speed 2 (HS2) Rolling Stock Depot Consultation

2 Policy and Programme Background

2.1 Since 2011, Enterprise Zones (EZs) have been central to the Government's local delivery of economic growth. There are now 33 EZs in England. EZs provide a framework of incentives principally aimed at unlocking challenging or stalled sites for employment uses. These incentives include occupier incentives (such as a 5 year Business Rate Discount or Enhanced Capital Allowances), general government support and opportunities to delivery simplified planning to support accelerated delivery. In addition, the EZ status provides the local retention of business rates growth within EZs for 25 years from designation. These rates are to be retained locally by the LEP and reinvested in the area, with the intention that this future income can be used as part of the investment package to support site remediation and provision of infrastructure to accelerate or unlock delivery of sites and employment floorspace.

2.2 The LCR EZs programme comprises 10 sites, this includes the Phase 1 Leeds EZ and nine sites in the Phase 2 LCR EZ along the 'M62 Corridor' in Bradford, Calderdale, Kirklees and Wakefield. There is also an EZ at York Central which is being dealt with by the York, North Yorkshire and East Riding (YNYER) LEP and City of York Council. The York Central EZ is also designated as a Spatial Priority Area (SPAs) within the LCR SEP, so it is consistent with wider City Region strategic objectives. **Appendix 1** includes a schematic plan of the LCR EZs. The LCR EZs programme is an essential component of the LCR Strategic Economic Plan (SEP), supporting all of its four

priorities areas, delivery of ten SPA locations and supporting the supply of high quality manufacturing employment opportunities.

- 2.3 The Phase 2 EZ Application was endorsed by the LEP and approved by WYCA in September 2015. The application outlined that WYCA/public sector could potentially borrow against projected business rate returns and/or cross fund delivery using other funding sources (e.g. WY+TF, LGF where allocations are available) to support EZ site delivery. Since then the city region has secured £20m Growth Deal 3 funding to support the EZ programme. The Department for Communities and Local Government (DCLG) has also awarded £50k to procure commercial advice for the next stage of site feasibility and market advice for Phase 2 EZ sites.
- 2.4 Independent market demand analysis, pre-feasibility studies and masterplanning have confirmed the high level EZ Programme outputs and business case for public sector investment. The business case includes unlocking delivery of approximately 230 hectares of employment land, over 15,000 jobs, approaching £5bn of GVA and EZ business rate receipts.
- 2.5 The other principal economic outputs for each EZ phase are outlined below:
- Leeds (Phase 1) EZ**
- Approximately 142 hectares of employment land
 - 420,000 sq.m of manufacturing floor space
 - Over 9,000 new jobs
 - Approximately £3.5bn GVA (by 2022)
- LCR Phase 2 EZ**
- Approximately 90 hectares of employment land
 - 330,000 sq.m of manufacturing floor space
 - 6,200 new jobs
 - Approximately £1.19bn GVA (by 2022)
- 2.6 Based on initial independent advice¹, the current anticipated level of public sector support required to unlock all EZ sites is estimated to be £44.8-50.8m comprising:
- Capital infrastructure delivery and site remediation: £37.5-43.5m²
 - Activities to support the speculative delivery of employment units via the public sector underwriting leases or guarantees to purchase units if they are not let/sold within a specified period³: £7.3m
- 2.7 An initial £20m was secured through Growth Deal 3 to support the LCR EZ programme. This funding will support delivery of a power solution for the Leeds (Phase 1) EZ and support the Phase 2 EZ sites. The programme costs outlined at paragraph 2.8 assume a £4-10m requirement for the Leeds EZ power solution which is consistent with emerging work that suggests the cost may now be £4m rather than

¹ LCR EZs Feasibility and Investment Framework (Cushman and Wakefield and WSP, 2016)

² Expressed as a range due to the requirement for the Leeds EZ power solution (assumed as £4-10m)

³ Referred to as 'put and call options'

£10m. Confirmation of the final costs will be subject to consideration by Investment Committee in late 2016/early 2017. If the revised costs are confirmed and approved at IC/WYCA the remainder of the GD3 EZ allocation (minus the Leeds EZ power solution) will be a maximum of approx. £16m.

- 2.8 Additional public sector funds will need to be identified to help fill the circa £24.8-30.8m programme shortfall for infrastructure delivery/site remediation and provide resources to be 'nominally reserved' as a potential liability for 'put and call options' if required. This may be reduced if any additional funding bids are successful or if the decision is taken to deliver a phased programme.
- 2.9 This shortfall could potentially be met from a range of sources including:
- Capital funding resulting from future Growth deals or future devolution deals.
 - Private sector investment from developers and landowners.
 - Other existing funding opportunities as they arise (e.g. Environment Agency, Highways England, European Structural and Investment Funds (ESIF)). For example there is currently a live £4.5m National Productivity Investment Fund (NPIF) bid for transport infrastructure with the Department for Transport (DfT) for Clifton Business Park and an ESIF Sustainable Urban Development call for bids of up to £15m. Feedback back on either of these bidding opportunities would not be available until the end of 2017.
 - Re-programming existing Growth Deal or West Yorkshire Transport Fund resources following a review of existing programmed schemes and projected outcomes.
 - Potential funding via EZ business rate receipts.

3 Emerging EZ Investment Strategy

- 3.1 The LCR Enterprise Zones Strategy and Implementation Plan⁴ was endorsed by LEP and WYCA in April 2017. The SIP outlines a high level strategy for EZ investment and outlines how the public sector (WYCA and districts) can specifically support EZ site delivery based on an initial analysis of potential EZ site requirements. These measures align can be summarised as:
- Development of comprehensive and targeted branding, marketing and communications package
 - Support for site feasibility, site investigations and masterplanning
 - Delivery of on/off-site capital infrastructure works and site remediation/delivery
 - Public sector site acquisitions
 - Support for private sector delivery of speculative development
- 3.2 Work on some of these measures is already underway and is being delivered using existing WYCA resources, district financial contributions/resources and DCLG EZ grant

⁴ LCR Enterprise Zones Strategy and Implementation Plan (WYCA, 2017)

funding. These initial measures include communications/marketing activities, site pre-feasibility, site investigations, due diligence and outline masterplanning.

3.3 Earlier sections of this report confirm that many of the Phase 2 EZ sites will require a package of public sector support for the private sector to bring them forward and deliver follow-on investment.

3.4 Work is ongoing with the Land and Assets Board to develop the EZ investment strategy and consider programme phasing in relation to the budget considerations outlined at section 2 of this report.

4 EZ focus on advanced/innovative manufacturing and supporting delivery of inclusive growth

4.1 The LCR EZs SIP outlines the agreed vision for the EZ programme which is set out in the SEP as *'the acceleration of development and delivery of high quality employment floorspace in the advanced and innovative manufacturing and complementary sectors'*. The SIP also outlines three overarching objectives for EZ delivery which form the basis of WYCA's investment strategy. These are:

- Unlocking, Enabling and Accelerating Site Development
- Delivering high quality business and job growth
- Maximising the efficient use of sites and delivering high quality development

4.2 WYCA and partners have a role and interest in reinforcing this narrative. This has already commenced through WYCA/LEP led activities in the marketing/communications and trade and investment teams which maintain a focus on our key target sectors and potential high value occupiers. This approach aligns with the SEP's good/inclusive growth narrative in relation to increasing provision of high/skilled employment opportunities.

4.3 WYCA is also able to exert a degree of control where public sector funding is required (e.g. via the terms and conditions of funding agreements). However, where public sector support is not required WYCA/districts have limited control over the type/sector of businesses occupying EZ sites beyond the application of local planning policies and the development management process.

4.4 LEP Board is invited to endorse WYCA using existing consultation responses and engagement with district development plans or strategically significant planning applications⁵, as an opportunity to consider the consistency of any planning proposals with the LCR Enterprise Zones programme. This may include, for example, WYCA submitting responses to a local planning authority that seek to resist a planning application that is inconsistent with EZ programme objectives

⁵ Which the EZs fall within as Spatial Priority Areas identified in the SEP

5 High Speed 2 Rolling Stock Depot Proposal

- 5.1 At the time of the November 2016 High Speed 2 (HS2) consultation, Government explained that HS2 Ltd was actively looking at alternatives to the proposed Eastern Leg Rolling Stock Depot at New Crofton in Wakefield. HS2 Ltd believes it has now identified a better site for the depot, to the east of Leeds in the Aire Valley adjacent to the M1. The government is now consulting on this proposal with a deadline of the 12th October.
- 5.2 Concerns were raised about the initial proposal for the depot at New Crofton in Wakefield⁶. The new location, is brownfield land, but is within the Leeds Enterprise Zone and as such could potentially blight a large part of the Zone. It should be noted that the LEP has also previously invested in the EZ through the Growing Places Fund. Work is still ongoing to consider the impact of the HS2 depot.
- 5.3 LEP Board is therefore asked to endorse the following principles that officers can work up into a response to be considered by WYCA at its meeting on the 5th October. It is proposed to support the new location subject to the following:
- Working with Leeds City Council (LCC), HS2 and Aire Valley Land to review the exact location and to consider refinements to minimise the impact on the Enterprise Zone.
 - Confirmation of how the remaining land could be utilised to its full potential via minimising sterilisation of plots or the need for significant new infrastructure
 - Seeking to ensure that the expected outcomes of WYCA/LEP/LCC investment in the EZ to date (i.e. jobs and business rate growth) are supported either within the EZ or via mitigation to account for the loss of land and blight implications.
 - Proposing mitigation options on the impact on the Leeds Enterprise Zone and business/economic case for the LCR EZs Programme. Including on inward investment in the medium term and on EZ business rates income for the LEP. Mitigation options may include seeking a range of the following:
 - an extension to the boundary of the Leeds EZ
 - an extension to the EZ Business Rate retention period
 - enhanced flexibility to relating to occupier incentives (Enhanced Capital Allowances and Business Rate Discount). This may include an extension to eligibility periods and/or the ability to offer both incentives
 - an opportunity to consider designation of a new EZ within the Leeds/LCR geography
 - Seeking political and financial support for the University of Leeds plans to create an Institute for High Speed Rail Engineering, which will be a world-leading research and innovation hub and wider technology park. There is a unique opportunity to locate this next to the HS2 depot and to integrate the

⁶ A summary of the issues raised during consultation and HS2 Ltd's rationale for relocating the eastern leg rolling stock depot are summarised by: HS2 Phase 2a route refinement advice (HS2 Ltd, 2017) (see sections 5.3 and 15). Available at: <https://www.gov.uk/government/publications/hs2-phase-2b-summary-of-route-refinements--2>

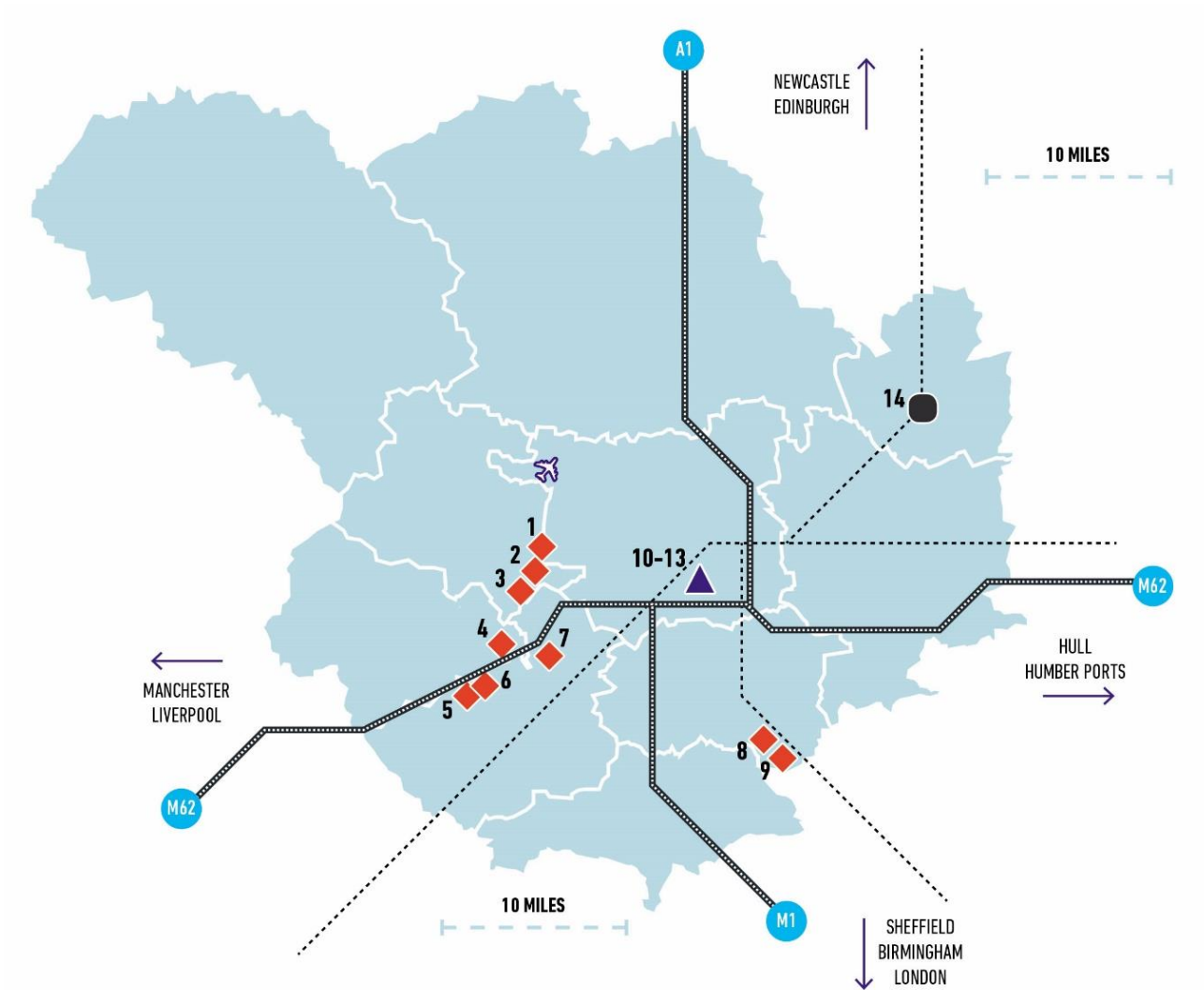
plans to act as an exemplar for how major infrastructure projects can drive economic growth.

- 5.4 LCC and WYCA officers will be preparing a joint response which is the preferred approach from DfT/HS2 Ltd. This will consider HS2's alignment for the depot and other potential viable/technically feasible alternatives. The response will also outline collective LCC/WYCA views regarding the potential impact on the Leeds EZ, wider EZ programme and options to provide mitigation for this impact.
- 5.5 The joint response will require approval from LCC and WYCA. It is proposed that WYCA (5 October) endorse the principles of the response with delegated powers for the WYCA Managing Director to submit the final response (on behalf of WYCA) in consultation with the LEP Board Chair.
- 5.6 Following the formal consultation process there will need to be further detailed discussion regarding the potential mitigation options (as outlined in paragraph 5.3). This discussion will include liaison between all interested parties and stakeholders.

6 Recommendations

- 6.1 That policy background to the LCR EZs Programme is noted.
- 6.2 That the ongoing work to develop WYCA's future EZ investment strategy with the Land and Assets Board be noted.
- 6.3 That the proposal for reinforcing the LCR EZs Programme 'USP', focus on advanced manufacturing and delivery of inclusive growth outcomes be endorsed.
- 6.4 That the principles of the proposed WYCA and Leeds City Council response to the HS2 Rolling Stock Depot Consultation are endorsed.

LCR EZs Schematic Plan Showing Distribution of Sites



KEY

1 Gain Lane	8 South Kirkby Business Park	MAJOR RAIL ROUTES
2 Parry Lane	9 Langthwaite Business Park Extension	MAJOR ROAD ROUTES
3 Staithgate Lane	10 Newmarket Lane	LEEDS BRADFORD INTERNATIONAL AIRPORT
4 Clifton Business Park	11 Thornes Farm	
5 Lindley Moor West	12 Logic Leeds	
6 Lindley Moor East	13 Gateway 45	
7 Moor Park, Mirfield	14 York Central (not managed by WYCA)	

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



Report to: LEP Board

Date: 19 September 2017

Subject: HS2 and the HS2 Growth Strategy Update

1 Purpose

- 1.1 To provide the LEP Board with an update on the development of HS2 and the Leeds City Region HS2 Growth Strategy.

2 Information

- 2.1 This report provides a summary of progress to ensure the City Region makes the most of the HS2 opportunity for local growth and regeneration.

HS2 Overview

- 2.2 In November 2016, the Secretary for State for Transport confirmed the majority of the Government's preferred route for Phase 2b of HS2, which will complete the full Y network. Following the previous public consultation HS2 Ltd has been developing the scheme and has recommended a number of refinements to the route in order to respond to concerns raised.

- 2.3 HS2 has the potential to help WYCA and its partners deliver its 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.

- 2.4 In February 2017, Parliament granted powers for the construction of the first part of the route (Phase One) from London to the West Midlands. Construction contracts have now been signed and train services are due to commence in 2026.
- 2.5 In July 2017, Government reaffirmed its support for Phase 2b¹ and confirmed the preferred route for the full Y network – the Eastern Leg to Leeds and the Western Leg to Manchester. This enables preparations for the third HS2 hybrid Bill, which is intended to be deposited in Parliament in autumn 2019 and enables construction to commence in 2023 with train services to Leeds and Manchester commencing in 2033. The July announcement also commenced the consultations on the environmental and equality assessment methodology to be used for the preparation of the Phase 2 hybrid Bill, and on an alternative site for the rolling stock depot on the Eastern Leg.
- 2.6 WYCA set out its continuing support for HS2 coming to Leeds at its meeting in July 2016. The eastern leg of Phase 2 delivers a greater financial benefit, at a lower cost, than any other part of HS2. Without the eastern leg, the case for the rest of HS2 is weaker. 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.

HS2 / NPR touchpoints

- 2.7 Alongside the Department for Transport, Transport for the North (TfN) are continuing to work with delivery partners HS2 and Network Rail on the development of the Northern Powerhouse Rail (NPR) concept. WYCA 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 Wakefield, Bradford, Huddersfield and York as well as Leeds. As reported previously, WYCA and the LCR LEP's position is amongst other

¹ Phase 2b includes both the Eastern and Western legs of HS2 from Birmingham. Further details can be found here: <https://www.gov.uk/government/publications/hs2-from-concept-to-reality>

things, for Leeds, Bradford and York to be on the NPR network. 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 and to ensure an affordable, value for money business case can be demonstrated.

- 2.9 There is also further work being undertaken by HS2 on the case for a South Yorkshire Parkway station. This work needs to dovetail with the work TfN is doing on NPR. WYCA is working closely with South Yorkshire on the detail of the work to better understand the costs and benefits of a station.
- 2.10 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. It 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. Proposals across the North will have an impact on how NPR works, for example at Manchester Piccadilly. 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.

Leeds City Region HS2 Growth Strategy

- 2.11 LEP Board considered a report / presentation on HS2 Growth Strategy at the July 2017 meeting which raised the need for the strategy to be ambitious and help to rebalance the economy.
- 2.12 Since the July meeting, work to develop the Strategy has continued. The proposed ambition for the LCR HS2 Growth Strategy is that:

HS2 is the catalyst for accelerating and elevating the Leeds City Region's position as an internationally recognised place of vitality, connecting the North and creating an inclusive, dynamic economy, accessible to all.

- 2.12 The emerging ambitions / outcomes of the Strategy are set out below:
- Establish Leeds Station as a world class gateway (*further details in the following section*)
 - Inspire our people
 - Develop our business and supply chain
 - Create a step change in City Region connectivity
 - A catalyst for regeneration
 - Maximising Economic Impacts of Culture

- 2.13. In delivering these ambitions, it is proposed that the strategy will aim to:
- Create significant additional new jobs across the City Region
 - Double the GVA of Leeds City Centre
 - Triple residential completions in Leeds City Centre
 - Deliver 20% of the total workforce on HS2 (within LCR) to live in the LCR, of which 5% will be previously unemployed
 - Ensure HS2 delivers significantly enhanced regional connectivity
- 2.14 It is anticipated that WYCA will consider the HS2 Growth Strategy at its meeting on 5 October 2017, following which LCC Executive Board will also consider the Strategy at its meeting on 18 October, prior to the initial submission to Government. The HS2 Growth Strategy will continue to develop over the coming 12 months.

Leeds Integrated Station Masterplan (LISM)

- 2.15 Following the Government announcement in November 2016 that Leeds will be served with the station configuration as proposed by Sir David Higgins in *The Yorkshire Hub* (November 2015), the multi-agency team incorporating HS2 Ltd, London Continental Railways, Leeds City Council, WYCA and DfT have been jointly overseeing initial development work to create the Leeds Integrated Station Masterplan (LISM). LISM is a key workstream of the LCR HS2 Growth Strategy, providing the key interchange for this region serving both commuter and long distance markets.
- 2.16 There is broad consensus about the need to create a single integrated transport hub in Leeds to support the ambitions of the city and the region. Leeds station's role in the city region's transport network needs to be further strengthened to ensure the benefits of HS2 and Northern Powerhouse Rail (NPR) are to be spread across the city region and beyond.
- 2.17 It is intended that a 'blue-print' is created that will ensure each component project can be defined, designed and delivered in a harmonised manner over time that will ultimately realise the greatest overall value for money. It has been led by following the four key design objectives;
- **World Class Hub** : from quality of architecture and urban design to intermodal connectivity, clarity and delivery.
 - **Distinctive Gateway** : that celebrates travel, proudly announces arrival into Leeds and speaks of the unique characteristics of the city.
 - **Destination Station** : an attractive place to visit in Leeds city centre, where South Bank meets City Square.
 - **Connected Place** : that seamlessly integrates national / regional / local transport modes and optimises every form of connectivity for all users.
- 2.18 The draft masterplan is yet to be finalised but a summary of the emerging principles for the masterplan are presented below:

- **Common concourse** : A common concourse of a combined station is achievable despite of the physical constraints.
- **Multiple transport hubs and multiple entrances** are desirable to take advantage of the linear configuration of the combined station and to unlock growth in the South Bank area.
- **Accessible station** : The combined station should be easily accessible by all modes of transport.
- **Capacity for growth** : The station should have sufficient circulation capacity to cater for future passenger growth and cater for potential additional platforms to accommodate the levels of local and regional connectivity proposed in the Yorkshire Rail Network Study and Rail Plan 7 alongside with NPR and HS2.
- **Value of investment and affordability** : The study has identified opportunities for development within the station boundary which could be re-invested to help fund the work.
- **Early delivery** : The plan has identified some potential opportunities for early improvement to ensure that the station and the region is 'HS2 ready'.
- **Support Growth** : The masterplan has identified opportunities to enhance station environment and public realm that aligns with the Leeds City Council's South Bank Regeneration framework and ambition for City Square,

2.19 The conclusions of the study will also be subject to the sign off by the Leeds City Council Executive Board on 18 October 2017. The key principles of the study will be served as our inputs to the HS2 Hybrid Bill for phase 2b.

HS2 – Rolling Stock Depot Consultation

2.20 At the time of the November 2016 consultation, Government explained that HS2 Ltd was actively looking at alternatives to the proposed Eastern Leg Rolling Stock Depot at New Crofton in Wakefield. HS2 Ltd believes it has now identified a better site for the depot, to the east of Leeds in the Aire Valley adjacent to the M1. The government is now consulting on this proposal with a deadline of the 12th October. Our proposed response is discussed in the separate paper on Enterprise Zones also on the agenda.

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 None as a result of this report

5 Staffing Implications

5.1 Development work is being undertaken within the Transport Policy team, in partnership with Leeds City Council.

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 HS2 Growth Strategy.

8 Background Documents

8.1 None.

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



Report to: LEP Board

Date: 19 September 2017

Subject: Growth Deal Update

1 Purpose

- 1.1 To update the LEP Board on progress made towards the achievement of Key Performance Indicators (KPIs) and on overall spend and performance of the Growth Deal programme.
- 1.2 The report also sets out an overview of the Call for Projects and the current situation in defining the Growth Deal Impact Sites.

2 Key Performance Indicators

- 2.1 The attached **Appendix 1** details the seven KPIs agreed with the Government relating to the monitoring of the Growth Deal in the first six months of 2017/18. We are making good progress in delivering these KPIs and five of the seven KPIs have now been achieved. The remaining KPIs are on track for delivery by the end of September 2017.

3 Growth Deal Expenditure and Delivery

- 3.1 The table below details programme expenditure totalling £11.42m to end July 2017 (note: this now includes payment by WYCA against West Yorkshire + Transport Fund (WY+TF) claims for the first quarter of the year). The profiled expenditure for the first two quarters to end of September 2017/18 is £17.98m, 64% of this has been achieved as at the end of July 2017, however the current expectation is that profile will be exceeded.

	Target spend 2017/18	Target Spend Quarter 2	Spend to end July 2017	% of 2017/18 target
Priority 1 - Business	£13.52m	£2.04m	£5.19m	38.4%
Priority 2 - Skills Capital	£29.33m	£8.27m	£2.47m	8.4%
Priority 3 - Environmental Infrastructure	£8.07m	£0.88m	£0.24m	2.9%

Priority 4a - Housing & Regeneration	£3.87m	£0.96m	£0.23m	5.9%
Priority 4b - West Yorkshire + Transport Fund	£37.46m	£5.83m	£3.29m	8.7%
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	£17.98m	£11.43m	11.4%

- 3.2 The attached Growth Deal Dashboard at **Appendix 2** and Growth Deal Pipeline at **Appendix 3** detail the latest forecast expenditure and provide a RAG rating of each project. The target expenditure for the 2017/18 is £100.15m; the current forecast against this target is £97.52m.
- 3.3 The following projects are RAG rated as Red and represent a risk to the delivery of the Programme:
- **Hebden Bridge Rail Park and Ride**
Whilst some initial works have been undertaken the commencement of the main scheme has been delayed awaiting action by Network Rail. The scheme will not now commence until at least January 2018.
 - **Leeds Station Gateway – New Station Street**
Project has been delayed awaiting appointment of a subcontractor by Network Rail, this appointment has now been made and it is expected that the project will now progress.
 - **Urban Traffic Management Centre (UTMC)**
Discussions are ongoing between local authority partners on the management arrangements for this Centre. The project will progress once agreement has been reached.
 - **Rail Parking Package – Shipley Station and Steeton and Silsden Station**
Projects are both delayed awaiting the issue of Asset Protection Agreements by Network Rail.
 - **A650 Hard Ings Road and Harrogate New Line**
Both of these projects are subject to Public Enquiry and will not progress further until these have been concluded. The Public Enquiry for the A650 Hard Ings Road is set for 31 January 2018.
 - **WY+TF Pipeline**
Forecast spend to the value of £16.36m included within the WY+TF pipeline still requires formal approval through the Assurance Process.
- 3.4 Three projects that are currently RAG rated at Red are now progressing through the Assurance Process, proposed approvals and actions were subject to consideration by the Investment Committee at its meeting on 6 September 2017, these are:
Huddersfield Incubation and Innovation Unit, Energy Accelerator, Leeds District

Heat Network.

4 Cost of Managing the Portfolio

- 4.1 Accounting regulations and WYCA's accounting policies allow for costs to be capitalised when they are an intrinsic part of creating and bringing an asset to working condition. This can and does include project management costs and other professional fees and preparatory work necessary to bring the asset into use. In establishing the new Delivery directorate with the required capacity it was recognised that these costs would be capitalised. Where possible individual projects will include the costs of dedicated project managers and associated professional costs. There are however a number of costs that cannot be as simply allocated against a project such as the PMO team, the Feasibility and Assurance team and senior managers who are leading a number of projects at different stages. It is proposed that these are recovered against projects in the portfolio in proportion to the direct costs allocated.
- 4.2 For 2017/18 there is an expected spend of £145m across the full portfolio (including Growth Deal, Local Transport Plan (LTP), National Productivity Investment Fund (NPIF), Leeds Public Transport Investment Programme (LPTIP)). Direct costs are circa £1.5m in a full year with indirect at a similar level. In percentage terms this is well within acceptable levels for capitalisation and leaves some capacity for charging overhead costs from across the rest of the organisation, in particular the support teams whose costs are linked to the size of teams and volumes of work across WYCA. It is initially proposed that up to £1.5m be recovered in the same way as set out in paragraph 4.1

5 Call for Projects

- 5.1 The West Yorkshire Combined Authority (WYCA) and Leeds City Region Enterprise Partnership (LEP) have issued an open call for proposals that can make a strategic impact across the city region: a growing, more inclusive and productive economy, with the greatest benefits felt by the most disadvantaged. Proposals can address direct or indirect determinants of inclusive growth.
- 5.2 The Call for Projects was issued on 23 August following circulation of a draft document to Directors of Development and Investment Committee Members to agree scope and content. Due to the requested timescales from Investment Committee Members for WYCA to present the outcomes of the Call to the 31 October Investment Committee workshop, a very tight turnaround was required with a return date of 25 September.
- 5.3 Whilst there is no available/allocated funding at present, there are several potential opportunities:
- **LCR Growth Deal programme pipeline** – this £516.35m capital funding programme is currently fully committed. WYCA is, however, keen to identify

potential replacement projects to include in a pipeline/reserve list should projects be withdrawn or an underspend occur within our existing programme. The principal interest is in receiving proposals that can be delivered by March 2021 and will directly contribute to the delivery of Growth Deal targets by 31 March 2025:

- 10,000 jobs created
 - 2,000 new homes
 - Contribution to GVA/increased productivity
- **Northern Cultural Regeneration Fund** – a £15m competitive pot for the eleven Northern LEPs to be delivered by March 2021. Each LEP can put forward only one single scheme (up to £4m, not exceeding 70% of total capital costs) that encourages sustainable cultural and creative regeneration in the North of England and benefits areas in the North of England that have historically had low levels of cultural and creative investment. Further information is available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/635574/Northern_Cultural_Regeneration_Fund_guidance_for_LEPs_July_2017_Final.pdf
 - **LCR Business Rates Pool** – this funding (historically around £3m-4m per year, but volatile) is used alongside other city region funding mechanisms to maximise overall investment in city region priorities and where impacts accrue across multiple districts. It does not finance long-term capital investment because of the inherent volatility of receipts. Further information is available at: <http://www.leeds.gov.uk/council/Pages/Leeds-City-Region-business-rates-pool.aspx>
 - **Other sources** of funding that may become available in the future (e.g. funds potentially linked to devolution, Industrial Strategy and/or the Shared Prosperity Fund that will take on the role currently played by European investment).
- 5.4 Some of the above funds are not governed by WYCA and they each have a different status and focus (for example, size of investments, delivery schedule, core outputs, etc.).
- 5.5 Potential project promoters have been offered two options for submitting information about their project:
- i. **Growth Deal pipeline:** Where promoters believe the Growth Deal programme pipeline may be an appropriate funding stream and more detailed project information is available, a WYCA Expression of Interest (Eoi) template should be completed;
 - ii. **Other sources:** We are interested in proposals or ideas for other projects that, for example, could form part of a Leeds City Region funding bid to government should future opportunities arise. Promoters wishing to submit

project ideas are required to submit a brief summary of their proposal using a separate pro-forma.

- 5.6 The information collected at this stage will be used by WYCA to undertake a high level assessment of relevance to appropriate city region funding opportunities, and the strategic and economic case for investment and project deliverability.

6 Impact Sites

- 6.1 At the meeting on 19 July 2017 the Board was provided with an update on the performance of the programme in relation to outputs. It was noted that 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 must identify Growth Deal impact sites which are to be mutually agreed with the Government.
- 6.2 Work has been ongoing to map all of the Growth Deal projects in preparation for agreeing the proposed impact sites. The next step will be to agree how overlapping areas of impact will be agreed, as separate areas or as one area which will demonstrate overall impact of various projects. This exercise is now being informed through on-going discussions with SQW who, as reported to the June 2017 Committee, have been commissioned as the Independent Panel to evaluate the impact of City Deals, Growth Deals and Devolution Deals across the UK including the WY+TF. These discussions will be key to ensuring that the LCR approach in identifying impact areas is consistent with the approaches being adopted elsewhere in the Country.

7 Recommendations

- 7.1 It is recommended that the Board notes the progress towards achievement of the KPI's and the implementation of the Growth Deal.

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Growth Deal Key Performance Indicators

<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>Achieved</p> <p>The new structure for the Delivery Directorate has now been finalised and all posts that could be filled through internal slotting as well as a number of internal promotions were achieved by end of June, this represented 82% of the Delivery Directorate posts. A further 11 posts are in Policy, Strategy and Resources, 9 (82%) of these had been filled by the end of June 2017. Whilst the KPI has been achieved the aim is to ensure the full structure is populated as soon as possible, to this end all vacant posts are being recruited, firstly through internal advert for one week, where the posts were not filled a major recruitment exercise commenced with an advert in the Guardian on 29 July 2017 covering all remaining vacant posts.</p>
<p>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>Achieved</p> <p>Appointments have been made by individual authorities (York 3, Bradford 1), however a further 6 job offers have been made through the recruitment company that has been appointed. These six appointees commence in post: 29 August (2), 1 September (1), 11 September (1), 18 September (1), 28 September (1).</p> <p>A mini-tender seeking a strategic partner from the Professional Services Framework is expected to go out to 3-6 consultants shortly. This will be seeking resource to support specific projects within the WY+TF.</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>Achieved</p> <p>Review has been undertaken of the individual projects within the Housing and Regeneration priority to identify where progress can be made through WYCA and local authority actions.</p>
<p>The Leeds City Region Growth Deal Programme to 2020/21 includes Government funding of</p>	<p>Achieved</p>

<p>£516.35m, £247.7m (48%) of this had been approved as at March 2017.</p> <p>KPI 4 – An additional £26m of growth deal projects will be fully approved and ready to move in to delivery* by end September, increasing the total value to £273.7m (53%) of the programme.</p> <p>*projects approved at decision point 5, with full business cases and finalised costs</p>	<p>Projects / Programmes agreed at Decision Point 5 to date:</p> <p>A629 Halifax to Huddersfield Corridor Phase 1a £8.5m Tackling Fuel Poverty Phase 4 - £1.07m Strategic Inward Investment Fund £12.45m Business Growth Programme £9m Total £31.02m</p> <p>Projects progressing to DP5 by end September: Digital Sector Soft Landing Scheme £1m</p> <p>The current approval level is £295m (57% approved against Growth Deal allocation), this includes approvals at Decision Point 2 of development costs on a number of WY+TF projects.</p>
<p>KPI 5 – 7* additional projects will commence by end September 2017 and 10** projects will be completed during Quarters 1 & 2.</p> <p>*Commencing – East Leeds Housing Growth - brownfield sites, York Guildhall, rail station car parks at Hebden Bridge and Fitzwilliam, Strategic Inward Investment Fund, Digital Soft Landing Scheme and Business Growth Programme.</p> <p>** Completing - four skills capital projects (Leeds Printworks, Wakefield College, Selby College, Bradford College) plus Wakefield Eastern Relief Road, South Elmsall and Aire Valley Rail Park and Ride schemes, Wakefield Civic Quarter, and Leeds and Skipton flood alleviation schemes.</p>	<p>Commencing – majority of projects currently on track: the Strategic Inward Investment Fund has commenced, Fitzwilliam Station Car Park due on site 4 September, Digital Sector Soft Landing Scheme due to commence before the end of September, Business Growth Programme has now commenced.</p> <p>Issues currently with Hebden Bridge Car Park, whilst some work has commenced there has been a delay to the full start due to external factors.</p> <p>Completed – Selby College and Bradford College, Wakefield Eastern Relief Road, Aire Valley Park and Ride, South Elmsall, Leeds and Skipton Flood Relief projects, 7 projects. The three remaining projects are on track.</p>
<p>KPI 6 – 250 further jobs will be delivered by end September 2017, bringing the lifetime total so far to 2,850.</p>	<p>Achieved</p> <p>Total jobs created achieved as at end July 2017 is 2,980. 380 additional jobs have been created since end March 2017.</p>
<p>KPI 7 – A further £20m LGF will be defrayed by end September, and the LEP/WYCA will confirm that they are on track at the mid-year review to spend the £100m planned expenditure in 2017/18 (139% of GD1-3 allocation).</p>	<p>Expenditure defrayed by WYCA at end July 2017 £11.43m.</p> <p>The current forecast spend on the WY+TF is £9.4m by the end of September 2017, this would mean that the target would be exceeded.</p>

Growth Deal dashboard

Figures accurate up to: End of July 2017

2017/18	£100,154,776	Total Outturn Forecast	£97,525,084
Target		Actual	£11,430,844

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 (July 2017)	Forecast spend (August 17 to Mar 18)	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	£1,128,926	£3,872,590	£5,001,516	GREEN	£2,500,000	£2,500,000	£2,000,000	£27,000,000
Access to Capital Grants Programme	Sue Cooke	£0	£1,513,095	£1,671,020	£3,480,158	£960,510	£4,440,668	GREEN	£3,248,745	£3,248,745	£3,248,747	£15,700,000
Huddersfield Incubation & Innovation Programme	Liz Townes-Andrews	£0	£0	£2,983,986	£978	£2,922,000	£2,922,978	RED	£0	£0	£0	£2,922,000
Leeds University Innovation Centre	Ceri Williams	£0	£2,416,585	£613,415	£583,415	£0	£583,415	GREEN	£0	£0	£0	£3,000,000
Business Expansion Fund - Strategic Inward Investment Fund	Sue Cooke	£0	£0	£5,250,000	£0	£1,071,136	£1,071,136	GREEN	£2,608,504	£4,098,740	£4,671,620	£12,450,000
Business Expansion Fund - Digital Sector Soft Landing Scheme	Sue Cooke	£0	£0	£0	£0	£116,636	£116,636	GREEN	£308,504	£338,740	£236,120	£1,000,000
Priority 1: Growing Business		£6,660,742	£12,267,422	£13,519,937	£5,193,477	£7,755,100	£14,019,713		£8,357,249	£9,847,485	£9,920,367	£61,072,000
Round 1 - Shipley College Mill	Nav Chohan	£119,000	£0	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£119,000
Round 1 - Leeds City College Printworks	Jane Pither/Lydia Devenny	£933,800	£7,794,608	£270,167	£0	£269,950	£269,950	GREEN	£0	£0	£0	£8,998,358
Round 1 - Calderdale College	Denise Cheng Carter	£2,000,000	£2,977,000	£0	£-14,333	£0	£-14,333	COMPLETE	£0	£0	£0	£4,962,667
Round 1 - Kirklees College	Ian Webster	£3,000,996	£100,001	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£3,100,997
Round 2a - Wakefield College	John Foster	£0	£3,327,133	£0	£-99,814	£0	£-99,814	N/A	£0	£0	£0	£3,227,319
Round 2a - Selby College	Liz Ridley	£0	£693,748	£0	£-20,812	£0	£-20,812	N/A	£0	£0	£0	£672,936
Round 2a - Shipley College Salt Building	Nav Chohan	£0	£300,000	£0	£-9,000	£0	£-9,000	N/A	£0	£0	£0	£291,000
Round 2a - Bradford College	Andy Welsh	£0	£250,000	£0	£-7,500	£0	£-7,500	N/A	£0	£0	£0	£242,500
Round 2b - Leeds College of Building	Ian Billyard	£0	£1,263,639	£7,886,362	£79,937	£4,892,807	£4,972,744	AMBER	£5,555,686	£150,000	£0	£11,942,069
Round 2b - Leeds City College Quarry Hill	Jane Pither/Lydia Devenny	£0	£10,045,152	£14,774,848	£978,368	£14,487,789	£15,466,157	GREEN	£5,884,682	£2,004,000	£0	£33,399,991
Round 2b - Kirklees College Learning Quarter	Ian Webster	£0	£3,367,457	£6,396,761	£1,564,403	£5,522,085	£7,086,488	GREEN	£667,273	£0	£0	£11,121,217
Priority 2: Skilled People, Better Jobs		£6,053,796	£30,118,737	£29,328,138	£2,471,248	£25,172,631	£27,643,879		£12,107,641	£2,154,000	£0	£78,078,053
Resource Efficiency Fund	Sue Cooke	£0	£0	£323,721	£83,721	£240,000	£323,721	GREEN	£251,163	£145,116	£0	£720,000
Energy Accelerator	Jacqui Warren	£0	£0	£490,986	£0	£476,789	£476,789	RED	£123,211	£0	£0	£600,000
Leeds District Heat Network	Neill Evans	£0	£8,345	£4,867,923	£0	£0	£0	RED	£6,991,655	£0	£0	£7,000,000
Tackling Fuel Poverty	Liz Courtney	£0	£781,414	£2,392,200	£160,864	£2,315,424	£2,476,288	GREEN	£2,742,297	£0	£0	£6,000,000
Priority 3: Clean Energy and Economic Resilience		£0	£789,759	£8,074,830	£244,585	£3,032,213	£3,276,798		£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	£0	N/A	£0	£0	£0	£4,000,000
East Leeds Housing Growth - Brownfield Sites	Martin Farrington	£0	£1,100,000	£0	£0	£0	£0	N/A	£0	£0	£0	£1,100,000
Halifax Town Centre (Northgate House)	Mark Thompson	£300,000	£0	£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	£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	£0	N/A	£0	£0	£0	£1,757,000
Kirklees Housing sites	Naz Parker	£200,000	£205,000	£104,000	£0	£104,000	£104,000	GREEN	£191,000	£300,000	£0	£1,000,000
Bath Road, Leeds	Martin Farrington	£580,000	£0	£0	£0	£0	£0	N/A	£0	£0	£0	£580,000
Bradford Odeon	Steve Hartley	£0	£0	£0	£0	£0	£0	N/A	£325,000	£0	£0	£325,000
Forge Lane, Kirklees	Paul Kemp	£0	£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	£1,128,500	GREEN	£0	£0	£0	£2,550,000
Wakefield Civic Quarter	Andy Wallhead	£0	£0	£1,085,000	£0	£1,085,000	£1,085,000	GREEN	£15,000	£0	£0	£1,100,000
York Guildhall	Neill Ferris	£0	£791,500	£1,556,000	£234,500	£1,321,500	£1,556,000	GREEN	£0	£0	£0	£2,347,500
New Bolton Woods	Shelagh O'Neill	£0	£0	£0	£0	£195,000	£195,000	GREEN	£3,405,000	£0	£0	£3,600,000
Balance of available funding		£0	£0	£0	£0	£0	£0	N/A	£6,105,435	£2,011,437	£1,256,238	£9,373,110
Priority 4a: Housing and Regeneration		£5,237,000	£5,518,000	£3,873,500	£234,500	£3,834,000	£4,068,500		£17,261,435	£4,511,437	£2,256,238	£38,852,610

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Wakefield Eastern Relief Road	Neil Rodgers	£15,284,765	£14,435,236	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£32,019,001
Aire Valley Park and Ride	Gary Bartlett	£0	£5,705,149	£3,123,453	£1,278,397	£1,348,564	£2,626,961	GREEN	£715,000	£0	£0	£9,047,110
Wakefield City Centre - Phase 1 Kirkgate	Neil Rodgers	£0	£76,972	£0	£717,249	£2,764,774	£3,482,023	GREEN	£1,085,278	£0	£0	£4,644,273
South Elmsall Rail Car Parking Extension	Melanie Corcoran	£0	£120,000	£0	£0	£488,329	£488,329	GREEN	£0	£0	£0	£608,329
A629a Phase 1A - Jubilee Road to Free School Lane & monitoring	Mark Thompson	£0	£0	£0	£0	£2,920,020	£2,920,020	GREEN	£2,425,798	£0	£0	£5,345,818
Fitzwilliam - Rail Park and Ride	Neil Rogers	£0	£0	£0	£0	£467,386	£467,386	GREEN	£209,540	£0	£0	£676,926
Hebden Bridge - Rail Park and Ride	Melanie Corcoran	£0	£0	£0	£0	£582,358	£582,358	RED	£0	£0	£0	£582,358
Priority 4 WYTF pipeline	Development	£2,739,455	£5,829,389	£34,334,918	£1,291,388	£22,872,862	£24,164,249	RED	£6,715,335	£3,974,999	£734,374	£44,157,801
	Delivery	£0	£0	£0	£0	£8,227,020	£8,227,020	RED	£94,472,641	£181,945,066	£165,471,472	£450,116,199
Priority 4b (WYTF) WYCA Delivery Costs	Kate Thompson	£1,570,197	£1,354,748	£0	£0	£1,382,847	£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	£3,287,034	£41,054,160	£44,341,194		£84,142,894	£62,840,750	£42,459,250	£280,900,000
Mytholmroyd Flood Alleviation (GD3)	Adrian Gill	£0	£2,500,000	£0	£0	£0	£0	GREEN	£0	£0	£0	£2,500,000
Leeds Flood Alleviation (GD3)	Martin Farrington	£0	£3,786,981	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£3,786,981
Skipton Flood Alleviation (GD3)	Adrian Gill	£0	£1,500,000	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£1,500,000
Priority 4c: Pipeline	Adrian Gill			£2,000,000	£0	£2,000,000	£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	£0	£2,000,000	£2,000,000		£3,500,000	£4,500,000	£2,200,000	£19,986,981
Leeds Aire Valley EZ	Martin Farrington			£4,000,000	£0	£0	£0	AMBER	£10,000,000	£0	£0	£10,000,000
LCR EZs M62 sites	TBC				£0	£275,000	£275,000	AMBER	£725,000	£4,000,000	£5,000,000	£10,000,000
Priority 4d: Enterprise Zone				£4,000,000	£0	£275,000	£275,000	£0	£10,725,000	£4,000,000	£5,000,000	£20,000,000
WYCA Delivery costs - non Tranport		£475,122	£765,373	£1,900,000	£0	£0	£1,900,000	N/A	£0	£0	£0	£3,140,495
Total Growth Deal expenditure		£38,021,077	£84,767,767	£100,154,776	£11,430,844	£83,123,104	£97,525,084		£146,202,546	£87,998,788	£61,835,855	£516,350,139

West Yorkshire Transport Fund pipeline

Figures accurate up to: July 2017

2017/18		Total Outturn Forecast	£32,391,269
Target	£34,334,918	Actual	£1,291,388

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	Category	Prior Years	2015/16	2016/17	Actual spend to date (July 2017)	Total forecast	Total Forecast outturn	RAG rating	2018/19	2019/20	2020/21	
Transport projects at Stage 2 that will commence in 2017/18													
A629 Phase 1a: Jubilee Road to Free School Lane & monitoring	Mark Thompson	Development	302,000	160,000	1,442,043	731,872	1,046,794	1,778,666	GREEN	-	-	-	2,950,837
		Delivery	-	-	-	-	2,921,020	2,921,020	GREEN	2,424,798	-	-	5,345,818
Leeds Station Gateway - New station Street	Liz Hunter	Development	-	-	41,036	-	106,500	106,500	RED	-	-	-	147,536
		Delivery	-	-	-	-	591,000	591,000	RED	1,000,000	-	-	1,591,000
Leeds ELOR and North Leeds Outer Ring Road	Gary Bartlett	Development	1,020,000	929,199	1,554,106	-	4,958,000	4,958,000	AMBER	1,123,767	273,769	251,855	10,110,696
		Delivery	-	-	-	-	-	-	AMBER	27,646,000	27,000,000	14,814,000	69,460,000
Aire Valley, Leeds Integrated Transport Package - Phase 1: Aire Valley P&R	Gary Bartlett	Development	269,000	277,672	245,500	-	-	-	na	-	-	-	792,172
		Delivery	-	-	-	-	-	-	na	-	-	-	-
Wakefield City Centre Package Phase 1 Kirkgate	Neil Rogers	Development	-	72,878	-	-	-	-	na	-	-	-	72,878
		Delivery	-	-	-	-	-	-	na	-	-	-	-
UTMC (formerly HNEP)	Richard Hadfield (Kirklees)	Development	-	-	29,011	-	130,030	130,030	RED	90,959	-	-	250,000
		Delivery	-	-	-	-	250,000	250,000	RED	1,550,000	2,000,000	-	3,800,000
Rail Parking Package - Mytholmroyd	Melanie Corcoran	Development	-	-	-	-	-	-	GREEN	-	-	-	-
		Delivery	-	-	-	-	640,000	640,000	GREEN	3,000,000	-	-	3,640,000
Rail Parking Package - Shipley	Melanie Corcoran	Development	-	-	-	-	-	-	RED	-	-	-	-
		Delivery	-	-	-	-	1,275,000	1,275,000	RED	1,275,000	-	-	2,550,000
Rail Parking Package - Steeton and Silsden	Melanie Corcoran	Development	-	-	-	-	-	-	RED	-	-	-	-
		Delivery	-	-	-	-	1,265,000	1,265,000	RED	1,265,000	-	-	2,530,000
Rail Parking Package - Mirfield	Melanie Corcoran	Development	-	-	-	-	-	-	AMBER	-	-	-	-
		Delivery	-	-	-	-	845,000	845,000	AMBER	845,000	-	-	1,690,000
Rail Parking Package - Normanton	Melanie Corcoran	Development	-	-	-	-	-	-	GREEN	-	-	-	-
		Delivery	-	-	-	-	440,000	440,000	GREEN	1,000,000	0	0	1,440,000
Transport projects at Stage 2 that will commence post 2017/18													
Bradford Interchange Station Gateway	Julian Jackson	Development	-	25,000	20,838	6,386	34,162	40,548	GREEN	0	0	0	80,000
		Delivery	-	-	-	-	-	-	GREEN	-	-	7,000,000	7,000,000
Bradford FS Station Gateway	Julian Jackson	Development	-	20,000	116,717	22,364	763,633	785,997	GREEN	1,832,719	1,152,245	-	3,885,314
		Delivery	-	-	-	-	-	-	GREEN	-	5,723,732	8,743,340	14,467,072
A650 Tong Street	Julian Jackson	Development	50,000	-	21,038	5,587	94,380	99,967	AMBER	19,582	-	-	185,000
		Delivery	-	-	-	-	-	-	AMBER	-	10,000,000	8,000,000	18,000,000
SE Bradford Access Rd	Julian Jackson	Development	-	-	-	-	91,008	91,008	GREEN	-	-	-	91,008
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Bradford to Shipley Corridor	Julian Jackson	Development	-	30,000	5,011	885	91,885	92,770	RED	187,104	-	-	314,000
		Delivery	-	-	-	-	-	-	RED	-	13,000,000	14,000,000	27,000,000
A650 Hard Ings Road - Phase 1: Hard Ings Road Only	Julian Jackson	Development	140,000	137,628	301,133	71,908	185,239	257,147	RED	-	-	-	764,000
		Delivery	-	-	-	-	-	-	RED	4,415,000	3,176,000	-	7,591,000
Harrogate Road New Line	Julian Jackson	Development	166,000	146,399	15,601	-	800,971	800,971	RED	154,000	-	-	1,282,971
		Delivery	-	-	-	-	-	-	RED	1,901,000	1,732,740	-	3,633,740
Halifax Station Gateway	Mark Thomson	Development	5,000	156,738	44,171	-	99,653	99,653	GREEN	-	-	-	305,562
		Delivery	-	-	-	-	-	-	GREEN	-	-	7,483,848	7,483,848
A641 Bradford - Huddersfield Corridor	Mark Thomson	Development	-	-	60,829	14,378	78,342	92,720	AMBER	-	-	-	139,171
		Delivery	-	-	-	-	-	-	AMBER	10,000,000	11,000,000	15,000,000	36,000,000
A629 Phase 1b: Elland Wood Bottom to Jubilee Road	Mark Thomson	Development	-	169,994	198,719	80,037	756,681	836,718	GREEN	-	-	-	1,125,394
		Delivery	-	-	-	-	-	-	GREEN	8,552,565	5,340,349	-	13,892,914
A629 Phase 2: Phase 2a, 2b and 2c	Mark Thomson	Development	340,000	44,591	280,192	189,208	1,761,009	1,950,217	GREEN	48,649	-	-	2,474,441
		Delivery	-	-	-	-	-	-	GREEN	8,578,039	11,883,471	13,474,071	33,935,581
A629 Phase 4: Ainley Top	Mark Thomson	Development	-	-	51,736	19,205	19,205	38,410	GREEN	-	-	-	70,941
		Delivery	-	-	-	-	-	-	GREEN	-	10,000,000	-	10,000,000
Huddersfield Station Gateway	Richard Hadfield	Development	-	27,615	22,385	-	-	-	AMBER	-	-	-	50,000
		Delivery	-	-	-	-	-	-	AMBER	-	5,000,000	-	5,000,000
A653 Leeds to Dewsbury Corridor (M2D2L)	Richard Hadfield	Development	80,000	-	59,261	16,750	70,739	87,489	AMBER	-	-	-	210,000
		Delivery	-	-	-	-	-	-	AMBER	2,000,000	10,500,000	-	12,500,000
M62 Junction 24a	Richard Hadfield	Development	-	-	12,976	-	57,024	57,024	AMBER	-	-	-	70,000
		Delivery	-	-	-	-	-	-	AMBER	-	18,500,000	-	18,500,000
A629 Phase 5 - Ainley Top into Huddersfield	Richard Hadfield	Development	-	52,000	48,000	15,615	101,515	117,130	GREEN	-	-	-	201,515
		Delivery	-	-	-	-	-	-	GREEN	-	2,546,975	2,038,112	4,585,087
A62 and A644 Corridors incorporating Cooper bridge	Richard Hadfield	Development	485,000	110,000	15,000	-	-	-	AMBER	-	-	-	610,000
		Delivery	-	-	-	-	-	-	AMBER	10,395,000	10,395,000	20,790,000	41,580,000
Leeds Station Gateway - Yorkshire Hub	Liz Hunter	Development	-	-	54,468	32,049	91,463	123,511	GREEN	115,000	95,000	44,519	400,450
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-

65

Thorpe Park Station	Liz Hunter	Development	-	-	3,382	-	190,000	190,000	GREEN	285,000	25,000	-	503,382
		Delivery	-	-	-	-	-	-	GREEN	-	-	5,000,000	5,000,000
A65-LBIA Link Road	Gary Bartlett	Development	210,000	8,688	266,812	-	324,500	324,500	GREEN	-	-	-	810,000
		Delivery	-	-	-	-	-	-	GREEN	1,597,239	1,722,799	2,469,603	5,789,641
A6110 Leeds Outer Ring Rd	Gary Bartlett	Development	-	-	-	-	286,000	286,000	AMBER	-	-	-	286,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Leeds City Centre Network and Interchange Package	Gary Bartlett	Development	319,000	31,337	278,000	-	800,000	800,000	AMBER	979,678	1,365,985	-	3,774,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	5,340,672	5,340,672
Castleford Station Gateway	TBC	Development	-	-	20,329	-	671	671	GREEN	-	-	-	21,000
		Delivery	-	-	-	-	-	-	GREEN	1,485,000	1,485,000	730,000	3,700,000
Wakefield City Centre Package Phase 2 Ings Road	Neil Rogers	Development	-	-	-	5,850	199,999	205,849	GREEN	70,001	-	-	270,000
		Delivery	-	-	-	-	-	-	GREEN	20,000	1,555,000	1,457,593	3,032,593
Glasshoughton Southern Link Road	Neil Rogers	Development	-	80,000	-	79,294	466,124	545,418	GREEN	186,876	-	-	733,000
		Delivery	-	-	-	-	-	-	GREEN	1,300,000	2,492,000	2,276,233	6,068,233
Castleford Growth Corridor Scheme	Neil Rogers	Development	-	67,000	73,917	-	59,083	59,083	AMBER	-	-	-	200,000
		Delivery	-	-	-	-	-	-	AMBER	2,223,000	8,892,000	5,960,000	17,075,000
CIP - Phase 1 - Leeds Fink Hill	Gary Bartlett	Development	-	-	-	-	115,000	115,000	AMBER	-	-	-	115,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Leeds Dyneley Arms	Gary Bartlett	Development	-	-	-	-	402,000	402,000	AMBER	-	-	-	402,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Leeds Dawsons Corner	Gary Bartlett	Development	-	-	-	-	1,008,000	1,008,000	AMBER	-	-	-	1,008,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Kirklees Holmfirth Town Centre	Richard Hadfield	Development	-	-	-	-	250,000	250,000	AMBER	-	-	-	250,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Kirklees Huddersfield Southern Gateways	Richard Hadfield	Development	-	-	-	-	300,000	300,000	AMBER	-	-	-	300,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Kirklees A62 Smart Corridor	Richard Hadfield	Development	-	-	-	-	250,000	250,000	AMBER	-	-	-	250,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Calderdale A58/A672 Corridor	Mark Thompson	Development	-	-	-	-	235,000	235,000	AMBER	-	-	-	235,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Calderdale A646/A6033 Corridor	Mark Thompson	Development	-	-	-	-	195,000	195,000	AMBER	-	-	-	195,000
		Delivery	-	-	0	-	0	0	AMBER	-	-	-	-
CIP - Phase 1 - Bradford A650 Shipley Airedale/A647 Leeds Road	Julian Jackson	Development	-	-	-	-	277,000	277,000	AMBER	-	-	-	277,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Thornton Road	Julian Jackson	Development	-	-	-	-	440,000	440,000	AMBER	-	-	-	440,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Toller Lane	Julian Jackson	Development	-	-	-	-	308,000	308,000	AMBER	-	-	-	308,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Great Horton Road	Julian Jackson	Development	-	-	-	-	220,000	220,000	AMBER	-	-	-	220,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Wakefield A650 Newton Bar	Neil Rogers	Development	-	-	-	-	75,000	75,000	AMBER	-	-	-	75,000
		Delivery	-	-	0	-	0	0	AMBER	-	-	-	-
Rail Park and Ride (Phase 1) Programme	Melanie Corcoran	Development	58,908	108,336	409,181	-	508,152	508,152	GREEN	-	-	-	1,084,577
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Rail Parking Package - Knottingley	Melanie Corcoran	Development	-	-	-	-	1,780,000	1,780,000	AMBER	-	-	-	1,780,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Rail Park and Ride (Phase 2) Programme	Melanie Corcoran	Development	-	-	137,997	-	-	-	GREEN	-	-	-	137,997
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Rail Park & Ride (Phase 2) - Apperley Bridge	Melanie Corcoran	Development	-	-	-	-	113,100	113,100	AMBER	-	-	-	113,100
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Rail Park & Ride (Phase 2) - Guiseley	Melanie Corcoran	Development	-	-	-	-	143,000	143,000	AMBER	-	-	-	143,000
		Delivery	-	-	0	-	0	0	AMBER	-	-	-	-
Rail Park & Ride (Phase 2) - Moorthorpe	Melanie Corcoran	Development	-	-	-	-	110,500	110,500	AMBER	-	-	-	110,500
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Rail Park & Ride (Phase 2) - Outwood	Melanie Corcoran	Development	-	-	-	-	110,500	110,500	AMBER	-	-	-	110,500
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Calder Valley Line Elland Station	TBC	Development	-	-	-	-	-	-	GREEN	-	-	-	-
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
York Central Access	Neil Ferris	Development	-	-	-	-	930,000	930,000	AMBER	771,000	339,000	60,000	2,100,000
		Delivery	-	-	-	-	-	-	AMBER	-	10,000,000	20,894,000	30,894,000
York Northern Outer Ring Road	Neil Ferris	Development	-	-	-	-	1,040,000	1,040,000	GREEN	556,000	624,000	220,000	2,440,000
		Delivery	-	-	0	-	0	0	GREEN	2,000,000	8,000,000	10,000,000	20,000,000
Corridor Improvement Programme (formerly HEBP)		Development	-	-	-	-	50,000	50,000	GREEN	100,000	100,000	158,000	408,000
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Transformational -South Featherstone Link Rd - Feasibility Study		Development	-	-	-	-	-	-	GREEN	-	-	-	-
		Delivery	-	-	0	-	0	0	GREEN	-	-	-	-
Transformational - Kirklees - North Kirklees Orbital Route - Feasibility Study		Development	-	-	-	-	248,000	248,000	GREEN	-	-	-	248,000
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-

Transformational -York Northern Outer Ring Road Dualling- Feasibility Study		Development	-	-	-	-	100,000	100,000	GREEN	195,000	-	-	295,000
		Delivery	-	-	0	-	0	0	GREEN	-	-	-	-
Development			3,444,908	2,716,980	5,829,389	1,291,388	22,872,862	24,164,249		6,715,335	3,974,999	734,374	44,157,801
Delivery			-	-	-	-	8,227,020	8,227,020		94,472,641	181,945,066	165,471,472	450,116,199
Total			3,444,908	2,716,980	5,829,389	1,291,388	31,099,882	32,391,269	-	101,187,976	185,920,065	166,205,846	494,274,000

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Director: Rob Norreys, Director of Policy, Strategy & Communications
Author: Marc Eatough



Report to: LEP Board
Date: 19 September 2017
Subject: Autumn Budget Submission

1 Purpose

- 1.1 To seek the LEP Board's input and agreement to the city region's submission to government ahead of the Autumn Budget.

2 Information

- 2.1 The recent Queen's Speech confirmed government's intention to "spread prosperity and opportunity across the country through a new modern industrial strategy". The city region's response to the industrial strategy consultation in spring 2017 was clear that better living standards for all and more balanced growth across the country depend on answering the productivity challenge, backed-up with appropriate support and powers.
- 2.2 Although the reasons for the UK and LCR's poor productivity performance are complex, a bolder, locally-led approach across private and public sectors gives the vital long-term leadership to make progress. The LEP Board's awayday will shape this approach.
- 2.3 It is also important that the city region puts forward to government a bold set of ideas, developed through Panels and in conjunction with local authorities, universities, business groups and other stakeholders. The submission (draft attached as Appendix 1) provides a proposal covering:
- Suggestions for short- and long-term steps to drive inclusive growth outcomes; and,
 - Matters where the city region has relatively strong powers (e.g. through the delivery of an effective business growth programme), alongside topics where there is less local autonomy, such as the business regulatory environment.

3 Recommendations

- 3.1 That the Board provide input on the broad shape of the Autumn Budget submission, and delegate sign-off to the Managing Director, in consultation with the LEP Chair and WYCA Chair.

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



Report to: LEP Board
Date: 19 September 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 UK economy grew by 0.3% in Q2 2017, a slight increase from 0.2% in Q1, but lower than other major economies and below levels seen in 2016.
- The World Bank's forecasts for global growth remain largely unchanged from their January projections. Their outlook for the UK has been revised up slightly, though growth is still expected to slow a little from 2016.
- The UK employment rate has surpassed 75% for the first time since records began, with full-time, permanent positions driving this growth.
- Inflation remained elevated at 2.6% in July, unchanged from June but down slightly from May's 2.7% peak. Meanwhile regular pay growth has risen to 2.1%, so whilst real pay growth remains negative, the gap between wages and inflation has narrowed slightly.

2.3 The main highlights for Leeds City Region include:

- Yorkshire & Humber is the fastest growing region of the UK in terms of business activity, according to the Markit/Lloyds Bank Regional PMI for July. The region's PMI of 58 is higher than any other region.
- The number of new business bank accounts opened in Leeds City Region so far this year is broadly in line with 2016 activity. There have been around 1% fewer accounts opened so far this year than at the same point in 2016 compared to a 2.2% fall nationally.
- The Chambers of Commerce QES found increasing confidence among service sector firms in Leeds City Region, though key measures of manufacturers' confidence fell to their lowest levels in almost four years.

- There are 28,500 more people in work in Leeds City Region than a year ago. This 2.1% increase in employment is higher than in any other northern LEP area, and is 2nd only to Greater Birmingham & Solihull among core city LEPs. The employment rate has increased to 73.5%, up from 73.1% in the previous quarter.

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, SEPTEMBER 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

- **Global activity is strengthening amid rising confidence and a pick up in trade**, according to the World Bank.
- **The UK economy grew by 0.3% in Q2 2017, a slight increase from 0.2% in Q1**, but lower than other major economies and below levels seen in 2016.
- The World Bank's forecasts for global growth remain largely unchanged from their January projections. Their **outlook for the UK has been revised up slightly**, though growth is still expected to slow a little from 2016.
- **The UK employment rate has surpassed 75% for the first time since records began**, with full-time, permanent positions driving this growth.
- **Inflation remained elevated at 2.6% in July**, unchanged from June but down slightly from May's 2.7% peak. Meanwhile regular pay growth has risen to 2.1%, so whilst **real pay growth remains negative**, the gap between wages and inflation has narrowed slightly.

Key City Region and local developments

- **Yorkshire & Humber is the fastest growing region of the UK in terms of business activity**, according to the Markit/Lloyds Bank Regional PMI for July. The region's PMI of 58 is higher than any other region.
- **The number of new business bank accounts opened in Leeds City Region so far this year is broadly in line with 2016 activity**. There have been around 1% fewer accounts opened so far this year than at the same point in 2016 compared to a 2.2% fall nationally.
- The Chambers of Commerce QES found **increasing confidence among service sector firms** in Leeds City Region, though key measures of **manufacturers' confidence fell to their lowest levels in almost four years**.
- There are 28,500 more people in work in Leeds City Region than a year ago. This **2.1% increase in employment is higher than in any other northern LEP area, and is 2nd only to Greater Birmingham & Solihull among core city LEPS**. The employment rate has increased to 73.5%, up from 73.1% in the previous quarter.
- **Export activity continued to expand in Q2 2017 according to the QES**, though there was a divergence in trends with service sector firms outperforming their manufacturing counterparts.
- **Average house prices in Yorkshire & Humber grew by 4.9% between June 2016 and June 2017** – the same growth rate as the UK as a whole. Within LCR, York saw the fastest increase, up 7.6% on a year earlier, whilst Calderdale and Barnsley also saw prices increase faster than the national average.

Key conclusions and outlook

- In headline terms, the UK economy's continued expansion, with growth picking up slightly in Q2, is positive news. However, **the UK growth rate is now substantially below that in other major developed economies**, suggesting uncertainty stemming from Brexit negotiations is having an impact on UK GDP growth.
- The **service sector appears to be outperforming the rest of the economy**, with a tailing off of export growth contributing to a slowdown for manufacturers.
- Whilst the UK labour market continues to strengthen, **the City Region has outpaced national averages in terms of job creation of late**. This has helped to narrow the gap to the national average on key indicators including employment rate and the proportion who work full-time, but there is still some way to go to close this gap. On other indicators, the City Region economy appears to be at least maintaining pace with the UK.
- The fact that **inflation has abated, and wage growth has picked up slightly**, is encouraging and the Bank of England now has more scope to delay interest rate rises.
- The recent increase in business lending suggests **companies may be thinking of taking advantage of low borrowing costs to increase investment** as labour becomes more expensive and harder to come by.

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

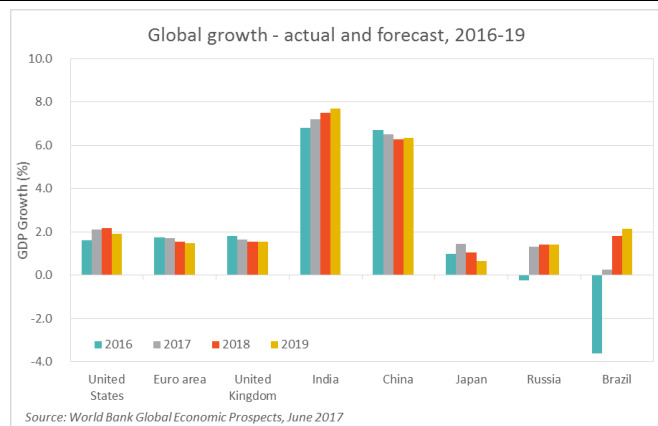
ECONOMIC UPDATE: LEEDS CITY REGION, SEPTEMBER 2017

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 World Bank, whilst new official UK data is available on the labour market and international trade to June 2017.
- For Leeds City Region, data on business bank accounts is available up to July, along with the Chambers of Commerce Quarterly Economic Survey for Q2 and labour market data for Q1 2017.
- Initial headlines are also included from the Leeds City Region Business Survey. Whilst full results won't be available until further into the autumn, some early headlines provide valuable additional context.

Global context and forecasts

- Global activity is strengthening amid rising confidence and a pick up in trade, according to the latest Global Economic Prospects report from the World Bank. The World Bank expect global growth to reach 2.7% this year and 2.9% in each of the next two years.
- The World Bank's growth forecasts remain largely unchanged from their January projections, though the UK's outlook has been revised up slightly. They now expect growth of 1.7% this year (up from 1.2% in January), and 1.5% growth in 2017 and 2018 (both up from 1.3%). This still reflects a slowdown from growth of 1.8% in 2016.
- In the 2nd quarter of 2017, the US economy grew by 0.8%. This is up from growth of 0.3% in Q1 2017, thanks to higher personal consumption and increased export activity.
- The Eurozone recorded growth of 0.6% in Q2 2017, up slightly from 0.5% in Q1. This is the fastest growth rate seen in the single currency area since 2011, driven by solid growth in major economies such as Germany, France and Spain. Survey data suggests that Eurozone manufacturing growth continues to accelerate. Service sector expansion has plateaued somewhat, but remains robust.
- Japan's economy expanded by 1% in Q2, far outpacing expectations of 0.6% growth and up from 0.4% in Q1.
- Chinese growth also exceeded expectations in Q2, expanding at an annual pace of 6.9% thanks to strong growth in industrial activity. The world's 2nd largest economy continues to be supported by accessible credit conditions, and concerns remain about growing debt as the nation attempts to refocus growth on consumer activity.
- Output in India is expected to recover slightly in Q2, growing at an annualised rate of 6.6%, up from 6.1% in Q1. Activity is still subdued by the government's demonetisation policy in early 2017, but is expected to return to trend in the second half of the year.
- The strong performance of the European economy has helped strengthen the Euro, taking sterling to an eight year low against the single currency. The pound has performed better against the dollar, which has itself been under pressure amid concerns about tensions between the US and North Korea, as well as domestic political issues. However the pound/dollar rate remains well below the pre-referendum level, with concerns about Brexit talks weighing on sterling.
- Oil prices have remained relatively stable of late at around \$50 a barrel, with the recent OPEC cut in production being largely offset by rising output in nations not party to the agreement. Commodity prices more generally have also remained fairly stable so far this year, though prices for some foods have risen.



Global economy summary: Most major economies are experiencing solid growth with the Eurozone enjoying a prolonged period of expansion for the first time since the economic crisis. America has recovered from Q1's apparent blip, though there remain significant uncertainties in the US, the impact of which would be felt widely if realised.

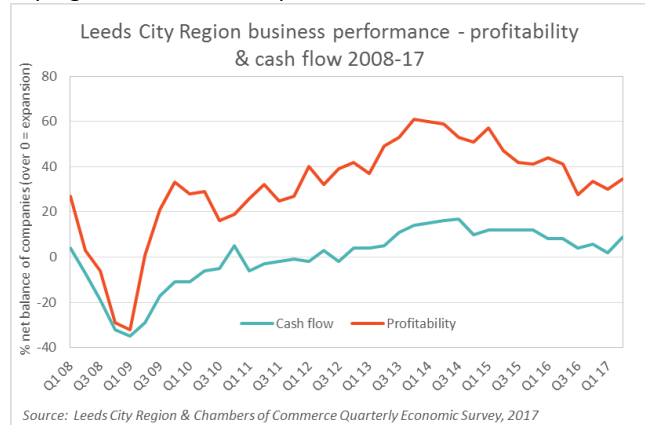
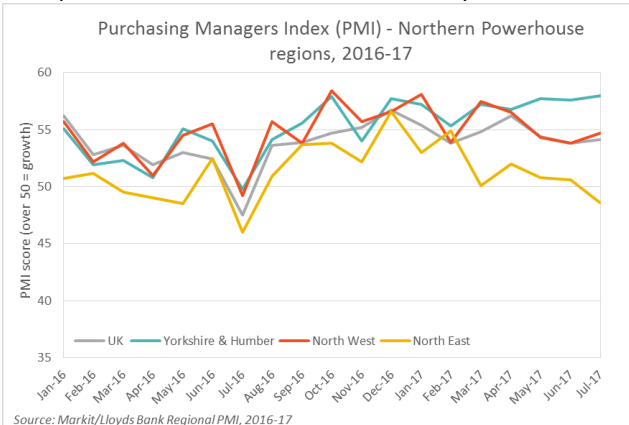
UK economic performance

Indicator	Latest position	Chart	Trend
Economic headlines	<p>The UK economy grew by 0.3% in Q2 2017, a slight increase from 0.2% in Q1. The service sector was again the main driver of growth, with output up by 0.5%. Manufacturing output decreased, however, (down 0.6%), as did construction (down 1.3%).</p> <p>The latest GDP data also confirms the slowdown in consumer spending. Household expenditure increased by just 0.1% in Q2, its lowest level for two and a half years. Business investment also slowed.</p>	<p>UK GDP growth - 2007-17</p> <p>Source: Office for National Statistics, 2017</p>	
Confidence and sentiment	<p>Activity in both the manufacturing and service sectors accelerated in July, according to data from the Markit/CIPS PMI, with employment increasing. Optimism among service sector firms remains dampened by Brexit-related uncertainty, however.</p> <p>The construction sector also recorded growth, albeit at a reduced pace from June. Cost pressures remain a concern across the economy, but are most pronounced among construction firms with prices rising at their fastest pace for five years.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-17</p> <p>Source: Markit/CIPS PMIs, 2016-17</p>	
Labour market	<p>Total employment in the UK has risen past 32 million in June, up 125,000 compared to March 2017 and up 338,000 over the past year. The employment rate has surpassed 75% for the first time since records began. 381,000 more people are working full-time than a year ago, whilst the number working part-time has declined by 43,000.</p> <p>The unemployment rate has also reached a new record, falling to a low of 4.4% down from 4.9% a year ago. There are now 1.48 million people out of work, down 157,000 over the past year.</p>	<p>UK employment growth, 2008-17</p> <p>Source: Office for National Statistics, 2017</p>	
Trade and exports	<p>Retail sales volumes increased by 0.6% in the three months to July. This growth was driven by food sales, with all other categories seeing volumes fall between June and July.</p> <p>The UK's trade deficit (the difference between exports and imports) stood at £8.9bn in Q2 2017, broadly unchanged from Q1. Exports increased by £0.8bn over that time, with imports up £0.9bn.</p>	<p>UK balance of trade - 2007-17</p> <p>Source: UK Trade, ONS 2017</p>	
Inflation and wages	<p>Inflation remained at 2.6% in July, unchanged from June but down slightly from May's 2.7% peak. Falling fuel costs helped keep prices in check despite increases in prices for food and clothing.</p> <p>Meanwhile regular pay growth has risen to 2.1% in June, having been falling since late 2016. Whilst real pay growth remains negative, the gap between wages and inflation has narrowed slightly.</p>	<p>Wage growth and inflation, 2008-17</p> <p>Source: Office for National Statistics, 2017</p>	

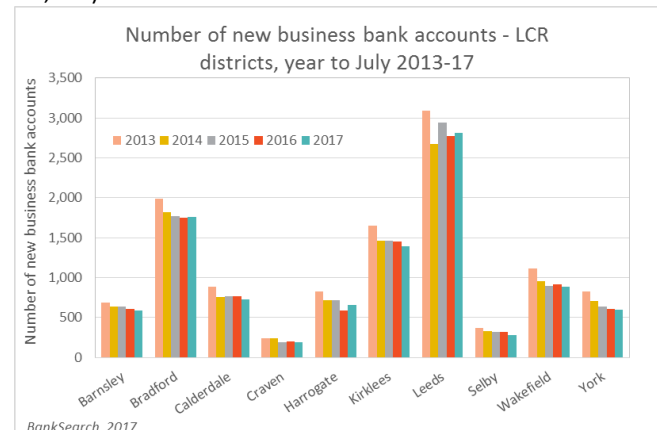
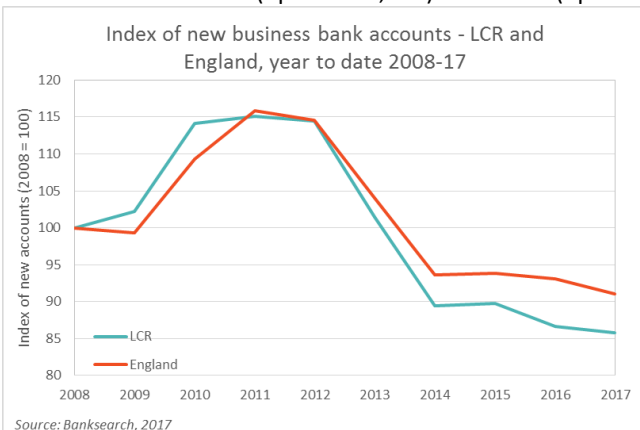
UK economy summary: UK growth remained below recent trends, and below other major economies in Q2. It also remains highly dependent on the service sector. With jobs, and particularly full-time jobs still being created a strong pace, the amount of slack in the UK labour market is lessening. This has helped to boost wage growth, though inflation remains relatively high.

Leeds City Region – Business Performance and Confidence

- Yorkshire & Humber is the fastest growing region of the UK in terms of business activity, according to the Markit/Lloyds Bank Regional PMI for July. The region's PMI of 58 is higher than any other region, overtaking the West Midlands since June (a reading of above 50 represents growth).
- The Quarterly Economic Survey (QES) with the Chambers of Commerce for Leeds City Region for Q2 2017 showed a rebound in service sector activity from Q1. Both domestic sales and export activity increased at a faster pace. The pace of growth slowed among manufacturers, but nonetheless remains in positive territory.
- This is reflected in business confidence, with the QES finding manufacturers' expectations of increasing turnover and profitability both falling to their lowest levels in almost four years. Conversely, service sector respondents were more optimistic on these measures than they had been in Q1, helping to sustain overall performance.



- 1,330 new business bank accounts were opened in Leeds City Region in July, a fall of 5% on June but broadly in line with 2016 activity, according to data from BankSearch. There have been 9,885 new accounts opened in LCR so far in 2017 – around 1% fewer than at the same point in 2016. The number of new accounts opened across England as whole so far this year is down 2.2% on 2016.
- Most districts of Leeds City Region have seen small falls in the numbers of new business bank accounts opened so far this year. However, Harrogate has seen the largest increase in percentage terms, up 11.6% on 2016 to 655 new accounts. Bradford (up 1% to 1,760) and Leeds (up 1.3% to 2,800) have seen more modest increases.



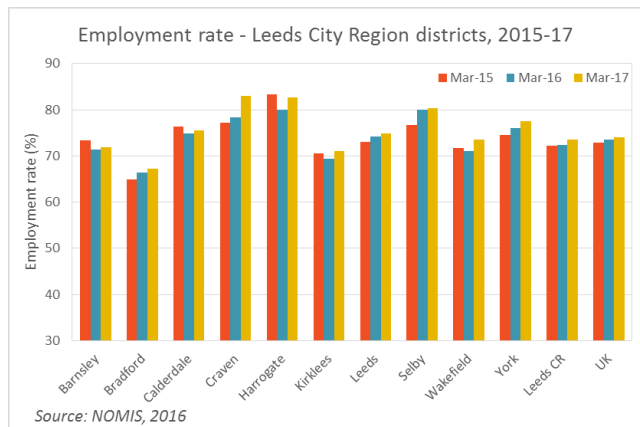
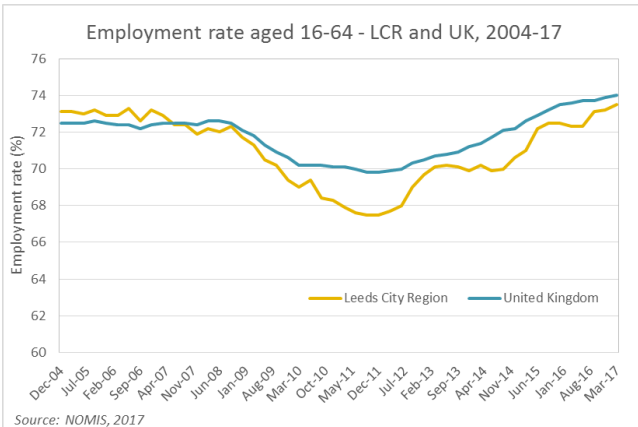
- Initial headlines from the Leeds City Region Business Survey suggest a small decline in business performance and confidence since the survey was last conducted in 2015. 38% of firms said overall performance has improved in the past 12 months, whilst 16% said it had worsened. This compares to 2015, when 46% said performance had improved, and 14% said it had deteriorated.
- Looking ahead, 34% expect to see improvement in performance of their business the next 12 months, down from 51% in 2015.

Summary: The regional PMI suggests that Yorkshire businesses are more optimistic than their counterparts elsewhere in the country, and particularly in the north. As with the national picture, service sector firms have seen their position strengthen of late, whilst the export-driven expansion of manufacturing seems to have slowed somewhat.

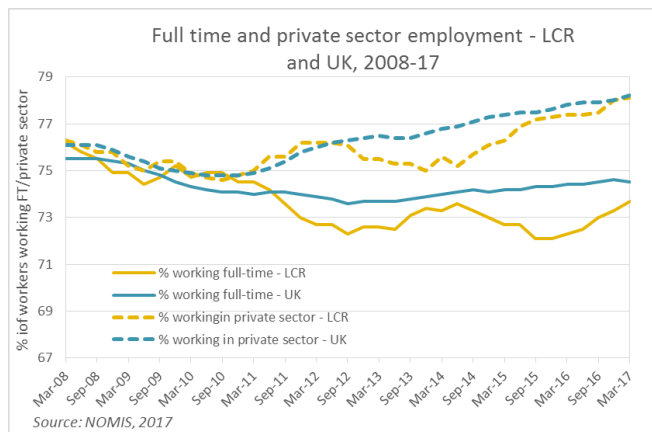
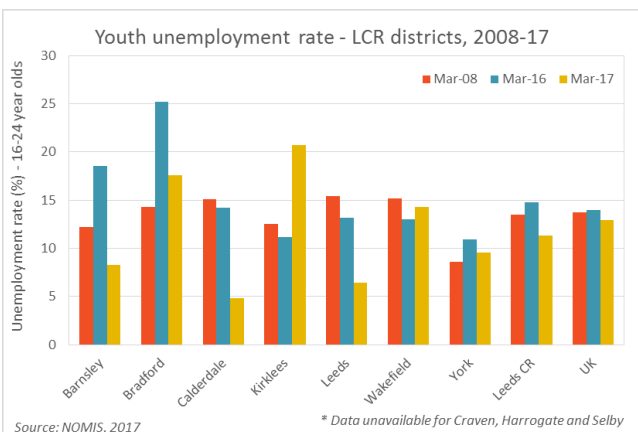


Leeds City Region – Labour Market

- There are 8,700 more people in work in Leeds City Region in Q1 2017 than in Q4 2016. There are 28,500 more people in work than there were a year ago. This 2.1% increase over the past year is higher than in any other northern LEP area, and is 2nd only to Greater Birmingham & Solihull among core city LEPs.
- The City Region’s employment rate has increased to 73.5%, compared to 73.1% in the previous quarter. The employment rate is now higher than at any point since 2004, though it remains slightly below the UK rate of 74.2%.
- At a district level, Kirklees, Craven, Calderdale, Leeds and Barnsley have seen increases in the employment rate in the past quarter. The employment rate in Leeds has moved above the national average this quarter, joining the North Yorkshire districts and Calderdale in outperforming the UK, though it should be noted that there can be significant fluctuation in these numbers.



- The number of people unemployed in Leeds City Region has fallen to 67,500, down 22,000 over the past year. The unemployment rate of 4.6% is below the comparable UK rate of 4.9%, though the unemployment rate remains above the UK average in Bradford, Kirklees, Wakefield and Barnsley.
- The employment rate for young people aged 16-24 in Leeds City Region currently stands at 53.5%, a level consistent with the position seen over the past 18 months. The UK rate has been similarly consistent and currently stands at 53.8%.



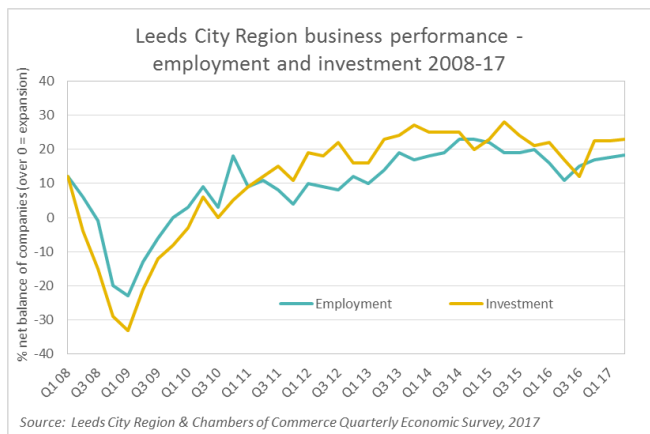
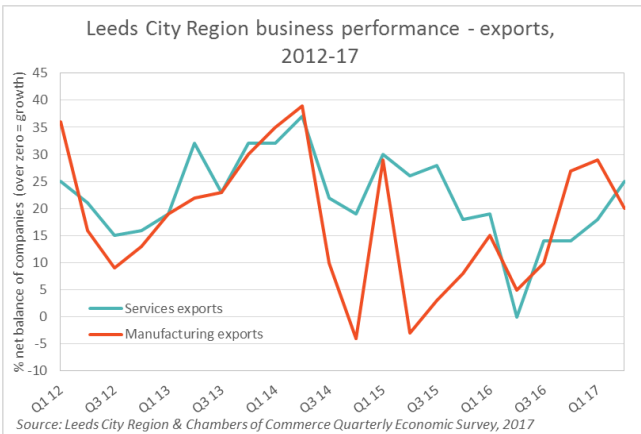
- Recent jobs growth has focused on full-time work, with the proportion of Leeds City Region residents who are working full-time increasing to 73.7% compared to 72.3% a year ago.
- Data from the QES suggests recent employment growth has continued in recent months. The survey found a net balance of 18% of firms had increased their headcount in Q2, a figure consistent with the previous two quarters.
- Initial findings from the Leeds City Region Business Survey suggest that 21% of firms increased their head count over the past 12 months, compared to 12% reporting a decline. Only 4% of firms expect staffing levels to fall over the next year.

Summary: Job creation in Leeds City Region has outpaced the UK average and that of other major cities, helping to narrow the employment rate gap to the UK. Survey data suggests this trend continues, with the majority of new posts being full-time positions. There do however remain substantial differences in performance across the City Region.

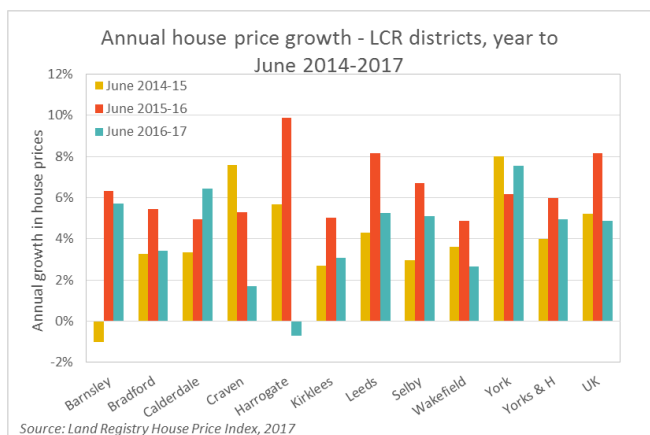
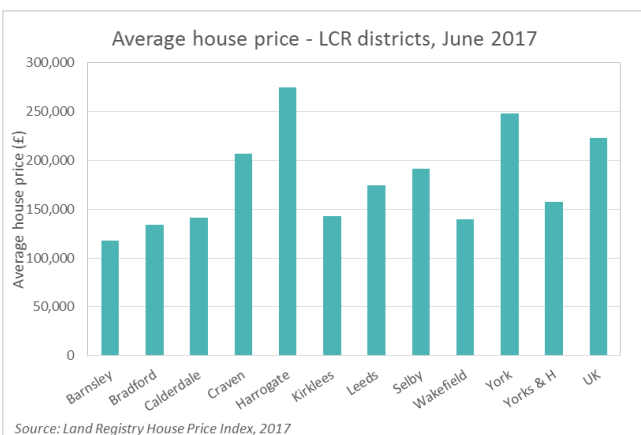


Leeds City Region – Trade, exports and investment

- Export activity continued to expand in Q2 2017 according to the Chambers' Quarterly Economic Survey, though there was a divergence in trends between service sector firms and their manufacturing counterparts.
- The service sector in Leeds City Region continued its recent recovery with the net balance of firms saying export sales had increased in the past quarter rising from 18% in Q1 2017 to 25% in Q2. This is the sector's strongest export performance since mid-2015.
- In contrast, the net balance among manufacturers declined from 29% in Q1 to 20% in Q2. This still signifies solid expansion, and compares favourably to recent performance prior to the previous two quarters. It does however suggest that the recent strong growth in export activity reported by manufacturers may have peaked.



- Both manufacturing and service sector firms continue to increase capital investments, with a net balance of 23% of firms increasing spend this quarter. This trend continues with regard to training investment among manufacturers, though service sector firms saw a small dip on this measure this quarter.
- Initial results from the Leeds City Region Business Survey suggest businesses continue to invest at a similar rate to when the survey was last carried out in 2015. 35% of firms have increased investment in the past year, whilst 8% have decreased investment. Marketing, training and ICT infrastructure were the main focuses of investment
- Similarly, the survey suggests that the proportion of firms engaged in exporting has also remained steady since 2015, at around 15%.



- House prices in Yorkshire & Humber grew by 4.9% between June 2016 and June 2017 – the same growth rate as the UK as a whole. Within Leeds City Region, York saw the fastest increase in average prices, up 7.6% on a year earlier. Calderdale (6.5%) and Barnsley (5.7%) also saw prices increase faster than the national average.
- Harrogate saw a small decline in prices over the past year, down 0.7%, though the district still has average prices substantially higher than elsewhere in the City Region, and higher than the UK as a whole.

Summary: Firms in Leeds City Region continue to report solid growth in export activity, though growth in the service sector has overtaken that in manufacturing on this measure. Despite suggestions elsewhere that uncertainty is inhibiting growth, survey data suggests companies in Leeds City Region continue to invest in their businesses and their people.



Conclusions and outlook

- In headline terms, the UK economy's continued expansion, with growth picking up slightly in Q2, is positive news. However, there are a number of apparent divergences from previous trends which offer some cause for concern.
- Internationally, the UK growth rate is now substantially below that in other major developed economies, such as the US, Japan and the Eurozone. This is in marked contrast to recent post-financial crisis trends. Whilst this could in part be attributed to the fact that the UK experienced stronger growth more quickly after the crisis, it also suggests that uncertainty stemming from Brexit negotiations is having an impact on UK GDP growth at a time when other major economies are cementing their post-recovery growth.
- Domestically, much of the official data points to a divergence between the performance of the service sector and the rest of the economy. Services was the only area of the UK economy to record GDP growth in Q2, with output declining among manufacturing, construction and the wider production industries. Whilst some survey data, such as the Markit/CIPS PMIs, suggests that manufacturing continues to expand, this has not been borne out in official statistics.
- Other survey data, including the Leeds City Region Quarterly Economic Survey, support the view that manufacturing activity is still expanding, although the pace of expansion appears to have peaked. Weaker export growth, which has been facilitated by the falling value of sterling, is a key factor in this slowdown.
- On wider measures the City Region economy appears to be at least maintaining pace with the UK, and in some cases closing the gap. Whilst the UK labour market continues to strengthen, the City Region has outpaced national averages in terms of job creation of late. This has helped to narrow the gap to the national average on key indicators including employment rate and the proportion who work full-time, but there is still some way to go to close this gap, and in some cases exceed it as was the case before the economic downturn.
- Other indicators such as new business formation also point to an economy slightly outpacing the nation as a whole, whilst surveys suggest the region's businesses are among the most positive in the country. All of this supports the view that the City Region's businesses are focused on the immediate task ahead of them, and are not too concerned about wider issues further down the line.
- More broadly, one of the more negative impacts of the depreciation of sterling, higher inflation, has eased a little of late. The relative stability of the pound against the dollar has contributed to this, as has more benign growth in commodity prices.
- At the same time, the pace of consumer lending has slowed, easing concerns that consumers were becoming overly reliant on cheap borrowing to maintain spending. Combined with the stabilising of inflation, this has lowered the pressure on the Bank of England to increase interest rates – a move which some were concerned would increase the strain on household budgets – in the short term at least.
- The Bank of England will also hope that the upturn in wages reported above persists and helps incomes to grow at a faster rate than inflation. At present, with inflation outstripping wage growth, real incomes are falling. This is in part fuelling the growth in consumer debt back close to levels seen before the 2008 crash. Stronger wage growth could mitigate the expansion of credit and provide the Bank with greater flexibility to respond to any change in economic circumstances in the coming years.
- Another period of strong performance in the labour market increases the likelihood of stronger wage growth. With the employment rate now above 75% for the first time, and with more people who want full-time able to find it, the pool of available labour is diminishing and workers' bargaining positions are strengthening. The recent fall in net migration will also help in this regard.
- Businesses could also look to increase investment in new equipment and technology to help improve productivity as labour becomes scarcer. Whilst official data suggests that there has been no upturn in business investment as yet, the Bank of England suggest that business borrowing has increased. This could be a prelude to increased investment, or could be a sign of firms insulating themselves from potential future interest rate rises.

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>Global activity is strengthening amid rising confidence and a pick up in trade, according to the latest Global Economic Prospects report from the World Bank. Japan has led the way among developed economies with growth of 1% in Q2. The US expanded by 0.8%, with the Eurozone achieving 0.6% growth in Q2 2017.</p> <p>The UK economy grew by 0.3% in Q2 2017, a slight increase from 0.2% in Q1, but lower than other major economies and below levels seen in 2016.</p>	<p>UK GDP growth - 2007-17</p> <p>Source: Office for National Statistics, 2017</p>		Economic headlines	<p>Yorkshire & Humber is the fastest growing region of the UK in terms of business activity, according to the Markit/Lloyds Bank Regional PMI for July. The region's PMI of 58 is higher than any other region, overtaking the West Midlands since June (a reading of above 50 represents growth).</p> <p>The Quarterly Economic Survey (QES) with the Chambers of Commerce for Leeds City Region for Q2 2017 showed a rebound in service sector activity from Q1. The pace of growth slowed among manufacturers, but nonetheless remains in positive territory.</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>Activity in both the manufacturing and service sectors accelerated in July, according to data from the Markit/CIPS PMI, with employment increasing. Optimism among service sector firms remains dampened by Brexit-related uncertainty, however.</p> <p>The construction sector also recorded growth, albeit at a reduced pace from June. Cost pressures remain a concern across the economy, but are most pronounced among construction firms with prices rising at their fastest pace for five years.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-17</p> <p>Source: Markit/CIPS PMIs, 2016-17</p>		Business performance & confidence	<p>1,330 new business bank accounts were opened in Leeds City Region in July, broadly in line with 2016 activity. There have been around 1% fewer accounts opened so far this year than at the same point in 2016 compared to a 2.2% fall nationally.</p> <p>The QES found a divergence on confidence by sector, with manufacturers' expectations of increasing turnover and profitability both falling to their lowest levels in almost four years. Conversely, service sector respondents were more optimistic on these measures than they had been in Q1.</p>	<p>Number of new business bank accounts - LCR districts, year to July 2013-17</p> <p>BankSearch, 2017</p>	
Trade and exports	<p>Retail sales volumes increased by 0.6% in the three months to July. This growth was driven by food sales, with all other categories seeing volumes fall between June and July.</p> <p>The UK's trade deficit (the difference between exports and imports) stood at £8.9bn in Q2 2017, broadly unchanged from Q1. Exports increased by £0.8bn over the time, with imports up £0.9bn.</p>	<p>UK balance of trade - 2007-17</p> <p>Source: UK Trade, ONS 2017</p>		Trade	<p>Export activity continued to expand in Q2 2017 according to the QES, though there was a divergence in trends between service sector firms and their manufacturing counterparts.</p> <p>The service sector in Leeds City Region continued its recent recovery, reporting its strongest export performance since mid-2015. In contrast, the pace of expansion slowed among manufacturers. Whilst exports sales continue to grow, this does suggest that the recent strong growth in export activity reported by manufacturers may have peaked.</p>	<p>Leeds City Region business performance - exports, 2012-17</p> <p>Source: Leeds City Region & Chambers of Commerce Quarterly Economic Survey, 2017</p>	
Labour market	<p>The UK employment rate has surpassed 75% for the first time since records began. 381,000 more people are working full-time than a year ago, whilst the number working part-time has declined by 43,000. The unemployment rate has also reached a new record, falling to a low of 4.4% down from 4.9% a year ago.</p> <p>Inflation remained at 2.6% in July, unchanged from June but down slightly from May's 2.7% peak. Meanwhile regular pay growth has risen to 2.1%, so whilst real pay growth remains negative, the gap between wages and inflation has narrowed slightly.</p>	<p>UK employment growth, 2008-17</p> <p>Source: Office for National Statistics, 2017</p>		Labour market	<p>There are 8,700 more people in work in Q1 2017 than in Q4 2016 and 28,500 more than a year ago. This 2.1% increase is higher than in any other northern LEP area, and is 2nd only to Greater Birmingham & Solihull among core city LEPs.</p> <p>The employment rate has increased to 73.5%, up from 73.1% in the previous quarter. At district level, Kirklees, Craven, Calderdale, Leeds and Barnsley have seen increases in the employment rate in the past quarter. Recent jobs growth has focused on full-time work, with the proportion of LCR residents who are working full-time increasing to 73.7% compared to 72.3% a year ago.</p>	<p>Employment rate - Leeds City Region districts, 2015-17</p> <p>Source: NOMIS, 2016</p>	
Forecasts/prospects	<p>The World Bank's growth forecasts remain largely unchanged from their January projections. They expect global growth to reach 2.7% this year and 2.9% in each of the next two years.</p> <p>The UK's outlook has been revised up slightly in the latest World Bank projections. They now expect growth of 1.7% this year (up from 1.2% in January), and 1.5% growth in 2017 and 2018 (both up from 1.3%). This still reflects a slowdown from growth of 1.8% in 2016.</p>	<p>Global growth - actual and forecast, 2016-19</p> <p>Source: World Bank Global Economic Prospects, June 2017</p>		Other indicators	<p>Average house prices in Yorkshire & Humber grew by 4.9% between June 2016 and June 2017 – the same growth rate as the UK as a whole. Within LCR, York saw the fastest increase, up 7.6% on a year earlier.</p> <p>Calderdale (6.5%) and Barnsley (5.7%) also saw prices increase faster than the national average. Harrogate saw a small decline in prices over the past year, down 0.7%, though average prices in the district are still higher than elsewhere in the City Region.</p>	<p>Annual house price growth - LCR districts, year to June 2014-2017</p> <p>Source: Land Registry House Price Index, 2017</p>	
Summary	<p>In headline terms, the UK economy's continued expansion, with growth picking up slightly in Q2, is positive news. The labour market in particular continues to go from strength to strength. However, growth appears highly dependent on the service sector and the UK growth rate is now substantially below that in other major developed economies, suggesting uncertainty stemming from Brexit negotiations is having an impact on UK GDP growth. The City Region has outpaced national averages in terms of job creation of late. This has helped to narrow the gap to the national average on key indicators including employment rate and the proportion who work full-time, but there is still some way to go to close this gap.</p>						

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



Report to: LEP Board

Date: 19 September 2017

Subject: Transport Strategy and Bus Strategy Adoption

1 Purpose

- 1.1 The purpose of this report is to provide LEP Board with an update on the West Yorkshire Transport Strategy and the West Yorkshire Bus Strategy, setting out the vision and policy aspirations for the Transport system for the next 20 years.

2 Information

Transport Strategy

- 2.1 The West Yorkshire Combined Authority is the Local Transport Authority ('LTA') for West Yorkshire, with a statutory duty to produce and keep under review a Local Transport Plan, in accordance with the Local Transport Act 2008, Section 109.
- 2.2 WYCA has previously agreed to update and replace the existing West Yorkshire Local Transport Plan (WYLTP), which was adopted in 2011, with a new, long term Transport Strategy. WYCA delegated oversight of the technical work to develop the Transport Strategy to the Transport Committee, with progress reports provided by Transport Committee to the WYCA.
- 2.3 The Transport Strategy covers the geography of West Yorkshire but recognises the importance of the wider Leeds City Region, and that people and goods travel longer distances across administrative boundaries. The Transport Strategy is set in the context of the Leeds City Region Strategic Economic Plan and Transport for the North's Strategic Transport Plan for the North. It is a necessary first step in providing a refreshed, high level statement of transport policy intended to provide the framework for the further development of detailed strategy and investment programmes by WYCA and partners. The Transport Strategy will also be used to influence national and regional decisions.
- 2.4 The vision for our transport network is one that provides fast, efficient, affordable and easy to use connections between the places people want to go and a network that improves air quality and health by giving people a real choice of sustainable modes of travel. If this is achieved:

- The region would become known for the quality of the experience it offers all transport users, the quality and liveability of its places and as a great, safe place for cycling and walking;
- People who live and work in the region will be healthier, happier and more productive;
- Our focus on inclusive growth will make a tangible difference to disadvantaged communities and individuals.

2.5 The six core themes of the Transport Strategy are;

- Inclusive Growth, Environment, Health and Well-being;
- Road Network;
- Places to Live and Work;
- One System Public Transport;
- Smart Futures;
- Asset Management and Resilience.

2.6 It is our focus on Inclusive Growth, developing the expectation of 'Good Growth' first identified in the Strategic Economic Plan, which can set our region apart from comparable regions and Combined Authority areas. It is well understood that our transport policies, strategies and investment programme can make a positive contribution to including all communities, and particularly the more disadvantaged, in experiencing the full benefits of economic growth. Our approach to air quality can also make a significant improvement to the living conditions and health of our residents with particular benefits for our more disadvantaged communities.

2.7 A copy of the draft version of the Transport Strategy document can be viewed online via <http://www.westyorks-ca.gov.uk/transport-strategy/>. WYCA delegated authority for final copy-writing and the document's appearance for publication to the MD in consultation with the Chair of the Transport Committee.

2.8 The Transport Strategy provides a high level statement of policy. This is not the end of the process and further work will be needed to develop the detail of how these policies can be implemented. Further stages of work will seek the involvement from the LEP in specific strands such as the role of technology and how disruptive business models could influence the future of transport provision.

Bus Strategy

2.9 To support the development of the Transport Strategy WYCA also has been developing, with Local Authorities and Operators, a new, long term Bus Strategy to set the ambition and policies for the Bus System for the next 20 years. The Bus Strategy is available online (http://www.westyorks-ca.gov.uk/Transport/Bus_Strategy/).

2.10 Each week people in West Yorkshire make almost 3 million journeys on local bus services, making them the most highly used form of public transport. In addition to the economic benefits, the bus is an effective tool of social policy for delivering

inclusive growth. Our goal is to create the best bus system in Europe, where catching the bus in West Yorkshire is an attractive and natural choice for everyone. To realise this, the vision for the West Yorkshire Bus Strategy is:

“To create a modern, integrated and innovative bus system which puts customer first and contributes to the delivery of West Yorkshire’s economic, environmental and quality of life ambitions as set out in the Strategic Economic Plan and the West Yorkshire Transport Strategy”

- 2.11 The Strategy sets the ambition as targeting 25% patronage growth from 2016 levels, over the next 10 years, but given the level of housing and employment growth forecast, it is not unfeasible to target even higher levels of bus patronage.
- 2.12 The first steps in the delivery of the Bus Strategy has already commenced through the Bus 18 partnership with bus operators is seeking to deliver benefits to passengers in the early years of the strategy. The opening of the new Temple Green Park and Ride site in June 2017 is already proving successful. The £173.5m of funding allocated by the Department for Transport to improve public transport in Leeds is focused on developing the City’s bus service to meet the aspirations of our Bus Strategy. In addition to this, Transport Committee at the February meeting approved £875,000 towards the Bus Strategy Delivery Programme. Operators are also delivering new vehicles which meet the latest emissions standards across the Region.
- 2.13 Decisions regarding how the West Yorkshire Bus Strategy is delivered will be developed in the context of the new legislative powers available to this region through the Bus Services Act 2017 and in taking into account the performance of the current partnership. The main consideration will be determining whether the partnership is delivering the objectives and vision of the West Yorkshire Bus Strategy.

3 Financial Implications

- 3.1 None as a result of this report.

4 Legal Implications

- 4.1 The adoption of the Transport Strategy, and Bus Strategy as a daughter document to the Transport Strategy, satisfies the statutory duty for the WYCA, as the Local Transport Authority, to produce and maintain a Local Transport Plan for West Yorkshire.

5 Staffing Implications

- 5.1 The development of the Transport Strategy and the Bus Strategy has been overseen by WYCA Transport Policy.

6 External Consultees

6.1 The development of the Transport Strategy and Bus Strategy has been subject to substantial public and stakeholder consultation with this feedback included within the strategy. This includes consultation with LEP Board as well as LCR Authorities.

7 Recommendations

7.1 For LEP Board to note the adoption of the Transport Strategy and the Bus Strategy, which sets out the vision and policy aspirations for the transport system for the next 20 years.

8 Background Documents

8.1 None.

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



Report to: LEP Board

Date: 19 September 2017

Subject: Heathrow Logistics Hub

1 Purpose

- 1.1 For LEP Board to note the letter of support for two Expressions of Interest for Leeds Bradford Airport and Wakefield to become logistics hubs for Heathrow Airport.

2 Information

- 2.1 Heathrow Airport have asked for expressions of interest for places to host one of their four Heathrow logistics hubs. To help deliver expansion and open up opportunities for suppliers, Heathrow has committed to locate four logistics hubs in different parts of the UK. The hubs will preassemble and consolidate components before transporting them to Heathrow. They hope this approach will deliver better quality products than building everything on-site and help the project be more affordable and more environmentally sustainable.
- 2.2 Leeds Bradford Airport and Wakefield Council have both expressed an interest in hosting a hub. The Airport proposal includes the consolidation of non-bulky goods items associated with fit out, technology and smaller building components. These components along with the specialist design and people skills would then be transported to Heathrow direct via the British Airways flight. There is also a reference to bulkier goods being assembled in the Leeds Enterprise Zone. Wakefield have built their case around its geographical position, multiple sites and premises, a skills pool and supply chain for the sector.
- 2.3 Attached at **Appendix 1** is the letter of support for information.

3 Recommendations

- 3.1 For LEP Board to note the letter of support for two Expressions of Interest for Leeds Bradford Airport and Wakefield to become logistics hubs for Heathrow Airport.

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West Yorkshire Combined Authority
Wellington House
40-50 Wellington Street
Leeds
LS1 2DE

Maya Jani
Expansion Procurement Director
Expansion Programme
The Compass Centre
Nelson Road
Hounslow
TW6 2GW

31st July 2017

Dear Ms Jani,

Support for the Heathrow Expansion

On behalf of WYCA and Leeds City Region LEP, we are writing to express our support for a Heathrow Logistics Hub to be based in our region. Two schemes have been proposed, both of which would be beneficial to our City Region economy, and the opportunities for Heathrow are extensive.

The schemes fit with the Leeds City Region Strategic Economic Plan's vision for 'good growth' in our economy and supports the delivery of 36,000 extra jobs and £3.7bn of economic output by 2036. Economic productivity in the Leeds City Region is considered 90% of the UK average and is growing at a slower pace than elsewhere. With schemes such as the Logistics Hub we have the potential to improve the productivity gap.

The location of the Logistics Hub will both support the growth of our airport as a key piece of strategic infrastructure, and support our strong logistics and distribution sector.

Leeds City Region has over 67,000 people employed in Logistics and Distribution (1.6% of total employment) which is the most people employed in the sector outside London and the South East, and a further 5,360 logistics and distribution firms. Leeds City Region has the largest manufacturing employment concentration in the UK, with more people working in manufacturing and advanced manufacturing than any other region. The scale of this sector in our region means locating here puts you at the heart of a supply chain.

Yours sincerely,



Cllr Peter Box
Chair, West Yorkshire Combined Authority



Roger Marsh OBE
Chair, Leeds City Region Local Enterprise
Partnership

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Board Chair: Cllr Peter McBride
Author: Alison Gillespie



Report to: LEP Board

Date: 19 September 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 met once on the 21st July 2017.

Local Plans

Craven

- 2.2 David Smurthwaite Craven District Council provided an update on the progress with preparation of the **Craven Local Plan**, pre-publication consultation, forthcoming publication (September 2017) and submission. The Local Plan includes Site Allocations.

The Board noted that the Craven Local Plan has been positively prepared and given due consideration to cross boundary issues.

Strategic Planning

- 2.3 The Planning Portfolios Board considered the spatial planning implications of the **HS2 Strategy**. This was an opportunity for the Board members to be updated on progress so far and comments were invited on regional connectivity priorities. The Board welcomed the joint presentation from Leeds City Council and WYCA and noted the report.

Joint Evidence

- 2.4 A **housing monitoring report** has been prepared for the Leeds City Region by WYCA. The Board considered the planning issues raised by the findings of this evidence. Planning challenges were identified including affordability of housing and providing for an ageing population. It was noted that housing completions for the Leeds City

Region are within the Strategic Economic Plan range of between 10,000 and 13,000 homes per annum but that work needed to continue to address the issue of unimplemented planning permissions.

- 2.5 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 and will be considered at the December meeting of the Board in advance of publication.
- 2.6 Work on the 2017 **West Yorkshire Local Aggregates Assessment** is ongoing and consultation with the industry will be undertaken shortly. A final report will be considered by the Board in December 2017 in advance of publication.

3 Recommendations

- 3.1 The LEP Board is asked to note the progress made to date.