

## **LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD**

**MEETING TO BE HELD AT 2.30 PM ON WEDNESDAY, 29 NOVEMBER 2017  
IN TRINITY ROOM, CITY EXCHANGE, LEEDS**

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### **A G E N D A**

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST**
- 3. MINUTES OF THE MEETING HELD ON 19 SEPTEMBER 2017**  
  
(Pages 1 - 6)
- 4. PANEL CHAIR UPDATES**
  - (a) BUSINESS COMMUNICATIONS GROUP**  
  
(Led by: Rashik Parmar)  
(Pages 7 - 14)
  - (b) BUSINESS INNOVATION AND GROWTH PANEL**  
  
(Led by: Andrew Wright)  
(Pages 15 - 28)
  - (c) EMPLOYMENT AND SKILLS PANEL**  
  
(Led by: Stephanie Burras)  
(Pages 29 - 34)
  - (d) GREEN ECONOMY PANEL**

(Led by: Paul Hamer)  
(Pages 35 - 40)

**(e) LAND AND ASSETS PANEL**

(Led by: Cllr Tim Swift)  
(Pages 41 - 44)

**For Decision**

**5. APPOINTMENTS TO LEP BOARD AND PANELS**

(Author: Julie Haigh, Led by: Ben Still)  
(Pages 45 - 46)

**6. GROWTH DEAL UPDATE**

(Author: Lynn Cooper, Led by: Melanie Corcoran)  
(Pages 47 - 64)

**7. ECONOMIC REPORTING**

(Author: Patrick Bowes, Led by: Rob Norreys)  
(Pages 65 - 76)

**8. AUTUMN BUDGET**

A verbal report will be given by Patrick Bowes

**9. INCLUSIVE INDUSTRIAL STRATEGY - FOLLOW UP TO LEP BOARD WORKSHOP**

(Author: David Walmsley, Led by: Rob Norreys)  
(Pages 77 - 82)

**10. ROLE OF CULTURE, THE ARTS & SPORT IN LCR STRATEGY**

(Author: Jon Skinner, Led by: Rob Norreys)  
(Pages 83 - 126)

**11. NORTHERN CULTURAL REGENERATION FUND**

(Author: Jon Skinner, Led by: Rob Norreys)  
(Pages 127 - 136)

**12. LEEDS CITY REGION MOU WITH A GLOBAL TECH FIRM**

(Author: David Shepherd, Led by: Sue Cooke)  
(Pages 137 - 148)

**For Discussion**

**13. CALL FOR PROJECTS**

(Author: Dave Haskins, Led by: Dave Haskins)  
(Pages 149 - 152)

**14. LEP BOARD - REVIEW OF CONSTITUTIONAL ARRANGEMENTS**

(Author: Caroline Allen, Led by: Caroline Allen)  
(Pages 153 - 178)

**15. BUDGET 2018/19**

(Pages 179 - 182)

**16. ANY OTHER BUSINESS**

**For Information**

**17. DATE OF THE NEXT MEETING**

16 January 2018, Committee Room A, Wellington House, Leeds

**18. DRAFT MINUTES OF WYCA HELD ON 5 OCTOBER 2017**

(Pages 183 - 194)

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

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**Present:**

Roger Marsh OBE (Chair)	Leeds City Region Enterprise Partnership
Stephanie Burras CBE	Ahead Partnership
Ian Cherry	Nexus Vehicle Management
Rashik Parmar MBE	IBM's Academy of Technology
Joanna Robinson	Mansfield Pollard
Andrew Wright	Reliance Precision
Councillor Judith Blake CBE	Leeds City Council
Councillor Richard Cooper	Harrogate Borough Council
Councillor Susan Hinchcliffe	Bradford Council
Councillor Andrew Lee	North Yorkshire County Council
Councillor Tim Swift	Calderdale Council
Councillor Andrew Waller	City of York Council

**In attendance:**

Rob Norreys	WYCA
Melanie Corcoran	WYCA
Tom Bridges	Leeds City Council
Tom Gifford	WYCA
Ruth Chaplin	WYCA

**18. Apologies for Absence**

Apologies for absence were received from Professor B Cryan, Paul Hamer and Councillors P Box, K Aspden, D Carr, C Les, D Sheard and S Pandor.

**19. Declarations of Interest**

Roger Marsh declared an other interest (not comprising a Disclosable Pecuniary Interest) in Agenda Item 5 (Leeds City Region Enterprise Zones Programme) stating that he was a member of the University of Leeds Council.

**20. Minutes of the Meeting held on 19 July 2017**

Further to minute 6, Growth Deal Update, it was reported that WYCA's Director of Delivery had written to DCLG highlighting the LEP Board's concerns in respect of the

changes made by the Cities and Local Growth Unit to the Key Performance Indicators but no response had yet been received.

**Resolved:** That the minutes of the meeting held on 19 July 2017 be approved and signed by the Chair.

## **21. Panel Chair Updates**

The Panel Chairs were thanked for the following reports which 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
- Land and Assets Panel

With regard to the Business Innovation and Growth Panel update, members discussed investment in inclusive growth and how its impact on businesses is measured. The success of the Growth Service was acknowledged and members were advised that other funding sources/opportunities were being investigated as the current funding would cease in March 2018. An update would be provided to a future meeting.

**Resolved:** That the updates be noted.

## **22. Growth Deal Update**

The Board considered a report of WYCA's Director of Delivery which provided:

- An update on the current progress on spend and performance of the Growth Deal programme.
- An overview of the Call for Projects and the current situation in defining the Growth Deal Impact Sites.

Members noted the progress of the seven KPIs, details of which were attached at Appendix 1 to the submitted report together with information in respect of programme expenditure for the first two quarters to the end of September 2017/18.

The Growth Deal Dashboard and Pipeline were attached at Appendices 2 and 3 of the submitted report. It was reported that the forecast spend was currently £104.76m against the annual target of £100.15m and members asked that their thanks be passed to the officers at WYCA and the District Councils for their collaboration and co-operation in achieving delivery to date.

It was reported that WYCA and the LEP had issued an open call for proposals that can make a strategic impact across the city region and meet a number of different requirements. It was noted that whilst there was no available/allocated funding at present there were several potential opportunities which being explored which included the Northern Cultural Regeneration Fund, the LCR Business Rates Pool and the LCR Growth Deal programme pipeline. The projects would be considered by an evaluation team comprising of representatives from the District Councils and WYCA. The LEP Board was invited to nominate representatives and further information would be provided to Rashik Parmar. The outcomes of the call would be presented to the Investment Committee's Autumn workshop.

**Resolved:** That the progress towards achievement of the Key Performance Indicators and the implementation of the Growth Deal be noted.

### **23. Leeds City Region Enterprise Zones Programme**

The Board considered a report of WYCA's Director of Policy, Strategy and Communications which set 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' (Unique Selling Point) 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.

Members discussed the HS2 Ltd proposal for an alternative site for the Eastern Leg Rolling Stock Depot in the Aire Valley. The new location, which was brownfield land, was within the Leeds Enterprise Zone and work was ongoing to consider the impact of the HS2 depot. It was noted that the government was consulting on the proposal with a deadline of 12 October 2017 and the LEP Board endorsed the principles of the proposed WYCA and Leeds City Council response and recommended that the final response be prepared in consultation with the LEP Chair and WYCA Chair.

**Resolved:**

- (i) That the policy background to the Leeds City Region Enterprise Zones Programme be noted.
- (ii) That the ongoing work to develop WYCA's future EZ investment strategy with the Land and Assets Panel be noted.

- (iii) That the proposal for reinforcing the LCR EZs Programme 'USP' (Unique Selling Point), focus on advanced manufacturing and delivery of inclusive growth outcomes be endorsed.
- (iv) That the principles of the proposed WYCA and Leeds City Council response to the HS2 Rolling Stock Depot Consultation be endorsed and that the final response be prepared in consultation with the LEP Chair and WYCA Chair.

#### **24. HS2 and the HS2 Growth Strategy Update**

The Board considered a report of WYCA's Director of Policy, Strategy and Communications which provided an update on the development of HS2 and the Leeds City Region HS2 Growth Strategy.

It was noted that the development work was being undertaken by WYCA's Transport Policy team in partnership with Leeds City Council and the report provided a summary of progress to ensure the City Region makes the most of the HS2 opportunity for local growth and regeneration.

Members discussed the emerging ambitions/outcomes of the Strategy which were outlined in the submitted report. It was considered that the whole City Region would benefit from HS2 and the importance of unlocking the huge potential of the North was recognised and would be reflected in the strategy. It was anticipated that this would be considered by WYCA at its meeting on 5 October 2017 followed by LCC Executive Board on 18 October 2017 prior to the initial submission to Government. The Strategy would continue to be developed over the next 12 months.

In respect of the Leeds Integrated Station Masterplan (LISM), it was noted that the draft was yet to be finalised. Members noted the summary of the emerging principles highlighted in the report and it was reported that the conclusions of the study would be subject to sign off by LCC Executive Board on 18 October 2017.

**Resolved:** That the development of the HS2 Growth Strategy be noted.

#### **25. Economic Reporting**

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

The report and appendix presented the latest assessment of the Leeds City Region economy. It also set out the recent developments in the world's leading economies together with trends and forecasts for global growth and the main highlights for the Leeds City Region which were outlined in the submitted report were noted.

**Resolved:** That the analysis and economic update be noted.



## **26. Autumn Budget Submission**

The Board considered a report of WYCA's Director of Policy, Strategy and Communications which sought members' input and agreement to the City Region's submission to Government ahead of the Autumn Budget.

A copy of the draft LCR Autumn Budget submission, which was confidential until its submission to Government, was circulated at the meeting. It was noted that this was a 'live' document and members were asked for any comments to be sent to Rob Norreys, WYCA's Director of Policy, Strategy & Communications.

The LEP Board was advised that the submission would be emailed to Government. Members discussed whether this could be delivered with a bigger impact and it was noted that a communications strategy would be prepared including briefing MPs.

**Resolved:** That the sign-off of the Leeds City Region Autumn Budget submission to Government be delegated to WYCA's Managing Director in consultation with the LEP Chair and WYCA Chair.

## **27. Any Other Business**

There was no further business.

## **28. Date of Next Meeting**

The next meeting of the LEP Board will be held on 29 November 2017 at 2.30 pm in Wellington House, Leeds.

## **29. Transport Strategy and Bus Strategy Adoption**

The Board noted the report of WYCA's Director of Policy, Strategy and Communications which provided an update on the adoption of the West Yorkshire Transport Strategy and West Yorkshire Bus Strategy.

**Resolved:** That the adoption of the Transport Strategy and Bus Strategy, which sets out the vision and policy aspirations for the transport system for the next 20 years, be noted.

## **30. Heathrow Logistics Hub**

The Board noted the report of WYCA's Director of Policy, Strategy and Communications and the letter of support attached at Appendix 1 for two Expressions of Interest for Leeds Bradford Airport and Wakefield to become logistics hubs for Heathrow Airport.

**Resolved:** That the letter of support for two Expressions of Interest for Leeds Bradford Airport and Wakefield to become logistics hubs for Heathrow Airport be noted.

**31. Creating the Environment for Growth (Strategic Priority 4)**

**(a) Leeds City Region Planning Portfolios Board Update**

The Board noted the report of the Chair of the Leeds City Region Planning Portfolios Board which provided an update on the activity of the LCR Planning Portfolios Board.

**Resolved:** That the progress made to date be noted.

**Panel Chair:** Rashik Parmar  
**Authors:** Racheal Johnson



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**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** Business Communications Group (BCG) update

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## **1 Purpose**

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

## **2 Information**

### **Business engagement**

- 2.1 The last Business Communications Group (BCG) meeting took place on 20 September. The key points raised by members were:
  - Catherine Lunn, Apprenticeships Manager at WYCA. This was well received by BCG members in light of feedback that there is still uncertainty among some businesses, both large and small, about the implications of the recent apprenticeship reforms.
  - Comments about trading conditions were generally positive, levels of export activity continue to rise and the domestic market is slowly picking up with small increases in orders and sales.
  - Concerns were expressed about the general squeeze on margins caused by rising input costs and a reluctance to pass on increases to customers.
  - Recruitment difficulties remain across most sectors, particularly in areas such as York where there is virtually nil unemployment.
  - The Brexit negotiations continue to cause uncertainty and businesses want clarity quickly about the use of overseas labour. Similar clarity is sought about the future of the Common Agricultural Policy.
  - In more rural areas the lack of broadband and mobile connectivity remains an issue.
- 2.2 There is a new representative on the BCG from the Federation of Small Businesses (FSB) – Barney Mowatt. Further new members are likely to be appointed as a result of the recent LEP Board recruitment exercise.

- 2.3 The next meeting of the BCG will take place in early December and is being hosted by the University Technical College (UTC) in Leeds. The theme of the meeting will be productivity in the Leeds City Region and how this might be improved. A representative from the LEP’s Business Innovation and Growth (BIG) Panel has been invited to attend to provide an update about the push to increase levels of innovation and research and development (R&D).
- 2.4 In addition to the next formal BCG meeting, a workshop is being planned for new members with the aim of seeking their views and fresh perspective on the developing proposals around a new policy framework for the LEP, bringing together both the SEP and a City Region Inclusive Industrial Strategy that responds both to the objectives of the Government’s Industrial Strategy and the LEP/ WYCA’s ambitions for inclusive growth (this proposed policy framework will be discussed in detail at item 8).

Communications and Marketing

- 2.5 The Board is asked to note the below performance updates in relation to the LEP’s key communications and marketing channels for September and October 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 full range of activity.

Media coverage (September 2017)

Media mentions:	538
Estimated reach:	25,166,547
Estimated Advertising Value Equivalent (AVE)	£739,066

Media coverage (October 2017)

Media mentions:	889
Estimated reach:	83,750,554
Estimated Advertising Value Equivalent (AVE)	£1,750,901

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

2.7 Website (September)

	<b>www.the-lep.com</b>	<b>www.investleedscityregion.com</b>
Primary audience	<ul style="list-style-type: none"> <li>• City Region businesses (primarily SMEs)</li> </ul>	<ul style="list-style-type: none"> <li>• Potential investors in the City Region</li> </ul>
Sessions	6,935	2,379
Page views	18,201	5,374

### October:

	www.the-lep.com	www.investleedscityregion.com
Primary audience	• City Region businesses (primarily SMEs)	• Potential investors in the City Region
Sessions	5,872	3,190
Page views	17,571	7,339

## 2.8 Social media

### Twitter – September:

	@LeedsCityRegion	@InvestLCR
Impressions	65,200	37,600
Profile visits	3,641	283
Follower growth	113	45

### October:

	@LeedsCityRegion	@InvestLCR
Impressions	97,400	92,400
Profile visits	3,615	972
Follower growth	164	73

## 2.9 Key communications and marketing highlights

- According to early results from the 2017 LEP Business Survey, marketing of the **Growth Service** and associated business support products has increased awareness of the LEP's support for businesses. 49% of businesses in the region are now aware of at least one LEP business support product, up from 39% in July 2015.
- Leeds City Region has attended **MIPIM UK** with a private sector delegation including 17 sponsors. This is a result of a bigger and bolder approach to MIPIM that reflects the vibrancy of the City Region. The Marketing team is proactively pursuing sponsors now for MIPIM 2018, which currently has 25 confirmed sponsors and commitment from civic leadership is strong.
- The **#4Sparks campaign** to attract Channel 4 to locate in Leeds City Region has so far reached over 472,769 people through its media relations campaign to date and achieved an estimated advertising equivalent media value of £17,102.32
- Marketing support for the **LEP Board recruitment campaign** in September resulted in a strong response from the private sector, including more applications overall compared with previous recruitment rounds, a more diverse set of applications including more applications from women and BAME applications, and more applications from the digital sector, which the LEP Board had singled out as a priority.

- Work has been undertaken to link the Combined Authority's **transport offer to businesses** more clearly with the LEP's business support products, including cross-promotion of these activities via the Growth Service and rebranding business-focused transport products in line with the LEP's overall business-facing identity. Example visuals are enclosed at **Appendix 1**.
- The **business advice pop-up cafes** have continued throughout September and October, with highly positive feedback from the businesses attending. The September pop-up in Batley was attended by local MP, Tracey Brabin, who was very complimentary about the programme. Roger Marsh has since written to Ms Brabin and is due to meet her to discuss the LEP's/ Combined Authority's business support activities.
- **Growth Deal media stories** – progress on delivering the LEP's £1bn Growth Deal continues to generate significant media stories. Growth Deal stories in September and October include: the £325k grant award for Bradford Odeon to bring the heritage building back into use as a music and events venue; the opening of the NORDEC dental training centre in Bradford, funded with £250k of LEP Growth Deal money to provide state-of-the-art dental training at Bradford College; the unveiling of new £50m flood defences in Leeds (which uses UK-first technology), supported through £3.8m of Growth Deal funding; the opening of the £7m Advanced Skills and Innovation Centre at Wakefield College, which has benefitted from £3.3m Growth Deal funding; and the topping out of Dewsbury Learning Quarter which has received £11.1m LEP/ WYCA investment.

Forthcoming activity:

2.10 The Board is asked to note the following activity planned for the coming period:

- **Smart Cities World Congress (November 2017)** – Leeds City Region will have a stand at this year's international Smart Cities showcase in Barcelona, and is leading a delegation of public and private sector partners to promote the opportunities which exist in the region.
- **#4Sparks** - The #4Sparks campaign to attract Channel 4 to relocate to Leeds City Region will continue over November.
- **MIPIM 2018** – Leeds City Region will have a significant presence at the property and investment showcase MIPIM 2018 in March, 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, including business advice pop-up cafes. In addition to promoting the support available to businesses via the Growth Service, the campaign also has a specific focus on encouraging more SMEs in the region to consider exporting.
- **Labour market report and LEP business survey** – a series of stories, blogs and other communications activities are being planned for November and early December around the publication of two influential LEP research reports on

developments in the Leeds City Region labour market and the comprehensive 2017 LEP business survey.

- **Growth Deal and other key media stories** – following significant recent media and other communications activity related to Growth Deal-funded projects, stories are planned between now and Christmas covering the following Growth Deal and other programmes: the topping out of the Growth Deal-supported Nexus innovation centre at the University of Leeds, further progress on the Tackling Fuel Poverty programme, which covers the whole City Region, and the anticipated launch of the Energy Accelerator programme, which will help bring forward low carbon energy schemes across the City Region.

### **3 Recommendations**

- 3.1 That the LEP Board notes the feedback from the BCG in section 2.1 to 2.4 and consider how this feedback may inform the work of the LEP Board and related WYCA panels and committees.
- 3.2 That the LEP Board notes the highlight report in section 2.5 to 2.9 on recent communications and marketing activity.
- 3.3 That the LEP Board notes and comments as appropriate on the planned activity in section 2.10 onwards.

### **4. Appendices**

- 4.1 Appendix 1: select communications and marketing highlights for September and October 2017

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## Select communications and marketing highlights for September and October

### Select media highlights

#### September:

- Foreign Investment Boost for Yorkshire – Yorkshire Business Insider 1 September
- [Combined Authority grant means more good news for Bradford Odeon](#) – 13 September
- [Combined Authority creates more than 21,000 opportunities for young people to be inspired by local employers](#) – 14 September
- [Northern prosperity is good for UK as Brexit approaches](#) (September LEP column, Yorkshire Post)
- [Bradford opens office in Qingdao to promote film industry opportunities – China Daily](#) 12 September
- [International trade worth £9.75bn to Leeds City Region economy, new data reveals - Bdaily](#) 12 September
- [Med Tech expertise showcased in the US – Businessdesk](#) 28 September

#### October:

- [NORDEC dental training centre opens in Bradford](#) – 2 October
- [£50m flood defence scheme part-funded by the LEP opens in Leeds](#) – 4 October
- [Wakefield MP and Leader of Council open new Advanced Skills and Innovation Centre](#) – 10 October
- [Leeds College of Building works start at Hunslet Campus](#) – 18 October
- ["Bringing Channel 4 to Leeds will spark a creative revolution" - young Yorkshire stars back campaign- Yorkshire Post](#) – 17 October
- Leeds City Region is accelerating levels of interest – The MJ 13 October
- [Channel 4 would "spark a revolution in the creative and screen industries" in Yorkshire – Prolific North](#) – 17 October
- [Leeds launches bid to house Channel 4 - Broadcast](#) – 17 October
- North "should not have to beg for cash" – Estates Gazette 28 October
- [Steel signing at Dewsbury Learning Quarter](#) – 30 October
- [City Region is on the cusp of transformation](#) – Yorkshire Post, 31 October (LEP column)

**Aligning travel-related business support products with the wider LEP offer – rebranded Travel Plan Network:**



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



**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** Business Innovation and Growth Panel

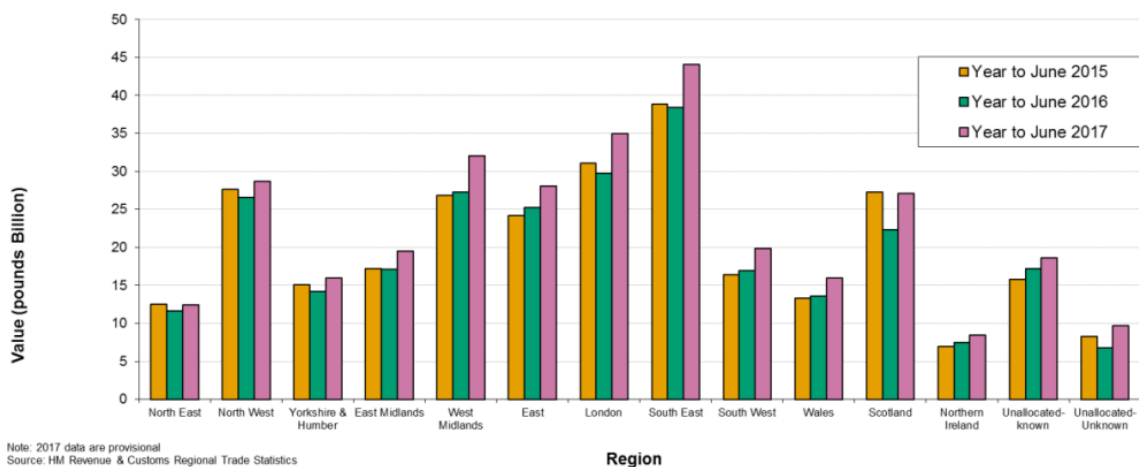
## 1 Purpose

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

## 2 International Trade

### Trade Performance and Outlook

2.1 In the year to June 2017, the overall value of UK trade in goods exports increased by 15% compared with the same period to June 2016. All English regions saw an increase in annual export value with the Yorkshire & Humber value increasing by 13%.



2.2 The total number of UK businesses exporting increased by 4.5%, between the quarters Quarter 2 2016 and Quarter 2 2017, with the number of exporters in Yorkshire and the Humber increasing by 3% over the same period.

2.3 The British Chambers of Commerce Quarterly Economic Survey for Q2 2017 show that export sales and orders in the manufacturing sector remain solid and well above historical averages. Both manufacturers and service companies report improved export sales between Q1 and Q2 2017.

- 2.4 The EEF/BDO Manufacturing Outlook survey for Quarter 3 2017 also shows businesses reporting increasing export orders throughout 2017. The report shows continued improvement in demand from both Asian and EU markets, although the general pace of growth is expected to slow in coming months.

#### Trade Plan activities

- 2.5 In September, we published the results of the city region trade analysis undertaken earlier this year (shown in Appendix 1). This provides a valuable overview of the trade performance of the city region showing that in 2015, £9.75bn of goods were exported, around two thirds of the Yorkshire & the Humber total. It also highlights our particular strengths in medical and pharmaceutical products, organic chemicals and industrial machinery and equipment. The report is informing our future activity and has helped in the development of local economic plans and growth strategies in some areas of the region.
- 2.6 Kaola.com are now considering the information we have submitted to them in our latest catalogue of 39 suppliers. In the meantime, we have made contact with their newly appointed UK representative who we hope to meet shortly to discuss how we can progress this activity further. We have also formally invited the Kaola.com team to visit the city region in early 2018 to meet with potential suppliers.
- 2.7 We were pleased to host the Gulf Tour delegation, which visited the city region on 18<sup>th</sup> September as part of their tour of the UK. The visit focused on highlighting the strengths of the city region in the healthcare and life sciences sector and included a breakfast roundtable for businesses and two company visits. We also ran a communications campaign focusing on real experiences of local businesses already doing business in the Gulf States.
- 2.8 This visit was an important opportunity to raise the profile of the city region strengths and to demonstrate a commitment to further exploring opportunities within these markets. We now plan to visit the Gulf States in early 2108 to coincide with the major Arab Health exhibition.
- 2.9 On 6<sup>th</sup> December, we are hosting an event on behalf of the Department for International Development (DFID). This event will focus on helping local businesses and organisations explore opportunities to win business delivering overseas contracts.
- 2.10 In January 2018, we will be hosting food and drink buyers from European markets of Germany, France, Switzerland, The Netherlands and Ireland and introducing them to potential suppliers from the city region.

## Delivery Partners Update

### Department for International Trade

- 2.11 In September, Lord Price stepped down and in October Baroness Rona Fairhead took up her role as the new Minister for Trade and Export Promotion. Her responsibilities will include building strong relationships with UK exporting companies, helping smaller businesses export to the global market and overseeing the GREAT campaign to boost the UK's global trade. We have had two meetings with Rona Fairhead since she took up post.
- 2.12 On 12<sup>th</sup> October, the President of the Board of Trade Dr Liam Fox convened the first meeting of the new Board of Trade to help boost exports, attract inward investors and ensure the benefits of free trade are spread equally across the country. The new Board of Trade will bring together prominent figures from business and politics from each part of the UK, including Scotland, Wales and Northern Ireland.
- 2.13 The Trade and Customs White Papers published by DIT on 9<sup>th</sup> October pave the way for legislation that will ensure the UK is ready for the first day after EU exit. The Trade White Paper establishes the principles that will guide future UK trade policy as well as laying out the practical steps that will support those aims.

### Exporting for Growth (EfG)

- 2.14 The European funded EfG grant programme has issued 113 grant offer letters to date offering a total of £443,123 in grant support to 33 businesses in the city region. Of those 24 are new exporters.
- 2.15 In terms of the businesses accessing the support, the greatest interest is from the business & consumer services and healthcare & medical sectors. The most popular activity supported is market visits with the USA & Europe being the most popular markets.
- 2.16 Following its launch in June, Export Exchange held its first quarterly event in September in York, with 40 experienced and fledgling export businesses looking at the support available to businesses looking to grow in overseas markets. The next event will focus on China on 29<sup>th</sup> November at Huddersfield Town FC.

## **3 Inward Investment**

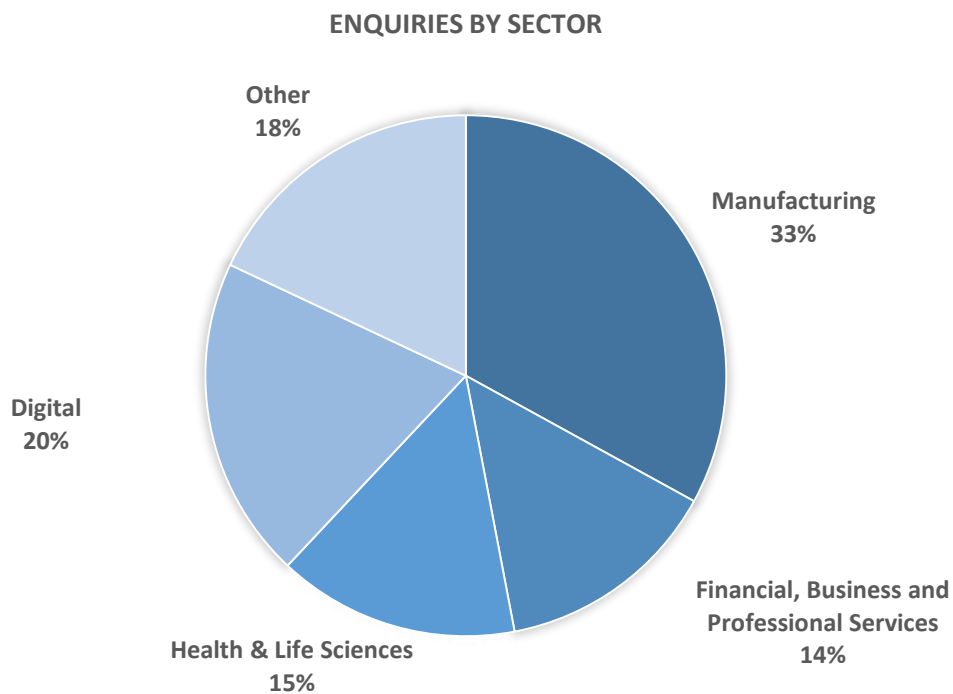
### Inward Investment Performance and Outputs

- 3.1 There have been seven new investments since the last board report in September, creating 158 new jobs. These are as follows:
- **Drillco** – 2 jobs
  - **Computershare** - 50 jobs

- **Julius Baer** - 10 jobs
- **Telcarbo** - 35 jobs
- **Peter Brett** – 20 jobs
- **Sandstone Technologies** – 15 jobs
- **Rradar** – 26 jobs

3.2 We continue to work on a number of large strategic inward investment opportunities.

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



New developments

3.4 The Trade and Investment team had a very successful MIPIM UK 2017, attending with its largest delegation to date, meeting with multiple international contacts and building on its reputation as the North’s leading location for FDI.

3.5 The Trade and Investment team strengthened the global profile of Leeds City Region’s key sectors attending international events including The Medtech Conference in San Jose, (US) Finovate Fall in New York, (US) and the Smart City Expo, Barcelona (Spain).

- 3.6 The Trade and Investment team continues its sustained lead generation campaign with a presence at the bioConclave conference in London, Advanced Engineering in Birmingham, TheCityUK National Conference in Manchester and the European Alliance for Personalised Medicine in Belfast.
- 3.7 Leeds City Region launched its #4Sparks campaign on social media and trade press as part of the bid to attract Channel 4 to relocate to the region.
- 3.8 Chinese Consul General Dr Sun Dali visited Leeds and York to explore opportunities for collaboration. Dr Dali was joined by a delegation of key Chinese businesses which have existing investments in the UK and wish to expand their operations across the Northern Powerhouse region.
- 3.9 Work continues to establish a new team to deliver key account management services to foreign owned businesses in Leeds City Region following on the successful pilot activity undertaken at the start of 2017. Recruitment for roles to support this activity is planned.
- 3.10 Preparations are ongoing to launch the Digital Soft Landing fund.

#### **4 Innovation**

##### Relationship with Innovate UK

- 4.1 In June 2017 WYCA/The LEP and Innovate UK signed a Partnership Agreement to signal a new way of working collaboratively aimed to increase innovation rates in SMEs.
- 4.2 One of the first activities to arise out of the Agreement between WYCA/The LEP and Innovate UK was a joint event at Unity Works in Wakefield on the 18<sup>th</sup> October. This event showcased the range of support available through the Innovate UK family, including the network of Catapults, EEN and KTN alongside local innovation support available via the LEP Growth Service, such as Access Innovation and Innovate2Succeed.
- 4.3 The main objective was 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 is simply because they don't apply in the first place (as opposed to applying but being unsuccessful).
- 4.4 The next step will be to identify a joint action plan for delivery for the next 12 months in collaboration with Innovate UK and wider partners. This will include all Innovate UK applications from the city region being shared with the LEP/Ca to see if further and/or alternative support can be offered via Access Innovation or other support programmes.

### Northern Innovation Strategy

- 4.5 The eleven Northern LEPs have now established a working group to actively explore the development of a Northern Innovation Strategy. A submission was made to Government in advance of the Autumn Statement which set out the principles of what the group is trying to achieve. Work is now progressing to identify the most appropriate vehicle to drive forward Innovation North.

### LEP University engagement

- 4.6 Roger Marsh hosted his regular meeting with the City Region Vice Chancellors (VCs) on 4 October 2017 at York St John University. The VCs discussed 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 follow up meeting of the Leeds City Region Knowledge Transfer Directors to progress specific actions will take place in December, and will include a focus on how universities can become more engaged with Access Innovation.
- 4.7 The Leeds City Region Science and Innovation Audit has now been published by BEIS <https://leedscityregionmed.tech/>. The Science & Innovation Audit has been led by the University of Leeds, working in partnership with the Universities of Bradford, York, Huddersfield, Leeds Beckett and Leeds Trinity, together with Yorkshire Universities, the Leeds City Region Local Enterprise Partnership (LEP), the National Physical Laboratory in Huddersfield, Innovate UK, SMEs, multinational corporations, the NHS, and key local innovation organisations.
- 4.8 The Science and Innovation Audit of the Leeds City Region medtech sector has demonstrated a concentration of excellence in research, public health and industry. National centres of excellence in medical engineering and future manufacturing of medical devices provide an excellent platform for growth. However the report has found that to take advantage of opportunities in a rapidly changing global medtech market, there is an urgent need for strategic intervention, nationally and regionally – to support continuous innovation along the value chain, to drive medtech innovation and economic growth.
- 4.9 Over the coming months a steering group with LEP representation will be established to take forward some of the emerging opportunities.

### Access Innovation

- 4.10 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.

- 4.11 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 and close working with other innovation support providers, including Innovate UK and the Innovate2Succeed programme. In early 2018, the team will develop a support programme to build the capacity of SMEs from key sectors to be able to collaborate and innovate, and expects this to focus on advanced manufacturing (including automotive, textiles and food & drink), as well as digital technologies and health & life sciences.
- 4.12 The programme began working with businesses in late June 2017 and has now provided support to 182 SMEs, 76 of which have received one-to-one support from the Innovation Growth Managers resulting in detailed action plans for taking their innovation projects forward. Five applications for grants have been received and a number of other SMEs are currently working on their applications.
- 4.13 To date, the business sectors with the highest level of interest in the programme have been manufacturing, digital and healthcare. The team have already developed some very useful partnerships with organisations in the healthcare and medtech sectors which resulted in a Medtech Innovation Challenge event on 7th November to encourage industry and academia to collaborate. Activity within these key sectors will be built on in the next few months with more targeted marketing and communications activity, events and advertising through relevant sector channels.

## **5 Digital**

### Digital Plan

- 5.1 Work is underway to develop a Digital Framework for the Leeds City Region as part of the Inclusive Industrial Strategy. This will include: digital infrastructure; the digital sector; digital skills and inclusion (being mindful of the existing Employment and Skills Plan); and digital opportunities for non-digital businesses.
- 5.2 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.
- 5.3 It is proposed that for each of the 4 strands a series of workshops should take place which should bring in the key stakeholders to explore where we are now and begin to develop a vision for the City Region. BIG Panel will discuss this proposal in greater detail at their December meeting.

## Digital Enterprise Programme

- 5.4 The Digital Enterprise Programme achieved its first anniversary of delivery of business support to eligible SMEs in the Leeds City Region in September 2017. During its first 12 months of delivery, the programme received just under 500 applications for funding from SMEs, in Phase 1 of the voucher scheme, which ended in March. Phase 2 was launched in September and received 165 applications from SMEs in its first 4 weeks.
- 5.5 Two new strands to the programme were also launched in September/October, including a Digital Knowledge Exchange (workshops, masterclasses and mentoring support available to managers and owners of eligible SMEs) and Connectivity Vouchers, specifically targeted at businesses that need to upgrade their digital connectivity to improve productivity and capacity.

## **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 October 17)
Expenditure	£33.2m	£27.4m (committed) £20.5m (actual)
New Jobs Created	4,100	4,772 new (committed) 1,760 safeguarded (committed) 1,721 new (actual) 1,652 safeguarded (actual)
Businesses Supported	765	476 (committed) 376 (actual)
Grants Awarded	n/a	552 (committed) 438 (actual)
Public/ Private Sector Leverage	£168.5m	£274m (committed) £166.7m (actual)
Total Cost Per Job Created	No contractual target	£5,742 (committed) £11,912 (actual)

- 6.3 As the above table highlights, the programme is performing well in terms of how much it costs for each new job to be created (cost per job), with the current figure of £11,912 being significantly below the national average for programmes of this nature (circa £30K per new job). If the actual jobs safeguarded via the grants awarded to flood-affected businesses are included, this figure would be even lower at £5,889 per job.

- 6.4 The Business Investment Panel recently recommended the approval of two grants totalling £280,000. One is for £130,000 for a Kirklees-based textiles manufacturer that is making a £1.3m investment into a new production facility, resulting in 11 new jobs and two apprenticeships. The second is for £150,000 to contribute to the property fit-out costs of a multi-million heritage and leisure development in Calderdale, which will create 31 new jobs.
- 6.5 The Business, Innovation and Growth (BIG) Panel will consider the proposed approach to capturing a broader range of outcomes from those businesses in receipt of larger grants at its meeting on 7<sup>th</sup> December 2017. This is part of the CA's Inclusive Growth strategy and examples of potential outcomes include: - local supply chain opportunities, links to the enterprise in schools agenda and recruiting higher-level apprenticeships. Following the BIG Panel meeting, the revised approach will be taken to LEP Board and the CA Board in early 2018 for further consideration.

#### 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 business 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 3,700 businesses, over 1,440 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 an average of 129 enquiries from businesses per month in 2017/18, compared to 81 per month during the corresponding period last financial year. 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 ongoing delivery of new business support products in the city region that are focussed on growing firms e.g. Access Innovation, Strategic Business Growth, Digital Enterprise and the Northern Powerhouse Investment Fund.

- 6.10 Since April 2017, six business advice 'pop-up' cafes have been delivered across the city region at Hebden Bridge, Castleford and Steeton in July 2017, Brighouse in September 2017, Batley in October 2017 and Harehills, Leeds in November 2017. They were attended by 124 different businesses, with 99% of attendees rating them as good or excellent.
- 6.11 The 'pop-ups' are free events that give smaller firms the chance to meet professional experts on a range of key business issues and opportunities all under one roof and in their own locality. The experts, who provide their time 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. To date, attendees at the 'pop-ups' have benefitted from 374 business advice sessions, which equates to 123 hours of one-to-one advice tailored to their needs.
- 6.12 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

- 6.13 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.
- 6.14 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 ambitious 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.
- 6.15 There are 57 business coaches with a range of specialisms and good working knowledge of the different districts in the city region now working on the project. Two Growth Coach "Speed Dating" events were held in September 2017, allowing the coaches to network with each other and with the project team. 65 businesses have engaged with the project to date; including 12 that have developed detailed

Growth Action Plans with their allotted Account Managers, and are now receiving coaching support, and 20 that are in the process of developing their Growth Action Plans.

- 6.16 Growth workshops and peer-to-peer board meetings will commence in November 2017, located in venues across the city region. These will cover a range of topics, including; leadership and management, recruitment, 'scaling-up' the business, attracting finance and developing 'value propositions'. 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.
- 6.17 The Northern Powerhouse Investment Fund (NPIF) formally launched on the 22<sup>nd</sup> February 2017 and has since invested £4.5m of funding into 40 businesses un Leeds City Region, including four equity investments and 25 micro loans. 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.
- 6.18 NPIF promotion has continued by both the appointed Fund Managers and the BBB with extensive networking and attendance at key events. Mercia Fund Managers ran a networking event on the 16<sup>th</sup> November in Leeds at which around 50 people attended. The communications focus continues to be private sector professionals, such as banks, accountants and solicitors, the business membership organisations, including those represented on the LEP's Business Communications Group, and the LEP Growth Service in terms of widening awareness of, and participation in, the Fund.
- 6.19 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 continues to be high, 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 highest number of applications into the fund of the ten LEP areas involved, and the highest number of applications converting into completed deals.

## **7 Inclusive Growth**

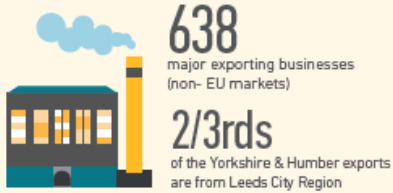
- 7.1 Following an audit of current activity and ideas for future work, the Panel is considering how both current and future programmes can be better aligned to meet inclusive growth priorities. More detailed proposals will be presented at the Panel's next meeting in December 2017.

## **8 Recommendations**

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

# LEEDS CITY REGION

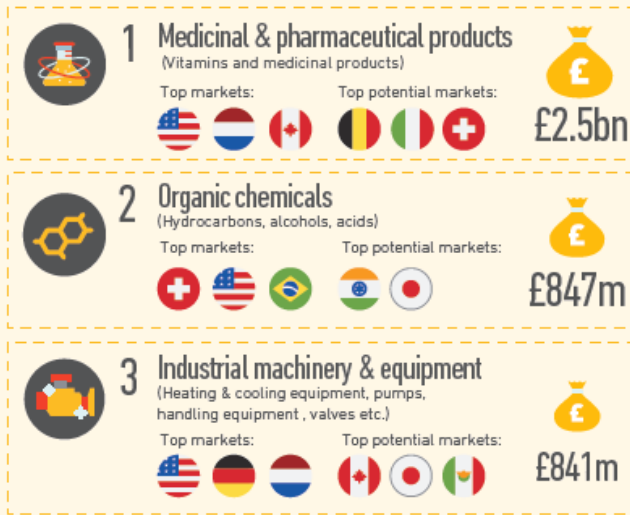
The value of goods internationally traded by Leeds City Region.



## District export contributions (goods)

LEEDS	42 %
BRADFORD	16 %
KIRKLEES	14 %
WAKEFIELD	13 %
CALDERDALE	6 %
BARNSLEY	2 %
CRAVEN	2 %
HARROGATE	2 %
SELBY	2 %
YORK	1 %

The top three product categories exported from Leeds City Region represent 44% of all exports:



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**Panel Chair:** Stephanie Burras  
**Author:** Emma Longbottom



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**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** Employment and Skills Panel

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## **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 The seven Delivery Agreements with West Yorkshire colleges, which were published in the summer have been well received and attracted local and national interest. These were developed following the area review and provide building blocks for strategic discussion with colleges about the current and future provision in line with economic need and in preparation for devolution of the Adult Education Budget (AEB). First reviews are currently taking place. It is anticipated that reviews will take place twice a year with an annual report produced and possible refresh of the documents.

2.2 In addition, and in support of AEB devolution, meetings have been held with community learning teams in the West Yorkshire local authorities and Independent Training Providers (ITPs) [largest by contract value] who receive contracts and funding to deliver AEB activity in our locality. It is hoped that we can develop informal agreements with the ITPs to influence their delivery in our region to ensure it is responding to local and identified need.

2.3 Annual assessments of the financial health of colleges were published on 15<sup>th</sup> November, with two major West Yorkshire colleges affected by Notices to Improve.

2.4 Good progress is being made in completing the Skills Capital programme reported elsewhere on this agenda. New or refurbished facilities have now been completed and opened in the following colleges:

- Shipley College – refurbishment of two listed buildings at Saltaire
- Kirklees College – new build of Process Manufacturing Centre
- Selby College – extension of Aspiration Building
- Wakefield College – new build of Advanced Skills & Innovation Centre
- Leeds City College – refurbishment of Printworks III

- Bradford College- dental equipment for Advanced Technology Centre (Nordec)
- Calderdale College – refurbishment of Elsie Whitely main campus building.

2.5 Construction is now underway on the three remaining capital projects at:

- Leeds College of Building – Hunslet Road Phase II- new build Flexible Construction Innovation Centre
- Kirklees College – Dewsbury Learning Quarter – refurbishment of Pioneer House & new build campus
- Leeds City College – Quarry Hill campus – new build of health & creative/digital campus.

2.6 The Chair of the CA has written to the Secretary of State for Education inviting her to visit LCR to see the excellent use made of the Skills Capital investment to date and to open dialogue regarding future devolution opportunities within the skills agenda.

### **3 More and Better Apprenticeships**

3.1 The Apprenticeship Grant for Employers (AGE) programme was devolved to WYCA in summer 2015 with the aim of encouraging more businesses to offer apprenticeships. The devolution of the grant allowed us to set criteria that responded to our local priorities. Registration for the grant is now closed but processing of final claims will be ongoing until March 2018. To date the grant has supported:

- 3,057 SMEs to offer apprenticeships
- Provided 3,504 grants with a value of £5,982,400

3.2 Throughout the autumn, a telemarketing and support campaign will be running aimed at companies who have paid the apprenticeship levy. This will be run by the LEP Skills Service, who will undertake skills diagnostics with businesses and support with skills planning to ensure that businesses understand how to maximise their levy contribution. National reports and local feedback suggest that Levy companies across LCR are either not planning to utilise their contributions or are deferring any plans/decision at this time.

### **4 Raising the Bar on High Level Skills**

4.1 The LEP have are providing support to colleagues within the HE and FE sector to enable them to offer a wide range of higher and degree apprenticeships. A recent bid for development funding will see the introduction of a range of degree apprenticeships in a wide range of occupational areas from September 2018, offering 340 apprenticeship opportunities.

4.2 The West Yorkshire Consortium of Colleges are developing a partnership to submit an Expression of Interest to develop an Institute for Technology (IoT) aimed at developing digital skills provision. IoTs will have employers at the heart of their leadership and governance, and in the design and delivery of curriculum. IoTs will

strengthen and grow provision to fill gaps in the market; they will focus particularly on technical skills at levels 4 and 5 but will extend to degree level and above (level 6+) to strengthen routes into higher levels of technical education, as well as directly into employment. LEP endorsement will be required for the eventual bidding process.

## **5 Great Education Connected to Businesses**

- 5.1 A team of 7 Enterprise coordinators have so far recruited 129 business volunteers to work with 136 schools at a strategic level. There are 160 secondary schools within the region and the ambition is that they will all be engaged in the programme by the end of the academic year. Last academic year, the Enterprise Adviser programme created over 21,000 new employer encounters for young people in our region.
- 5.2 The LEP has received funding from the Careers and Enterprise Company (CEC) to increase activity in the Opportunity Area (OA) of Bradford. A key aim of Opportunity Areas is to build young people's knowledge and skills and provide them with the best advice and opportunities, including working with organisations such as the Careers and Enterprise Company, the Confederation of British Industry, the Federation of Small Businesses, and the National Citizen Service.

## **6 Building Workforce Skills and Attracting Talent**

- 6.1 A policy statement for "good growth" in procurement was endorsed in 2016 by the LEP Board and the Combined Authority. Following this, Employment and Skills clauses were 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.
- 6.2 10% of the overall marks were allocated to good growth and suppliers gave details on how they would embed the following agenda's into their work:
  - 1) Employment
  - 2) Apprenticeships and traineeships
  - 3) Skills development
  - 4) Engagement with schools, colleges and universities
  - 5) Opportunities for SME's and local suppliers
  - 6) Environmental and carbon reduction benefits
- 6.3 The WYCA procurement team is working to continue to embed the Good Growth policy into future procurement exercises.
- 6.4 Working with colleagues from DWP and 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.

- 6.5 To support the promotion of digital careers in the region a Business Development and Marketing Officer (Digital Skills) has been recruited. This role will launch a campaign aimed at promoting the opportunities in the digital sector within LCR and will secure employer sponsorship to continue and further develop the campaign.
- 6.6 Funding has been secured from Government to develop a Leeds City Region HS2 Skills and Supply Chain Growth Strategy. Arup are working with colleagues at Leeds City Council and have consulted with partners on the content of the strategy, which will include a range of suggested interventions to support local people to engage with HS2 and data relating to skills requirements. The draft strategy will be submitted to Government in November 2017.
- 6.7 The Skills Service closed for new grant applications on 31 March 2017. All training was completed by 30 June 2017 and final payments to businesses were processed by 29 September 2017.
- 6.8 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. It is envisaged that this contract will commence in January 2018. 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.
- 6.9 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.
- 6.10 Government has made manifesto commitments to develop a Career Learning initiative and to establish Skills Advisory Panels to advise it on local employer intelligence relating to Brexit and vocational education implications. It has also launched a Flexible Learning Fund to support the Further Education sector in delivery learning to adults that is both flexible and easy to access. Staff from WYCA will be working with DWP, WYCC and providers to facilitate submissions to the fund to ensure they are responding to future Universal Credit client needs.

## **7 Employability, Accessing Jobs and Realising Potential**

- 7.1 The final phase of the Headstart project is currently in planning stage and will focus on piloting a social prescribing model in partnership with York City Council and York based GP surgeries. The pilot will work to encourage clinical staff to prescribe non-clinical services (for example employment support) and will be working in a very

targeted way to develop research data. This pilot will link closely to the inclusive growth work of the Combined Authority.

- 7.2 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.

## **8 Recommendations**

- 8.1 That the LEP Board notes the work of the Employment and Skills Panel.

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**Panel Chair:** Paul Hamer  
**Author:** Jacqui Warren



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**Report to:** LEP Board  
**Date:** 29 November 2017  
**Subject:** Green Economy Panel Projects Update

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## **1 Purpose**

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

## **2 Energy Accelerator**

- 2.1 This is a new innovative project development programme that will offer specialist expertise to local low carbon energy projects. West Yorkshire Combined Authority (WYCA) submitted a revised application for 3.5 million euros to the European Investment Bank's (EIB) ELENA technical assistance programme (a fund that provides technical assistance for energy efficiency and renewable energy projects). The application has now been submitted for review by the EIB/European Commission. WYCA awaits a decision.
- 2.2 Subject to a successful ELENA application, and to enable the Energy Accelerator (EA) to launch quickly, indicative approval was given by WYCA on 5 October 2017 for WYCA to accept the ELENA funding and proceed to set up and launch the EA. Recruitment of staff and suppliers will also re-commence.
- 2.3 The EA's Advisory Board meet on 2 November 2017 and reviewed progress and next steps required to implement the EA once ELENA funding is secured.
- 2.4 WYCA hope to be a position to launch the EA in April 2018.

## **3 Better Homes Yorkshire**

- 3.1 This is a city region programme delivering energy efficiency improvements across the City Region's homes.
- 3.2 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.

3.3 All Local Growth 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 and Bradford schemes are now complete over the summer, resulting in 180 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. Schemes in Wakefield, Kirklees and Calderdale are progressing well. Projects in York, Selby, Harrogate and Craven are now mobilised, however the rate of take up is slower than expected.

#### 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 have now confirmed a funding award of £1.6m to WYCA under Category 1 (urban homes and communities; for example new gas heating systems, it could also include heat network solutions).

3.6 The LCR Warm Homes Programme will be led by WYCA, with the LCR Local Authority partners referring / approving fuel poor households and engaging local stakeholders to refer. Over 700 new heating systems are expected to be delivered to fuel poor homes across all tenures, many will also receive a gas connection, supplied by Northern Gas Networks. 200 will be delivered through the Better Homes Yorkshire programme. Housing Leeds (part of Leeds City Council) are a key partner and are providing match funding of £750k (500 systems to be delivered through their existing contracting arrangements); this undoubtedly strengthened the bid for funding privately owned and renting households considerably.

3.7 Unfortunately the Category 2 bid of £200k for oil fired central heating in rural communities has been unsuccessful. Further rounds of funding are expected during 2018 and 2019.

#### **4 Resource Efficiency Fund (REF)**

4.1 The Resource Efficiency Fund (REF) offers free expert advice and business support to small and medium sized enterprises (SMEs) to help them to implement energy and water efficiency and waste reduction measures. This is supported by a 50% capital grant of up to £10,000. The REF is funded through the Local Growth Fund (LGF) and European Regional Development Fund (ERDF) 2014-2020 programme.

4.2 As of 30<sup>th</sup> September 2017 the REF has engaged with 226 clients, which is well ahead of projections. Of these, 130 businesses have had technical assessments by external consultants commissioned, and 39 have undergone an in-house review by the



Resource Efficiency Managers (REMs). The combined figure of 169 compares favourably with the target number of assessments for the 2017 calendar year (112).

**Table1:** Progress of business contacts as at 30<sup>th</sup> September 2017

Total Business Contacts	226
Businesses Visited	216
Businesses Completed	75
Businesses in Progress	151
Number of Assessments Commissioned	130
Assessment Reports Received	122
12 Hour Assists	16
Grants Approved & Pending	31
Grants Completed	7
Grants Rejected	1

- 4.3 As expected, two thirds of all clients receiving support are from the manufacturing and engineering sectors.
- 4.4 The total value of the approved and pending grants on 30<sup>th</sup> September was £244,162 (representing 30% of the grant budget for the project).
- 4.5 Spend and outputs have been slower to materialise than expected due to client inertia. Mitigating actions have been taken to encourage a more timely response from clients at key stages of the customer journey.
- 4.6 Given the pipeline of projects currently approved and applications expected, together with the amended guidance on outputs, confidence is high that the project will be back on track against expectations early in 2018.

## **5 District Heat Network (DHN) Programme**

- 5.1 The DHN Programme continues to support 12 active schemes in the LCR. These innovative scheme aim to produce heat (and or use waste heat) to create localised heat networks that heat homes and businesses. They can also help reduce carbon emissions and create fair priced energy locally.
- 5.2 Since the last update to the LEP, Calderdale Council have submitted an application to Heat Networks Delivery Unit for funding to undertake the next phase of work on the Halifax Town Centre scheme – Detailed Project Development and the development of an Outline Business Case for the scheme. In addition, the feasibility study for Barnsley Town Centre has recently completed and Barnsley Council are now determining their next steps for the scheme. This is likely to be an application to HNDU for funding to undertake Detailed Project Development and the development of an Outline Business Case.

5.3 During November 2017 the housing element of the Leeds District Heat Scheme in the Lincoln Green area of the city is due to begin construction work. Leeds are planning some promotional work surrounding this activity.

## **6 Green and Blue Infrastructure (GBI) Strategy and Delivery Plan**

6.1 This work aims to deliver a new regional strategy and delivery plan that aims to create high quality natural/green infrastructure and environments across the City Region including new woodlands, street trees, and open spaces.

6.2 Work is continuing to progress on developing the Delivery Plan. Convening partners have now been confirmed for six of the seven priorities with conversations progressing with the final potential convening partner (for Priority 4). The convening partners are:-

- **Priority 1 Effective water management:** Environment Agency
- **Priority 2 GI into the physical developments:** Leeds City Council
- **Priority 3 Green and Blue networks:** WYCA
- **Priority 5 Plant and manage more trees and woodlands:** White Rose Forest
- **Priority 6 Restore Uplands:** Natural England
- **Priority 7 Business growth, jobs and skills:** WYCA

6.3 The purpose of the convening partner role is to coordinate the production of the mini-delivery plan for the specific allocated priority. This includes organising priority specific meetings with key stakeholders, reviewing the information that was generated by partners on current activity in the LCR on GBI, and identification of projects / actions where activity is currently not occurring.

6.4 The programme is still on track to deliver a draft to the Green Economy Panel early in the New Year, and the LEP Board following this.

## **7 Zero Carbon Energy Strategy and Delivery Plan**

7.1 The Strategic Economic Plan (SEP) under Pillar 3 (Energy and Environmental Resilience) sets out the ambition of becoming '*a resilient, zero carbon energy economy by 2036*'. To understand how WYCA and the Leeds City Region (LCR) could achieve the ambition an Energy Strategy and Delivery Plan (ESDP) has been commissioned with support from the Department for Business, Energy and Industrial Strategy (DBEIS). The ESDP is a named delivery plan of the SEP. The ESDP has been split into four discrete work packages:-

- **Work Package 1:** Energy State of the Leeds City Region
- **Work Package 2:** Technology Options Appraisal
- **Work Package 3:** Energy Opportunities

- **Work Package 4:** Delivery Plan including scenario modelling

- 7.2 Work packages 1 and 2 are now nearing completion.
- 7.3 Work Package 1 calculates both the current and future energy state of the Leeds City Region (LCR) in terms of demand, supply, energy efficiency, jobs, GVA and skills.
- 7.4 Work Package 2 includes a technology options appraisal which identifies the region's energy strengths and the likely energy technologies and opportunities that could enable the Region to meet the SEP's energy ambition by 2036. It will also form the basis of the Energy Delivery Plan.
- 7.5 Work Packages 3 and 4 will be procured shortly. A draft strategy and delivery plan will be completed by the end of March 2018 and presented to the GEP and LEP.

## **8 H21**

- 8.1 This Northern Gas Network innovative programme aims to convert the gas grid from natural gas (methane) to hydrogen, starting with the Leeds city region and then for conversion to take place incrementally across the country.
- 8.2 The Northern Gas Network have applied to OFGEM's Gas NIC fund. The Gas NIC is an annual opportunity for Gas network companies to compete for funding for the development and demonstration of new technologies, operating and commercial arrangements. If the bid is successful, this will fund the demonstration of the safety case for 100% hydrogen in the gas network through field trials. A decision from OFGEM is expected late November 2017.

## **9 Recommendations**

- 9.1 The LEP Board note the work of the Green Economy Panel.

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**Panel Chair:** Cllr Tim Swift  
**Author:** Judith Furlonger



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**Report to:** LEP Board  
**Date:** 29 November 2017  
**Subject:** Land and Assets Panel

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## **1 Purpose**

1.1 To update the LEP Board on the work of the Land and Assets Panel.

## **2 Information**

2.1 The last meeting of the Land and Assets Panel took place on 13<sup>th</sup> October 2017, chaired by Councillor Tim Swift of Calderdale.

2.2 The panel continues to focus on housing funding, growth and acceleration, housing policy and the wider strategic use of land and assets including, an update from the Leeds City Region Enterprise Zones and One Public Estate programmes. A summary of discussion and actions the panel considered are as follows:

### Housing Infrastructure Fund – Forwards Funding Expression of Interest

2.3 Three bids were submitted to HCA with ranking determined by application of government criteria.

2.4 After assessment by DCLG and HCA, the preferred schemes will be invited to enter stage two with an element of co-development with HCA/DCLG. In stage two there will be access to experts and constructive challenge via DCLG to help authorities develop business cases and submit by spring 2018. These will again be assessed and funding awards announced from summer 2018.

### Accelerating Development – Strategic Resources Support

2.5 A first draft of a proposition from WYCA, on behalf of partners, to DCLG as part of a request for additional resources to deliver Leeds City Region housing sites will be ready to share with Directors of Development soon and then the Land and Assets Panel at the next meeting on 5 January 2018.

2.6 The proposition is linked with wider LCR Housing Deal work stream to ensure there is an agreed LCR pipeline and strategic sites located to assure the HCA and DCLG that a viable, deliverable pipeline is ready, pending resources. DCLG is encouraging working on a wider geography which includes a city region form.

- 2.7 Members discussed the Chancellor Philip Hammond's recent visit to Leeds and his meeting with Leeds City Council officials.

#### HCA Update

- 2.8 The Homes and Communities Agency will be relaunched as 'Homes England' by the end of 2017.
- 2.9 The Chancellor announced an extra £2bn for Affordable Housing to focus on bringing forward existing sites and working with districts to identify new sites and projects, especially those stalled by viability issues.
- 2.10 Construction has been accelerated on HCA land within the LCR, building 160 homes at Glasshoughton in Wakefield and 130 homes at Whealstun in Leeds.
- 2.11 Under the Accelerated Construction Initiative (schemes from 50 to 500 homes) on LA land, 1,500 Expressions of Interest have been reduced to 220 with 23 submissions in the LCR. Submissions are undergoing due diligence, expected to be completed in late 2017, and projects will then be taken forward pending viability and resource necessities. There may be a second call for sites in the New Year.

#### Leeds City Region Enterprise Zones Programme Update

- 2.12 The next steps for the LCR Enterprise Zones (EZ) programme are expected to be approved at the Investment Committee on 9 November 2017 and then WYCA on 7 December 2017.
- 2.13 The panel endorsed the proposed EZ programme phasing approach and the proposed WYCA/LEP acceptance of DCLG Commercial Support Grant and outline marketing and communications programme

#### One Public Estate Programme

- 2.14 A presentation on the One Public Estate (OPE) programme was given to the panel by Michael O'Doherty from the Local Government Association. The programme is currently in Phase 6 with a submissions deadline of 3 November 2017. Future phases are hoped to be announced in 2018.
- 2.15 OPE's role was described to members. LGA and Cabinet Office regional officers have offered to act as facilitators to help local authorities identify channels of communication with government departments to remove any perceived obstacles stalling potential projects being developed.
- 2.16 Members raised concerns about 'challenging' asset owning government departments and were encouraged to raise concerns in writing as a Panel through OPE channels, which would lend them more weight. OPE has established channels with which to

alleviate property and site based complications between central departments and local authorities.

- 2.17 Members agreed actions for officers to coordinate a list of examples of stalled projects and seek advice on how to progress them.

#### Information Items

- 2.18 Information Items which were noted:

- An information report on the delivery of the One Public Estate programme (OPE) phase 4 and phase 5 schemes and preparation of the Phase 6 bid by the deadline of the 3rd of November.
- An information report on the Housing and Regeneration priority activities over the next 12 months.

- 2.19 The date of the next Land and Assets Panel is the 5th January 2018, Committee Room A, Wellington House, Wellington Street, Leeds.

### **3 Recommendations**

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

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**Director:** Sue Cooke, Executive Head of Economic Services  
**Author:** Julie Haigh



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**Report to:** LEP Board  
**Date:** 29 November 2017  
**Subject:** LEP Board & Panel Appointments

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## **1 Purpose**

- 1.1 To provide Members with an update on the Board and Panel refresh process.
- 1.2 To receive the recommendations from the Appointments Panel to appoint new LEP Board Members and to recommend new Panel Members to WYCA.

## **2 Information/Background**

- 2.1 A LEP Board and Panel recruitment exercise had been underway since September 2017 to recruit new private sector Members in an open and transparent manner, consistent with the LCR Assurance Framework.
- 2.2 The opportunity was promoted via an online “Join the LEP” recruitment information pack and shared through numerous digital channels and networks including Yorkshire Enterprise Network, Made in Yorkshire, Forward Ladies, Export Network, YABA, Women on Boards and Deliciously Yorkshire. Advertising also took place via the Business Insider and The Business Desk which was run in conjunction with an extensive social media campaign e.g. LinkedIn, Twitter.
- 2.3 LEP Board and Panel Members, Chief Executives and business intermediary partners were encouraged to share this opportunity with their networks and approach relevant colleagues to maximise interest.
- 2.4 Our main, but not exclusive, focus was to attract business leaders within the digital, creative, health and care sectors and to have high regard for our Diversity and Equality Policy.
- 2.5 We are seeking to appoint 3 business leaders to the LEP Board and enhance the Employment & Skills Panel, Business Innovation & Growth Panel, Green Economy Panel and Business Investment Panel.

## **3 Progress**

- 3.1 We received a very encouraging response to the recruitment process, with circa 70 applicants from a range of sectors, backgrounds, geography and experience.

- 3.2 Shortlisted candidates were invited to attend interviews with the Appointments Panel throughout November. The Appointments Panel consisted of the LEP Chair, Deputy LEP Chair, a private sector Board Member and a WYCA Officer.
- 3.3 The recommendations from the Appointments Panel will be shared with Members at the meeting, following the conclusion of the interview process.
- 3.4 A number of other applicants have been invited to become involved with the LEP in other areas of our work, e.g. Business Communications Group, Enterprise Advisors, Export Exchange Network and so on.

#### **4 Recommendations**

- 4.1 Members are asked to:
- note the contents of this report
  - consider the recommendations of the Appointments Panel
  - recommend that the list of names for the LEP Panels be adopted by WYCA at its 14 December meeting.

**Director:** Melanie Corcoran, Director of Delivery  
**Author:** Lynn Cooper



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**Report to:** LEP Board  
**Date:** 29 November 2017  
**Subject:** Growth Deal Update

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## 1 Purpose

1.1 To update the LEP Board on:

- Government monitoring of the Growth Deal through review of the achievement of Key Performance Indicators (KPIs) and the Annual Conversation 2017;
- The expenditure and performance of the Growth Deal programme; and
- The activity undertaken at the Investment Committee Workshop.

## 2 Government Monitoring

### Key Performance Indicators

2.1 During the first six months of 2017/18 the Government has been monitoring the performance of the Leeds City Region Enterprise Partnership Growth Deal against seven KPIs. A meeting to review achievement of these KPIs took place on 1 November 2017 between the LEP, WYCA as accountable body and the Cities and Local Growth Unit (CLOG). The attached **Appendix 1** summarising the evidence of achievement of each KPI was submitted to CLOG for consideration prior to the meeting.

2.2 The review meeting proved positive and there was agreement that the KPIs had been achieved. One issue was raised in relation to KP1 3 (additional capacity required to accelerate the delivery of housing and regeneration projects) where it was considered further action will need to be undertaken over the next few months to fully address the outcome, however this should not affect the positive conclusion of the review. A formal response is awaited from CLOG.

### Annual Conversation

2.3 A formal discussion takes place between CLOG and individual LEPs once a year to review progress on Growth Deal delivery over the previous year and to confirm LEP ambitions for the following year. This year the Annual Conversation on the Leeds City Region Growth Deal takes place on Tuesday 28 November 2017. The conversation this year focusses on three themes of Governance, Delivery and Strategy.

### 3 Growth Deal Expenditure and Delivery

3.1 The table below details programme expenditure totalling £27.52m to end September 2017.

	Target spend 2017/18	Spend to end September 2017	% of 2017/18 target
Priority 1 - Business	£13.52m	£5.70m	42.2%
Priority 2 - Skills Capital	£29.33m	£8.57m	28.6%
Priority 3 - Environmental Infrastructure	£8.07m	£0.96m	11.9%
Priority 4a - Housing and Regeneration	£3.87m	£1.18m	30.5%
Priority 4b - West Yorkshire + Transport Fund	£37.46m	£11.11m	29.7%
Priority 4c - Flood Resilience	£2.00m	£0	0
Priority 4d - Enterprise Zones	£4.00m	£0	0
WYCA Programme Management	£1.90m	TBC	0
<b>Total</b>	<b>£100.15m</b>	<b>£27.52m</b>	<b>27.5%</b>

3.2 The attached Growth Deal Dashboard at **Appendix 2** and West Yorkshire + Transport Fund Dashboard at **Appendix 3** (note this spreadsheet has now been amended to include all projects in the WY+TF both in delivery and in the pipeline) detail the latest forecast expenditure and provide a RAG rating of each project.

3.3 The target expenditure for the 2017/18 is £100.15m, the current forecast against this target £95.59m. This target does not include spend forecast for projects which are being accelerated and where spend will be subject to approvals being made during the financial year. Contingency arrangements in relation to acceleration of expenditure on three major contracts will address any shortfall against the target.

3.4 It might be expected that the expenditure level at the end of Quarter 2, the mid-point of the year, should be in the region of 50%. In practice it is normal for capital spend within local authorities to be heavily weighted towards year end. The profile of quarterly spend in the two previous years of the Growth Deal programme has been as follows:

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Actual Expenditure	£2,445,658	£4,225,660	£8,719,073	£22,941,631	£38,332,022	£2,107,507	£9,173,933	£14,785,501	£58,700,826	£84,767,767
Percentage of Annual Spend	6.38%	11.02%	22.75%	59.85%		2.49%	10.82%	17.44%	69.25%	

3.5 One reason for the improved performance in 2017/18, and the expectation of continued improvement in future years, is the continued progress in bringing

projects forwards for approval, and therefore, commencing in delivery.

3.6 The following projects are RAG rated as Red and represent a risk to the delivery of the Programme:

- **Leeds Station Gateway – New Station Street**  
Project has been delayed awaiting appointment of subcontractor by Network Rail, this appointment has now been made, progress on the project is awaited.
- **Rail Parking Package – Shipley Station and Steeton and Silsden Station**  
These projects are delayed subject to awaiting the issue of Asset Protection Agreement's by Network Rail.
- **Urban Traffic Management Centre (UTMC)**  
Discussions are ongoing between local authority partners to agree a phased implementation of this project.
- **A650 Hard Ings Road and Harrogate Road / New Line**  
Both of these projects are subject to Public Inquiry and will not progress further until these have been concluded. The Public Inquiry for the A650 Hard Ings Road is set for 31 January 2018.
- **Bradford to Shipley Corridor**  
The Full Business Case for this project was expected in September 2017, this has now been revised to October 2018. Additional resources have been allocated to the project to ensure that this date is achieved.
- **Energy Accelerator**  
The Investment Committee has now approved the Outline Business Case for this project and agreed that it should come forward as a Full Business Case, however approval of the European Investment Bank ELENA funding is still awaited and until this is received the project cannot progress.
- **WY+TF Pipeline**  
Forecast spend to the value of £10.24m included within the WY+TF pipeline still requires formal approval through the Assurance Process. The majority of this funding £5.92m relates to Leeds Station Gateway, individual Rail Park and Ride projects and the UTMC. The remainder of £4.32m is for the East Leeds Outer Ring Road Junctions will be considered for approval at the next West Yorkshire Combined Authority on 14 December 2017.

#### **4 Investment Committee Workshop**

4.1 A workshop of the Investment Committee took place on 31 October, the purpose of this meeting was to consider projects submitted as part of the recent Call for Projects (addressed in Item 9 of this agenda). The workshop also considered a discussion paper on the principles of de-commitment of the Growth Deal programme. It was agreed that a report on this issue should be considered at the Investment Committee meeting on 3 January 2017. The outlined principles included: projects at risk; delayed projects; underperforming (projects in delivery); and significant change.

## **5 Recommendations**

- 5.1 It is recommended that the Board notes the conclusion of the review of the KPIs and the progress made in the implementation of the Growth Deal.

## Leeds City Region Growth Deal Review Meeting






### Key Performance Indicators 2017



#### 1. Background and Introduction

- 1.1 The Local Growth Fund payment for 2017/18 has been split, with £30,000,000 paid in April and the remaining £42,228,329 at a later date subject to conditions. The release of the second payment is dependent on the Leeds City Region Enterprise Partnership (the LEP) meeting targets and milestones in the form of seven Key Performance Indicators (KPIs).
- 1.2 The LEP has been working to achieve draft KPIs from April 2017. These were formally notified by the Department of Business Energy and Industrial Strategy on 7 July 2017 and were noted by the Investment Committee on 12 July 2017 and LEP Board on 19 July 2017.
- 1.3 This document sets out achievement against each of the seven KPIs for consideration at a review meeting between the LEP, the West Yorkshire Combined Authority (WYCA) as the accountable body and the Cities and Local Growth Unit (CLOG) on 1 November 2017.

#### 2. Achievement of Key Performance Indicators

##### Summary

Key Performance Indicators	Achievement
<b><u>KPI 1</u></b> 75% of these posts will be filled by end June. Remaining posts will either be recruited internally or externally appointed by end September.	
<b><u>KPI 2</u></b> 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.	
<b><u>KPI 3</u></b> 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.	
<b><u>KPI 4</u></b> 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.	
<b><u>KPI 5</u></b> 7 additional projects will commence by end September 2017 and 10 projects will be completed during Quarters 1 & 2.	

<p><b>KPI 6</b> 250 further jobs will be delivered by end September 2017, bringing the lifetime total so far to 2,850.</p>	
<p><b>KPI 7</b> 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>	

- 2.1 Each of the seven agreed KPIs are detailed below along with a summary of performance and evidence to support this.

**Programme and Project Management Capacity**

**KPI 1**

<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><b>KPI 1</b> - 75% of these posts will be filled by end June. Remaining posts will either be recruited internally or externally appointed by end September.</p>
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- 2.2 The new structure for the Delivery Directorate has now been finalised and all posts that could be filled through internal Organisation Design process as well as a number of internal promotions were achieved by end of June 2017. This represented 82% of the Delivery Directorate posts.
- 2.3 Through two external recruitment rounds some vacant posts have been filled and the Delivery Directorate appointments currently stand at 86% posts filled. Vacancies continue to be advertised as they arise, but some posts are proving difficult to recruit. The Cost Review Manager post, in Feasibility and Assurance, has not been filled following two adverts and will be filled through use of consultants (procurement exercise currently being undertaken). The Senior Project Manager (Rail) is another post that the WYCA has been unable to recruit to interim consultancy support has been procured and the post will be re-advertised in January 2018.

**Accelerating project development and delivery**

**KPI 2 (West Yorkshire plus Transport Fund only)**

<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><b>KPI 2</b> – 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>
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- 2.4 The provision of resources to support the delivery of the West Yorkshire + Transport Fund was discussed firstly at an Investment Committee Workshop on 25 January 2017. This was followed up by discussions at Directors of Development meetings. It was agreed that in order to take forward projects within the programme, additional resources would need to focus on development of projects. Whilst significant numbers of posts were originally considered (in excess of 100) an initial figure of 20 to 25 FTE was agreed. Preferences for recruitment of these resources differed across authorities and there was also some concern that this process should not just involve moving staffing between organisations but should result in an increase of resources available to all partners. WYCA therefore agreed to appoint an external recruitment agency to attract resources from outside West Yorkshire and/or those not currently employed by local authorities within the region.

The Partnership has taken three approaches to increase resourcing:

### **1. Direct Recruitment**

- York: 3 posts
- Bradford: 1 post
- WYCA: 6 posts

### **2. WY+TF Region Wide Recruitment of an External Consultant**

A Professional Services Framework of consultants has been set up and a mini-tendering round has been undertaken. WYCA has directly recruited Aecom. An initialisation / information meeting was held on 24 October with the contract start date on 30 October 2017. This will support activity in Bradford, Kirklees, Leeds and Wakefield. The attached Appendix B details the resource requirements and projects that will initially be supported through this contract.

### **3. Additional Consultants Procured Directly by Local Authority Partners**

- Bradford – Costain
- Kirklees – Turner and Townsend to support on Cooper Bridge, WYG (Tracey Brewer) supporting projects in Mirfield, Dewsbury / Leeds and North Kirklees
- Leeds – WSP
- Wakefield – WSP

### **KPI 3 Housing and Regeneration**

WYCA and LAs have identified a need to boost capacity to drive housing and regeneration projects in to full development (i.e. beyond initial feasibility/demolition/enabling works).

**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.

- 2.5 The Strategic LCR site pipeline is currently being developed with partners as part of a LCR Housing Deal discussion with DCLG with the aim of accelerating delivery of pipeline schemes. With limited ability to provide additional capacity to drive sites forward to an investable position, delivery remains a challenge. Districts have stretched revenue resource

and as a result of a number of bids over the summer, HIF, OPE and WYCA, resources are constantly being switched on a reactive basis to prepare bid submissions. If the discussions with DCLG are successful, additional WYCA pooled resource will allow gaps to be filled and provide focussed support to LA's to position sites for investment, attract developer partners and move forward quicker to deliver outputs quicker. Capital funding though HCA is available but sites require baseline studies to be undertaken to fully assess constraints, technical studies including planning permissions if necessary, costs of remediation and financial appraisal studies in order to produce successful investable bids. Currently lack of funding for feasibility work is hampering progress (details of a report considered by Directors of Development (DoD's) is attached at Appendix 2). The Housing Prospectus also considered by DoD's detailed the sites that could come forward for development and the potential housing numbers, many of these are already included within the Growth Deal (an extract from the Prospectus is attached at Appendix 3).

- 2.6 The purpose of the Priority 4a Housing and Regeneration projects is to unlock housing and regeneration sites which for a variety of reasons are difficult to develop and require public funding in order to allow progress. The Housing and Regeneration projects include: approved projects; pipeline projects which are currently being developed for future submission through the Assurance Process plus other projects that may come forward for support at a later date.
- 2.7 A particular difficulty with these projects is that whilst Growth Deal funding may have been utilised to address barriers to development, in many cases there are further stages that need to be addressed before these outputs are realised. A review of the projects currently included in the Housing and Regeneration priority has identified that projects are either progressing well and do not require staffing resource or are not delayed to resourcing issues.

Projects which are progressing include **Barnsley Town Centre, Bradford Odeon, Kirklees Housing Sites; Leeds Brownfield Sites** and **York Guildhall**.

The remaining projects are currently delayed or stalled for the following reasons: identification of a developer; review of strategic direction; progress on linked projects / sites awaited; ongoing land assembly; ongoing public consultation.

- 2.8 An issue that needs to be addressed is the reallocation of funding that is currently ring-fenced to projects that are not progressing and allocation of the remainder of the available funding. Currently LA's are concentrating on HIF bids but a key element of this is ensuring that capacity is available to enable the development of pipeline projects. The LEP has held a call for projects to establish a Growth Deal reserve list / future pipeline.

#### **KPI 4 Overall**

The Leeds City Region Growth Deal Programme to 2020/21 includes Government funding of £516.35m, £247.7m (48%) of this had been approved as at March 2017.

**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.

\*projects approved at decision point 5, with full business cases and finalised costs

## 2.9 Projects / Programmes agreed at Decision Point 5 to September 2017:

Project / Programme	Date of Approval / Approval Route at Decision Point 5	Amount Approved (£)
A629 Halifax to Huddersfield Corridor Phase 1a	16 June 2017 – MD Delegated Decision	£8.2m
Rail Park and Ride: Fitzwilliam Hebden Bridge	MD Delegated Decision: 25 August 2017 7 July 2017	£0.68m £0.62m
Tackling Fuel Poverty Phase 4	29 June 2017 - WYCA	£1.87m
Strategic Inward Investment Fund	4 August 2017 – MD Delegated Decision	£12.45m
Digital Sector Soft Landing Scheme	29 September 2017 – MD Delegated Decision	£1m
Business Growth Programme	14 August 2017 – MD Delegated Decision	£9m
	<b>Total</b>	<b>£33.82m</b>

The total of approved funding as at end September 2017 is £311.85m, which is 60% of the total Growth Deal allocation. This includes approvals at Decision Point 2 as well as those at Decision Point 5. (Note: additional funding at Decision Point 5 has also been approved for one project already in delivery: Wakefield Eastern Relief Road £5.6m.)

### **Project starts, completions and outputs**

#### **KPI 5**

**KPI 5** – 7\* additional projects will commence by end September 2017 and 10\*\* projects will be completed during Quarters 1 & 2.

\*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.

\*\* 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.

2.10 The following is a summary of projects commencing and completing from April 2017 to September 2017.

**Commencing** – 9 projects have commenced against the target of 7.

	Project	Date of Start on Site / Commencement of Activity
1	East Leeds Housing Growth brownfield sites (housing start September 2017)	September 2017
2	York Guildhall (design and feasibility)	April 2017

	Construction Start date January 2018	
3	Hebden Bridge Car Park	29 September 2017
4	Fitzwilliam Station Car Park	4 September 2017
5	Strategic Inward Investment Fund	4 August 2017
6	Digital Sector Soft Landing Scheme	29 September 2017
7	Business Growth Programme	14 August 2017
8	Leeds College of Building	18 September 2017
9	York Central (demolition and purchase of land)	April 2017

**Completed** – 10 projects now completed as detailed in the following table:

	Project	Date of Opening
1	Leeds Printworks	24 August 2017
2	Wakefield College	12 October 2017
3	Selby College	28 June 2017
4	Bradford College	29 September 2017
5	Wakefield Eastern Relief Road	24 April 2017
6	South Elmsall	24 July 2017
7	Aire Valley Park and Ride	19 June 2017
8	Leeds Flood Alleviation Scheme	June 2017
9	Skipton Flood Alleviation Scheme	June 2017
10	Shipley College Salt Building	September 2017*

\*Main works completed September with the exception of the replacement windows which completed w/c 23 October 2017 as work had to be done whilst building was not being used by students (half-term)

2.11 There is a further project that was named in the KPIs which is largely complete:

**Wakefield Civic Quarter** – car park demolition completed. Relocation of a vets practice due to take place late autumn with demolition of the premises early in the New Year. Once cleared this area will be marketed as a mixed use site, possibly as part of a wider package of land for development. The project has been delayed due to the need to re-negotiate terms with the vets practice as fit out costs for their new premises have increased. This site is being actively marketed at events such as MIPIM.

#### **KPI 6**

<b>KPI 6</b> – 250 further jobs will be delivered by end September 2017, bringing the lifetime total so far to 2,850.
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2.12 590 new jobs were delivered by end September 2017 the lifetime total is 3,190

#### **LGF Expenditure**

#### **KPI 7**

<b>KPI 7</b> – 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).
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### Expenditure £20m as at September 2017

2.13 Total Growth Deal expenditure as at 30 September 2017 is £27,439,568 detailed in the attached Growth Deal and WY+TF Dashboards (Appendix 4 and 5).

The expenditure is higher than forecast for the following reasons:

- The acceleration of projects within the WY+TF;
- Approval of additional expenditure for the Wakefield Eastern Relief Road

### Expenditure £100m by end March 2017

2.14 The current forecast expenditure (see Dashboard Current and Forecast Spend column) for 2017/18 is £95.59m. Whilst there are currently areas of identified risk in relation to the achievement of £100m spend further approvals that will lead to additional spend are progressing through the Assurance Process including:

#### Decision Point 5

East Leeds Orbital Route £14.05m

Rail Park and Ride: Steeton and Silsden, Mirfield Site A

#### Decision Point 4

York Outer Ring Road

A629 Phase 1b

Glasshoughton Southern Link Road

2.15 Contingency measures which will accelerate expenditure against three major contracts: A629 Phase 1a, Leeds College of Building and the East Leeds Orbital Route, will be put in place to increase expenditure to meet the annual target if required.

2.16 Detailed below for information is the expenditure profile for the Growth Deal Programme to March 2021.

### Growth Deal Programme Estimated Forecast Expenditure Profile to 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
<b>Growth Deal Income</b>	£68.26	£127.66	£72.23	£74.35	£73.51	£100.34	£516.35
<b>Estimated GD Expenditure</b>	£38.02*	£84.77*	£100.15	£112.00	£114.14	£67.27	£516.35
<b>Difference</b>	£30.24	£42.89	-£27.92	-£37.65	-£40.63	£33.07	
<b>Balance</b>	£30.24	£73.13	£45.21	£7.56	-£33.07	£0.00	
* Actual							

Lynn Cooper  
Portfolio Lead (Monitoring and Reporting)  
24 October 2017

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Growth Deal dashboard

Figures accurate up to: End of September 2017

2017/18	£100,154,776	Total Outturn Forecast	£95,588,692
Target		Actual	£27,529,175

Project name	District	Project responsibility Senior Responsible Officer	Approved budget	Previous years spend		In-year spend and RAG rating (2017/18)				RAG rating	Future forecast spend			TOTAL spend (actual + forecast)
				2015/16	2016/17	Agreed Annual Forecast	Actual spend to date (September 2017)	Forecast spend (October 17 to Mar 18)	Total of actual and forecast		2018/19	2019/20	2020/21	
Business Growth Programme	City Region	Sue Cooke	£27,000,000	£6,660,742	£8,337,742	£3,001,516	£1,409,411	£3,592,105	£5,001,516	GREEN	£2,500,000	£2,500,000	£2,000,000	£27,000,000
Access to Capital Grants Programme	City Region	Sue Cooke	£15,700,000	£0	£1,513,095	£1,671,020	£3,701,554	£889,114	£4,590,668	GREEN	£3,173,745	£3,173,745	£3,248,747	£15,700,000
Huddersfield Incubation & Innovation Programme	Kirklees	Liz Townes-Andrews	£2,922,000	£0	£0	£2,983,986	£978	£2,921,022	£2,922,000	AMBER	£0	£0	£0	£2,922,000
Leeds University Innovation Centre	Leeds	Ceri Williams	£3,000,000	£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	City Region	Sue Cooke	£12,450,000	£0	£0	£5,250,000	£0	£1,071,136	£1,071,136	AMBER	£2,608,504	£4,098,740	£4,671,620	£12,450,000
Business Expansion Fund - Digital Sector Soft Landing Scheme	City Region	Sue Cooke	£1,000,000	£0	£0	£0	£0	£116,636	£116,636	GREEN	£308,504	£338,740	£236,120	£1,000,000
<b>Priority 1: Growing Business</b>			<b>£62,072,000</b>	<b>£6,660,742</b>	<b>£12,267,422</b>	<b>£13,519,937</b>	<b>£5,695,358</b>	<b>£8,590,013</b>	<b>£14,285,371</b>		<b>£8,590,753</b>	<b>£10,111,225</b>	<b>£10,156,487</b>	<b>£62,072,000</b>
Round 1 - Shipley College Mill	Bradford	Nav Chohan	£119,000	£119,000	£0	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£119,000
Round 1 - Leeds City College Printworks	Leeds	Jane Pither/Lydia Devenny	£8,998,358	£933,800	£7,794,608	£270,167	£0	£269,950	£269,950	GREEN	£0	£0	£0	£8,998,358
Round 1 - Calderdale College	Calderdale	Denise Cheng Carter	£4,977,000	£2,000,000	£2,977,000	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£4,977,000
Round 1 - Kirklees College	Kirklees	Ian Webster	£3,100,996	£3,000,996	£100,001	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£3,100,997
Round 2a - Wakefield College	Wakefield	John Foster	£3,327,000	£0	£3,327,133	£0	£0	£0	£0	N/A	£0	£0	£0	£3,327,133
Round 2a - Selby College	Selby	Liz Ridley	£693,748	£0	£693,748	£0	£0	£0	£0	N/A	£0	£0	£0	£693,748
Round 2a - Shipley College Salt Building	Bradford	Nav Chohan	£300,000	£0	£300,000	£0	£0	£0	£0	N/A	£0	£0	£0	£300,000
Round 2a - Bradford College	Bradford	Andy Welsh	£250,000	£0	£250,000	£0	£0	£0	£0	N/A	£0	£0	£0	£250,000
Round 2b - Leeds College of Building	Leeds	Ian Billyard	£14,000,000	£0	£1,263,639	£7,886,362	£286,825	£4,643,851	£4,930,675	AMBER	£5,555,686	£150,000	£0	£11,900,000
Round 2b - Leeds City College Quarry Hill	Leeds	Jane Pither/Lydia Devenny	£33,400,000	£0	£10,045,152	£14,774,848	£4,316,649	£11,149,517	£15,466,166	GREEN	£5,884,682	£2,004,000	£0	£33,400,000
Round 2b - Dewsbury Learning Quarter	Kirklees	Ian Webster	£15,121,218	£0	£3,367,457	£6,396,761	£3,974,614	£3,111,874	£7,086,488	AMBER	£667,273	£0	£0	£11,121,218
<b>Priority 2: Skilled People, Better Jobs</b>			<b>£84,287,320</b>	<b>£6,053,796</b>	<b>£30,118,737</b>	<b>£29,328,138</b>	<b>£8,578,088</b>	<b>£19,175,192</b>	<b>£27,753,279</b>		<b>£12,107,641</b>	<b>£2,154,000</b>	<b>£0</b>	<b>£78,187,454</b>
Resource Efficiency Fund	City Region	Sue Cooke	£720,000	£0	£0	£323,721	£160,635	£163,086	£323,721	GREEN	£251,163	£145,116	£0	£720,000
Energy Accelerator	City Region	Jacqui Warren	£820,000	£0	£0	£490,986	£0	£20,000	£20,000	RED	£236,000	£192,000	£192,000	£640,000
Leeds District Heat Network	Leeds	Neil Evans	£4,000,000	£0	£8,345	£4,867,923	£0	£0	£3,991,655	AMBER	£0	£0	£0	£4,000,000
Tackling Fuel Poverty	City Region	Liz Courtney	£6,000,000	£0	£781,414	£2,392,200	£800,642	£1,284,000	£2,084,642	GREEN	£3,208,194	£0	£0	£6,074,250
<b>Priority 3: Clean Energy and Economic Resilience</b>			<b>£11,540,000</b>	<b>£0</b>	<b>£789,759</b>	<b>£8,074,830</b>	<b>£961,277</b>	<b>£1,467,086</b>	<b>£6,420,018</b>		<b>£3,695,357</b>	<b>£337,116</b>	<b>£192,000</b>	<b>£11,434,251</b>
East Leeds Housing Growth - Red Hall	Leeds	Martin Farrington	£4,000,000	£2,000,000	£2,000,000	£0	£0	£0	£0	N/A	£0	£0	£0	£4,000,000
East Leeds Housing Growth - Brownfield Sites	Leeds	Martin Farrington	£1,100,000	£0	£1,100,000	£0	£0	£0	£0	N/A	£0	£0	£0	£1,100,000
Halifax Town Centre (Northgate House)	Calderdale	Mark Thompson	£1,300,000	£300,000	£0	£0	£0	£0	£0	N/A	£1,000,000	£0	£0	£1,300,000
One, City Park, Bradford	Bradford	Steve Hartley	£5,200,000	£400,000	£0	£0	£0	£0	£0	N/A	£1,600,000	£2,200,000	£1,000,000	£5,200,000
Barnsley Town Centre	Barnsley	David Shepherd	£1,757,000	£1,757,000	£0	£0	£0	£0	£0	N/A	£0	£0	£0	£1,757,000
Kirklees Housing sites	Kirklees	Naz Parker	£1,000,000	£200,000	£205,000	£104,000	£0	£104,000	£104,000	GREEN	£191,000	£300,000	£0	£1,000,000
Bath Road, Leeds	Leeds	Martin Farrington	£575,000	£580,000	£0	£0	£0	£0	£0	N/A	£0	£0	£0	£580,000
Bradford Odeon	Bradford	Steve Hartley	£325,000	£0	£0	£0	£0	£0	£0	N/A	£325,000	£0	£0	£325,000
Forge Lane, Kirklees	Kirklees	Paul Kemp	£4,620,000	£0	£0	£0	£0	£0	£0	N/A	£4,620,000	£0	£0	£4,620,000
York Central	York	Neil Ferris	£2,550,000	£0	£1,421,500	£1,128,500	£618,598	£509,902	£1,128,500	GREEN	£0	£0	£0	£2,550,000
Wakefield Civic Quarter	Wakefield	Andy Wallhead	£1,100,000	£0	£0	£1,085,000	£330,139	£744,861	£1,075,000	GREEN	£25,000	£0	£0	£1,100,000
York Guildhall	York	Neil Ferris	£2,347,500	£0	£791,500	£1,556,000	£234,500	£1,321,500	£1,556,000	GREEN	£0	£0	£0	£2,347,500
New Bolton Woods	Bradford	Shelagh O'Neill	pipeline	£0	£0	£0	£0	£195,000	£195,000	GREEN	£3,405,000	£0	£0	£3,600,000
Beech Hill, Halifax	Calderdale	Kate Thompson	pipeline	£0	£0	£0	£0	£0	£0	GREEN	£0	£0	£0	£0
Wakefield City Fields	Wakefield	Sarah Pearson	pipeline	£0	£0	£0	£0	£0	£0	GREEN	£0	£0	£0	£0
Balance of available funding			pipeline	£0	£0	£0	£0	£0	£0	N/A	£6,105,435	£2,011,437	£3,032,587	£11,149,459
<b>Priority 4a: Housing and Regeneration</b>			<b>£25,874,500</b>	<b>£5,237,000</b>	<b>£5,518,000</b>	<b>£3,873,500</b>	<b>£1,183,237</b>	<b>£2,875,263</b>	<b>£4,058,500</b>		<b>£17,271,435</b>	<b>£4,511,437</b>	<b>£4,032,587</b>	<b>£40,628,959</b>
Transport		various	£120,291,825	£19,594,417	£27,521,495	£37,458,371	£11,111,215	£27,185,308	£38,296,523	N/A	£89,343,132	£180,908,254	£184,321,856	£539,985,677
<b>Priority 4b: Transport</b>			<b>£120,291,825</b>	<b>£19,594,417</b>	<b>£27,521,495</b>	<b>£37,458,371</b>	<b>£11,111,215</b>	<b>£27,185,308</b>	<b>£38,296,523</b>		<b>£90,187,565</b>	<b>£62,840,750</b>	<b>£42,459,250</b>	<b>£280,900,000</b>
Mytholmroyd Flood Alleviation (GD3)	Calderdale	Adrian Gill	£2,500,000	£0	£2,500,000	£0	£0	£0	£0	GREEN	£0	£0	£0	£2,500,000
Leeds Flood Alleviation (GD3)	Leeds	Martin Farrington	£3,786,981	£0	£3,786,981	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£3,786,981
Skipton Flood Alleviation (GD3)	Craven	Adrian Gill	£1,500,000	£0	£1,500,000	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£1,500,000
Priority 4c: Pipeline	TBC	Adrian Gill	pipeline			£2,000,000	pipeline	£0	£2,600,000	AMBER	£2,900,000	£6,700,000	£0	£12,200,000
<b>Priority 4c: Flood Resilience</b>			<b>£7,786,981</b>	<b>£0</b>	<b>£7,786,981</b>	<b>£2,000,000</b>	<b>£0</b>	<b>£2,600,000</b>	<b>£2,600,000</b>		<b>£2,900,000</b>	<b>£6,700,000</b>	<b>£0</b>	<b>£19,986,981</b>
Leeds Aire Valley EZ	Leeds	Martin Farrington	pipeline			£4,000,000	£0	£0	£0	AMBER	£4,508,266	£0	£0	£4,508,266
LCR EZs M62 sites	LCR	David Walmsley	pipeline				£0	£275,000	£275,000	AMBER	£2,855,578	£10,130,578	£2,230,578	£15,491,734
<b>Priority 4d: Enterprise Zone</b>						<b>£4,000,000</b>	<b>£0</b>	<b>£275,000</b>	<b>£275,000</b>	<b>£0</b>	<b>£7,363,844</b>	<b>£10,130,578</b>	<b>£2,230,578</b>	<b>£20,000,000</b>
WYCA Delivery costs - non Transport				£475,122	£765,373	£1,900,000	£0	£0	£1,900,000	N/A	£0	£0	£0	£3,140,495
<b>Total Growth Deal expenditure</b>			<b>£311,852,626</b>	<b>£38,021,077</b>	<b>£84,767,767</b>	<b>£100,154,776</b>	<b>£27,529,175</b>	<b>£62,167,862</b>	<b>£95,588,692</b>		<b>£142,116,595</b>	<b>£96,785,106</b>	<b>£59,070,902</b>	<b>£516,350,139</b>

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West Yorkshire Transport Fund pipeline

Figures accurate up to: Sep 2017

2017/18	£37,458,371	Total Outturn Forecast	£38,206,916
Target		Actual	£11,021,608

Project name	Project responsibility		Category	2015/16	2016/17	Actual Spend to date September 2017	Forecast Spend October 17 to March 18	Total of actual and forecast	RAG rating	Future forecast spend			TOTAL spend (actual + forecast)
	Senior Responsible Officer	Approved (Development and Delivery combined)								2018/19	2019/20	2020/21	
<b>Transport Delivery Costs</b>													
Priority 4b (WYTF) WYCA Delivery Costs	Melanie Corcoran	13,572,000	Development	1,654,577	1,652,280		1,382,847	1,382,847	GREEN	1,377,675	1,530,717	1,900,000	9,498,096
<b>Transport projects at Stage 3 that are in delivery in 2017/18</b>													
Wakefield Eastern Relief Road	Neil Rogers	37,593,000	Development						COMPLETE				1,599,000
			Delivery	15,284,765	14,435,236	3,058,296	1,815,986	4,874,282					35,294,283
Aire Valley, Leeds Integrated Transport Package - Phase 1: Aire Valley P&R	Gary Bartlett	9,597,000	Development	277,672	245,500	-	-	-	COMPLETE	-	-	-	792,172
			Delivery	-	5,459,649	1,779,108	1,119,616	2,898,724		547,528	-	-	8,905,901
Wakefield City Centre Package Phase 1 Kirkgate	Neil Rogers	5,556,000	Development	72,878	76,972	-	-	-	GREEN	-	-	-	149,850
			Delivery	-	-	1,628,534	2,387,590	4,016,124		822,042	-	-	4,838,166
South Elmsall Rail Car Parking Extension	Melanie Corcoran	670,000	Development						GREEN				-
			Delivery			72,811	420,000	492,811		-			492,811
A629 Phase 1a: Jubilee Road to Free School Lane & monitoring	Mark Thompson	8,156,655	Development	160,000	1,442,043				GREEN				1,904,043
			Delivery	-	-	1,180,702	2,839,497	4,020,199		1,601,239	-	-	5,621,438
Rail Parking Programme - Fitzwilliam	Melanie Corcoran	676,926	Development			2,444		2,444	GREEN				2,444
			Delivery			17,633	447,920	465,553		204,995			670,548
Rail Parking Package - Hebden Bridge	Melanie Corcoran	626,200	Development						AMBER				-
			Delivery				291,000	291,000		324,000			615,000
<b>Transport projects at Stage 2 that will commence in 2017/18</b>													
Leeds Station Gateway - New station Street	Liz Hunter	166,037	Development	-	41,036		72,291	72,291	RED	18,999	-	-	132,326
			Delivery	-	-		591,000	591,000		1,284,630	-	-	1,875,630
Leeds ELOR and North Leeds Outer Ring Road	Gary Bartlett	11,810,000	Development	929,199	1,554,106	668,130		668,130	AMBER	1,000,000	1,000,000	750,000	6,921,435
			Delivery	-	-		4,296,819	4,296,819		10,587,000	25,131,500	31,431,500	71,446,819
UTMC (formerly HNEP)	Richard Hadfield (Kirklees)	280,000	Development	-	29,011	29,300	90,000	119,300	RED	70,000	-	-	218,311
			Delivery	-	-					400,000	1,200,000	2,750,000	4,350,000
Rail Parking Package - Mytholmroyd	Melanie Corcoran		Development	-	-				GREEN				-
			Delivery	-	-		20,000	20,000		2,413,333	1,206,667	-	3,640,000
Rail Parking Package - Shipley	Melanie Corcoran		Development	-	-				RED				-
			Delivery	-	-					1,275,000	2,550,000	-	3,825,000
Rail Parking Package - Steeton and Silsden	Melanie Corcoran		Development	-	-				RED				-
			Delivery	-	-		200,000	200,000		2,330,000	-	-	2,530,000
Rail Parking Package - Mirfield	Melanie Corcoran		Development	-	-				AMBER				-
			Delivery	-	-		445,000	445,000		1,245,000	-	-	1,690,000
Rail Parking Package - Normanton	Melanie Corcoran		Development	-	-				GREEN				-
			Delivery	-	-		440,000	440,000		1,000,000	-	-	1,440,000
<b>Transport projects at Stage 2 that will commence post 2017/18</b>													
Bradford Interchange Station Gateway	Julian Jackson	80,000	Development	25,000	20,838	34,162		34,162	GREEN	0	0	0	80,000
			Delivery	-	-							14,305,000	14,305,000
Bradford FS Station Gateway	Julian Jackson	3,885,314	Development	20,000	116,717	30,271	728,633	758,904	GREEN	1,189,000	-	-	2,084,621
			Delivery	-	-					12,856,853	-	-	12,856,853
A650 Tong Street	Julian Jackson	185,000	Development	-	21,038	8,220	86,160	94,380	AMBER	19,582	-	-	185,000
			Delivery	-	-						10,000,000	8,000,000	18,000,000
SE Bradford Access Rd	Julian Jackson	91,000	Development	-	-	8,067	78,500	86,567	GREEN				86,567
			Delivery	-	-								-
Bradford to Shipley Corridor	Julian Jackson	341,000	Development	30,000	5,011	6,681	84,350	91,031	RED	229,081	-	-	355,123
			Delivery	-	-						13,000,000	14,000,000	27,000,000
A650 Hard Ings Road - Phase 1: Hard Ings Road Only	Julian Jackson	764,000	Development	137,628	301,133	147,765	47,927	195,692	RED				774,453
			Delivery	-	-					4,415,000	3,257,235	-	7,672,235
Harrogate Road / New Line	Julian Jackson	1,300,000	Development	146,399	15,601	367,495	252,000	619,495	RED	154,000	-	-	1,101,495
			Delivery	-	-					1,901,000	1,732,740	-	3,633,740
Halifax Station Gateway	Mark Thomson	315,000	Development	156,738	44,171		111,677	111,677	GREEN				317,586
			Delivery	-	-							7,483,848	7,483,848
A641 Bradford - Huddersfield Corridor	Mark Thomson	100,000	Development	-	60,829	31,437	39,171	70,608	AMBER				131,437
			Delivery	-	-								-
A629 Phase 1b: Elland Wood Bottom to Jubilee Road	Mark Thomson	1,125,394	Development	169,994	198,719	180,835	635,682	816,517	GREEN				1,185,230
			Delivery	-	-					8,552,565	5,340,349	-	13,892,914
A629 Phase 2: Phase 2a, 2b and 2c	Mark Thomson	3,016,000	Development	44,591	280,192	457,183	1,614,886	2,072,069	AMBER				2,736,852
			Delivery	-	-					8,578,039	11,883,471	13,474,071	33,935,581
A629 Phase 4: Ainley Top	Mark Thomson	75,000	Development	-	51,736	22,325	939	23,264	GREEN				75,000

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Project Name	Lead	Value	Phase	Start	End	Start	End	Start	End	Status	Start	End	Start	End
			Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Huddersfield Station Gateway	Richard Hadfield	79,886	Development	27,615	22,385	2,440	2,440	-	-	AMBER	-	-	-	52,440
			Delivery	-	-	-	-	-	-		-	5,000,000	-	5,000,000
A653 Leeds to Dewsbury Corridor (M2D2L)	Richard Hadfield	210,000	Development	-	59,261	16,750	26,000	42,750	-	AMBER	-	-	-	182,011
			Delivery	-	-	-	-	-	-		2,000,000	10,500,000	-	12,500,000
M62 Junction 24a	Richard Hadfield	70,000	Development	-	12,976	24,370	32,654	57,024	-	AMBER	-	-	-	70,000
			Delivery	-	-	-	-	-	-		-	18,500,000	-	18,500,000
A629 Phase 5 - Ainley Top into Huddersfield	Richard Hadfield	302,000	Development	52,000	48,000	127,120	74,516	201,636	-	GREEN	-	-	-	301,636
			Delivery	-	-	-	-	-	-		-	798,000	8,600,000	9,398,000
A62 and A644 Corridors incorporating Cooper bridge	Richard Hadfield	500,000	Development	110,000	15,000	-	-	-	-	AMBER	-	-	-	610,000
			Delivery	-	-	-	-	-	-		-	2,250,000	8,750,000	11,000,000
Leeds Station - Yorkshire Hub	Liz Hunter	400,000	Development	-	108,936	32,049	-	32,049	-	GREEN	203,860	-	-	344,845
			Delivery	-	-	-	-	-	-		-	-	-	-
Thorpe Park Station	Liz Hunter	500,000	Development	-	3,382	59,263	130,997	190,260	-	GREEN	269,294	-	-	462,936
			Delivery	-	-	-	-	-	-		-	-	5,000,000	5,000,000
A65-LBIA Link Road	Gary Bartlett	810,000	Development	8,688	266,812	133,493	191,013	324,506	-	GREEN	-	-	-	810,006
			Delivery	-	-	-	-	-	-		1,597,239	1,722,799	2,469,603	5,789,641
A6110 Leeds Outer Ring Rd	Gary Bartlett	268,000	Development	-	-	3,301	282,699	286,000	-	AMBER	-	-	-	286,000
			Delivery	-	-	-	-	-	-		-	-	-	-
Leeds City Centre Network and Interchange Package	Gary Bartlett	3,455,000	Development	31,337	278,000	161,388	766,833	928,221	-	AMBER	979,678	1,033,776	126,749	3,696,761
			Delivery	-	-	-	-	-	-		-	-	5,340,672	5,340,672
Castleford Station Gateway	Kate Thompson	21,000	Development	-	20,329	-	671	671	-	GREEN	-	-	-	21,000
			Delivery	-	-	-	-	-	-		1,485,000	1,485,000	730,000	3,700,000
Wakefield City Centre Package Phase 2 Ings Road	Neil Rogers	270,000	Development	-	-	10,683	120,317	131,000	-	GREEN	139,000	-	-	270,000
			Delivery	-	-	-	-	-	-		-	1,540,000	1,205,863	2,745,863
Glasshoughton Southern Link Road	Neil Rogers	723,000	Development	80,000	-	227,733	222,381	450,114	-	GREEN	245,000	-	-	775,114
			Delivery	-	-	-	-	-	-		1,300,000	2,492,000	2,479,113	6,271,113
Castleford Growth Corridor Scheme	Neil Rogers	200,000	Development	67,000	73,917	-	40,880	40,880	-	AMBER	19,000	-	-	200,797
			Delivery	-	-	-	-	-	-		2,450,000	1,000,000	8,990,000	12,440,000
CIP - Phase 1 - Leeds Fink Hill	Gary Bartlett	115,000	Development	-	-	-	60,000	60,000	-	GREEN	30,000	-	-	90,000
			Delivery	-	-	-	-	-	-		770,000	65,000	-	835,000
CIP - Phase 1 - Leeds Dyneley Arms	Gary Bartlett	402,000	Development	-	-	-	150,000	150,000	-	GREEN	252,000	-	-	402,000
			Delivery	-	-	-	-	-	-		1,498,000	6,000,000	100,000	7,598,000
CIP - Phase 1 - Leeds Dawsons Corner	Gary Bartlett	1,008,000	Development	-	-	-	600,000	600,000	-	AMBER	408,000	-	-	1,008,000
			Delivery	-	-	-	-	-	-		1,911,000	6,205,000	5,876,000	13,992,000
CIP - Phase 1 - Kirklees Holmfirth Town Centre	Richard Hadfield	250,000	Development	-	-	58,624	41,376	100,000	-	GREEN	150,000	-	-	250,000
			Delivery	-	-	-	-	-	-		200,000	500,000	3,800,000	4,500,000
CIP - Phase 1 - Kirklees Huddersfield Southern Gateways	Richard Hadfield	300,000	Development	-	-	90,819	59,181	150,000	-	GREEN	148,000	-	-	298,000
			Delivery	-	-	-	-	-	-		-	1,270,000	6,330,000	7,600,000
CIP - Phase 1 - Kirklees A62 Smart Corridor	Richard Hadfield	250,000	Development	-	13,500	27,000	-	27,000	-	GREEN	100,000	-	-	140,500
			Delivery	-	-	-	-	-	-		100,000	6,750,000	-	6,850,000
CIP - Phase 1 - Calderdale A58/A672 Corridor	Mark Thompson	235,000	Development	-	-	-	232,063	232,063	-	AMBER	-	-	-	232,063
			Delivery	-	-	-	-	-	-		-	-	-	-
CIP - Phase 1 - Calderdale A646/A6033 Corridor	Mark Thompson	195,000	Development	-	-	1,984	193,016	195,000	-	AMBER	-	-	-	195,000
			Delivery	-	-	-	-	-	-		-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Thornton Road	Julian Jackson	440,000	Development	-	-	-	-	-	-	AMBER	-	-	-	-
			Delivery	-	-	-	-	-	-		-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Toller Lane	Julian Jackson	308,000	Development	-	-	2,181	222,819	225,000	-	AMBER	-	-	-	225,000
			Delivery	-	-	-	-	-	-		850,000	6,200,000	1,225,000	8,275,000
CIP - Phase 1 - Bradford A6177 ORR/Great Horton Road	Julian Jackson	220,000	Development	-	-	8,663	171,337	180,000	-	AMBER	-	-	-	180,000
			Delivery	-	-	-	-	-	-		500,000	1,500,000	320,000	2,320,000
CIP - Phase 1 - Wakefield A650 Newton Bar	Neil Rogers	75,000	Development	-	-	4,583	62,418	67,000	-	GREEN	6,000	-	-	73,000
			Delivery	-	-	-	11,000	11,000	-		23,160	2,508,500	-	2,542,660
Rail Park and Ride (Phase 1) Programme	Melanie Corcoran	996,306	Development	108,336	409,181	10,799	501,308	512,107	-	GREEN	-	-	-	1,088,532
			Delivery	-	-	-	-	-	-		-	-	-	-
Rail Parking Package - Knottingley	Melanie Corcoran	474,259	Development	-	-	-	-	-	-	AMBER	-	-	-	-
			Delivery	-	-	-	-	-	-		1,305,741	-	-	1,305,741
Rail Park and Ride (Phase 2) Programme	Melanie Corcoran	138,000	Development	-	137,997	-	-	-	-	GREEN	-	-	-	137,997
			Delivery	-	-	-	-	-	-		-	-	-	-
Rail Park & Ride (Phase 2) - Apperley Bridge	Melanie Corcoran	113,100	Development	-	-	-	113,100	113,100	-	AMBER	-	-	-	113,100
			Delivery	-	-	-	-	-	-		-	-	-	-
Rail Park & Ride (Phase 2) - Guiseley	Melanie Corcoran	143,000	Development	-	-	-	143,000	143,000	-	AMBER	-	-	-	143,000
			Delivery	-	-	-	-	-	-		-	-	-	-
Rail Park & Ride (Phase 2) - Moorthorpe	Melanie Corcoran	110,500	Development	-	-	-	110,500	110,500	-	AMBER	-	-	-	110,500
			Delivery	-	-	-	-	-	-		-	-	-	-
Rail Park & Ride (Phase 2) - Outwood	Melanie Corcoran	110,500	Development	-	-	-	110,500	110,500	-	AMBER	-	-	-	110,500
			Delivery	-	-	-	-	-	-		-	-	-	-

Calder Valley Line Eland Station	Mark Thompson	834,748	Development	-	-	-	141,813	141,813	GREEN	359,137	-	-	500,950
			Delivery	-	-	-	-	-		-	-	-	-
York Central Access	Neil Ferris	2,100,000	Development	-	-	57,673	872,327	930,000	AMBER	770,000	339,500	60,625	2,100,125
			Delivery	-	-	-	-	-		931,462	15,692,000	17,016,812	33,640,274
York Northern Outer Ring Road	Neil Ferris	2,448,000	Development	-	-	308,901	731,099	1,040,000	GREEN	566,000	624,000	220,000	2,450,000
			Delivery	-	-	-	-	-		3,085,000	9,000,000	11,429,000	23,514,000
Corridor Improvement Programme (formerly HEBP)	Melanie Corcoran	408,000	Development	-	-	-	50,000	50,000	GREEN	100,000	100,000	158,000	408,000
			Delivery	-	-	-	-	-		-	-	-	-
Transformational -South Featherstone Link Rd - Feasibility Study	Neil Rogers	284,000	Development	-	-	-	-	-	GREEN	-	-	-	-
			Delivery	-	-	-	-	-		-	-	-	-
Transformational - Kirklees - North Kirklees Orbital Route - Feasibility Study	Richard Hadfield	248,000	Development	-	-	10,000	80,000	90,000	GREEN	-	-	-	90,000
			Delivery	-	-	-	-	-		-	-	-	-
Transformational -York Northern Outer Ring Road Dualling- Feasibility Study	Neil Ferris	295,000	Development	-	-	-	100,000	100,000	GREEN	195,000	-	-	295,000
			Delivery	-	-	-	-	-		-	-	-	-
<b>Development inc Management costs</b>		<b>120,291,825</b>		<b>4,309,652</b>	<b>7,626,609</b>	<b>3,374,132</b>	<b>11,859,880</b>	<b>15,234,012</b>		<b>8,998,306</b>	<b>4,627,993</b>	<b>3,215,374</b>	<b>49,055,854</b>
<b>Delivery</b>		<b>-</b>		<b>15,284,765</b>	<b>19,894,885</b>	<b>7,737,084</b>	<b>15,325,428</b>	<b>23,062,512</b>		<b>80,344,826</b>	<b>176,280,261</b>	<b>181,106,482</b>	<b>496,673,731</b>
<b>Total Transport</b>		<b>120,291,825</b>		<b>19,594,417</b>	<b>27,521,495</b>	<b>11,111,215</b>	<b>27,185,308</b>	<b>38,296,523</b>		<b>89,343,132</b>	<b>180,908,254</b>	<b>184,321,856</b>	<b>545,729,585</b>
												Less Prior Year spend	5,743,908.0
												<b>Growth Deal total</b>	<b>539,985,676.7</b>

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



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**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** Economic Reporting

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## **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. The report and dashboard cover the main local, national and international economic developments since the last Board meeting.

2.2 The main national and international headlines include:

- The recent upturn in global economic activity continues, with most major economies seeing strong growth in the first half of 2017 compared to previous years.
- The broad upturn in global activity so far this year is reflected in the IMF's latest World Economic Outlook, which has revised up its forecast for global growth by 0.1% to 3.6% in 2017, an acceleration from growth of 3.2% last year.
- UK GDP increased by 0.4% in Q3 2017, expanding at a similar rate to Q2's 0.3%. However, growth so far in 2017 has averaged around half the 0.6% quarterly average seen in the preceding three years and is now below that of other G7 nations, suggesting some impact related to Brexit uncertainty.
- The UK labour market remains strong. The employment rate has now reached 75.1%, whilst the unemployment rate has fallen to 4.3%.
- Inflation in the UK increased to 3% in September, up from 2.9% in August to its highest level since 2012. The fall in the value of sterling post-EU referendum has been a key driver of rising inflation.

2.3 The main local and regional headlines include:

- The Quarterly Economic Survey (QES) with the Chambers of Commerce for Leeds City Region for Q3 2017 found strong growth for both manufacturers and service sector firms, on the back of solid expansion both domestically and in exports.
- Almost half of all service sector firms and a third of manufacturers now expect profitability to increase over the next year, both up 10 points on the previous

quarter. Despite this, concerns over cost pressures and exchange rates remain elevated.

- Goods to the value of £8.35bn have been exported from Yorkshire & Humber in the first half of 2017, an increase in exports of 17.5% on the same period last year. This broadly mirrors national performance.
- Goods exports have averaged £4bn per quarter in Yorkshire & Humber in the year since the Brexit vote compared to an average of £3.5bn in the year preceding the referendum, suggesting the fall in sterling post-EU referendum has helped to increase the value of exports.
- There are 26,000 more LCR residents in work in Q2 2017 than a year earlier. The employment rate stands at 73.4%, broadly unchanged from the 73.5% seen in Q1.
- So far in 2017, 12,600 new business bank accounts have been opened in LCR, consistent with 2016. 2.6% fewer accounts have opened across England over that period. Only 5 LEPs have seen faster growth in new business bank accounts than LCR so far this year.

### **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, NOVEMBER 2017

### Key points at glance

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

#### National and international headlines

- **The recent upturn in global economic activity continues**, with most major economies seeing strong growth in the first half of 2017 compared to previous years.
- **UK GDP increased by 0.4% in Q3 2017, expanding at a similar rate to Q2.** Growth so far this year is around half of the average seen in the preceding three years. However, manufacturing returned to growth with output increasing by 1%.
- **The UK labour market remains strong.** The employment rate has now reached 75.1%, whilst the unemployment rate has fallen to 4.3%.
- The broad upturn in activity so far this year is reflected in the IMF's latest World Economic Outlook, which has **revised up its forecast for global growth** by 0.1% to 3.6% in 2017, an acceleration from growth of 3.2% last year.
- However, **the IMF expect UK growth to slow** from 1.8% in 2016 to 1.7% this year and 1.5% in 2018.
- **Inflation in the UK increased to 3% in September**, up from 2.9% in August to its highest level since 2012.
- Meanwhile **wage growth remains relatively low**, with average weekly earnings increasing by 2.1% in August. As such, pay fell by 0.4% in real terms (adjusted for inflation) between August 2016 and August 2017.

#### Key City Region and local developments

- The Quarterly Economic Survey (QES) with the Chambers of Commerce for Leeds City Region for Q3 2017 found **strong growth for both manufacturers and service sector firms**, on the back of solid expansion both domestically and in exports.
- Almost half of all service sector firms and a third of manufacturers **now expect profitability to increase over the next year**, both up 10 points on the previous quarter. Despite this, **concerns over cost pressures and exchange rates remain elevated.**
- Goods to the value of £8.35bn have been exported from Yorkshire & Humber in the first half of 2017, **an increase in exports of 17.5% on the same period last year.** This broadly mirrors national performance.
- Goods exports have averaged £4bn per quarter in Yorkshire & Humber in the year since the Brexit vote compared to an average of £3.5bn in the year preceding the referendum, suggesting **the fall in sterling post-EU referendum has helped to increase the value of exports.**
- There are 26,000 more LCR residents in work in Q2 2017 than a year earlier. **The employment rate stands at 73.4%, broadly unchanged** from the 73.5% seen in Q1.
- So far in 2017, 12,600 new business bank accounts have been opened in LCR, consistent with 2016. 2.6% fewer accounts have opened across England over that period. **Only 5 LEPs have seen faster growth in new business bank accounts than LCR so far this year.**

#### Key conclusions and outlook

- Globally, **the recent solid performance in major economies has continued with the US and Eurozone both posting strong growth in Q3.** In both cases, there is sufficient confidence that the long awaited recovery has enough momentum to begin planning to remove the stimulus programme in place since the recession.
- Whilst the moves towards the normalisation of monetary policy has been welcomed by many, others including the **IMF have voiced concerns that there remain a number of underlying issues in the global economy**, and have urged a cautious path with regard to withdrawing stimulus.
- Whilst **subdued wage growth is an issue across the developed world**, the low inflation problems seen in other major economies is not a problem shared by the UK, where inflation is running well ahead of the government's target.
- Despite these issues and increasing uncertainty related to Brexit, survey data suggests that **Leeds City Region businesses growing their operations and are optimistic about the year ahead.**
- Encouragingly, **LCR businesses seem increasingly willing to explore new overseas markets beyond the EU** in order to achieve their growth ambitions.

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

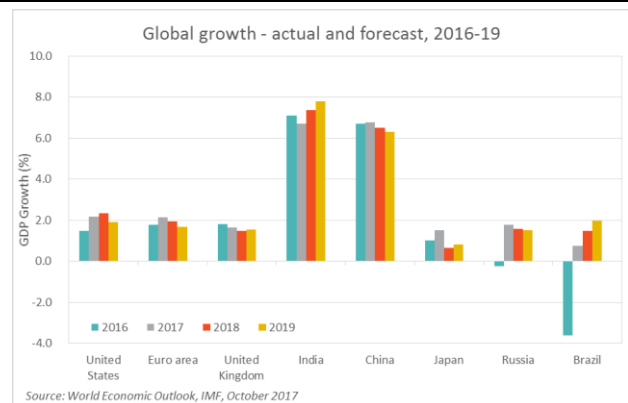
## ECONOMIC UPDATE: LEEDS CITY REGION, NOVEMBER 2017

### 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 IMF, whilst new official UK data is available on GDP and international trade for Q3, and labour market data to August 2017.
- For Leeds City Region, labour market and export data is available for Q2 2017, along with the Chambers of Commerce Quarterly Economic Survey and data on new business bank accounts for Q3. Data is also presented comparing the 2017 Leeds City Region Business Survey with the last iteration of that survey in 2015.

### Global context and forecasts

- The recent upturn in global economic activity continues, with most major economies seeing strong growth in the first half of 2017 compared to previous years.
- The broad upturn in activity so far this year is reflected in the IMF's latest World Economic Outlook, which has revised up its forecast for global growth by 0.1% to 3.6% in 2017, an acceleration from growth of 3.2% last year.
- The IMF expect UK growth to slow from 1.8% in 2016 to 1.7% this year and 1.5% in 2018, a slight downward revision from previous forecasts due to lower than anticipated growth in the first half of this year.
- However, the IMF also note that substantial challenges remain, particularly in advanced economies, that need to be addressed before central banks can begin to fully unwind accommodative policies such as quantitative easing.
- The Eurozone again reported strong expansion, with output increasing by 0.6% in Q3 and remaining close to the six year high of 0.7% seen in Q2. The single currency area has also seen unemployment fall to 8.9%, its lowest level since 2009.
- In the US, the economy grew by 0.7% in Q3, again close to the 0.8% seen in Q2. Strong consumer spending and business investment helped to sustain growth in spite of the widespread disruption caused by recent hurricanes.
- The Chinese economy also maintained strong growth, expanding at an annual pace of 6.8% between Q3 2016 and Q3 2017. Among the key drivers of growth were real estate spending and government financed infrastructure investment whilst private business investment struggled to keep pace, reawakening concerns about China's attempts to transition to a more service led economy whilst avoiding a house price bubble.
- The outlook for India continues to be dampened by the impact of changes to currency and the introduction of a new nationwide sales tax. Elsewhere, relatively subdued commodity prices continue to pose an issue for emerging nations reliant on the export of raw materials, though the upswing in global activity in major economies should help to sustain demand.
- Oil prices have hit a two year high recently of \$62 per barrel having averaged around \$50 a barrel in the first half of the year. Expectations that OPEC will maintain its recent cut in production, combined with political upheaval in oil producing states such as Iraq and Saudi Arabia, have pushed prices higher though this analysts expect the spike to be short-lived.
- Whilst commodity prices more generally saw modest growth in the early months of 2017, this has since tailed off with prices falling around 10% between February and June.



**Global economy summary:** The global recovery is becoming more sustained, prompting attention to turn towards removing some of the stimulus measures propping up the economy since 2008. There remain concerns about the underlying health of advanced economies however, with low inflation and wage growth a key issue.



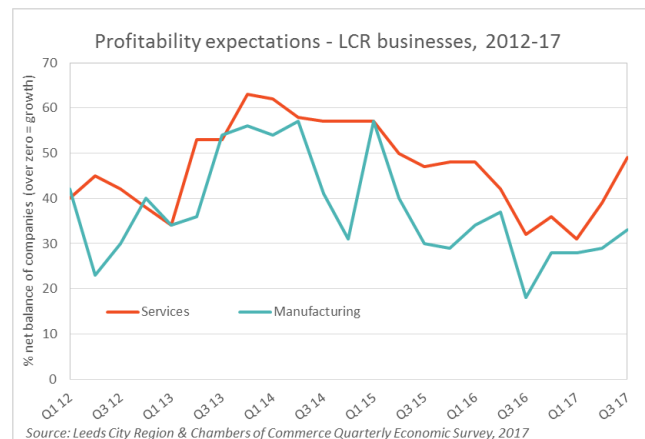
**UK economic performance**

Indicator	Latest position	Chart	Trend
<b>Economic headlines</b>	<p>UK GDP increased by 0.4% in Q3 2017, expanding at a similar rate to the 0.3% growth seen in Q2. Growth so far in 2017 has averaged around half the 0.6% quarterly average seen in the preceding three years and is now below that of other G7 nations.</p> <p>Whilst this in part reflects a pickup in growth elsewhere, it also appears that factors such as Brexit-related uncertainty may be inhibiting UK growth.</p>	<p>UK GDP growth - 2007-17</p> <p>Source: Office for National Statistics, 2017</p>	
<b>Confidence and sentiment</b>	<p>Subdued activity in the construction sector is confirmed by the latest Markit/CIPS PMI, which found growth in housebuilding was largely offset by weaker civil and commercial activity.</p> <p>More positively, service sector firms and manufacturers reported more robust growth, with the former seeing the fastest expansion in six months. Optimism for the year ahead remains relatively weak, however.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-17</p> <p>Source: Markit/CIPS PMIs, 2016-17</p>	
<b>Labour market</b>	<p>There were 32.1 million people in work in the UK in the three months to August, up 94,000 on three months earlier and 338,000 on August 2016. The employment rate has now reached 75.1%, up from 74.9% in May. Unemployment also continues to fall, with the number down 215,000 over the past year to 1.44 million, an unemployment rate of 4.3%.</p> <p>Employment growth is being driven by an increase in full-time positions, with the number working full-time up by 346,000 in the past year and the number working part-time down 29,000.</p>	<p>UK employment growth 2008-17</p> <p>Source: Office for National Statistics, 2017</p>	
<b>Trade and exports</b>	<p>The volume of retail sales declined by 0.8% between August and September in a further sign that consumer activity is slowing. The more stable three month average still shows growth of 0.6%, however.</p> <p>The UK's trade deficit (the difference between exports and imports) increased from £6.5bn in the three months to May to £9.5bn in the three months to September. Imports increased by £3.2bn in the last quarter, whilst exports fell slightly.</p>	<p>UK balance of trade - 2007-17</p> <p>Source: UK Trade, ONS 2017</p>	
<b>Inflation and wages</b>	<p>Inflation in the UK increased to 3% in September, up from 2.9% in August to its highest level since 2012. Food &amp; drink, household goods and transport costs were key drivers of inflation. The fall in sterling post-referendum is a key driver behind higher inflation in the UK than in other major economies.</p> <p>Wage growth remains relatively low, with average weekly earnings increasing by 2.1% in August. As such, pay fell by 0.4% in real terms (adjusted for inflation) between August 2016 and August 2017.</p>	<p>Wage growth and inflation, 2008-17</p> <p>Source: Office for National Statistics, 2017</p>	

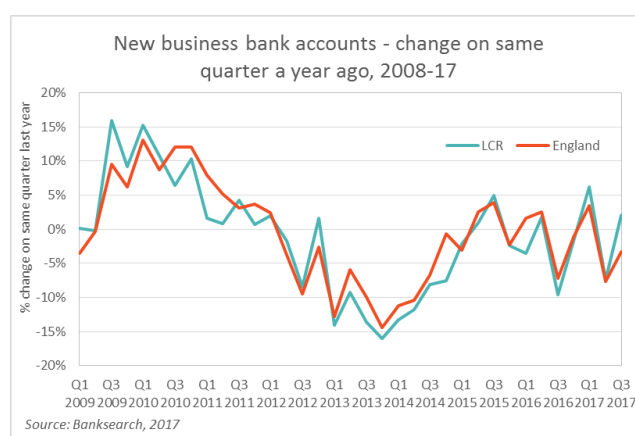
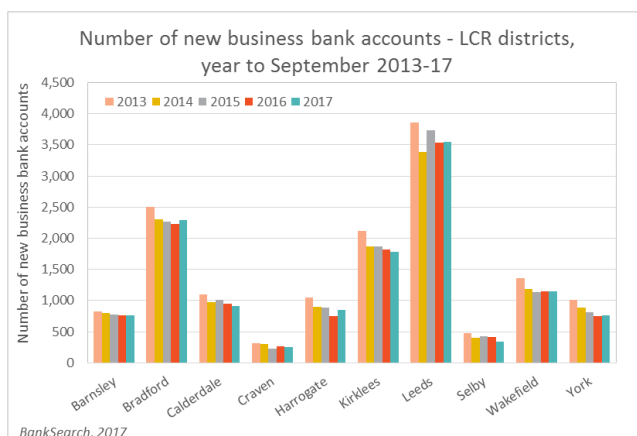
**UK economy summary:** The UK economy has continued at a similar pace to recent months, though growth remains a little below that of other major economies and below longer term trends. More positively, the manufacturing sector reported stronger growth and employment remains at record highs.

## Leeds City Region – Business Performance and Confidence

- Manufacturers in Leeds City Region recorded strong performance in Q3 2017 according to the Quarterly Economic Survey (QES) with the Chambers of Commerce. The net balance of firms reporting increased domestic sales rose to 28%, up from 9% in Q2. This is consistent with official national data for Q3, which showed strong expansion in the manufacturing sector. Export sales also improved, expanding at their fastest pace since the recession.
- Service sector firms also reported positive performance in Q3. Whilst the number of firms reporting domestic sales growth slowed a little from its peak in Q2, it remains higher than at any point since early 2016 whilst export activity in the service sector increased back to its highest point since early 2015.
- This upturn in activity has resulted in increased business confidence. Almost half of all service sector firms and a third of manufacturers now expect profitability to increase over the next year, both up 10 points on the previous quarter. Despite this, concerns over cost pressures and exchange rates remain elevated.
- Manufacturers have also reported an increase in capital investment in Q3, with 31% of firms increasing investment.
- The LCR Business Survey supports the view that business investment has generally held up since 2015. A net balance of 27% said investment had increased in the past year, the same as in 2015. Access to finance remains the biggest barrier to growth according to the latest business survey, though the proportion citing this as an issue has fallen from 17% in 2015 to 12% in 2017.



- 4,100 new business bank accounts were opened in Leeds City Region in Q3 2017, a figure broadly consistent with Q2. The number of account openings is up 2% from Q2 2016, compared to a 3.5% fall nationally over the same period.
- So far in 2017, 12,600 new accounts have been opened in LCR, the same number as in the first three quarters of 2016. 2.6% fewer accounts have opened across England over that period. Only 5 LEPs have seen faster expansion in activity on this measure than Leeds City Region so far this year.
- Harrogate has seen a 12% increase in account openings so far this year, though this partly reflects the fact that account openings in the district in 2016 were lower than in other recent years. Bradford (+2.5%) and York (+2%) have also seen increases in account openings so far this year.

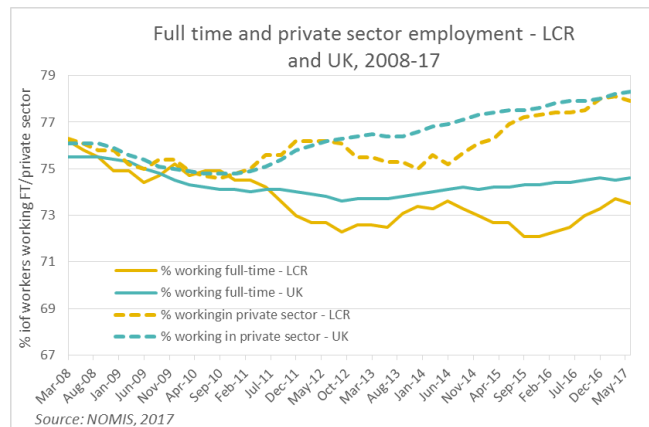
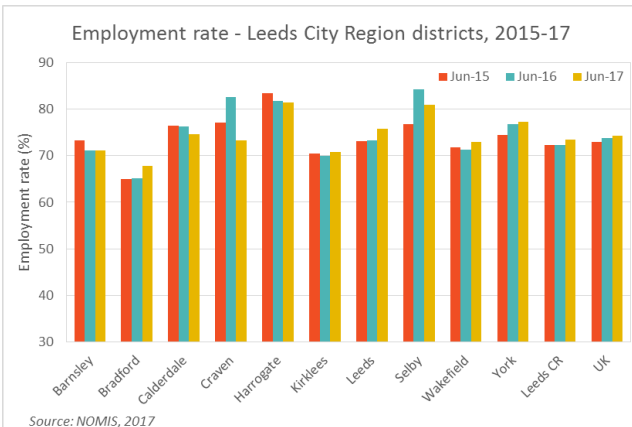


**Summary:** Business confidence rebounded in Q3 on the back of stronger domestic demand and export performance. Stronger data on new business formation compared to most other LEP areas, along with a recovery in manufacturers' investment plans, also reflect a degree of optimism in the local economy.

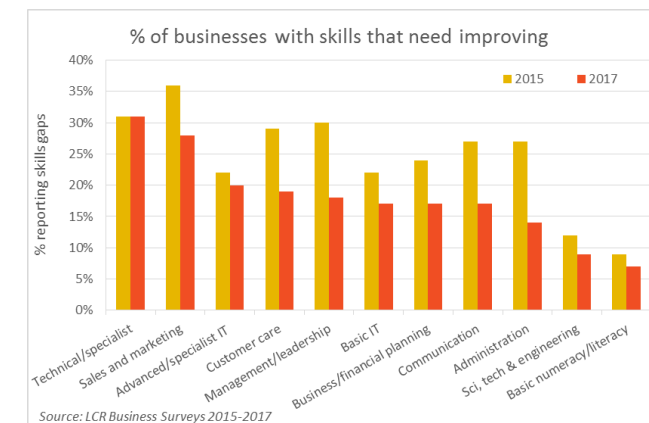
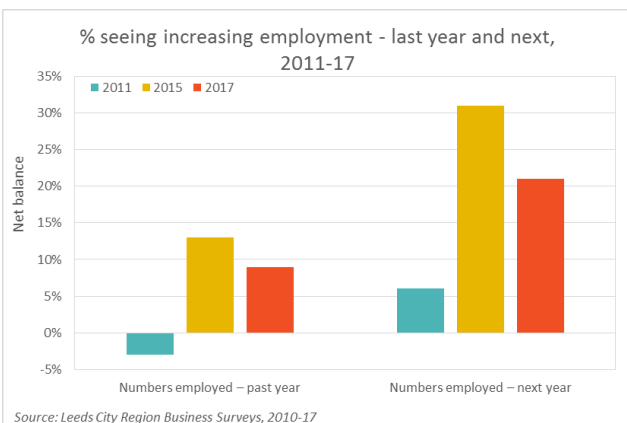


## Leeds City Region – Labour Market

- There are 1.4 million LCR residents in work as of Q2 2017, 26,000 more than a year earlier though largely unchanged from Q1. The employment rate stands at 73.4%, broadly unchanged from the 73.5% seen in Q1 and slightly below the comparable national rate of 74.2%. It is also still above the pre-recession peak of 73.3%.
- Employment growth over the past year has been fastest in Bradford and Leeds, both of which have seen job numbers increase by 4% since Q2 2016, in excess of the 1.1% growth seen nationally. The employment rate is highest in Harrogate (81.4%) and Selby (80.9%), though it is above the national average in all of the North Yorkshire districts in LCR as well as Calderdale and Leeds.



- Unemployment increased slightly in LCR over the past three months, rising from 67,500 in Q1 2017 to 71,000 in Q2. Most districts saw relatively little change in unemployment levels, though increases of around 2,000 in Leeds and Wakefield offset a 1,300 fall in Bradford. The City Region’s unemployment rate of 4.8% is slightly higher than the 4.6% seen in Q1 but is down from 5.7% a year ago. The LCR rate remains similar to the comparable UK rate of 4.7%.
- The Leeds City Region Business Survey 2017 shows that more businesses expect their headcount in the coming year to increase than decrease. A net balance of 21% of firms said they expect employment in their organisation to increase over the next twelve months with a quarter of firms expecting employment to increase and just 4% expecting to see a decline (the remaining 71% either expected no change or were unsure).
- The proportion of firms expecting to see their headcount increase next year has fallen from 31% when the survey was last carried out in 2015 to 21% in 2017. This perhaps reflects the greater uncertainty in the economic climate, though optimism is still substantially higher than in the 2011 survey.



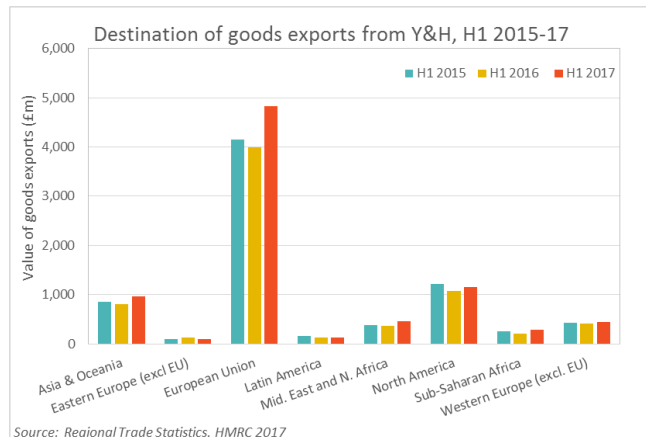
- The number of firms reporting that they have struggled to fill vacancies in the past year has remained consistent since 2015, at 20%. Technical/specialist or job-specific skills are by far the hardest to come by, with 63% of firms with hard to fill vacancies saying they had struggled to find suitable candidates with such skills.
- Technical/specialist skills are also the area where most businesses say they need to improve in the 12 months, with 31% of all firms saying they would need to improve their skills in this area to meet the organisation’s needs. Sales/marketing (28%) and digital skills (20%) were also frequently identified as needing improvement.

**Summary:** Though overall employment levels were largely unchanged in Q2, LCR businesses continue to create jobs and expect this trend to continue into 2018. They continue to face challenges in recruiting staff with the right technical and specialist skills, with these problems particularly acute in certain sectors.

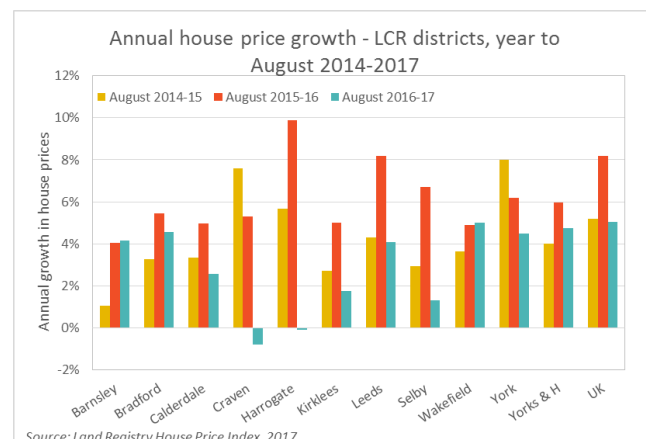
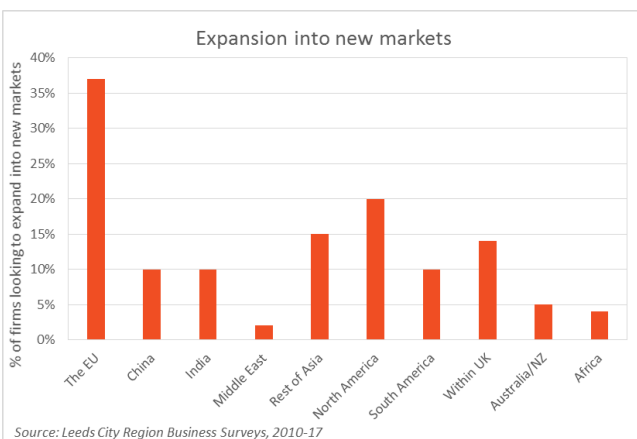


## Leeds City Region – Trade, exports and investment

- Yorkshire & Humber businesses exported goods worth £4.2bn in Q2 2017, down slightly from £4.1bn in Q1 but higher than the £3.7bn exported in Q2 2016.
- Goods to the value of £8.35bn have been exported from Yorkshire & Humber in the first half of 2017, an increase of 17.5% on the same period last year. This broadly mirrors national performance, but growth is substantially higher than in other Northern regions, with North West exports up 6.8% and North East up 7.6%.
- The value of goods exported to the EU is 21% higher in the first half of 2017 than it was in the corresponding period last year. As such, the EU remains the primary destination for goods exported from the region, accounting for £4.8bn (58%) of value in the first half of 2017, up from £4bn (56%) in 2016.
- Looking over a longer period, goods exports have averaged £4bn per quarter in Yorkshire & Humber in the year since the Brexit vote compared to an average of £3.5bn in the year preceding the referendum. This pattern is repeated nationwide, suggesting the fall in sterling post-EU referendum has helped to increase the value of UK exports.
- This reflects the broader trend of increasing exports since the Brexit referendum, with the EU seeing an increase of 16.7% in goods exports from Yorkshire & Humber in the year since the referendum compared to the preceding year. Total goods exports from the region are 12.9% higher over that period, suggesting that whilst all markets (excluding Eastern Europe) have seen increased trade with Yorkshire & Humber over the past year the EU, as the nation's major trading partner, has seen the most significant uplift in trade.



- Looking ahead, 1 in 9 firms told the LCR Business Survey that they are looking at expanding into new markets in the year ahead. Of these, 37% were targeting the EU – more than any other market. The US is next most commonly targeted market, mentioned by 20% of firms, with China, India and other Asian markets also featuring prominently.



- House prices in Yorkshire & Humber grew by 4.8% between August 2016 and August 2017 – similar to the 5% increase seen nationally. House price growth is below the 6% seen in the region in the year to August 2016 but above the 4% seen in the same period in 2015.
- In commercial property, office vacancy rates in West Yorkshire have averaged around 7.8% so far in 2017, a similar level 2015 having increased slightly last year thanks to an increase in supply. The amount of floor space leased so far this year has exceeded the floor space brought to market.

**Summary:** The region has seen strong growth in goods exports in the first half of 2017 compared to last year. Businesses seem to be increasingly willing to explore new overseas markets beyond the EU in search of growth.



## Conclusions and outlook

- Globally, the recent solid performance in major economies has continued with the US and Eurozone both posting strong growth in Q3. In both cases, there is sufficient confidence that the long awaited recovery has enough momentum to begin planning to remove or reduce the stimulus programmes in place since the recession.
- Whilst the moves towards the normalisation of monetary policy has been welcomed by many, others including the IMF have voiced concerns that there remain a number of underlying issues in the global economy, and have urged a cautious path with regard to withdrawing stimulus. Chief among these issues is that inflation remains markedly lower than the pre-recession period in most developed economies (the UK excluded). Low wage growth is acting to inhibit inflation, in spite of the strong recovery seen in headline measures of employment which would in usual circumstances lead to higher earnings.
- The IMF suggest that away from the positive employment growth, there remains a substantial amount of slack in labour markets with significant numbers underemployed in involuntary part-time work, or engaged in less secure temporary employment. Whilst actions such as labour hoarding may have limited the peak in unemployment during the downturn, these issues have exacerbated lower productivity growth which in turn limits firms' ability to increase wages.
- Whilst subdued wage growth is an issue across the developed world, the low inflation seen in other major economies is not a problem shared by the UK, where inflation is running well ahead of the government's 2% target. Whilst it is widely recognised that the key driver of higher prices in the UK is the fall in the value of the pound since the EU referendum, the Bank of England was still sufficiently concerned about rising inflation to increase interest rates for the first time in a decade. The move helped to shore up the value of sterling which may help ease some of the pressures businesses are experiencing through rising import prices.
- The interest rate move comes in spite of UK growth slowing compared to that of other G7 nations so far this year, and below the levels seen in the UK in the preceding three years. Whilst the economy has maintained growth since June 2017 and has performed particularly well in terms of job creation, it does appear that headline growth has is below trend, perhaps due to a combination of factors including subdued consumer activity and Brexit-related uncertainty.
- National reports suggest that there is increasing concern among the business community about the apparent lack of progress on Brexit negotiations, with the CBI urging the government to agree a transition deal by the end of the year to avoid businesses having to enact contingency plans for a "no deal" scenario early in 2018.
- Local data, particularly that from the Chambers' QES, suggests that local firms are still feeling the pressure from increased prices so from their perspective any moves by policymakers to help ease that will be welcome. Equally, HRMC's regional export data shows a strong upturn in exports from the region so far in 2017, suggesting that increasing international trade will offset some of the burden felt through increasing costs for those firms who are prepared to explore opportunities overseas.
- Locally however, both the QES and the LCR Business Survey suggest levels of investment are comparable to previous years, and businesses continue to create jobs at a solid pace. This, combined with BankSearch data suggesting new business formation here is keeping pace with previous years and outperforming other LEP areas, suggests that for the time being at they are focused on growing their operations and are optimistic about the year ahead.
- *This briefing has been produced by the West Yorkshire Combined Authority Research & Intelligence team. Any comments or queries can be addressed to [research@westyorks-ca.gov.uk](mailto:research@westyorks-ca.gov.uk)*

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National and international				Leeds City Region			
Indicator	Latest position	Chart	Trend	Indicator	Latest position	Chart	Trend
<b>Economic headlines</b>	<p>The recent upturn in global economic activity continues, with most major economies seeing strong growth in the first half of 2017 compared to previous years. Output in the Eurozone increased by 0.6% in Q3 whilst the US, the economy grew by 0.7%.</p> <p>UK GDP increased by 0.4% in Q3 2017, expanding at a similar rate to the 0.3% growth seen in Q2. Growth so far in 2017 has averaged around half the 0.6% quarterly average seen in the preceding three years and is now below that of other G7 nations.</p>			<b>Economic headlines</b>	<p>The Quarterly Economic Survey (QES) with the Chambers of Commerce for Leeds City Region for Q3 2017 found strong growth for both manufacturers and service sector firms. Export activity accelerated across both sectors, and whilst there was a slight dip in service sector domestic sales growth, it remains above its recent average.</p> <p>So far in 2017, 12,600 new business bank accounts have been opened in LCR, consistent with 2016. 2.6% fewer accounts have opened across England over that period. Only 5 LEPs have seen faster expansion in activity on this measure than LCR so far this year.</p>		
<b>Business performance &amp; confidence</b>	<p>Subdued activity in the construction sector is confirmed by the latest Markit/CIPS PMI, which found growth in housebuilding was largely offset by weaker civil and commercial activity.</p> <p>More positively, service sector firms and manufacturers reported more robust growth, with the former seeing the fastest expansion in six months. Optimism for the year ahead remains relatively weak, however.</p>			<b>Business performance &amp; confidence</b>	<p>The QES for Q3 found increasing confidence among City Region businesses. Almost half of all service sector firms and a third of manufacturers now expect profitability to increase over the next year, both up 10 points on the previous quarter. Despite this, concerns over cost pressures and exchange rates remain elevated.</p> <p>Manufacturers have also reported an increase in capital investment in Q3, with 31% of firms increasing investment.</p>		
<b>Trade and exports</b>	<p>The volume of retail sales declined by 0.8% between August and September in a further sign that consumer activity is slowing. The more stable three month average still shows growth of 0.6%, however.</p> <p>The UK's trade deficit (the difference between exports and imports) increased from £6.5bn in the three months to May to £9.5bn in the three months to September. Imports increased by £3.2bn in the last quarter, whilst exports fell slightly.</p>			<b>Trade</b>	<p>Goods to the value of £8.35bn have been exported from Yorkshire &amp; Humber in the first half of 2017, an increase of 17.5% on the same period last year. This broadly mirrors national performance.</p> <p>The EU remains the primary destination for goods exported from the region, accounting for £4.8bn (58% of value in the first half of 2017, up from £4bn (56%) in 2016. Both the Middle East/North Africa and Asia/Oceania (+20%) have also seen strong growth in the value of trade from Y&amp;H so far this year.</p>		
<b>Labour market</b>	<p>There were 32.1 million people in work in the UK in the 3 months to August, up 94,000 on 3 months earlier. The employment rate has now reached 75.1%. The unemployment rate has fallen to 4.3%, having stood at 5% a year ago.</p> <p>Inflation in the UK increased to 3% in September, up from 2.9% in August to its highest level since 2012. Meanwhile wage growth remains subdued, with average weekly earnings increasing by 2.1% in August. As such, pay fell by 0.4% in real terms (adjusted for inflation) in the year to August 2017.</p>			<b>Labour market</b>	<p>There are 26,000 more LCR residents in work in Q2 2017 than a year earlier. The employment rate stands at 73.4%, broadly unchanged from the 73.5% seen in Q1 and above the pre-recession peak of 73.3%.</p> <p>Employment growth over the past year has been fastest in Bradford and Leeds, both of which have seen job numbers increase by 4% since Q2 2016, in excess of the 1.1% growth seen nationally. The employment rate is above the national average in all of the North Yorkshire districts in LCR as well as Calderdale and Leeds.</p>		
<b>Forecasts/prospects</b>	<p>The broad upturn in global activity so far this year is reflected in the IMF's latest World Economic Outlook, which has revised up its forecast for global growth by 0.1% to 3.6% in 2017, an acceleration from growth of 3.2% last year.</p> <p>The IMF expect UK growth to slow from 1.8% in 2016 to 1.7% this year and 1.5% in 2018. This is below their forecast for advanced economies as a whole of 2.2% growth in 2017 and 2% in 2018.</p>			<b>Other indicators</b>	<p>House prices in Yorkshire &amp; Humber grew by 4.8% between August 2016 and August 2017 – similar to the 5% increase seen nationally. House price growth is below the 6% seen in the region in the year to August 2016 but above the 4% seen in the same period in 2015.</p> <p>Within Leeds City Region, prices increased fastest in Wakefield, up 5% year on year, whilst Bradford (+4.6%) and York (4.5%) have also seen increases close to the national average.</p>		
<b>Summary</b>	<p>The global recovery is becoming more sustained, prompting attention to turn towards removing some of the stimulus measures propping up the economy since 2008. There remain concerns about the underlying health of advanced economies however, with low inflation and wage growth a key issue. The UK economy has maintained its recent steady performance. Whilst growth remains a little below that of other major economies employment remains at record highs, though that is not as yet translating into stronger wage growth. City Region businesses appear to be continuing their "business as usual" approach, with solid domestic demand and expanding export activity ensuring businesses remain optimistic about the year ahead.</p>						

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



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**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** Industrial Strategy: follow up to LEP Board Away Day

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## 1 Purpose

1.1 The purpose of this paper is to:

- update the LEP Board on the development of a single, bold city region strategy, owned by both the LEP and CA with inclusive growth at its core; and
- seek LEP Board approval to formally commit to beginning the development of Local, Inclusive Industrial Strategy (LIIS) as a replacement for the Strategic Economic Plan (SEP)

1.2 The LIIS will build on the SEP and will be an agile, long-term framework aimed at driving growth, boosting productivity and earning power for a post 2030 economy. To realise this, the report seeks the views and direction of LEP Board on:

- key themes emerging from the evidence base and the Board Away Day held on 19 September;
- how we build on the city region's submission to the Autumn Budget to inform the development of a local inclusive and place based industrial strategy;
- emerging government guidance on the likely objectives and scope of the national Industrial Strategy.

## 2 Background Information

2.1 Earlier this year the government launched its Industrial Strategy Green Paper with the aim of *"improving living standards and economic growth by increasing productivity and driving growth across the whole country"*.

2.2 A White Paper following consultation is expected before Christmas 2017. It is likely that this will set out how LEPs and Combined Authorities might contribute to national Industrial Strategy, perhaps by co-ordinating their own local industrial strategy bringing together local businesses, political and public sector leaders to drive growth and economic regeneration.

## The City Region Operating Licence

- 2.3 The LEP Board (May) agreed proposals to review and refresh the SEP/Industrial Strategy and the WYCA subsequently resolved (August 2017) that the result of any refresh should be a single, bold top-level city region strategy owned by both the LEP and Combined Authority, with inclusive growth at its core. The new document will:
- have a different ‘look and feel’, providing an agile and ‘live’ strategic framework, with sections that might form mini strategies in their own right (e.g. digital);
  - have an expanded policy remit, covering the direct and indirect determinants of inclusive growth, such as how culture and sport contribute to the status and identity of thriving places;
  - guide decision-making over a refocused programme of activity to more clearly drive inclusive growth outcomes; and,
  - put the city region on the front-foot with an ambitious policy platform that improves competitiveness and ensures the benefits are shared fairly.

### LEP Board Away Day, 19 September 2017

- 2.4 Before Government policy is finally determined, the LEP Board Away Day provided the opportunity for Board members to identify new proposals, determine what difference we want to make and for whom and discuss how success will be measured. The Away Day also provided the opportunity for the Board to agree how we use the development of an inclusive, place based industrial strategy as a key delivery vehicle to:
- drive improvements in the city region, building on the progress we have already made;
  - embed inclusive growth through a mix of social and economic policy against four key challenges:
    - The productivity gap is increasing;
    - Innovation and R&D is very low;
    - Living standards have stalled; and
    - Stubborn deprivation persists.
- 2.5 The session was supported with a slide pack of the evidence base, information on emerging proposals and the LCR Industrial Strategy Green Paper consultation response. A number of messages emerging from the Away Day included:
- **Sectors:** Backing particular sectors may go against the strength of the LCR economy – with a key strength being its diversity of businesses. However, it was felt that the City Region did have unique strengths in: health care (and associated technologies), Turbos, and digital/technology sector. It was noted that a focus on health care strength could fit well with the work undertaken for the Northern Powerhouse Independent Economic review.

- **Private sector-led collaboration:** Effective business networks and collaboration are important. The question was asked about whether more could be done to boost the role of Chambers and strengthen the role of existing networks – e.g. greater private sector-led collaboration to help raise the productivity of firms below the industry average?
- **Tackling the challenges facing the care sector:** The discussions highlighted that there is an opportunity to tackle the challenges facing the care sector in the LCR, particularly how technology could be used to improve productivity in the sector;
- **In-work poverty:** It was noted that in-work poverty was now higher than out-of-work poverty, but that those out of work were often the furthest from the labour market. There have been lots of programmes since the economic crisis that have focused on getting people into work who were closest to the labour market, leaving those on ESA (for example) relatively untouched.
- **Raising ambition and aspiration:** It was felt that more needs to be done to raise ambition and aspirations. This could be achieved through the provision of education and training, better information on career opportunities, and the development of career pathways that actively tackle the barriers to progression.
- **Greater adaptability in the design and delivery of support products:** Adaptability, including in the design of support products and in responding to the consequences of technological change on the labour market is critical;
- **Importance of digital skills and infrastructure:** The discussions highlighted the importance of continued investment in digital skills and infrastructure, which will be key to adapting to, and exploiting the opportunities associated with the ‘future economy’. Companies that take advantage of digital technologies tend to be the most competitive/productive;
- **Adopting a flexible and experimental approach to policy design and delivery:** there is a need to be more flexible in our approach and be prepared to be experimental. For example, the City Region could be promoted as a place to trial new ideas and delivery approaches.

#### Leeds City Region Submission to the Autumn Budget

- 2.6 Our submission ahead of the Budget on 22 November 2017 is firmly anchored in government’s approach to a modern industrial strategy. It begins to bring to life the core theme of our response to the spring green paper; understanding the challenges and opportunities in functional economies and joining-up solutions to improve productivity, with the benefits shared fairly.
- 2.7 A summary of our proposals is provided in the table below:

IMMEDIATE PROPOSALS FOR ACTION	MEDIUM TO LONGER TERM AMBITIONS
<ul style="list-style-type: none"> <li>• Commit £2 million to Leeds City Region Growth Hubs Plus Core Offer.</li> <li>• £50 million for five years to secure the Leeds City Region’s world-leading med-tech position with new scale-up support, linked to the Leeds Innovation District.</li> <li>• Support Innovation North £1 million - £3 million proposal being developed by Northern LEPs.</li> <li>• Commit £2.5 million to successful local apprenticeship hubs and £1.3 million over three years to enterprise in education offer</li> <li>• Support the LCR HS2 Growth strategy</li> <li>• £100 million to support Leeds City Region Housing Deal.</li> <li>• Invest up to £40 million Local Energy Fund.</li> </ul>	<ul style="list-style-type: none"> <li>• UK Shared Prosperity Fund forms part of wider Single Pot and is implemented in collaboration with Government and Partners.</li> <li>• Private-sector led cooperation through supply chains to raise productivity in less-productive firms.</li> <li>• Childcare offer to unlock a more inclusive labour market.</li> <li>• Northern Powerhouse Rail, including stops in Bradford and York.</li> <li>• Influence corporate and personal tax systems to eradicate some of the perverse incentives</li> <li>• Pilot a care sector deal to improve quality and increase value</li> </ul>

## EMERGING GOVERNMENT GUIDANCE ON INDUSTRIAL STRATEGIES

2.8 Alex Jones, Director of Industrial Strategy (BEIS) attended the LEP Network Workshop in London on 18th October and provided an update on the national Industrial Strategy, including the department’s review of over 2,000 submissions to the Green Paper consultation. Alex re-iterated the government’s intention to publish the Industrial Strategy White Paper before Christmas, 2017.

2.9 The consultation had expressed support for local delivery and joined up government funding, with investment in skills and infrastructure, addressing the current 2017 challenges of Brexit whilst planning for an ‘economy of the future/post-Brexit’ identified as important priorities.

2.10 The Industrial Strategy is aimed at driving growth, boosting productivity and earning power for a post 2030 economy. This will be achieved by making the most of technological advances. The 10 pillars had been reorganised into 5 drivers that will form a long-term framework that will not be subject to change:

1. Business – backing businesses;
2. People – making sure people have skills to access jobs and deliver growth;
3. Ideas – not just focusing on innovation;
4. Infrastructure – physical, digital and market regulation; and
5. Place – how do we make the most of places?

2.11 Further messages included:

- Local Industrial Strategies will build on SEPs and not necessarily replace;
  - LEPs are at the heart of the government thinking on local industrial strategies but new partnerships and new ways of decision making might be needed; and
  - Government is interested in a co-production model as there are likely to be policy areas where activity needs to relate to national and city regional agendas.
- 2.12 The adoption of a co-production model could provide the following opportunities for the Leeds City Region:
- The development of sector deals where the LCR has a strong interest, and/or use of supply chains to get businesses collaborating to improve business processes and management and improve productivity;
  - Opportunities to re-engineer the incentives and disincentives in tax (individual and corporate) and welfare systems, bearing in mind the strong spatial distributional implications;
  - Exploring options to pilot potential national activity in the LCR; and
  - There is also likely to be an element of co-production required with local authorities – particularly to shape very intensive, hyper-local services that might be particularly important for transforming the lives of people very furthest from the labour market.
- 2.13 In terms of next steps, the LEP Board will be provided with a further update following the publication of the government’s Industrial Strategy White Paper.

### **3. Recommendations**

- 3.1 LEP Board approval is sought to formally commit to beginning the development of a single, bold LIIS as a replacement for the SEP, which will be owned by both the LEP and CA with inclusive growth at its core.
- 3.2 For LEP Board to provide direction on:
- how we build on the key themes and messages emerging from the Board Away Day, city region’s submission to the Autumn Budget and emerging government guidance to inform the development of a local inclusive and place based industrial strategy; and
  - the intention to hold a workshop with (new) private sector members to inform the development of the LIIS.

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**Director:** Rob Norreys, Director of Policy, Strategy & Communications  
**Author:** Jonathan Skinner



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**Report to:** LEP Board  
**Date:** 29 November 2017  
**Subject:** Role of Culture, the Arts & Sport in LCR Strategy

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## 1 Purpose

- 1.1 To advise the LEP Board of the conclusions from an engagement exercise with partners on the focus of a city region approach to culture, the arts and sport, and the rationale for doing so.

## 2 Information

### City region ambitions on culture, the arts and sport

- 2.1 The LEP Board, along with the West Yorkshire Combined Authority, resolved to expand its policy range to cover the full direct and indirect determinants of inclusive growth. This includes the role of culture, the arts and sport in creating places with a high quality of life, helping to attract and retain talent, as well as the direct economic impacts (e.g. providing jobs and attracting visitor spend, etc.).
- 2.2 With partners, the WYCA commissioned an independent engagement exercise to broker agreement about the focus of city region work – and those things that should not be a city region priority at this time. It engaged with a wide range of city region leaders, regional cultural institutions and sector experts.
- 2.3 The full report is attached as **Appendix 1**. Its findings and recommendations span short, medium and longer-term actions so cultural, artistic and sporting activities are fully integrated into a city region inclusive industrial strategy.
- 2.4 While some practical steps can be taken immediately to improve coordination, achieving more transformative and ambitious changes depends on further investment. The LEP Board and WYCA have previously been advised that other similar city regions receive additional resources (including significant revenue component for a period of up to 30 years), and amounting to around an extra £50m+ per year. Although this won't all be targeted at cultural, arts or sporting projects and has to be set in context of larger public spending cuts, it nonetheless represents potential significant additional investment to be directed by local business and civic leaders.

2.5 The findings and recommendations associated with short-term actions are:

Finding	Recommendation	Short-term action (0 – 6mths)
<ul style="list-style-type: none"> <li>• Culture, the arts and sport are referenced in the SEP and district strategies, but this rarely goes far enough. The position of culture, arts and sport should be considerably strengthened within city region strategy recognising benefits for place making, a quality of life that attracts and retains talent, and inclusive growth.</li> <li>• The LCR has a strong and diverse range of cultural arts and sport assets, although opportunity exists to further enhance the range, quality and use of these assets (but the city region should not necessarily aspire to fill all gaps).</li> <li>• There needs to be championing and profile building for culture, arts and sport in the city region, backed by strong co-ordination and networking, and with consideration of Yorkshire level join up.</li> </ul>	<p>Rec 1: Strengthening the position of culture, arts and sport in city region strategy could be achieved by:</p> <ul style="list-style-type: none"> <li>○ upgrading in a new inclusive industrial strategy;</li> <li>○ developing a high level LCR culture/arts/sport framework</li> <li>○ stronger content in, and connection between, local and city region strategies.</li> </ul> <p>Rec 3: LEP, districts and cultural partners to map, plan and present the city region’s arts, culture and sport offer collectively to maximise the benefits they bring.</p> <p>Rec 10: Strong leadership and championing is needed to develop and promote the offer. While the focus should be on LCR, partners support connection to Yorkshire structures and identity where helpful.</p>	<ul style="list-style-type: none"> <li>➤ The new local inclusive industrial strategy to recognise the direct and indirect economic impacts of culture, art and sport. This should also link to stronger coverage in local plans.</li> <li>➤ LEP/CA coordinate between partners the collective mapping and presentation of significant arts, cultural and sporting assets and how they together build a high quality of life.</li> <li>➤ Partners (including LEP, local authorities and Welcome to Yorkshire) determine the best approach to provide strong city region leadership to champion the city region’s culture, arts and sporting offer, focusing on its attractiveness as a place to invest and provide a high quality of life, and deliver inclusive growth outcomes.</li> </ul>



2.6 The findings and recommendations associated with medium-term actions are:

Finding	Recommendation	Medium-term action (6 – 12 months)
<ul style="list-style-type: none"> <li>• Stakeholders place equal value on culture, art and sport, and connections between them.</li> <li>• Some gaps identified in the LCR ‘offer’ compared to other big city regions (elsewhere in the UK and abroad).</li> <li>• Partners prefer to focus on broad areas for investment rather than specific projects.</li> <li>• Rather than establishing ‘to do’ lists, as a first step agree a set of strategic investment principles around which a decision making framework can be built.</li> <li>• There is strong support for progressing inclusive growth through culture, art and sports initiatives. For example, projects should be located and have appeal across communities, including those that feel ‘left behind’.</li> <li>• There is slender information about the impact of public projects on indirect benefits (e.g. to place-making and quality of life), compared to economic criteria.</li> </ul>	<p>Rec 2: The LCR can help address the short supply of evaluation evidence into the wider ‘place-making’ impact of projects by commissioning evaluations, including to perceptions of quality of place.</p> <p>Recs 5 &amp; 6: Do not single out any dimension of culture, arts or sport above others, and agree a set of investment principles to invest:</p> <ul style="list-style-type: none"> <li>○ Where there is a well made case;</li> <li>○ In quality transformation;</li> <li>○ In people and inclusive places;</li> <li>○ Strategically, to connect partners, projects and places;</li> <li>○ Catalysing business growth.</li> </ul> <p>Rec 7: Most partners have specific local priorities, but there is room for a broad range of potential investments.</p>	<ul style="list-style-type: none"> <li>➤ Develop a high-level LCR culture / arts / sport framework to set shared priorities. The intention is for this to be jointly led with other major commissioners (e.g. Arts Council England) and coordinate funding (as available).</li> <li>➤ The framework should reflect a set of agreed investment principles.</li> <li>➤ Develop a means of evaluating the wider ‘place-making’ impact of projects.</li> </ul>

2.7 The findings and recommendations associated with longer-term actions are:

Finding	Recommendation	Long-term action (12 months +)
<ul style="list-style-type: none"> <li>• Other than the (very limited) Business Rates Pool, the city region currently has no significant funding streams with criteria that suitably cover place-making and quality of life dimensions.</li> <li>• In time, the city region should aspire to establish new, sustainable funding stream(s) that drive strategic place-making and quality of life.</li> </ul>	<p>Rec 4: There is support for long term sustainable funding mechanisms that can support culture, art and sports initiatives either through a new funding stream (should opportunity arise) or opening up existing funding streams through changes to prioritisation and appraisal processes (within powers).</p> <p>Rec 8: Inclusive growth benefits should be factored into project assessment and prioritisation.</p> <p>Rec 9: A new or revised assurance framework for culture, arts and sport projects (and wider place making ones) to enable benefits to be fully and fairly assessed and compared against other proposals. This should include indirect benefits and qualitative and judgement based factors – the concept of ‘strategic added value’ should be explored as a potential way forward.</p>	<ul style="list-style-type: none"> <li>➤ Keep under review the prospect of a new funding stream (should the opportunity arise), and the degree to which existing funding streams might be opened-up.</li> <li>➤ To develop an assurance framework so that the benefits of culture/arts/sports projects are fully and fairly assessed, including indirect &amp; qualitative factors; potentially via a strategic added value test.</li> </ul>

**3 Recommendations**

3.1 That the LEP Board note the findings from the report about the city region focus of work on culture, arts and sport, and agree the set of actions to deliver its recommendations.

**Les Newby Associates**

strategy and solutions in a changing world



## **The Connection between Culture, the Arts and Sport and Economic Development in the Leeds City Region**

**DRAFT REPORT**

**By Les Newby and Nicky Denison**

**November 2017**

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## Executive Summary

Leeds City Region has a vision to be a globally recognised economy where good growth delivers prosperity, jobs and high quality of life for all. Having a thriving cultural, arts and sporting sector is an important dimension of this, but to date is not an area of explicit priority. The Combined Authority is now expanding its policy range around an inclusive growth agenda, and reviewing its funding programmes accordingly. The time is right therefore for partners, through this work, to start to reflect on the contribution the sector makes to inclusive growth; its key assets, needs and opportunities; the case for investing; and what any priorities and future city region response should be.

This exercise has revealed that partners across places and sectors have a strong desire to address the current policy and partnership vacuum at Leeds City Region level on culture, arts and sport; and to develop a way to fully account for the significant direct and indirect benefits that culture, art and sport bring for people, places and the economy. There is a wealth of assets on which to build in doing this and a shared desire to put aside competition in favour of a collaborative and strategic approach to widening and accelerating action.

In that context, the **overall conclusions** of this study are that:

**1) The position of culture, arts and sport should be considerably strengthened within Leeds City Region strategy** and become a priority within a place making and inclusive growth based approach.

This could be achieved through a combination of:

- Upgrading content as part of a future SEP review or new inclusive industrial strategy
- Development of a high level Leeds City Region culture/arts/sports framework/plan which supports the SEP and provides clarity on approach and prioritisation
- Stronger content in, and connection between, local economic, cultural and sports strategies

**2) Good quality evidence on the economic impact of culture, arts and sport is in short supply.** The significant value of the culture, arts and sport sectors in terms of GVA and employment is clear, but there is a much weaker basis for assessing the impact that interventions will have, including indirect, long term and qualitative benefits. The City Region could help to address this by commissioning evaluations of new culture, arts and sport projects, and commissioning research into perceptions of quality of place and the culture, arts, sport offer in Leeds City Region.

**3) The City Region has a strong and diverse range of cultural, arts and sport assets, although opportunity exists to further enhance the range, quality and utilisation of these assets – although not to strive to fill any and all gaps. There is a strong and shared desire to map, plan and present the Leeds City Region cultural, arts and sport offer collectively** to maximise the benefits it brings.

**4) There is unanimity that investment in culture, art and sport would help the Leeds City Region and local economies, chiefly based upon its role in adding to quality of life, place making and profile, and attracting and retaining talent, tourism and investment. There is support for long term, sustainable funding mechanisms that can support culture, art and sports initiatives,** either through a new funding stream (should opportunity arise to create one) or opening up existing funding streams through changes in prioritisation and appraisal processes. There is also support for exploring how the investments of others, including the private sector, can be aligned across policy areas to leverage funding and maximise impact.

- 5) **Stakeholders place equal value on culture, art and sport**, see connections between them, and would not want one area singled out above others. Likewise they are open to considering a wide range of intervention areas, both revenue and capital based, in support of a rich, diverse and unique offer. Interventions should be considered on their merits on a case by case basis, in the context of the place(s) they are based, strategic priorities and via an agreed assurance framework.
- 6) A spread of considerations should be taken into account in setting priorities and investment. These could be distilled into a **set of 'Investment Principles'** based upon investing:
  - where there is a well-made case
  - in quality and transformation
  - in people and inclusive growth
  - strategically to connect partners, projects and places
  - catalysing business growth
- 7) Generally, partners prefer to focus on broad areas for investment rather than specific projects; and these **potential areas for investment include culture and art, sport, events, sector development, skills and young people, profile raising and place making**. Most local partners also have specific local priorities. Beyond these, a small number of specific opportunities were raised (but not always advocated) by multiple partners, notably Leeds 2023, international cricket at Headingley, attracting international events, and developing the film and screen industries.
- 8) There is **strong support for progressing inclusive growth through culture, art and sports** initiatives. Inclusive growth benefits should be factored into project assessment and prioritisation, and there is potential to scale up and co-locate culture, arts and sports projects that reach deprived communities and improve people's skills, confidence and employment opportunities. More widely, culture, arts and sport projects should be located and have appeal across communities, including older industrial centres and communities that feel 'left behind'.
- 9) A **new or revised assurance framework for culture, arts and sports projects** (and wider place making ones) is required to enable benefits to be fully and fairly assessed and compared against other proposals. This should include indirect benefits and qualitative and judgement based factors. The concept of 'strategic added value' should be explored as part of a way forward. There is much expertise to draw on from partners such as the Arts Council and Sport England.
- 10) **Strong leadership and championing is needed** to develop and promote the City Region's culture, arts and sport offer. This should be backed by improved co-ordination in organisations, an enabling approach and networks connecting key players. There was appetite for exploring the role of a city region culture, arts and sports forum to foster collaboration and alignment of priorities and investment and to share good practice. Whilst the focus should be on Leeds City Region, partners support connection to, and use of, Yorkshire structures and identity where helpful.

**Looking ahead:** It appears that there is a genuine shared desire – amongst key stakeholders in local government, the city region, and the sector - to come together to articulate the ambition and develop the necessary relationships to build and deliver a strategic and long-term approach to maximising the impact of culture, arts and sport in the Leeds City Region. This is supported by a policy environment that is evolving and starting to make more room for accepting how a broader range of factors drive sustainable, inclusive growth in places. These factors come together to present a real momentum on which to capitalise.

## 1. Introduction and Methodology

### Context and Key Questions

The Leeds City Region has a vision to be a globally recognised economy where good growth delivers prosperity, jobs and a high quality of life for all. Having a thriving cultural, arts and sporting sector is an important dimension of this vision and for the Leeds City Region economy. This relates both to the direct benefits it brings, such as its contribution to Gross Value Added and employment; and to those that are more intangible in nature, such as its role in improving quality of life and wellbeing, shaping place identity and profile, and attracting and retaining talent and investment.

The Leeds City Region's Strategic Economic Plan broadly recognises this argument, but does not make it a strong theme or priority. Likewise, city regional economic programmes (such as Growth Deals) have not made culture, art and sport an explicit priority. As the Combined Authority begins to expand its policy range to cover a much wider set of determinants of inclusive growth, and reviews its funding programmes accordingly, the time is right for partners to reflect on this and to consider:

- What is the sector's reach and role in creating a high quality of life and inclusive economy;
- What are the sector's key strategic assets, opportunities and needs;
- What is the case for investment or other supportive activity, how widely is it supported, and what types of action should be covered; and
- What is required at the city region level in response, and how does that link to other geographic levels?

### This Study

The Combined Authority commissioned this work to review the current position and evidence and engage with key stakeholders in local government and across the sector itself, in order to better understand perspectives on the points above. As far as possible, the work was intended to identify and build agreement around what a broad set of parameters for any future culture, art and sport programme (subject to funding) might look like. Its methodology is based on three main components:

- i) A review of economic strategies in Leeds City Region to assess the extent to which culture, the arts and sport are included; combined with review of any major cultural, arts or sports strategies to pick up on key assets and priorities. Neighbouring LEP area economic strategies were also reviewed.
- ii) A brief review of evidence including local and national reports on the economic value and benefits of culture, the arts and sport.
- iii) Direct engagement with key city region stakeholders and senior decision makers. This included interviews with all local authorities (usually face to face and often with Leaders and Chief Executives); interviews with stakeholders from the culture, arts and sport sector; a sector based stakeholder workshop; and a discussion of findings amongst senior officers from local authorities.

This report synthesises the results from these three strands of work and pulls out the key messages and conclusions that have emerged. Quotes from stakeholders are used throughout the report but are not attributed to individuals.

## 2. Culture, the Arts and Sport Content in City Region Strategies and Beyond

### 2.1 Economic strategies in Leeds City Region

We have reviewed the extent to which culture, the arts and sport feature within the Strategic Economic Plan (SEP) and local economic strategies within Leeds City Region. Annex 1 presents this briefly. Our main findings are that:

- The Leeds City Region SEP has little content on culture, arts and sport, and they do not feature in its vision, priorities, indicators or actions. The main content is in a box on 'Visitor Economy, Culture and Quality of Place' which stresses the importance of the culture and sport offer to tourism and to attracting and retaining talent and investment. The SEP's wider Good Growth narrative and vision also makes reference to culture and the importance of quality of place.
- Local economic strategy content on culture is variable. Leeds stands out as having positioned culture as a substantive element of its draft Inclusive Growth Strategy, with maximising economic benefit from culture and delivering the 2023 Capital of Culture bid core to this. York likewise references priority areas such as film and the culture-led regeneration of York Central, and 'making a fresh loud statement of intent on culture and visual identity' is one of eight 'essential to dos'.
- In other local economic strategies, there are in some cases strong cultural 'hooks' but positioning is less central and coverage less high profile. Economically, culture comes across as an area that local authorities place value on and recognise the contribution of, and accordingly they seek relevant action. However, what exactly this is tends to be less well defined, and it is not usually an explicit priority. In some cases, more detailed approaches are set out in separate culture strategies (see below). Reference tends to be made alongside quality of life in vision statements and then embedded in wider priorities in respect to place, the creative industries and film sector, the visitor economy and improving cultural assets and infrastructure. None of the local economic strategies assessed make anything other than light touch statements on sport or its role in the economy.

### 2.2 Economic strategies in neighbouring LEP areas and selected national examples

#### Yorkshire and Humber

Within Yorkshire and Humber, where there is content in SEPs, it is centred on culture, arts and sport as enabling places to achieve their visions for giving great quality of life. The Tour de France and Hull Capital of Culture ride high as flagship specific examples, with other content referencing sector development, the visitor economy and attracting investment. More specifically:

- In the **York, North Yorkshire and East Riding SEP** great play is put on quality of place in the narrative of its foreword - which refers to an excellent cultural offer, the Tour de France and tourism and quality of life - and it clearly underpins their vision, which also and life is central to their vision and narrative. Successful and distinctive places is one of its five Priorities, however, culture, the arts and sport and are included in specifically within priorities or actions.



- The **Humber SEP** makes ‘a great place to live and visit’ one of its five ‘strategic enablers’ and flags up the importance of ‘capitalising on the economic opportunities offered by Hull: UK City of Culture 2017’. This, and ‘working with partners to ensure that the Humber has a vibrant and distinctive cultural, leisure and visitor offer that creates new business opportunities’ are both strategic priorities under this strategic enabler. Prior to 2017, capital projects have aided the regeneration of the city, and funding flexibility has been used to support the Hull Venue City of Culture legacy project which will provide a 3,000 capacity multi-purpose venue in the city centre.
- Unlike other SEPs reviewed, the **Sheffield City Region SEP** does not open with a focus on the type of place it wants to be. Instead it robustly sets a stall to deliver more jobs, grow GVA and create new businesses and in so doing build a bigger and stronger private sector. There is brief passing reference to promoting the city region as being vibrant and having an attractive cultural offer and quality of life, and using a programme of major events both for their own worth and to sell the area to potential investors. There is also content on the creative and digital industries.

### **The North**

There is some coverage of culture in economic development policy at Northern level, for example through the establishment of the Great Exhibition of the North to showcase the creative, cultural and design sectors. Government’s £5 million contribution towards this will sit alongside a further £15 million in the form of the Northern Cultural Regeneration Fund. The Northern Powerhouse recognises the north’s outstanding quality of life and cultural offer and its role in place making, identity and attracting people and investment on a global scale and hence in driving productivity and growth. The Factory Manchester, a £110 million cultural project that has secured £78 million of government funds, is one sign of a shift to invest in culture and arts outside of London on a major scale. If, when and how other such investments will follow is as yet unknown. There may be lessons to be learnt from the Northern Way work to establish a shared cultural and tourism offer and a ‘Welcome to the North’ public arts programme, which fell back once the practicalities overtook the initial fanfare.

### **Other LEP areas**

Nationally, many LEPs/Combined Authorities and the SEPs that they lead contain some reference to culture. However, this is often either in relation to the creative and cultural industries sector or in a fairly broad way was part of their quality of place/life offer and its importance for tourism and attracting skilled people and investment. It is much less common for SEPs to identify improvement of the culture, arts and sport as a specific priority for investment. However, a number of examples are evident and these include:

- The **Tees Valley SEP** (The Industrial Strategy for Tees Valley 2016-2026) – specifically includes ‘Culture’ as one of its six priorities to “Change the external perceptions of Tees Valley through the arts, cultural and leisure offer, create places that attract and retain businesses and business leaders, and make the area an attractive place to live, work and visit”. A joint cultural investment strategy between the Combined Authority and Arts Council England, along with the potential for a cultural enterprise area is intended to boost the wider cultural, leisure and tourism economy and actions and activities include a joint programme of events and festivals across the Tees Valley; a

cultural conversation with communities and businesses; a City of Culture 2025 bid; and supporting creative, cultural and digital businesses. The aims of this include using culture to support economic growth and address social inclusion.

- The **New Anglia Cultural Board** is leading the LEP's work on culture, and the LEP sees the sector as 'a vital source of economic growth, both directly in terms of jobs and employment, as a source of innovation and collaboration with other growth sectors, and through making an enormous contribution to making our region a fantastic place to live, work, visit, and invest'. The Board is developing an integrated vision of how the region's cultural sector can contribute economically, driving both investment and growth and is making progress in securing a range of external funding and leading on major projects. Its vision is outlined in a 'Culture Drives Growth' strategy which lays out how cultural assets can make the fullest possible contribution to local economic growth.
- The **Swindon and Wiltshire SEP** (2016) includes 'Place Shaping' as one of its five priorities and states that 'we need to deliver the infrastructure required to deliver our planned growth and regenerate our City and Town Centres, and improve our visitor and cultural offer'. This is to be backed by place shaping activity to reinvigorate key settlements and make them attractive for residents, workers and visitors.

### 2.3 Cultural, arts and sports strategies in Leeds City Region

We have also reviewed the extent to which specific culture, art and sport strategies are present in the Leeds City Region and the extent of any alignment to economic development. Annex 2 presents this briefly. Our main findings are that:

- Current **culture strategies** are in place in Leeds, Bradford and Craven, and in York through the city's 'Without Walls' Strategy. Interventions cluster around culture as a route to position place, connect communities, and deliver quality of life; and key actions focus on supporting people to be creative, develop the sector and enhance infrastructure. In other places cultural strategies were not found to be in place or were out of date.
- All local areas have a **sport strategy** focused on driving up participation at all stages of the life course and across diverse cohorts of the population. These are supported by plans prepared by two sport partnerships covering North and West & South Yorkshire. Together these typically cover interventions on health and awareness, infrastructure, communities and a skilled permanent and volunteering workforce. Some also look at the potential to improve performance and elite level competition. No connection is made at this level to the link between sport and the economy.

In the absence of a city region level strategic framework on culture, art or sport, it is helpful to look at central government policy and the plans of a number of key national bodies in terms of setting the context for culture, art and sport in the Leeds City Region. These are summarised below.

- **Department for Culture, Media and Sport: The Culture White Paper** (2016) set out Government's ambition to increase participation in culture, especially among those who are currently excluded

and children and young people from disadvantaged backgrounds, including by driving up diversity cultural workplaces and improving career pathways. Focus is placed on culture's contribution to the regeneration, jobs and growth, education, health and wellbeing of places, referencing tools such as UK City of Culture, the Great Exhibition of the North, and the Great Places scheme. It also recognises the power of culture in positioning the UK in a global context, using the GREAT Britain campaign and the work of the British Council and UK Trade & Investment to create new opportunities for trade, exports, investment, cultural exchanges and attracting world-class events to the UK.

- **Arts Council England: Great Art and Culture for Everyone 2010-2020** defines its goals as to create the right conditions for arts and culture to thrive and be excellent; for as many people as possible to be stimulated by arts and culture, especially children and young people; for provision to be resilient; and for its leadership and workforce to be diverse. It recognises the overlap and need for ever stronger place based relationships with local government and LEPs to align investment and priorities around social and economic objectives and in specific areas including digital infrastructure, creative industry growth, positioning and regenerating places, attracting visitors and investment and nurturing talent. The Arts Council is home to valuable expertise in developing criteria for excellence to measure impact and help shape investment decisions. The new National Portfolio for 2018-2022 sits alongside this to support and extend the reach of the sector, with 831 organisations receiving a total of £1.6 billion over four years for 844 projects, with a substantial increase in investment in high quality projects outside London.
- **Heritage Lottery Fund: The 2013-2018 Strategic Framework: A Lasting Difference for Heritage and People** sets out how the organisation will use its investment to make a lasting difference on outcomes for heritage, people and communities – including boosting local economies, using a portfolio that is mixed in size and scale. It seeks to complement the work of others, engaging in issues of local importance where that adds value to investment. One key focus is on specific action to achieve sustainable end-uses for historic buildings and industrial sites, particularly where they are at risk. Investment grants of £100,000 to £5million are in place for social enterprise and commercial projects to refurbish historic buildings and in so doing stimulate local economic growth and contribute to sustainable development in areas experiencing economic disadvantage.
- **Department for Culture, Media and Sport: Sporting Future: A New Strategy for an Active Nation 2015** places five outcomes at its heart: physical health, mental health, individual development, social and community development and economic development. For the latter, figures are presented on the economic impact of sport on UK GDP and employment, making it a crucial sector for support to develop a stronger and more successful sporting economy that meets customer demand, helps drive physical activity, creates jobs and can act as a magnet for trade and investment. It places significant focus on the leadership role of local government in bringing partners and people together to unblock barriers to participation, improve the local sport delivery system and align to other agendas such as health and wellbeing and green infrastructure.

- **Sport England: Towards an Active Nation 2016-2021** has clear line of sight to government sport policy. There is less content than might be expected on the economic development aspect, but where there is, it comes in the form of helping the sector to develop, having the right place based infrastructure, and having the right permanent and volunteering workforce; plus note of attracting major events. There is a strong emphasis on encouraging local collaboration and working with a wider range of partners, including the private sector, to join expertise and investment and encourage innovation. As well as this, the organisation is a vital repository for information on the value of sport; as well as having a wealth of expertise on planning for sport, assets, funding criteria, tackling economic disadvantage and supporting potential hosts to bid for major sporting events.

### **Section 2: Key Points**

- **SEP coverage of culture, arts and sport is very light and mainly contained within the place section. This is not un-typical of other SEPs in other LEP areas.**
- **Local economic strategy content on culture and art is variable, but often significant; and links to place, infrastructure, assets and participation, as well as in aligning to creative industries**
- **There is little or no mention of sport in local economic strategies but all local areas have strong physical activity strategies in place**
- **There is a supportive national strategic framework that recognises – but could go further – on the links between the economy, culture, arts and sport**
- **Arts Council England and Sport England can provide valuable expertise in developing criteria to support decision making and measure impact**
- **Overall there are missed opportunities to better articulate the case and embed culture, arts and sport in strategy such that action and investment can flow from policy**

### 3. Evidence

Evidence about the impact of culture, the arts and sports is patchy and complicated. Reports tend to focus on a particular area of interest, for instance the creative industries, meaning it is hard to piece together a whole picture. Equally, work can often focus on valuing the contribution of the sector or part of it, rather than the added value investment it may unlock. Reports are also sometimes led by organisations with a vested interest in their outcome, which can lead to questions about their reliability. Finally, the indirect nature of many of the benefits complicate assessment of them – for instance it is very difficult indeed to isolate and assess the exact role of particular assets in attracting investment or skilled people and to calculate the value this corresponds to.

Here we summarise the available evidence before offering a brief critique on its implications.

#### **What Works Centre Evidence Review of Sports and Culture<sup>1</sup>**

This review is based on analysis of 36 evaluations of sports and culture projects that meet its strict methodological criteria. It concludes that “overall, the measurable economic effects on local economies tend not to be large and are often zero”. However, the detail of the report adds provisos to this and there are significant questions about whether the study is full and robust enough to draw this finding. Notably it only looked at data on the benefits of projects in terms of employment, wages, property values, trade and investment. Wider and indirect benefits were not taken into account (such as the impact on skills and profile) and neither were increases in visitor numbers and spend.

Furthermore, the majority of projects investigated were major events such as hosting the Olympic Games or football’s World Cup. Few were UK based, none were smaller projects, and only three were cultural or arts projects. Of these, two did not attempt to measure the factors that the evidence review analysed (hence conclusions could not be drawn) and the other (on how US cultural districts regenerate neighbourhoods) revealed positive impacts on employment, incomes and property value.

The review reveals gaping holes in the available data and asks sensible questions about the scale and sustainability of the benefits that are sometimes claimed. However, it is questionable as to whether the review itself has a sound enough evidence base to warrant the headline conclusion it draws.

#### **Local studies in Leeds City Region and Yorkshire**

Studies within the region that have looked at the impact of culture, arts and sport include:

- An assessment of the Tour de France in 2014 calculated that it had provided a £102 million boost to the Yorkshire economy<sup>2</sup>.
- Research by Leeds Beckett University estimated the 2017 Tour de Yorkshire to have had an economic impact of £64 million, up from nearly £60 million in 2016.

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<sup>1</sup> Evidence Review 3: Sports and Culture, What Works centre for local economic growth, (updated) June 2016

<sup>2</sup> Impact of the UK stages of The Tour de France 2014, Leeds City Council, UK Sport, Transport for London and Welcome to Yorkshire, December 2014

- A study<sup>3</sup> found that creative industries contribute over £100m per annum to the Kirklees economy, with creative industries employing 3,400 people in 2013. The digital economy contributed more than 35% of all creative employment and 63% of all creative industries GVA in Kirklees.
- An economic study of the new stand redevelopment at Headingley<sup>4</sup> (required in order to retain international cricket) assessed its impacts as including 63 full-time equivalent construction jobs, 660,000 more spectators than without it, additional expenditure of £125 million between 2017-2023 and more than 270 net additional jobs in 2023.

### **Economic value of sport in England (Sport England, June 2013)**

Sport England has undertaken research into the economic value of sport in England and in Leeds City Region. Its main conclusions are:

- The economic value of sport for Leeds City Region is estimated to be direct benefits of £854 million and 24,000 jobs, plus £1,822 million of indirect benefits from health, volunteering and wider spending. Across England, sport and sport-related activity generated £20.3 billion of GVA in 2010, around 2% of the England total.
- Sport generates wider benefits for individuals and society, including the well-being/happiness of participants, improved health and education, a reduction in youth crime, stimulation of regeneration and community development, and benefits through volunteering.

### **The Contribution of the Arts and Culture Industry to the National Economy<sup>5</sup>**

This 2015 CEBR study for Arts Council England concluded that businesses in the arts and culture industry contributed an estimated £7.7 billion of GVA in 2013, rising to an aggregate impact of £15.8 billion when indirect and induced impacts are taken into account. It employed approximately 109,000 people full-time equivalent (FTE), and 259,000 FTE jobs once knock on impacts are included. Performing arts is the largest single contributor for direct jobs (32%). The report estimates that in Yorkshire and Humber, the sector contributed 0.37% of the area's GVA in 2011 – slightly lower than the equivalent figures for the rest of the North (0.43%) and less than half of that in London (0.81%).

The impact figures above do not include important spill over effects including positive impacts in terms of nurturing creativity and innovation across the economy and in commercial creative industries, acting as a catalyst for regeneration, and supporting tourism. Spending by visitors to the UK that was directly motivated by the arts and culture was estimated to be at least £856 million in 2011.

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<sup>3</sup> Kirklees Creative Economic Impact study Final Report, BOP Consulting for Kirklees Council, May 2015

<sup>4</sup> Headingley Stadium Stand Redevelopment Economic Impact Assessment, Amion Consulting for Leeds City Council, April 2017

<sup>5</sup> Contribution of the arts and culture industry to the national economy, CEBR for Arts Council England, July 2015

## **LGA, Culture, Tourism and Sport Board Paper<sup>6</sup>**

This report maintains that creative industries and the visitor economy rely upon cultural infrastructure to develop great places to live, work and visit. It argues that culture can develop skills and attract inward investment, with key points including:

- Culture is a major pull factor for overseas and domestic visitors, and based on a 2013 study, at least £856 million of spend by visitors to the UK motivated by the arts and culture.
- Businesses choose to invest in places with vibrant cultural opportunities because they offer their employees a high quality of life. Culture can also dramatically transform a place's image and reputation. Evaluation of Liverpool's year as European of Culture in 2008 highlighted benefits to local business growth and inward investment, with an estimated return of £750m to the local economy from spending £170m.

## **Independent Review of the Creative Industries - Sir Peter Bazalgette, September 2017**

This report focuses on the creative industries, which are not the focus of this report per se (as existing funding streams can support them), but have considerable crossover with its subject matter. It describes their 'central importance to the UK's productivity and global success' and notes the English language and our national capacity for creativity as key assets. It further identifies that the skills of this sector and the creative economy are of increasing importance to the economy overall – including blended technical and creative skills; collaborative interdisciplinary working; entrepreneurialism and enterprise.

The report's key recommendation is that support for regional growth is prioritised through an approach based on the City Deal model, supported by a £500 million Creative Clusters Fund and awarded to clusters that compete for status and support on merit to be a 'Key Creative Cluster'. It recommends a bottom-up process which allows localities to direct policy development. Other recommendations focus on innovation, intellectual property, access to finance, talent and the screen industries and a new creative industries international trade board.

## **The Geography of the Creative Industries**

This report by NESTA explores the distribution of the creative industries, based on the official GVA statistic for the sector of 81.4 billion (5.2% of the whole economy), and in the context of above average growth in the sector nationally and in 90% of local areas. In total, it identified 47 'creative clusters' in the UK – this includes a cluster centred on Leeds and one in Harrogate, despite a disproportionate concentration of the sector being in London and the South East. It makes clear that UK creative clusters can take very different shapes and that local context matters – a one-size-fits-all approach to their support is inappropriate.

## **Summing up and improving the evidence**

Ultimately it is not the size of the sector that matters so much as how far support or investment will help it to grow further and faster than otherwise, and deliver benefits for place making, profile and associated improvements in skills, investment and regeneration. Unfortunately, the evidence on this is

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<sup>6</sup> Culture, Local Enterprise Partnerships and Driving Growth, LGA, December 2014

limited, sometimes contrasting, and of relatively little help in decision making. Hence qualitative factors and judgement are important alongside any quantitative analysis and section 4.5 explores how this might be addressed within decision making and appraisal. There are also things that the City Region and local partners can do to improve the evidence available over time. These include:

- routinely commission robust evaluations of cultural, arts and sport investments and interventions, including control and counterfactual elements to assess the net difference made by the intervention;
- commission research into perceptions of quality of place in the city region and its culture/arts/sport offer (potentially including international, UK and city region samples) and monitor change over time; and
- track available evidence elsewhere as it emerges and collaborate with other areas (e.g. across the North or via local government networks) to strengthen available evidence in a cost-effective way.

### **Section 3: Key Points**

- **Evidence is patchy and sometimes suffers from a shaky foundation**
- **Nevertheless the sector's value is high and growing – the estimated total UK economic impact of arts/culture is around £15 billion, sport is £20 billion, and creative industries is £80 billion**
- **There is scant evidence about the likely impact different types of schemes would deliver**
- **The indirect benefits are at least as large as the direct benefits, but much harder to measure and judgement and qualitative factors will be central**
- **Ways of improving evidence over time include commissioning robust evaluations of relevant interventions and attitudinal surveys into perceptions of Leeds City Region**



## 4. Partner Viewpoints

A programme of stakeholder engagement, including interviews with organisations and two facilitated workshops, was undertaken to investigate the views and priorities of local government and culture, art and sporting bodies. This focused on organisations within the City Region but also reached some with a Yorkshire-wide or national ambit. The central messages emerging from these discussions are set out in the sub-sections below.

### 4.1 Culture, art and sport assets in Leeds City Region

#### Culture and art

Stakeholders spoke with great enthusiasm and passion about the depth of the culture and art asset base in the Leeds City Region. They pointed with ease to a large and diverse offer ranging in scale and size across a wide spectrum of assets. This combined established, sometimes world renowned, heritage and landscape, art collections, national institutions, museums, theatres and venues, alongside smaller 'hidden gems' and clusters of vibrant, independent hubs of creativity in areas such as film, music, and performing arts; with individual places home to distinct concentrations.

A network of talented and passionate people was seen as bringing this to life, many of whom are exporting their work globally, *"operating at the intersection of art, innovation and technology"* and growing a rich supply chain. A strong supporting skills and education offer has also evolved, much of which is delivered by cultural institutions themselves; and a small but good managed workspace offer is also present. From an economic perspective, this adds up to an important set of assets, able to provide a disruptive force and ripe for long term development, growth and jobs for the future, and therefore for focus at a city region level.

The physical presence, spread and use of culture and art assets was raised from a number of angles, including the desirability of enhancing them further. Although there are signs of change, there is still a deficit in cultural infrastructure between the north and south of the country and stakeholders agreed that the city region needs to *"catch up"* in this regard. Some also noted a number of obvious gaps - for example the absence in Leeds of a landmark contemporary art space, proportionate with a city of its scale, from which to attract major exhibitions and to drive appetite. However, stakeholders were often keen to stress that the solution was not *necessarily* to invest in multiple new physical assets, nor to fill any and all gaps. The view instead was to take a strategic view that balanced new investment with maintaining and better using existing assets, including *"reasonably looked after but dated Victorian spaces"*, as well as building upon, enhancing and presenting distinctive local offers.

For some, onus was also placed on the importance of *"not standing still"* in order to retain world class status where bestowed, and future-proofing assets to respond to the changing way that people use and interact with culture. Leeds itself recognised a challenge in enabling assets to spread beyond the city centre to boost participation amongst a wider audience, and beyond Leeds there was feeling that *"the further you get from Leeds, the less people feel that the cultural offer is for them"*.

## **Sport**

The sporting offer was referenced as being equally diverse, from strong community provision and infrastructure (although rationalisation of facilities is bringing access issues), to larger scale sporting events such as horse racing, rugby league, football and cricket. Cycling came clearly to the fore as a major asset, with stakeholders agreeing that this has been something of a coup for the city region and an area around which there should be continued focus, albeit with some discussion as to the form that should take. Triathlon was also noted as new area of strength.

A number of world class and/or international sports facilities were noted, such as York Racecourse and Headingley Cricket Ground, as well as rugby league stadia. However, despite reasonably strong provision of domestic 'single sport' venues, the city region lacks a centrepiece stadium and the full range of top quality facilities that would allow it to compete to host multisport events such as the Commonwealth Games (although by no means did people suggest this is something that the city region should invest in addressing). Stakeholders agreed that sport's other key asset is its unique ability to connect and inspire people in all places and from all backgrounds and so to tie into an inclusive growth agenda. Although the pull of sports teams is often chiefly at a local level, cycling, triathlon and cricket were noted as sports which inherently covered or united a wider geography.

## **Festivals and events**

Festivals and events, including those that are commercial, were noted as a strength in places across the city region, ranging from food, to jazz, to literature, to film, to street carnivals, and providing a route for cultural expression. Stakeholders were often passionate about their local festivals and saw them as being about civic pride and vitality as well as attracting visitors. Sporting events came out strongly as a key place making opportunity, with the Tour de Yorkshire epitomising this. There was a sense that there is more we can do to exploit their full potential and to better understand the economic impact they bring.

## **Joining up assets**

When asked what the most important assets are, stakeholders were reluctant to choose any one over another, and were quick to point out that a mix is essential to reap full benefit. Whilst there was a natural tendency to note one's own assets first, there was also frequent reference to the assets of others and the benefit they bring to the city region as a whole. This sat with a view that places should continue to play to their unique strengths, supported by a city region that knits these stories together, articulates them on a wider platform, raises profile and looks for synergies and connections between assets where more could be done around common themes. This sort of scenario makes room for different scales of assets, where some centre pieces sit alongside smaller and more localised offers that help to bring richness and depth.

*"Be it York's iconic heritage, Bradford's literature and film, Calderdale's Piece Hall or Kirklees' music, we all have our role to play".*

There was seen to be benefit in mapping the city region's assets to gain a more granular appreciation of where these assets lie, how they can support inclusive growth and productivity objectives, and how they can be combined to form more than the sum of their parts – *"we must move on from everywhere needing to have a bit of everything and replace this with collaboration around complementary roles*

that bring added value". This was also seen as being of relevance in respect to physically connecting assets and presenting an accessible offer.

#### **Section 4.1: Key Points**

- **The Leeds City Region culture, art and sport offer is large and diverse in scale, size and reach**
- **Places have their own specialisms, opportunities and needs that form a vital and rich part of the city region's collective offer**
- **There are some gaps in the offer, but prioritising the closing of these should not be the automatic response, rather that it may be better to build on, enhance and celebrate distinctive strengths**
- **There is value to be gained from mapping the full asset base and using this to identify opportunities and priorities; to plan a strategic approach that fully considers the scope for impact and benefit across the city region; and to present and promote the Leeds City Region offer**

## **4.2 The case for investment in culture, art and sport in the Leeds City Region**

### **Perceived benefits from investment in culture, art and sport**

Stakeholders are unanimous and enthusiastic in their view that investing in culture, arts and sport will benefit the City Region. The core of their argument is about talent and investment. Skilled people with options about where they choose to work usually prefer to live in attractive, vibrant places with good quality of life and cultural opportunities. This also impacts on business investment, as the ability to recruit and/or retain a skilled workforce is a key factor in locational decisions. The personal preferences of business leaders can also be swayed by the same factors. These indirect benefits are obvious to stakeholders (*"It's a given"*) but hard to measure, and the line of thinking advanced by partners tallies closely with key arguments described within the evidence section.

A range of other benefits from culture, arts and sport were identified. The ability of assets and events to attract tourists and other visitors (and their spending) was prime amongst these. Culture, art, sport and heritage were all seen as having important roles in supporting the visitor economy, with this magnified where an international audience is reached – for example through TV coverage. Other benefits identified included good quality jobs in the creative and cultural industries; knock on benefits for other businesses that utilise creative and collaborative skills; growth of businesses; retention of financial services businesses (which were noted as more interested than most in supporting arts and culture); catalysing regeneration and transformation; and contributing to inclusion. This latter point encompassed both raising aspirations and opportunities for those from disadvantaged backgrounds, and the ability to bring different communities together around a common interest.

### **Should we invest more in culture, arts and sport...and what form might that take?**

A sizeable majority of stakeholders, including nearly all local authorities, would welcome more investment in culture, arts and sport in the city region. The sense was that this need not involve *"massive"* sums of money, but was important in closing funding gaps that often exist and in making

sure that this area of investment does not perennially miss out when it comes into competition with other areas and schemes that need resources.

Those that were not explicitly in favour of more investment were not explicitly against it either. Typically, their view was more that the issue “*is not just about money*”. It involves the nature of the funding streams that exist (or may be created), the ability to align to funding streams in other policy areas and wider factors that also need to be right in order to unleash the full creative and cultural potential of the City Region. In this respect, some stakeholders (including from within the cultural sector) stressed that strong networks, co-ordination and strategic intent and critically, strong leadership, also played a pivotal role in driving progress. These helped to prioritise resources effectively, to strengthen impacts through collaboration, and to enable creative people and organisations to make things happen. Section 4.6 further explores this theme.

In terms of the *nature* of funding, a number of partners stressed that longer term, sustainable funding was needed. Partly this made it easier for groups and initiatives to plan and operate over the long term, rather than waste time chasing ad hoc funding arrangements. However, it was also about positioning investment in culture, arts and sport so that it was in a less fragile position vis-a-vis the day to day cut and thrust of local politics. Having to go “*cap in hand*” to ask for money to support culture or events annually, often in competition with more emotive funding needs (e.g. social care) or ‘essential’ infrastructure (such as transport and housing) made it harder to push culture, arts and sports investment as a priority. Longer term, ring fenced investment may help in this regard, with one stakeholder referring to a previous Yorkshire and Humber major events fund as an example. Others were less sure about the merits of a separate fund, and as we will go on to discuss, thought the key thing was for cultural projects to be fairly assessed against others within existing funding streams.

### **Where would the money come from?**

We asked stakeholders whether they would support more investment in culture, arts and sport in the City Region even if this meant spending less on other areas of economic development. A significant proportion would consider or support doing so, but the response to this was often more cautious and caveated than that around the desirability of investment in general terms or the ability to access new resources.

The sentiment behind this more muted response was threefold. First, there was an instinctive sense that less investment in other areas of economic development would be a bad thing. Secondly, it was argued that cultural, arts and sport investment should be connected to other types of economic development (e.g. on skills, inclusive growth, sector development and place making) rather than making it a separate priority. And thirdly, whilst cultural investments might be unreasonably disadvantaged by current funding arrangements, they should not be put in an advantaged position either. The conclusion most seemed to advocate – explicitly or otherwise – was that there should be a system that allows the merits of cultural, arts and sports projects to be weighed up fairly and evenly on a case by case basis compared to other potential investments, and connected with them when possible. The feasibility and nature of such a system is discussed further in section 4.5.

A significant minority took a firmer and sometimes more radical view, arguing that it was unlikely (given limitations and national strings) that the appraisal framework could be changed sufficiently, and that a fresh look at the fundamentals of economic development is required. One argument was that despite economic development over many decades, the problems of insufficient innovation, low productivity and deprivation persist. A model based mainly on grants to businesses – which it was suggested had reached less than 1% of City Region businesses – was not capable of bringing about the change required. In comparison, major cultural investment has the potential to reframe the economy by sending signals to the market and to local communities about ambition, optimism and becoming an innovative and forward-looking place. This could attract like-minded businesses, catalyse a virtuous cycle of investment and high quality development, and impact positively on the mindset and culture of indigenous businesses. Others simply noted that *“it’s about the sort of city region we want to be”* and that *“people fail to see the volume of regeneration that is culturally led”*. In this regard, it was noted that the best examples of transformation in UK cities – such as Newcastle/Gateshead, Liverpool, Glasgow, Newham and increasingly Hull – had all put culture, arts and sport centre stage.

#### **Section 4.2: Key Points**

- **Unanimity that investment in culture, art and sport would help the Leeds City Region**
- **The case made for this is chiefly about the role of culture, art and sport in supporting quality of life/place which in turn attracts and retains talent and investment. Wider benefits for inclusion, businesses and the visitor economy are also recognised.**
- **The majority favoured greater investment and some noted that success is not just about money**
- **Mixed and caveated support around use of existing economic development spending**

### **4.3 Priorities and areas for investment**

#### **Prioritising between culture, the arts and sport**

Stakeholders were reluctant to prioritise between culture, art and sport or position them in a hierarchy of investment preference, instead giving equal importance across all three. There was recognition though that this may vary in some places depending on the nature of local assets, need and opportunity. A very different time lag in reaping returns and subsequent ability to sustain them was also noted across different types of investment, for example the fast impact of a major sporting event against the slower but longer term impact of a culture-led regeneration scheme. The message here for the city region is that work to develop a framework for decision making must be flexible enough to allow for such distinct characteristics, benefits and timeframes to sit equally alongside one another and be considered fully and fairly rather than prioritising any one activity over another (see section 4.5).

## Investment principles

Stakeholders were asked to identify what broad types of investment they felt should or should not be made as part of a city region culture, art and sport approach. Whilst some specific ideas on priorities were raised (set out below), as in other areas of discussion, interviewees agreed that this was not a clear cut matter, and that there was not, nor should there be (certainly at this point), a set ‘do’ and ‘don’t’ invest list. Physical assets and facilities, events and festivals, and ongoing activity could all have roles dependent upon local circumstances – and indeed be mutually reinforcing.

Instead people recognised the obvious tensions of *“too many ideas, not enough money”*, and from this arrived at an overall consensus that the key at this point was to be flexible and open minded, and focused on establishing the mandate, criteria and framework that supports decision making and that generates partner buy-in. The sentiment was to not to rule ideas out, but to allow them to pass through an agreed ‘filtering’ framework so benefits can be assessed fully and fairly.

On this basis, discussions drew out a high level set of five ‘investment principles’ that would come into play when identifying investment at a city region level. These are set out in the table below along with key features that the city region should either seek or avoid in their application.

Investment Principle	Seek	Avoid
<b>Invest where there is a well-made case</b>	<ul style="list-style-type: none"> <li>• evidence of market failure</li> <li>• evidence of clear culture / art / sport deficit and need</li> <li>• robust business case that considers whole life cost</li> <li>• greatest potential impact</li> <li>• creative ways to maximise the value of existing assets and help them compete / grow</li> </ul>	<ul style="list-style-type: none"> <li>• propping up failure</li> <li>• ongoing funding commitments that exceed the returns/benefits</li> <li>• looking solely at grand schemes or flagship projects that absorb a high proportion of the budget</li> <li>• schemes which only bring isolated impacts</li> <li>• day to day maintenance of assets</li> </ul>
<b>Invest in quality and lasting transformation</b>	<ul style="list-style-type: none"> <li>• set the bar high on quality</li> <li>• opportunities to transform provision and places</li> <li>• new narratives that celebrate and join up USPs and that tell a compelling story and build profile</li> <li>• long term regenerative and place making impacts</li> <li>• future-proofed investment</li> <li>• impacts that can be extended to a wider range of people/places</li> </ul>	<ul style="list-style-type: none"> <li>• ‘one hit wonders’</li> <li>• short term or unsustainable approaches</li> </ul>
<b>Invest in people and inclusive growth</b>	<ul style="list-style-type: none"> <li>• growth in participation in new audiences and communities</li> </ul>	<ul style="list-style-type: none"> <li>• isolated investments either in places or in single issues that do not join up or drive participation</li> </ul>

	<ul style="list-style-type: none"> <li>• reach ‘left behind’ areas/groups</li> <li>• well located, easy to access investment locations</li> <li>• building creative skills to inspire and motivate young people</li> </ul>	<ul style="list-style-type: none"> <li>• trickle down focused approaches</li> </ul>
<b>Invest strategically to connect partners, projects and places</b>	<ul style="list-style-type: none"> <li>• joining up of assets and value adding synergies</li> <li>• distinct place based strengths</li> <li>• wide partnerships, including with the private sector, to blend funding and unlock impact</li> <li>• links to wider investment (e.g. transport, town centre renewal, green infrastructure)</li> <li>• a strategic approach that seizes opportunities and has a long term view on the right offer to achieve shared ambitions and outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• competing instead of collaborating</li> <li>• pressure for quick decisions on ad hoc issues</li> <li>• isolated investment decisions</li> </ul>
<b>Invest in catalysing business growth</b>	<ul style="list-style-type: none"> <li>• opportunities for organic growth and enabling creative places</li> <li>• investment based on specific sector capability, e.g. film</li> <li>• innovation, enterprise, technology, and high value job potential</li> <li>• to support the sector to support itself, with networks to coach and build leadership skills</li> </ul>	<ul style="list-style-type: none"> <li>• failing to apply culture in its broadest sense in how we work, think, operate and govern</li> <li>• lack of dialogue with cultural leaders to bring new perspectives</li> </ul>

### **Areas of priority: perspectives on the types of investment that could be made**

On the whole, stakeholders spoke in general terms about the areas that should be considered as priorities for the city region and the sort of investments that might come across culture, art and sport. There are, however, exceptions to that, and instances where multiple partners pinpointed specific examples as priorities (or occasionally the reverse). These are highlighted in bold within sections A-F below that discuss the broad areas of potential priority.

**A. Culture and art:** Stakeholders viewed this as being wide in scope, but with an understanding that investment must be driven by widening participation. As identified in the principles above, people were concerned with a need to take culture and art to a more diverse audience and ensuring accessibility out with typical ‘hotspots’ - *“culture and art is not just for posh folk”*. Examples were given where places have successfully brought a range of cultural and sporting offers together in one location to drive footfall and connect new and different audiences, e.g. Calvin Hall in Glasgow, and this was seen as being a useful model to consider.

References were made to specific place based physical assets that house and facilitate delivery of culture and art, sometimes combined with built heritage. The development and management of these assets – for example the Odeon in Bradford, the Art Gallery in Huddersfield, the Town Hall in Skipton, the Conference Centre in Harrogate – are key priorities locally, and it is at this level that decisions on form and function, and any investment in standard building maintenance, must be made. With the investment principles in mind, it was however also recognised that, on the basis that these places then go on to form the physical foundations of the overall offer, there is merit in the city region considering:

- how they come together as a whole;
- a strategic view on specific gaps, needs and opportunities to bring assets up to date and widen their use and reach; and
- how best to find synergies and to package and present this to raise profile in a national and international context.

Furthermore, there was seen to be value in then using this to inform discussions with investors and developers to create attractive environments for investment, to get a *“better deal for culture and art”*, and to use the development of creative spaces and heritage as a driver for regeneration and place making. Examples that came to the fore in this regard included the Piece Hall in Halifax and proposals for Tileyard North in Wakefield, the role of the National Railway Museum in unlocking development in York, and SOYO in Leeds.

Stakeholders recognised the clear tourism value of culture, art and sport and its potential to support growth in the visitor economy. Correspondingly, they were keen to understand helpful links and overlaps with the work of bodies such as Visit England, Visit Britain and the government’s Great Campaign. However, this was not seen as being about tourism or the visitor economy in its own right, for example around developing core tourism infrastructure such as hotels.

**A specific priority raised by multiple partners was the Leeds 2023 Capital of Culture bid.** In many ways regardless of the outcome, this was seen as being an important springboard from which to build, explore, create and embed ideas and relationships across boundaries. One stakeholder outside Leeds noted it as being *“a massive opportunity for the city region – we want it and we should support it”*.

- B. Sport:** The scope for prioritising investment in sport was covered a number of areas. The clear benefits of driving levels of participative sports was widely recognised and partners pointed to its correlation with public health and wellbeing outcomes. However, they agreed that others are already active in this space and that there is ongoing work to manage and invest in basic local level sporting facilities (leisure centres, etc.). Local sports participation was therefore not expected to be in scope unless as part of a strategic plan to develop significant hubs of collocated community services, or if designed to deliver inclusive growth by engaging and inspiring disadvantaged communities (and often young people within them) to build confidence, skills and employment opportunities - see E below.



Stakeholders agreed that there was a role for the city region in bringing places and sector partners together to develop and advocate proposals for high level sporting events. The value of these was recognised in terms of generating tourism and visitor spend, attracting investment and wider revenues, raising the profile of the city region and its places, and creating lasting legacy impacts in communities (see below for examples).

The presence of world class sporting facilities was seen as being a real asset for the city region, as were the teams and individuals that compete within them. They have a unique capacity to build profile – with Huddersfield Town’s rise to the Premier League an example of this. They are an important part of the picture with the potential to reach an international audience, and hence the quality of the offer that is presented must be viewed in a global context. Some noted that given the city region’s lack of football teams in European competitions, its international sporting profile could be stronger, and noted the success of the Tour de France and Tour de Yorkshire in bolstering this at Yorkshire level. However, a note of caution was also raised around the need to fully appreciate the business and market failure case for investment should the case arise, and also to look at opportunities beyond cycling.

**A specific priority raised by multiple partners was international cricket at Headingley.** Yorkshire County Cricket Club (YCCC) made clear the benefits from international and high profile T20 cricket at Headingley, and that these would end without the new stand redevelopment, or if YCCC defaults on the loan that supports it. The club are seeking a 10 year interest-free loan to shore up finances and prevent this from happening. This would safeguard considerable visitor spending; televised matches reaching a large UK and global audience; regeneration benefits from the return of first class cricket to Bradford; and inclusive growth and community cohesion benefits from work with local communities and young people. One partner said that this sort of investment was not a priority, and another intimated a similar sentiment about ‘big ticket’ items swallowing up any available budget. In contrast, a number of others explicitly saw the continued hosting of international cricket as a priority and a *“jewel in the crown”* in terms of City Region/Yorkshire profile. The majority, however, did not bring this to the fore, with the impression being that judgement should be based on objective appraisal of this option against others.

- C. Creative industries:** There is a clear overspill between the creative and digital industries and culture, art and sport, with so many people working at the intersection of each in an innovative, highly skilled and entrepreneurial capacity. Multiple stakeholders identified a need for a strategic approach to this, supporting sector development and growth, raising profile and attracting investment, securing workspace, talent development and nurturing supply chains. A number of individuals also spoke of the potential for coaching, leadership skills and larger businesses providing supporting to smaller enterprises. This was seen as being very much in tune with the national policy agenda in regards to Industrial Strategy, Sector Deals and Creative Clusters opportunities. Stakeholders urged the city region to take a clear, strong and proactive line on this and to work with key sector partners to draw on expertise to *“put our best foot forward”* and to

agree a strategic approach that sets the agenda, identifies distinct strengths and seeks to compliment and maximise (rather than duplicate) support and funding.

**A specific priority raised by multiple partners was on film and the screen industry.** There was strong representation on the role of film as having an increasing presence, economic contribution and visibility from outside the city region and hence a case for it being in scope here. A range of local authorities including Selby, York, Bradford and Leeds, alongside Screen Yorkshire, pinpointed this and made a robust case for their inclusion as priorities. Collaborative work to secure Channel 4 investment was cited as an example of places becoming alert to the sector, but with a view that much more could be done to unlock potential in an area that has received major recognition by DCMS and the British Film Institute as being the key screen industry cluster outside London.

**D. Events:** All stakeholders agreed that the city region should recognise events within a culture, art and sport policy where they:

- have a clear pride of place and place making role
- bring together multiple places and partners, including from a funding perspective
- present a unique selling point for the city region (individually and/or as a combined offer)
- provide transformative influence on image and regeneration
- bring lasting impact in a spread of communities e.g. 'bike libraries' legacy of Tour de France

**A specific priority raised by multiple partners was on attracting high profile, international events.**

Whilst cycling epitomised this from a sport perspective, there was also seen to be an opportunity to look at other sporting platforms such as hosting the Rugby League World Cup. Reference was also made to the potential of major cultural events such as the proposed International Sculpture Triennial, or to hold a biennial Yorkshire Festival of the Arts. Stakeholders saw these large set piece events as sitting in parallel to smaller, more niche, but often just as renowned festivals e.g. on puppetry, literature, piano, jazz, film or rhubarb, and that this offered depth and diversity to what could be packaged and presented as the city region's offer. The possibility of establishing a major events fund for the city region was noted, as was work to better understand the economic impact of events.

**E. Skills, talent and young people:** As identified in the investment principles above, using culture, art and sport as a route to develop talent and reach young people was a common theme across multiple stakeholders and as such comes forward as an area of priority for the city region to consider. Diverse routes into this were noted, but the common emphasis was on creating the skills for jobs of the future, confidence, aspiration, teamwork and reaching into communities to young people who may not be thriving in the traditional education system. Skills from school to post-graduate degrees were also noted, in particular work in Wakefield to join provision and bring coherence to the offer presented by the College, the Hepworth and the Yorkshire Sculpture Park as part of a bid for University Status based on culture and technology. The final point here was on the importance of engaging with young people to future proof our ambition on culture, art and sport to go *"beyond an ageing bureaucratic lens to really understand what people and want and need to*

*inform our long term investment approaches*". It was proposed that the city region could provide the funds to facilitate this sort of debate and bringing it together at a city region level (see also 4.4)

**F. Raising profile, place making and engaging a wider set of partners:** Cutting across all of the investment principles and areas of priority, was a clear steer by stakeholders to at all times think about ways in which the culture, art and sport offer can be brought together to raise profile on a national and international stage. As one stakeholder outside Wakefield noted, *"the Hepworth being named Museum of the year is a massive coup for the Leeds City Region"*. Be this via events, leveraging assets, developing excellence in business capability and skills, or finding common themes that link places, the emphasis was on how a critical mass of assets demonstrates international ambitions, shows the city region as punching its weight and positions it as a thriving place in which people are drawn to live, work, visit and invest. Albeit with further points made on leadership and geography (as set out in section 4.6), the city region has a key role in co-ordinating the story and uncovering the complementarity between places, helping to agglomerate creative assets, and setting the strategic approach with a wider range of partners to catalyse change.

#### **Section 4.3: Key Points**

- **Stakeholders see the merits of culture and the arts and sport and see no order of priority between them**
- **Rather than a 'do' and 'don't' list on specific schemes, a first step should be to establish an agreed set of strategic investment principles as the basis of a decision-making framework**
- **Stakeholders views coalesced around broad areas for potential investment rather than specific priorities, with these areas including culture and art, sport, events, sector development, skills and young people, raising profile and place making**
- **A small number of specific priorities were raised by multiple partners; most notably Leeds 2023, international cricket at Headingley, attracting international events, developing the film and screen industries, and using culture, art and sport to raise profile**

## **4.4 Links to inclusive growth and other policy agendas**

### **Inclusive Growth**

Stakeholders recognise and value the positive role culture, arts and sport can and do play in supporting inclusive growth. Initiatives that engage people in sport and culture - often young people and with a focus on disadvantaged communities and 'hard to reach' groups – were frequently cited as good thing. People like the types of schemes that are in place in some areas and want to see more of them.

Currently, projects are often attached to local sports clubs (e.g. football teams) and cultural activities (e.g. related to dance, music or theatre) and use people's interest in these as a means to engage them, build their self-esteem, support education and skills development, and to provide routes into work or

other positive activity. Whilst they can lead to a job within sport or culture, more often projects use people's interests in a club or group as a motivational tool to get them involved in a project that builds confidence, character and transferable skills that will be useful in life and getting a job anywhere. Whilst most projects are locally focused, some go beyond a single locality. For example, Yorkshire County Cricket Club engages children through 500 schools countywide; run a 'Wickets' programme that engages with hard to reach young people aged 8-16 in 'tough' areas, and has a focus on engaging with more people from the South Asian community – with benefits for community cohesion.

A different angle on inclusive growth was the importance of offering a range of cultural opportunities, including ones with popular appeal, not just 'high art'. In a similar vein, a number of stakeholders stressed the importance of reaching (and perhaps having a disproportionate focus on) areas where *"people feel left behind and downtrodden"*, notably older industrial towns. Recent work in Wakefield and Halifax has shown the potential to renew such centres and combine local and UK wide appeal.

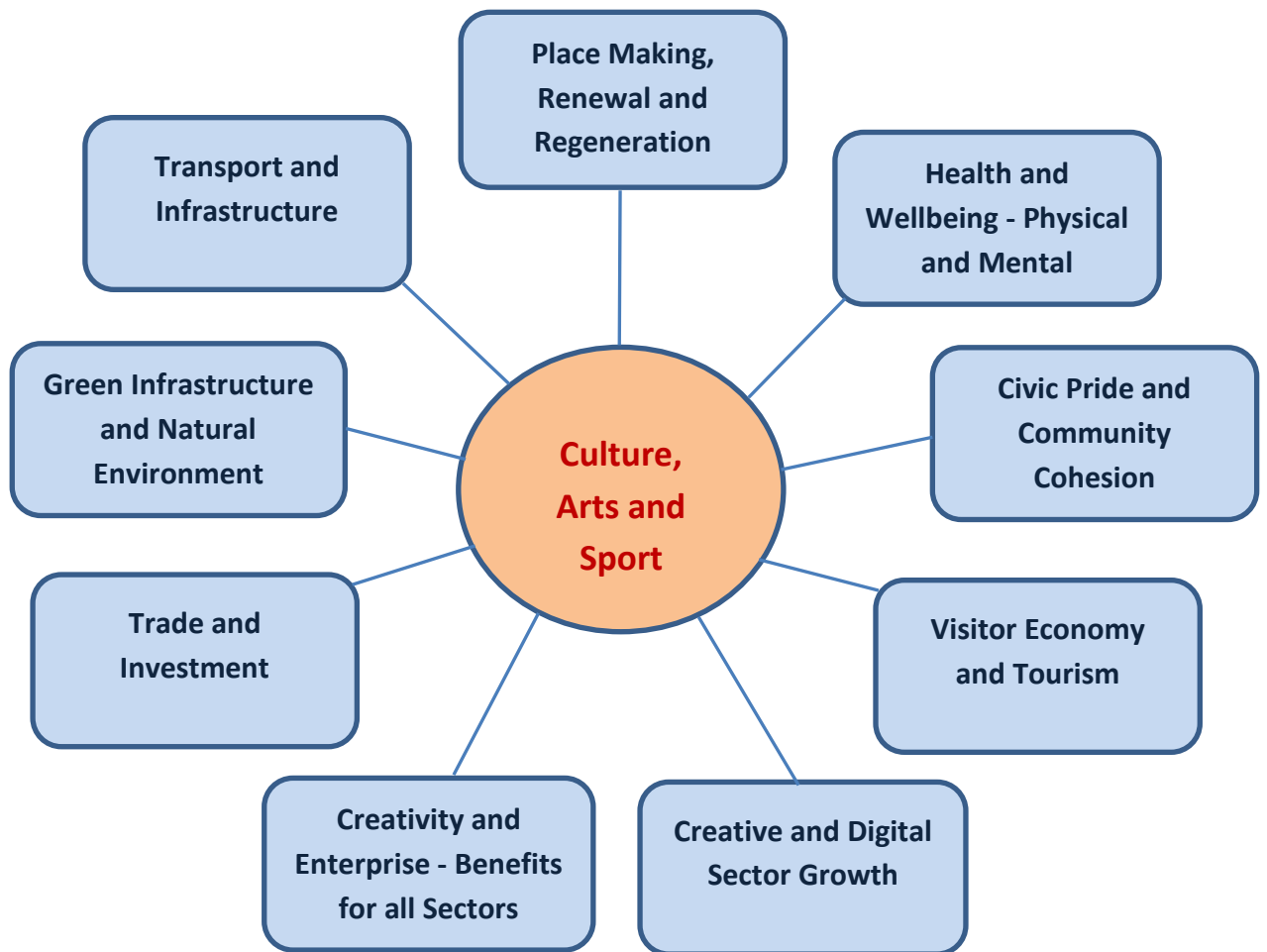
### **Wider links – including place making, infrastructure, business and innovation**

As well as supporting inclusive growth and its benefits for confidence, skills, employment and poverty reduction, links were made between culture, arts and sport and several other City Region issues and agendas.

Most commonly, a strong connection to place making, regeneration and renewal emerged. Many of the benefits from culture, arts and sport come about because it makes a big contribution to an area's overall quality of place (which attracts talent/investment) and a cultural or sports project of one sort or other can have a pivotal impact on the environment and offer of a place and the picture it presents to the world. Local examples cited include the redevelopment of the Piece Hall in Halifax, the impact of the Hepworth in Wakefield, and on a smaller scale, the way in which the ROKT climbing and adventure centre has repositioned what Brighouse has to offer. The role of culture, arts and sport in repurposing town centres in the face of declining retail was brought to the fore, sometimes linked to other assets such as green infrastructure that could add to a centre's quality and offer.

Other commonly made links included positive impacts on physical and mental health and wellbeing; and the importance of having the right infrastructure in place to host events (e.g. venues, hotels) and transport to allow people to get to/from events and performances, including by public transport at night. Besides centrality to the creative and digital sector, suggestions were made as to whether more could be made of various creative, digital and media centres in city region.

Figure 1: Positive connections between culture, arts and sport and wider issues and agendas



#### Section 4.4: Key Points

- Recognition that culture/arts/sport can offer opportunities to disadvantaged communities, and these benefits for inclusive growth should be factored into project appraisal
- Good projects already do this; scope exists for scaling up with both local and city-region angles
- Culture/arts/sport investment must reach places and communities that feel 'left behind'
- Positive links to multiple agendas including place making, health, tourism and sector growth

## 4.5 Appraisal and decision-making criteria

There is consensus amongst stakeholders that thorough and even appraisal of potential investments must be instrumental in making decisions about what projects to support should resources become available. This is seen to be important in making sure that projects that are supported deliver the best possible long term impact and value for money. However, there is equally strong consensus that the current assurance framework does not do this and that a substantially revised or different appraisal and decision making process is required.

The key reason for changes to be made is that the current system does not take into account a wide enough range of factors, and critically, that it is not designed to consider indirect benefits and qualitative analysis that are critical to assessment of culture, art and sports interventions. Two potential responses were identified.

The first is to amend the current assurance framework to take into account a widened range of quantitative factors as appropriate, and to consider and value long term indirect benefits such as improvement of profile, perceptions and quality of place/life that will lead to a more skilled workforce, enhanced innovation and entrepreneurship, and business investment (foreign or otherwise). This would allow culture, arts and sport projects to be properly considered within the current system and funding streams and compared against other types of projects that deliver economic benefits. However, the design of the current assurance framework is not wholly within the city region's gift as national restrictions and controls apply. If these cannot be sufficiently flexed, then a second type of response would be required – to have a separate funding pot (should that become feasible) and appraisal system of some sort that is better suited to assessing culture, arts and sport projects.

A similar challenge is likely to exist for other agendas and opportunities in the city region that deliver economic benefits, but not always in the direct, and somewhat narrow way that national economic appraisal systems are based upon. These include place making and renewal, green infrastructure, and inclusive growth – which itself is a key area of opportunity for culture, arts and sports projects, and should be fully factored into any revised or new appraisal system.

Stakeholders began to identify a range of criteria that should be included within appraisal and decision making criteria. These link very strongly to the investment principles identified in section 4.3. This is by no means a complete list, rather it is the initial instincts of what sort of factors might be included.

<b>Investment Principle</b>	<b>Examples of criteria to include in appraisal and decision making</b>
<b>Invest where there is a well-made case</b>	<ul style="list-style-type: none"> <li>• Demonstration of sustainability after investment (i.e. not requiring repeated investments, unless these are about upgrade / expansion, with possible exception where an element of core funding is an unavoidable part of the business model and pays for itself in benefits)</li> <li>• Scale of match funding, and evidence that other funding options have been exhausted</li> </ul>
<b>Invest in quality and lasting transformation</b>	<ul style="list-style-type: none"> <li>• Impact on UK/international profile, often connected to projects that would generate high visitor numbers from the UK and abroad and/or be viewed by large and international audiences (typically on TV)</li> <li>• Uplift in quality of place/life offer and the benefits of this for skills, investment and regeneration</li> <li>• Delivering benefits across a range of local authority areas and in terms of beneficiaries reached</li> </ul>
<b>Invest in people and inclusive growth</b>	<ul style="list-style-type: none"> <li>• Delivering inclusive growth and community cohesion – including ability to reach and benefit disadvantaged areas and to bring different communities together (e.g. of different ethnicities)</li> <li>• Increases in educational attainment</li> </ul>
<b>Invest strategically to connect partners, projects and places</b>	<ul style="list-style-type: none"> <li>• Tailoring to circumstance, needs and opportunities in individual places</li> <li>• Delivering health benefits; including physical and mental health and wellbeing gained from participating in and enjoying sport and from access to quality culture and art</li> </ul>
<b>Invest in catalysing business growth</b>	<ul style="list-style-type: none"> <li>• Increasing visitor numbers and spending</li> <li>• Increasing investment, enterprise and embedded supply chains</li> </ul>

Many (although not all) of the above will be tricky to measure. However, difficult to measure should not mean disregarding them. Similar assessment challenges have been faced in the past, for instance by RDAs in assessing projects in areas such as urban and rural renaissance (place making), major events and the visitor economy. The concept of ‘strategic added value’ was used in those instances to assess how far projects that were hard to measure quantitatively were of value because they delivered long term benefits and actions that aligned with strategic priorities. There may well be a case to explore a similar concept in Leeds City Region too.

#### Section 4.5: Key Points

- **Getting appraisal right is crucial so that competing projects can be assessed against meaningful criteria. The current system does not do this and needs to be amended or added to.**
- **Any revised or new system should include indirect benefits and qualitative and judgement based factors; tailored to place contexts as required**
- **A range of appraisal criteria have been suggested and connect to investment principles, inclusive growth and place making**
- **The concept of 'strategic added value' should be explored as part of a potential way forward**

#### 4.6 Leadership and geography

##### Leadership

The issue of leadership – and of the structures, networks and collaboration to back it up – permeated inputs from a wide spread of stakeholders. Examples were given of where strong and passionate leadership had made a real difference to developing a strong culture, art and sport offer and to attracting investment, often against stiff competition. Knowing the difference that this can make at a local level, stakeholders felt that strong leadership and championing of culture, arts and sport at the city region level would be pivotal to promoting and enhancing the City Region's *collective* offer, and that this was lacking presently.

Whilst there was no set recipe for the style of leadership that was sought, and this need not be 'personality based', Leeds City Region's passion for culture, arts and sport needed to shine through better. It was widely felt that having a strong leader who could proselytise on behalf of the city region, communicate its ambition and make its case would be invaluable in this regard. It would help in bringing together and aligning stakeholders in the City Region, profile raising, and helping to win external bids, investments and funding.

##### Networks and co-ordination

There is consensus that strong leadership should go hand in hand with strong networks and co-ordination – a 'top down and bottom up' approach is required. This view was put across particularly strongly by organisations and professionals from within the culture, arts and sports sector, who felt that there was currently no single place or institution that brings all the relevant players together. Indeed, some organisations noted that they have to be involved in several different structures or networks to communicate and collaborate across the sector.

The study did not get into detailed discussions of what form a network or other collaborative structure may take, but there was support for it spanning culture, arts and sport. Comparisons were also made to the Yorkshire wide Cultural Consortium that had previously operated. Whilst not seeking to recreate this exactly, there appeared to be support to establish a similar type of forum that brings



together and provides voice for the sector, linked in to LEP and WYCA structures across the city region and to leadership on this agenda. Stakeholders felt that this should not be dominated by one sector or other and should bring together those from the public, voluntary and private sectors and with attendees potentially there in an individual capacity, not necessarily as representatives.

Co-ordination was also important within organisations, and examples were cited where the lack of this (for instance across local authority departments) had effectively killed off the chances of landing new cultural opportunities. Equally, it was vital that organisations such as local authorities and WYCA play a convening, enabling and facilitating role. This was not about money, but helping good ideas to flourish and creative people to make things happen by opening doors, making connections, offering expertise and mentoring, promotional activity and generally oiling the wheels of change.

### **Geography**

People acknowledged that the complex geography in and around the City Region made things more complicated, and that this is especially the case in deciding what area a leader should champion or represent, and from what organisations partners in a network drawn. However, this was not seen as an insurmountable barrier to progress, and a fuzzy approach to boundaries that did not get too hung up on one line on a map or other was seen as either helpful, or just the way things are until a devolution settlement is agreed. One expression of this was that activity should *“go as large as it can do’ with the assent of those involved”*.

Perhaps not surprisingly given our area of focus, stakeholders most frequently concentrated on activity at local or Leeds City Region level. The split between what should be done at each level was not entirely clear cut, but there was a view that activity that is routinely done at local level (e.g. ongoing maintenance, running leisure centres or locally oriented facilities) should not be part of city-regional working, and nor should it be about *“providing micro-grants for things that the council won’t support”*. Rather the city-regional level should be focused on combining and promoting local level (and wider) assets, on activities and facilities with catchments and impacts that clearly span or benefit multiple local areas, and about having the scale to *“draw in larger things”*.

There was relatively little discussion or enthusiasm for Northern level activity, although this was not ruled out either, and some stakeholders discussed the value of collaborations that spanned a number of northern cities. There was much more discussion about Yorkshire level activity, and acknowledgement that there could be potentially be considerable cross over between city region and Yorkshire wide activity, for instance culturally led assets in Leeds City Region that support tourism and the visitor economy and hence relevant to Welcome to Yorkshire. Whilst most sports clubs in the City Region had a local fan base, cycling, cricket and triathlon stood out as examples that had a wider footprint and hence impact, and which had value in uniting people across the County.

More widely, there was some discussion about the interplay between potential new leadership and networks on culture, art and sport at Leeds City Region level and the role of Welcome to Yorkshire. It was generally seen that the latter was doing a very good job at the things it focused on, but that that degree of focus inevitably left gaps. Rather than change Welcome to Yorkshire to fill those gaps

(around culture, arts and sport in Leeds City Region), it was felt that City Region focused strategy, leadership and structures would be more appropriate.

One dilemma that this avenue, and our complex geography poses is the that whilst cultural, art and sports assets might best be mapped, connected and promoted at city regional scale, the 'Leeds City Region' brand is ill suited to communicating this, especially to an international audience. In this respect, place recognition and identity based upon 'Yorkshire' was much stronger. No clear solution on how to manage this balance was identified, and the sense was that working in a common sense and collaborative way around fuzzy boundaries, using whatever identity and structures worked best for particular purposes, was the best way until a devolution agreement may point more clearly to a long-term direction.

#### **Section 4.6: Key Points**

- **There is great opportunity to combine, connect and collectively promote the City Region's culture, arts and sport offer. Strong leadership and championing is needed to do this.**
- **Co-ordination within organisations, an enabling approach and networks connecting key players in culture, art and sport are needed. Potential for a forum that does this should be explored.**
- **The focus should be Leeds City Regional level, but with this adding together and promoting local assets where helpful, and connecting with and utilising Yorkshire level structures and identity where helpful.**

## 5. Conclusions

This exercise has revealed that partners across places and sectors have a strong desire to address the current policy and partnership vacuum at Leeds City Region level on culture, arts and sport and to develop a way to fully account for the significant direct and indirect benefits that culture, art and sport bring for people, places and the economy. There is a wealth of assets on which to build in doing this and a shared desire to put aside competition in favour of a collaborative and strategic approach to widening and accelerating action. In that context, our overall conclusions are that:

**1) The position of culture, arts and sport should be considerably strengthened within Leeds City Region strategy** and become a priority within a place making and inclusive growth based approach. This could be achieved through a combination of:

- Upgrading content as part of a future SEP review or new inclusive industrial strategy
- Development of a high level Leeds City Region culture/arts/sports framework/plan which supports the SEP and provides clarity on approach and prioritisation
- Stronger content in, and connection between, local economic, cultural and sports strategies

2) Good quality **evidence on the economic impact of culture, arts and sport is in short supply**. The significant value of the culture, arts and sport sectors in terms of GVA and employment is clear, but there is a much weaker basis for assessing the impact that interventions will have, including indirect, long term and qualitative benefits. The City Region could help to address this by commissioning evaluations of new culture, arts and sport projects, and commissioning research into perceptions of quality of place and the culture, arts, sport offer in Leeds City Region.

3) The City Region has a strong and diverse range of cultural, arts and sport assets, although opportunity exists to further enhance the range, quality and utilisation of these assets – although not to strive to fill any and all gaps. There is a strong and shared desire to **map, plan and present the Leeds City Region cultural, arts and sport offer collectively** to maximise the benefits it brings.

4) There is unanimity that investment in culture, art and sport would help the Leeds City Region and local economies, chiefly based upon its role in adding to quality of life, place making and profile, and attracting and retaining talent, tourism and investment. There is **support for long term, sustainable funding mechanisms that can support culture, art and sports initiatives**, either through a new funding stream (should opportunity arise to create one) or opening up existing funding streams through changes in prioritisation and appraisal processes. There is also support for exploring how the investments of others, including the private sector, can be aligned across policy areas to leverage funding and maximise impact.

5) **Stakeholders place equal value on culture, art and sport**, see connections between them, and would not want one or other area singled out above others. Likewise they are open to considering a wide range of potential intervention areas, both revenue and capital based, in support of a rich, diverse, unique and deep offer. Interventions should be considered on their merits on a case by case basis, in the context of the place(s) they are based in and strategic priorities and via an agreed assurance framework.

- 6) A spread of considerations should be taken into account in setting priorities and investment. These could be distilled into a **set of 'Investment Principles'** based upon investing:
- where there is a well-made case
  - in quality and transformation
  - in people and inclusive growth
  - strategically to connect partners, projects and places
  - catalysing business growth
- 7) Generally, partners prefer to focus on broad areas for investment rather than specific projects; and these **potential areas for investment include culture and art, sport, events, sector development, skills and young people, profile raising and place making**. Most local partners also have specific local priorities. Beyond these, a small number of specific opportunities were raised (but not always advocated) by multiple partners, notably Leeds 2023, international cricket at Headingley, attracting international events, and developing the film and screen industries.
- 8) There is **strong support for progressing inclusive growth through culture, art and sports** initiatives. Inclusive growth benefits should be factored into project assessment and prioritisation, and there is potential to scale up and co-locate culture, arts and sports projects that reach deprived communities and improve people's skills, confidence and employment opportunities. More widely, culture, arts and sport projects should be located and have appeal across communities, including older industrial centres and communities that feel 'left behind'.
- 9) A **new or revised assurance framework for culture, arts and sports projects** (and wider place making ones) is required to enable their benefits to be fully and fairly assessed and compared against other proposals. This should include indirect benefits and qualitative and judgement based factors. The concept of 'strategic added value' should be explored as part of a potential way forward. There is much expertise to draw on in this regard from partners such as the Arts Council and Sport England.
- 10) **Strong leadership and championing is needed** to develop and promote the City Region's culture, arts and sport offer. This should be backed by improved co-ordination within organisations, an enabling approach, and networks connecting key players. There was strong appetite for exploring the role of a potential city-region culture, arts and sports forum to foster collaboration and alignment of priorities and investment and to share good practice. Whilst the focus should be on Leeds City Regional level, partners support connection to, and utilisation of, Yorkshire level structures and identity where helpful.

**Looking ahead:** It appears that there is a genuine shared desire – amongst key stakeholders in local government, the city region, and the sector - to come together to articulate the ambition and develop the necessary relationships to build and deliver a strategic and long-term approach to maximising the impact of culture, arts and sport in the Leeds City Region. This is supported by a policy environment that is evolving and starting to make more room for accepting how a broader range of factors drive sustainable, inclusive growth in places. These factors come together to present a real momentum on which to capitalise.

## Annex 1: Culture, Arts and Sport in Leeds City Region Economic Strategies

The table below gives a headline overview of the extent to which and how culture, the arts and sport are covered in core economic strategies in the Leeds City Region.

**Table 1: Coverage of culture, arts and sport in local economic strategies and the SEP**

Strategy <sup>7</sup>	Coverage of Culture, Arts and Sport
LCR SEP	<ul style="list-style-type: none"> <li>• Not explicitly covered in vision, priorities, headline initiatives, indicators or actions</li> <li>• Some reference in vision for good growth narrative</li> <li>• 6/10 of the district place summaries reference culture/sport assets</li> <li>• Main coverage is the 'Visitor Economy, Culture and Quality of Place' box which stressed the importance of culture and sport offer to visitor economy and attracting/retaining talent and investment</li> <li>• Digital and Creative is one of the key sectors</li> </ul>
Leeds Inclusive Growth Strategy (draft)	<ul style="list-style-type: none"> <li>• Maximising the Economic Benefit of Culture is one of the 12 'Big Ideas'. That includes the Capital of Culture bid; increasing visits linked to major cultural events and attractions; and growing the creative and cultural sector</li> <li>• NB includes a wide ranging definition of culture (see p63) extending to way of life and nightlife, etc.</li> <li>• The Retail and Visitor Economy sector section also has strong links to sport and culture and namechecks assets</li> </ul>
Bradford Economic Strategy 2017-2030 (draft)	<ul style="list-style-type: none"> <li>• World class, unique and diverse cultural offer positioned as being one of the district's central assets from which to catalyse growth in the economy</li> <li>• Creative industries and the visitor economy noted as being a key sectors</li> <li>• Although no specific detail, appears that action will be based on encouraging a wide spectrum of cultural and creative activity as part of making the district an attractive place to live, work and visit and to develop an offer in collaboration with Leeds</li> <li>• Detail may come through more strongly in finalised version to shift overall coverage from medium to high</li> </ul>
Calderdale Business & Economy Strategy (2015-2020)	<ul style="list-style-type: none"> <li>• Low coverage overall, with no significant content on sport, art or culture, despite 'Marketing Calderdale' being one of its six themes</li> <li>• Creative and digital is a key sector</li> <li>• Some mention of heritage assets – Piece Hall regeneration and Dean Clough as a business base</li> </ul>
Kirklees Economic Strategy (draft)	<ul style="list-style-type: none"> <li>• Not prominent in priority titles, but vision includes 'a great quality of life and environment where all people are connected to economic opportunity'</li> <li>• Some strong content within in Priority 5 'Quality Places' including a transformational approach to the district's heritage and cultural assets; a Leisure Tourist Strategy that builds on Tour de France legacy; and the role of more and better cultural attractions in revitalising Huddersfield town centre.</li> </ul>
Wakefield Good Growth Action Plan	<ul style="list-style-type: none"> <li>• A vibrant cultural offer noted as a key action within an overall objective to build quality places for residents to live and work; as is achieving University status with creative, cultural and arts subjects and provision central to this</li> <li>• No other explicit references, but implied as part of a drive to diversify economy and boost skills, wages and knowledge intensive industries</li> <li>• Coverage low but this does not reflect the reality or intensity of partnership and action that is in place as identified in stakeholder discussions</li> </ul>

<sup>7</sup> Note: no current plan was identified in Craven, the last one sourced covered the period 2010-2016

<p>York Economic Strategy 2016-2020</p>	<ul style="list-style-type: none"> <li>• References to film and digital, media arts, international festivals and a strong creative scene in its front end</li> <li>• ‘Making a fresh loud statement of intent of cultural and visual identify ‘is one if it’s eight ‘essential to dos’. Notes wide ranging activity on cultural offer and vibrancy including creative lighting, Media Arts festival, design and public realm</li> <li>• Upgrade of National Rail Museum noted linked to York Central</li> <li>• Sectors/research (To Do 4) notes Digital Creativity Hub</li> </ul>
<p>Economic Growth Strategy for Harrogate District 2017-2035</p>	<ul style="list-style-type: none"> <li>• “Whilst aim is a co-ordinated, corporate approach to prioritise and support good growth with a focus on four key sectors, the council recognises that sectors such as tourism and the wider visitor economy add to the vibrancy and culture of the district and will continue to be supported by the council”</li> <li>• Branding and Promoting the district as an attractive, quality environment in which to invest and do business is a strategic theme</li> <li>• But little reference to culture, arts and sport beyond this</li> </ul>
<p>Selby District Economic Development Strategy 2016-2020</p>	<ul style="list-style-type: none"> <li>• Recognition that developing an improved cultural and visitor offer is a key challenge. Action in response based on capitalising on assets to capture and retain visitor spend and promote access to sport and green space activities</li> <li>• Visitor and night-time economy identified as a short term priority sector, with cultural assets and events as key to driving and showcasing this. A new Tourism and Culture Strategy will further expand.</li> <li>• Creative industries and media as a long term priority growth sector</li> <li>• Supporting action plan details work with Screen Yorkshire on film/media, locations for this and developing ‘creative clusters’</li> </ul>
<p>North Yorkshire Plan for Economic Growth 2017</p>	<ul style="list-style-type: none"> <li>• Nothing in the main Vision, Aims and Enablers</li> <li>• But alongside main aims, notes ‘an attractive quality of life...and access to cultural experiences will be important in attracting and retaining skills &amp; knowledge and a healthy and happy workforce’</li> <li>• Also notes visitor economy as a key sector and creative, digital and media industries as a future growth sector</li> </ul>

## Annex 2: Culture, Arts and Sports Strategies in Leeds City Region

The table summarises the main culture, arts and sports strategies in the city region and its local areas, and the priorities within them.

**Table 2: Culture, arts and sport strategies in the Leeds City Region**

Area	Strategy/Plans	Key Points and Priorities
LCR, Yorkshire, North	No culture or sport strategy in place at these levels	<ul style="list-style-type: none"> <li>Look to the plans of government and national bodies such as Arts Council England, Heritage Lottery Fund and Sport England in providing policy context</li> </ul>
Leeds	Leeds Cultural Strategy 2017-2030	<p>Objectives in brief are to:</p> <ul style="list-style-type: none"> <li>To prioritise cultural activity, and use it to improve quality of life for all people and communities</li> <li>For culture to build respect, cohesion and coexistence</li> <li>For all people to be supported to be creative, so culture can be created and experienced by anyone</li> <li>To be recognised as a liveable city, and a thriving, internationally connected cultural hub</li> <li>To be at the forefront of cultural innovation, making the most of new and emerging technologies</li> <li>For the sector to grow and increase its contribution to Leeds' economy, by placing culture at the heart of the city's narrative</li> <li>For established cultural organisations to be resilient, and to create an environment where new ones can flourish</li> </ul> <p>Five areas for focus:</p> <ol style="list-style-type: none"> <li>1: A city of creators</li> <li>2: A place of many destinations</li> <li>3: A connected city with a 'yes' mentality</li> <li>4: A leading international Capital of Culture</li> <li>5: A fast paced city of cultural innovation</li> </ol>
	Sport Leeds Strategy 2013-18	<p>Vision for Leeds to be the most active big city in England. Key priorities for 2016-17 are to drive a collaborative approach to:</p> <ul style="list-style-type: none"> <li>Increasing participation of women and girls</li> <li>Responding to the new national sport strategy</li> <li>Sustaining and developing Active Schools</li> <li>Improving performance sport in the City</li> <li>Annual Leeds Sports Awards</li> <li>Raising profile of physical activity and its contribution to health</li> <li>Developing Leeds as a Triathlon City</li> </ul>
Bradford	Cultural Strategy: A Leading Cultural City 2014-2024	<p>Vision is "A leading cultural city that people love and enjoy". Five priorities:</p> <ol style="list-style-type: none"> <li>1: Investing in our People</li> <li>2: Building a resilient and sustainable sector</li> <li>3: Responsible and active leadership</li> <li>4: A thriving cultural offer</li> <li>5: A cultural destination</li> </ol>
	Physical Activity and Sport Strategic Framework 2017	<p>Vision is for "A healthy and prosperous Bradford where everyone chooses to make physical activity and sport an everyday part of their lives", aiming for people to start to be active, stay active and achieve their ambitions</p>

		<p>across the life course from early years, children and young people, adults and older adults through:</p> <ul style="list-style-type: none"> <li>• A skilled and committed paid and volunteer workforce</li> <li>• Improved places to be active and play sport</li> <li>• Provision of activity, programmes and events</li> <li>• Promotion of opportunities</li> <li>• Using the latest knowledge and research</li> </ul>
Calderdale	2009 draft Calderdale Cultural Strategy sourced but nothing more recent	Not summarised here given dated
	Physical Activity Strategy 2017	<p>Vision for Calderdale “to be the most active Borough in the North of England by 2021”, with aims to:</p> <ul style="list-style-type: none"> <li>• Encourage all residents to be more physically active in any way they choose</li> <li>• Make it easy for residents to make lifestyle choices that increase activity and improve health</li> <li>• Target inactive people and places to increase participation</li> <li>• Encourage and enable collaboration and co-creation of initiatives to empower communities</li> </ul>
Kirklees	No cultural strategy sourced	
	Physical Activity and Sport Strategy 2015-2020	<p>Vision for “Everybody Active in Kirklees: By 2020 everyone will be physically active through work, play, sport, travel or leisure”, using the same structure as in Bradford aiming for people to start to be active, stay active and achieve their ambitions across the life course from early years, children and young people, adults and older adults and so:</p> <ul style="list-style-type: none"> <li>• Increase number, skills and confidence of those working to enable people to take part in physical activity and sport</li> <li>• Improve places to be active and create active environments</li> <li>• Improve community capacity to support and deliver a wider range of opportunities in physical activity and sport</li> <li>• Increase awareness and understanding to enable people to take part in physical activity and sport</li> </ul>
Wakefield	No cultural strategy sourced	
	Physical Activity and Sport 2013-17	<p>Vision for “A vibrant and healthy district where physical activity and sport is part of everyday life and where sporting aspirations can be achieved”. Again uses structure of early years, children and young people, adults and older adults for people to start to be active, stay active and succeed with strategic actions aligned to each stage.</p>
North Yorkshire	Last located is York and North Yorkshire Cultural Partnership 2009-2014 Strategy	Not summarised here given dated
North Yorkshire Sport (partnership of 7 North Yorks.	Strategy not sourced	<p>Organisational Four Sporting Ambitions:</p> <ol style="list-style-type: none"> <li>1. Increase number of people taking part regularly in community grass roots sport and number of young people in full time education accessing high quality sport and PE each week</li> <li>2. Increase number of North Yorkshire residents competing at a regional, national and international level</li> </ol>



District Authorities)		<p>3. Increase number of people in North Yorkshire taking part in health related activity through sport</p> <p>4. Build strong adequately resourced sport infrastructure in North Yorkshire</p>
York	Covered within Without Walls The Strategy for York 2011 – 2025	<p>Objective is: Build on the creative assets of the city so that York’s cultural contribution is maximised and our city’s culture is recognised nationally and internationally. Its Future Priorities are to be:</p> <ol style="list-style-type: none"> <li>1. Recognised internationally as a cultural city</li> <li>2. A diverse, inclusive and cosmopolitan city</li> <li>3. An active and participative city</li> <li>4. A city of high quality spaces (public and private)</li> <li>5. A UNESCO Creative City for the Media Arts</li> </ol>
	Active York Action Plan	<p>Five key aims to:</p> <ol style="list-style-type: none"> <li>1. Ensure every individual in York will be aware of the health benefits of active leisure and of the opportunities available to them</li> <li>2. Ensure coaching and development opportunities exist for participants to improve performance and compete at highest levels</li> <li>3. Ensure sustainability of the sport and active leisure infrastructure in the city including high quality facilities and strong clubs</li> <li>4. Capitalise on the contribution that sport &amp; active leisure makes to the culture and quality of life of residents in the city</li> <li>5. Promote and enhance the role that sport &amp; active leisure can play in developing safer and stronger communities</li> </ol>
Harrogate	No cultural strategy sourced	
	Outdoor Sports Strategy 2013	Not reviewed here – primarily a playing pitch / outdoor facilities plan
Craven	Craven District Council Cultural Strategy 2017-2022	<p>Vision is: To be the best rural location to live, work, and visit underpinned by cultural excellence across the District.</p> <p>To achieve this vision our objectives are to:</p> <ol style="list-style-type: none"> <li>1. Research and define cultural distinctiveness and its offer to inform future actions</li> <li>2. Support people and organisations to develop and grow engagement in a diverse cultural and creative offer</li> <li>3. Improve infrastructure to support current and future creative economy</li> <li>4. Promote and improve arts, heritage and cultural assets and surroundings</li> </ol>
Selby	Work underway to develop new Visitor Economy Strategy	Not available for summary, work in progress
	Yorkshire Sport Foundation Strategy	<p>Covering West and South Yorkshire with a vision for “a vibrant, healthy and prosperous Yorkshire through Sport” and aims for more people taking part in sport on a regular basis, greater inclusivity and maximising investment into sport through:</p> <ul style="list-style-type: none"> <li>• well-connected and well-informed sport structure</li> <li>• skilled and committed sports workforce</li> <li>• improved places to take part</li> <li>• targeted provision of activity programmes and events</li> <li>• improved promotion of opportunities and inspiration</li> <li>• increased investment into the charity and sport</li> </ul>

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**Director:** Rob Norreys, Director of Policy, Strategy & Communications  
**Author:** Jonathan Skinner



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**Report to:** LEP Board  
**Date:** 29 November 2017  
**Subject:** Northern Cultural Regeneration Fund

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## 1 Purpose

- 1.1 To seek the LEP Board's agreement on the Leeds City Region's submission to the Northern Cultural Regeneration Fund (NCRF).

## 2 Information

- 2.1 The Department for Culture, Media and Sport (DCMS) launched the £15m NCRF as a competition for three or four investments of up to £4m across the eleven LEP areas. It delivers a government commitment so "as many people as possible benefit from the 2018 Great Exhibition of the North<sup>1</sup>, and the fund will boost the Northern Powerhouse and help build a lasting legacy across the whole region".
- 2.2 Each LEP has been invited to put forward one proposal for a single, capital cultural regeneration project. Officials have indicated ministerial decision-making is likely to focus on historic underinvestment in cultural and creative infrastructure, and deliverability. For successful projects, the relevant LEP will receive the money and be responsible to monitor delivery (with light-touch DCMS oversight).
- 2.3 The NCRF was incorporated as a strand of the city region's August/September Open Call for Projects. Eight NCRF proposals were received – Wakefield (2), Bradford (2) and one each in Kirklees, Leeds, Craven and Barnsley. Three schemes were promoted by local authorities; private and community groups led the remaining five. Two proposals were in 'overlapping' LEP areas so there has been liaison with neighbouring LEPs.
- 2.4 There has since been a period of discussion with promoters and district partners on proposals, including its deliverability and the strategic case for intervention. This has led to most promoters choosing to withdraw, leaving only the most impactful and deliverable projects to proceed to develop full business cases, as required by DCMS. The LEP has also engaged with Arts Council England for specific views on the two projects, as well as taking account of the consensus coming from the linked piece of work on the city region's ambition for culture, arts and sport (see agenda item 10). The process has been overseen by LEP Board Member Rashik Parmar.

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<sup>1</sup> To be hosted in Newcastle/Gateshead in summer 2018 to showcase the best of Northern art, design and innovation.

2.5 The outcome of this process is to highlight two strong but very different projects that would each have a transformational impact on the cultural and creative economy in the Leeds City Region:

- **Transformation of the Bradford Odeon:** Completes the regeneration of City Park, where the former Odeon cinema has been closed since 2000 and has fallen into disrepair. With other options unviable, this capital fund is a rare opportunity to trigger a major physical regeneration with a 4,000-capacity mid-size live entertainment venue projected to host 225 events annually by 2023 attracting 270,000 people to the centre of Bradford with an economic impact of £10m. A petition of 2,705 signatories called for Bradford Odeon to be the LCR LEP’s nomination for the NCRF.
- **Backstage Academy @ Production Park:** Delivers a permanent and expanded home to the Backstage Academy university centre and support its progression to full university status. This accelerates development of the wider Production Park facility into a European centre of excellence for the design, development and rehearsal of concert touring productions along with leading facilities degree and Masters level education for the live events industry. It also provides a major boost to private sector-led regeneration in some of the most disadvantaged communities in the city region.

2.6 It is important for inclusive growth in the city region that both schemes are delivered, but the LEP can submit only one for the pan-Northern competition.

2.7 The table below summarises the degree to which the projects meet the Fund Criteria set by DCMS, based on the information provided by project promoters. **Appendix 1** provides further detail about why the categories have been rated as below the different elements of a ‘five cases’ business case.

	Transformation of the Bradford Odeon	Backstage Academy, Production Park, Wakefield
Fit with primary funding goals	Strong Fit	Medium Fit
Delivery of desired outcomes	Strong Fit	Strong Fit
Ambition and rationale for intervention in the local area	Strong Fit	Strong Fit
Value for money	Strong Fit	Strong Fit
Delivery and risk	Strong Fit	Strong Fit

2.8 Accordingly, it is recommended that, on balance, the transformation of the Bradford Odeon is selected as the LCR’s submission to the pan-Northern competition. The city region should, however, continue to examine opportunities to support the potential

of a live events cluster around Backstage Academy / Production Park as a means of driving growth in creative industries and private sector jobs in relatively disadvantaged areas.

### **3 Recommendations**

- 3.1 That the LEP Board determines its submission to the Northern Cultural Regeneration Fund. Based on the specific criteria of the DCMS fund and the views received from partners, it is recommended that on balance, the LEP's submission is the transformation of the Bradford Odeon.

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## Rationale for the Northern Cultural Regeneration Fund proposal

### Bradford Odeon

<p><i>Description</i></p>	<ul style="list-style-type: none"> <li>○ Completes the regeneration of City Park, where the former Odeon cinema has been closed since 2000 and has fallen into disrepair.</li> <li>○ Delivers game-changing physical regeneration with a 4,000-capacity mid-size live entertainment venue projected to host 225 events (concerts, corporate events and exhibitions, Bollywood performances, e-gaming competitions, weddings, etc.) annually by 2023 attracting 270,000 people to the centre of Bradford.</li> <li>○ Supported by a petition of 2,705 signatories calling for “Bradford Odeon to be Leeds City Region Enterprise Partnership’s nomination to the NCRF”.</li> </ul>
<p><i>Strategic case:</i></p>	<ul style="list-style-type: none"> <li>○ The Bradford district was a shortlisted bidder for the Great Exhibition of the North, and has committed to supporting its legacy work as a satellite through a bid to the LCR Business Rates Pool.</li> <li>○ Evidence provided that Bradford has historically received low levels of cultural investment (by both Heritage Lottery Fund and Arts Council England). This would begin to redress that imbalance.</li> <li>○ Other options have been explored for the site but discounted:             <ul style="list-style-type: none"> <li>▪ Private sector development (demolition and building commercial offices) was found to be unviable in 2012.</li> <li>▪ Leisure use (swimming and diving) was explored and found to be unviable.</li> <li>▪ A community led live music / performance venue with significant community space resulted in less commercial income meaning it is not self-sustaining, requiring ongoing subsidy.</li> </ul> </li> <li>○ Links to the SEP elements of growing business, skilled people, better jobs and infrastructure for growth. Fits with emerging city region emphasis on quality of life to attract and retain talent.</li> <li>○ Meets DCMS funding priorities:             <ul style="list-style-type: none"> <li>▪ Increased opportunity for people, including children and young people, to experience and be inspired by culture and creativity. ;</li> <li>▪ Better quality of life and wellbeing within local communities. It is felt that extending access across diverse communities would be an additional welcome outcome;</li> <li>▪ More resilient and sustainable cultural and creative organisations;</li> <li>▪ Increased investment and economic growth.</li> </ul> </li> <li>○ NEC have a proven track record of outreach activity and apprenticeships – including a commitment to extending their existing rigging and catering apprenticeship programmes.</li> </ul>

<i>Economic case:</i>	<ul style="list-style-type: none"> <li>○ Impact assessment showing an annual economic boost of £10m - £8.6m through direct visitor spend and £1.4m operational spend by the NEC Group.</li> <li>○ Substantially expands Bradford’s night-time economy offer.</li> <li>○ Levers substantial investment (including private sector) into a relatively deprived area.</li> <li>○ Indirect impacts of 500 new fte jobs and 50+ businesses supported / created in the tourism, hospitality and retail sectors based on KPMG’s analysis of NEC Group’s measured impacts in the West Midlands.</li> </ul>
<i>Financial case:</i>	<ul style="list-style-type: none"> <li>○ Subject to final approvals, the £19.8m scheme has £15.8m committed from a mixture of NEC Group and Bradford Council.</li> <li>○ A £4m investment from the NCRF (assuming selecting by the LCR and winning investment from DCMS) would mean the scheme is 100% funded and able to proceed according to timeframe. This includes early spending in 18/19 and 19/20.</li> </ul>
<i>Commercial case:</i>	<ul style="list-style-type: none"> <li>○ NEC Group have agreed Heads of Terms and are shortly to complete the contract for a 30 year lease and funding.</li> <li>○ Bradford Live have spent the last 3 years working with sector specialists and commissioned significant analysis into market demand for a new facility. They confirm the need for a multi-purpose mid-size live music and entertainment venue, which was corroborated by a venue supply and demand study by NEC Group.</li> </ul>
<i>Management case</i>	<ul style="list-style-type: none"> <li>○ Very strong management case driven by a bold partnership: <ul style="list-style-type: none"> <li>▪ <b>Bradford Live</b> – have spent the last 3 years working closely with industry professionals and brokered a sustainable vision across</li> <li>▪ <b>Bradford Council</b> - who took ownership of the building in 2013 and no issues are expected in obtaining the necessary planning consents</li> <li>▪ <b>NEC Group</b> – who operate five live event venues in Birmingham and Solihull with annual revenues of £158m.</li> </ul> </li> <li>○ Advice has been taken and the proposed delivery route is considered state aid compliant.</li> <li>○ Building work due to start in November 2018, complete mid-2020.</li> <li>○ Promoters have provided a list of supporting technical work including: <ul style="list-style-type: none"> <li>▪ Design work (RIBA stage 2)</li> <li>▪ Stage-by-stage cost plan from AECOM</li> <li>▪ Project Risk Register</li> <li>▪ Development Risk register</li> </ul> </li> </ul>



**Backstage Academy @ Production Park, South Kirkby, Wakefield**

<p><i>Description</i></p>	<ul style="list-style-type: none"> <li>○ Production Park in South Kirkby, Wakefield is fast developing into the leading European centre of excellence for the design, development and rehearsal of concert touring productions along with degree-level education for the live events industry.</li> <li>○ There is now an opportunity to create a unique 42m tall large scale (10,000 square metre GIA) rehearsal facility capable of supporting delivery, research and teaching on the largest arena and stadium sized live event productions – from Live Music to Corporate Events and Global Spectaculars. The facility will also contain workspace for a variety of businesses and freelancers from a variety of disciplines including artists, scenic designers, and set construction technology as well as space for local and regional performing arts groups to rehearse and use new facilities and technologies in their productions. In addition it would create a permanent home to an expanded BackStage Academy and support its progression to full university status.</li> </ul>
<p><i>Strategic case:</i></p>	<ul style="list-style-type: none"> <li>○ Production Park will trigger private sector-led regeneration of one of the most deprived parts of England (1 in 4 residents of South Elmsall and South Kirkby live in neighbourhoods that are amongst the 10% most deprived in England).</li> <li>○ While Wakefield District has a strong record in attracting cultural investment via The Hepworth Wakefield (2017 Art Fund Museum of the Year) and Yorkshire Sculpture Park, these assets are both over 10 miles away from South Kirkby. There is a need for public intervention to unlock investment in communities that require significant and relatively well-paid job creation as well as new business growth.</li> <li>○ There are strong links identified with other LCR projects (e.g. Growth Service; Access Innovation Fund; AD:Venture; Screen Yorkshire Content Fund; Industrial Strategy Challenge Fund round 2 live events, etc.)</li> <li>○ The development will be a necessary catalyst for development in the Langthwaite Business Park enterprise zone and a key milestone in the longer term delivery of the Production Park masterplan with the end aim of creating 3500+ creative industries jobs in South Kirkby.</li> <li>○ The project reflects burgeoning strength in associated creative industries – including a submission led by the University of York for a creative cluster R&amp;D partnership for Interactive and Immersive Storytelling.</li> <li>○ The project provides a world-class facility to bolster the BackStage Academy University centre in south east of the Wakefield district, with potential to offer postgraduate courses as well as the existing foundation degree and degree-level courses.</li> </ul>

	<ul style="list-style-type: none"> <li>○ This links to the SEP elements of growing business, skilled people, better jobs and infrastructure for growth. It also meets DCMS funding priorities: <ul style="list-style-type: none"> <li>▪ Increased opportunity for people, including children and young people, to experience and be inspired by culture and creativity;</li> <li>▪ Better quality of life and wellbeing within local communities;</li> <li>▪ Innovative and effective partnerships between the cultural and creative sectors;</li> <li>▪ Increased investment and economic growth.</li> </ul> </li> </ul>
<i>Economic case:</i>	<ul style="list-style-type: none"> <li>○ Outputs include: <ul style="list-style-type: none"> <li>▪ 50 FTE direct jobs, and a further 156 indirect jobs and a significant catalyst for 3500+ jobs created as part of the wider Production Park masterplan</li> <li>▪ 10 new businesses created, with a further 40 assisted.</li> <li>▪ 10,000 sq m of new development across: 4,000 sq m of stadium rehearsal space, 3,000 sq m of learning space, 2,400 sq m of business incubation and managed workspace and 600 sq m of cultural arts space.</li> <li>▪ 200 additional learners to NVQ levels 5 and 6 where there is a demonstrated private sector demand for talent and skills.</li> <li>▪ A 400 sq m landscaped Production Park garden, transforming previous industrial land.</li> </ul> </li> </ul>
<i>Financial case:</i>	<ul style="list-style-type: none"> <li>○ Assuming a successful bid to the NCRF for £4m, the £12m project is fully funded through a mix of significant private investment and a Wakefield Council loan, agreed in principle but subject to final approvals.</li> <li>○ Drawdown of the NCRF is split equally between 2018/19 and 2019/20.</li> </ul>
<i>Commercial case:</i>	<ul style="list-style-type: none"> <li>○ The scheme fills a vital industry need for high quality live events rehearsal space, alongside development of academic and technical talent in the live events industry.</li> <li>○ The project promoters (a private company) feel that there is a strong demand based on feedback from existing national and international clients with current facility. No such large-scale rehearsal and performance space exists anywhere else in the world and the company has a proven track record of pioneering in this field and attracting world class productions to existing facilities in South Kirkby. This new asset would assure the position of Wakefield and Leeds City Region within the burgeoning international live events marketplace now and into the future.</li> </ul>
<i>Management case</i>	<ul style="list-style-type: none"> <li>○ Backstage Academy was launched in 2011 and has previously delivered the £5m Studio One development in South Kirkby to create an arena sized educational, rehearsal and R&amp;D space.</li> </ul>

	<ul style="list-style-type: none"><li>○ The market opportunity is time limited (i.e before rival projects in mainland Europe come to fruition) and accordingly the management team is focused on timely delivery.</li><li>○ Building work due to start in December 2018, complete July 2019.</li><li>○ Backstage Academy has taken independent legal advice about state aid and view is that delivery routes are covered by exemptions and open access.</li><li>○ The promoters have a timetable to acquire the site, complete remedial work and feasibility analysis. Pre-planning discussions are underway and no planning issues are expected.</li><li>○ The project has the full suite of project management documentation in place.</li></ul>
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**Director:** Sue Cooke, Executive Head of Economic Services  
**Author:** David Shepherd



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**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** Leeds City Region Memorandum of Understanding (MOU) with a Global Tech Firm

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## 1 Purpose

- 1.1 This paper will provide the LEP Board with an update on the proposed Memorandum of Understanding (MOU) between the Leeds City Region Enterprise Partnership and a major Global Tech Firm and seek the Board's input and approval for this MOU to be signed.
- 1.2 This forms part of an approach to ensure that Leeds City Region capitalises on the opportunities created by 5G and "Smart City" technologies and develops a reputation as a global leader in this area.
- 1.3 Closer association with the largest global technology businesses will help us achieve our objective of becoming a recognised leading location for the creative and digital sector and to attract technology corporates to locate in the City Region.

## 2 Information

- 2.1 This report sets out:
  - Company background
  - An overview of the City Region's interactions with the company to date
  - The purpose of the proposed MOU
  - The benefits of partnering with a major global technology firm and the strategic fit with the goals of the City Region

### Company background

- 2.2 The business is a leading Fortune 500 global technology solutions provider employing over 180,000 people. The business is committed to investing significant amounts in the UK, with a strong focus on R&D activity.
- 2.3 Further information on the company can be found in confidential appendix 1, due to the commercially sensitive nature of this proposed partnership.

### An overview of the City Region's interactions with the Global Tech Firm to date

- 2.4 Following an introduction by the University of Leeds, the Trade & Investment Team visited the company's R&D Centre in China as part of the delegation led by Cllr Blake and Roger Marsh, Chair of the LEP Board, in February 2017.
- 2.5 A team from the company's UK office visited Leeds in June 2017 to further progress the dialogue and determine activities that are of joint strategic importance. The team were impressed by the vision set out by Cllr Blake and Roger Marsh for the Leeds City Region to become a leading Smart City Region, and especially liked the City Region approach.
- 2.6 A number of subsequent meetings in London, in addition to ongoing correspondence, has led to an agreement to sign a MOU to underpin the development of a long-term collaborative partnership between The LEP and the Global Tech Firm, particularly focussing on the Smart City agenda to ensure inclusive growth. (See 2.13)

### The purpose of the proposed MOU

- 2.7 This MOU will build on the active relationships already established between Leeds City Region and the company.
- 2.8 Leeds City Region and the Global Tech Firm will look to collaborate on five key topics:
- Installation of broadband services to areas of Leeds City Region
  - Smart Cities - Global leaders in both vision and execution of Smart Cities technology
  - University R&D Collaborations – Obtaining competitive advantages in the market
  - 5G - Potential to become a 5G UK pilot region
  - Corporate Property Strategy – Collaboration on future investment plans
- 2.9 Appendix 2 (provided on a confidential basis), includes a copy of the full MOU we are proposing to sign with the company.
- 2.10 For clarity, this MOU is not exclusive and does not prohibit collaboration with other technology businesses and providers, or other regions.

### The benefits of partnering with a major global technology firm

- 2.11 The company is a major brand with a global reach and a partnership with this company could help to raise the profile of Leeds City Region internationally. The signing of an MOU has the potential to secure major press coverage and attract the attention of a significant number of international businesses, demonstrating the City Region's strengths and ambitions in the digital sector.

- 2.12 Being more closely associated with a leading global technology firm would enhance the City Region's reputation as a leading location for the creative and digital sector and will help with our objective of attracting more leading technology businesses to the City Region, creating a significant cluster.

Strategic fit with the goals of Leeds City Region

- 2.13 The LEP recognises that technology is a driving factor in achieving our goal of 'inclusive growth', ensuring all our people and places are able to contribute to, and benefit from, economic prosperity.
- 2.14 Both The LEP and company recognise the need to use technology innovations to deliver more efficient services, in order to meet the needs of ageing populations and to ensure Leeds City Region has the infrastructure and skills needed to be competitive in a global economy.
- 2.15 The company are passionate about the potential for Smart City technologies to address some of the UK's most pressing urban challenges.
- 2.16 The company can assist Leeds City Region on the challenge of scaling up its most successful projects and encouraging continued innovation in a wider range of services, to become a leading Smart City Region.

**3 Recommendations**

- 3.1 That the LEP Board approves the signing of this non-exclusive MOU by the LEP Board Chair with the Global Tech Firm to help the City Region realise its ambition of becoming a Smart City Region and enhancing its international profile as a leading location for technology businesses.
- 3.2 That the LEP Board endorses the strategy of using the MOU with the Global Tech Firm to galvanise Smart City and 5G activities across the Leeds City Region and to ensure a joined up approach in these areas.

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**Director:** Melanie Corcoran, Director of Delivery  
**Author:** Dave Haskins



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**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** Call for Projects

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## 1 Purpose

1.1 This report provides an overview of the submissions received following the recent Call for Projects, with a focus on those that have been identified for potential Growth Deal funding and for Business Rates Pool eligibility.

## 2 Information

2.1 In recent months, WYCA has received a number of submissions from scheme promoters who are seeking to bring new projects forward for entry into the 'pipeline' for delivery. No mechanism currently exists to support this, and any opportunity to support new projects is held back by the lack of headroom funding available.

2.2 In order to seek to overcome this issue a need was identified to formally request promoters bring forward projects on an agreed and consistent basis through a Call for Projects. The rationale was to provide an indication of future opportunities that exist should funding become available. A further exercise was also identified, to review the current portfolio of projects and to clearly understand where delivery is not proceeding to agreed timescales or where circumstances have changed which may result in reduced outcomes to those initially envisaged.

2.3 The initial stage of this process has commenced through a Call for Projects which was issued by WYCA on 24th August 2017, and was publicised on the WYCA website with a return date of 25th September 2017. The purpose of the Call was to establish a 'reserve list' and that it was highlighted that no funding is currently available. The Call covered a range of projects under various potential funding sources, namely:

- Growth Deal;
- Business Rates Pool (BRP);
- Northern Cultural Regeneration Fund (NCRF); and
- Other, as potential Growth Deal or with a wider policy context

2.4 All submissions were logged and evaluated under the direction of the Head of Feasibility & Assurance (F&A) to ensure that separation of promoter/reviewer roles was adhered to through ethical walls being put in place. A number of reviewers were

identified within the F&A team, supplemented by staff in PMO and Research & Intelligence. Wider district input was requested and was volunteered by Bradford, Wakefield and Calderdale.

- 2.5 There were 93 projects submitted:
- 70 projects Growth Deal
  - 6 projects NCRF
  - 17 projects Business Rates Pool
- 2.6 This report primarily focuses on Growth Deal and potential Business Rates Pool schemes. NCRF bids are covered in a separate report to the LEP Board.
- 2.7 In terms of potential Business Rates Pool schemes, the Call for Projects elicited a response which included time-limited commitments, ongoing commitments as well as a further ten responses. Taken together, there have been requests for a minimum of £6.83m in 2018/19, which is likely to increase to account for increases in local contributions to the WY+TF and expectations of local authorities for resources for local economic development. This almost certainly means the fund will be oversubscribed.
- 2.8 Following an initial review of the 70 Growth Deal submissions, 48 projects were identified where there were key gaps in the supplied information that related to one or all of; project delivery timescales, project costs and scheme benefits. The scheme promoters were contacted and a request was made for the missing information – 1 week was allowed for this. 42 promoters responded with further detail.
- 2.9 The assessment of the submissions was based on criteria that was provided, and which related to information set out in the WYCA Assurance Framework. A scoring system was defined and agreed all evaluations were moderated. A further moderation meeting was held on 13 October, attended by WYCA staff and District colleagues who had undertaken the reviews, supported by wider input.
- 2.10 Throughout the process of evaluation, summary information has been provided to the Programme Appraisal Team, Directors of Development (DoDs) and Chief Highway Officers (CHOs).
- 2.11 Projects have been categorised into a number of thematic areas, which broadly relate to Strategic Economic Plan (SEP) priorities:
- Priority 1 – Growing Businesses;
  - Priority 2: Skills Capital;
  - Priority 3: Clean Energy and Environmental Resilience (no submissions received);
  - Priority 4 (a) Housing/Regeneration plus digital infrastructure;
  - Priority 4 (b): Transport Infrastructure; and

- Priority 0: Culture and Sport.

2.12 There are a number of caveats that should be noted as a ‘health warning’ around the summary information received:

- The assessment has been based on information as provided. There has been no opportunity to check the veracity of scheme costs, timescales or benefits. This may result in an over-selling (or under-selling) of schemes;
- Some schemes may perform better if more information was made available by promoters. Conversely, when examined in more detail, some schemes may not perform as well as has been claimed;
- In a number of cases, schemes ‘pass’ the test of delivery by 2021, though it should be noted that this is often contingent on a delivery programme that requires imminent decisions/funding allocation. Any delay in commencing activity, or in de-committing other projects may well affect the ability for delivery within prescribed timescales;
- For certain types of schemes, notably those in the Transport Infrastructure and Sport & Culture category, performance against direct jobs and housing impacts is poor as these projects primarily provide indirect outputs;
- There are a number of submissions which have been identified for delivery post-2021, but which are seeking feasibility funding as an enabler;
- There are some projects which are seeking both WYCA funding through the Growth Deal as well as NCRF funding;
- Match-funding will need to be a key consideration in many cases, and this is generally quite poorly defined at present. Where delivery has been identified as possible by 2021, this may be a key consideration;

2.13 Below is a summary table of the submissions against Growth Deal priority areas:

Priority	Type	WYCA Grant	Total Project Size	No of Applicants
Priority 1	Growing Businesses	£89.74m	£251.37m	10
Priority 2	Skills Capital	£79.07m	£141.91m	17
Priority 4 (a)	Housing, Regeneration and Digital	£121.08m	£1,170.64m	17
Priority 4 (b)	Transport Infrastructure	£446.98m	£1,064.39m	20
Priority 0	Culture and Sport	£18.78m	£65.82m	6
<b>Grand Total</b>		<b>£755.65m</b>	<b>£2694.13m</b>	<b>70</b>

2.14 An overview of submissions was discussed at Investment Committee Workshop on 31 October.

### **3 Next Steps**

- 3.1 Following the Investment Committee workshop, all scheme promoters have been contacted to notify them of the next steps as agreed by Members.
- 3.2 Work is ongoing to seek further information from promoters where opportunities may exist to take projects forward, which in some cases may be around further feasibility work.
- 3.3 Next steps are currently being worked up and will be reported to Investment Committee and LEP Board in early 2018, and to WYCA. Work is also underway to identify where scope might exist for de-commitment or re-profiling of project expenditure.

### **4 Recommendations**

- 4.1 That the report is noted.



**Director:** Angela Taylor, Director of Resources  
**Author:** Caroline Allen



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**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** LCR LEP – review of constitutional arrangements

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## **1 Purpose**

- 1.1 To ask the LEP Board to consider and discuss revised constitutional arrangements for the LCR LEP, and to note an assurance statement submitted by the LEP Chair and WYCA’s MD as part of the annual performance conversation (“Annual Conversation”) between the LCR LEP and the DCLG.

## **2 Information**

- 2.1 The Department for Communities and Local Government (DCLG) assurance systems for funding to Local Enterprise Partnerships (LEPs) include a LEP National Assurance Framework, regular LEP reporting to DCLG against agreed output metrics, LEP evaluation frameworks and annual performance conversations. The Annual Conversation for LCR LEP takes place on 28 November 2017. Following the Annual Conversation, there will be a performance review. The review will highlight any areas where there may be need for further development or where there is good practice, to make sure this is captured. Additional actions may be identified such as the need to develop an action plan in response to certain issues. The outcomes of the Annual Conversation are informative, but not summative in determining whether or not and how the 2018 Local Growth Fund and LEP core funding grant payments will be released.
- 2.2 The LEP National Assurance Framework sets out what DCLG expect LEPs to cover in their local assurance frameworks. Compliance with the requirements are incorporated as a condition of funding in Growth Deal grant offer letters from the DCLG. The LCR LEP/WYCA local assurance framework was approved in February 2017. It is currently under review, and it is anticipated that LEP Board will be asked to consider and approve a revised framework at its meeting on 16 January 2018. The revised framework will reflect progress made over the last year to increase LCR LEP transparency and accountability, including the revised arrangements integrating Panels as advisory committees into WYCA decision-making structure.
- 2.3 In the interim, the Head of Legal and Governance Services has carried out a review of the LCR LEP governance documentation setting out how the LCR LEP and LEP Board operate. This needs to be updated to reflect the requirements of the local assurance framework and consequent changes in practice including increased public access to LEP Board reports and meetings. A proposed revised LCR LEP constitution is

attached as **Appendix 1** to this report, including separate LEP Board Procedure Rules an Access to Information Annex and a Code of Practice for recording meetings, all of which reflect existing WYCA documentation.

- 2.4 In April 2017, the DCLG asked Mary Ney, a Non-Executive Director on the DCLG Board, to review national LEP governance and transparency. The findings of the review were published on 26 October, and are available on the following [Link](#).
- 2.5 The Ney review recommendations have resulted in the following requirements being implemented for the 2017 Annual Conversation on 28 November:
- a formal annual assurance statement submitted before the Annual Conversation by the LEP Chair and Chief Executive, including arrangements for scrutiny,
  - the Annual Conversation to include detailed examination of LEP performance on governance, and
  - Chief Finance Officers (CFOs) to provide a report to the Annual Conversation about their work for the LEP and their opinion, with a specific requirement to identify any issues of concern on governance and transparency.
- 2.6 The formal annual assurance statement submitted prior to the Annual Conversation 2017 by the LCR LEP Chair and WYCA's MD will be tabled at the LEP Board meeting for information.
- 2.7 Other recommendations from the Ney review propose amendments to the National Assurance Framework, to impose requirements for LEPs to:
- adopt a **code of conduct**, based on the Nolan Principles for standards in public life and addressing dealing with conflicts of interest, declarations of interest and transactions, gifts and hospitality, policy on fees and expenses,
  - adopt a **whistleblowing** policy,
  - clarify the **role of the CFO**, and
  - improve transparency in relation to the **publication of information**.
- 2.8 The DCLG have accepted all of the recommendations of the Ney review, to be of immediate effect. Best practice advice is anticipated to be published by the DCLG imminently, which will include guidance on the publication of LEP agendas, meeting papers and decisions. The DCLG have confirmed that they will also publish a best practice Code of Conduct for LEPs and a bespoke pro-forma for LEP Board members' interests. The DCLG is also working with the Chartered Institute of Public Finance and Accountancy (CIPFA) to develop separate guidance on financial transparency for CFOs.
- 2.9 The DCLG anticipate issuing a revised National Assurance Framework in April 2018 to reflect the Ney recommendations and also incorporate recommendations following a wider on-going Ministerial review into strengthening the role of LEPs.

- 2.10 The proposed constitutional documents set out in **Appendix 1** include:
- **disqualification criteria**, an **appointments process** and **terms of office** for LEP Board members,
  - provisions allowing **urgent decision making** by the LCR LEP Chair,
  - reference to **complaints** and **whistleblowing** processes,
  - separate **Procedure Rules** for the LEP Board, incorporating revised substitute and quorum arrangements, and provision for an annual meeting,
  - **conduct** provisions, reflecting current practice,
  - specific **access to information arrangements** as a separate annex, which closely reflects provisions adopted by WYCA
  - a **Code of Practice for recording meetings** (modelled on statutory requirements applying to WYCA meetings.)
- 2.11 Pending the publication of the best practice advice from the DCLG, the CFO guidance and a revised National Assurance Framework, the proposed revised LEP constitution documents at **Appendix 1** reflect relevant recommendations from the Ney report so far as practicable at this point in time. These documents (and the local assurance framework) may, however, need to be amended once the guidance, advice and revised National Assurance Framework have been published.
- 2.12 Further to receipt of the best practice advice and to discussion at this meeting, it is anticipated that the LEP Board will be asked to approve finalised LCR LEP constitution and procedures, including a revised Code of Conduct, at its meeting on 16 January 2018.

### **3 Recommendations**

- 3.1 The LEP Board is requested to consider and discuss the revised arrangements attached as **Appendix 1** to this report.
- 3.2 The LEP Board is asked to note the formal annual assurance statement submitted before the Annual Conversation by the LEP Chair and WYCA's MD.

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## APPENDIX 1A

## Leeds City Region Enterprise Partnership (LCR LEP) Constitution

### 1. Role and functions of the LCR LEP

- 1.1 The Leeds City Region Enterprise Partnership (LCR LEP) is a non-statutory body which brings together private and public sectors from across Leeds City Region<sup>1</sup>, to provide strategic leadership to drive economic growth and competitiveness.
- 1.2 The **LCR LEP Board** is the decision-making forum of the LCR LEP.
- 1.3 Functions of the LCR LEP include:
- setting the **strategic direction** in respect of economic growth and regeneration, including key funding priorities,
  - **holding partners to account** in the delivery of the Strategic Economic Plan,
  - overall policy development for any **LCR Enterprise Zone**,
  - approving, maintaining and publishing a **LCR assurance framework**, and
  - **advising West Yorkshire Combined Authority (WYCA)** in relation to strategic and operational transport decisions.

### 2. LCR LEP's accountable body

- 2.1 WYCA is the accountable body for funding allocated to the LCR LEP; that is, WYCA is responsible to Government for complying with any conditions or requirements attached to any such funding.

### 3. Interpretation

- 3.1 With the exception of matters arising under the LCR LEP Board Procedure Rules, WYCA's Head of Legal and Governance Services shall make any final decision about:
- how any provision in this constitution or its appendices should be interpreted, and
  - any question of procedure not provided for by the constitution or its appendices.

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<sup>1</sup> The Leeds City Region (LCR) spans 10 local authority areas: Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York. Craven, Harrogate and Selby fall within North Yorkshire.

## 4. LCR LEP Board Membership

4.1 LCR LEP Board membership must include:

- **private sector representatives** who live or work within the Leeds City Region; and
- Leeds City Region **local authority representatives**.

4.2 A majority of LCR LEP Board members shall be private sector representatives.

### Appointment

4.3 No person may act as a LCR LEP Board member if:

- they are the subject of a bankruptcy restrictions order, an interim bankruptcy restrictions order, a debt relief restrictions order or interim debt relief restrictions order under Schedule 4ZB of the Insolvency Act 1986, or
- during the last 5 years prior to the date of appointment, they have been convicted of any offence and been sentenced to imprisonment (whether suspended or not) for a period of not less than 3 months without the option of a fine, or
- they have an incapacity imposed under Part III of the Representation of the People Act 1983 having been convicted of a corrupt or illegal practice, or
- they are an officer or servant of WYCA or a WYCA subsidiary (within the meaning of the Transport Act 1962).

4.4 The LCR LEP Board shall appoint the **private sector representatives** to the LCR LEP Board. Each private sector representative on the LCR LEP Board is appointed in their individual capacity, and not as a representative of their employer or any other organisation. No substitute members will be appointed for private sector representatives.

4.5 The LCR LEP Board will select the private sector representatives in accordance with the LCR LEP's diversity statement and through an open, transparent and non-discriminatory competition which assesses each candidate on merit. This may include an interview process conducted by a LCR LEP appointments panel, to include the LCR LEP Chair.

4.6 The following local authorities shall each appoint a **local authority representative** to the LCR LEP Board<sup>2</sup>:

- City of Bradford Metropolitan District Council

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<sup>2</sup> This is expected, but not required, to be the Leader of the relevant council.

- Borough Council of Calderdale
- Harrogate Borough Council
- Kirklees Metropolitan Council
- Leeds City Council
- North Yorkshire County Council
- Council of the City of Wakefield
- City of York Council

4.7 Each of these local authorities may also appoint a substitute to act in the absence of their appointed LCR LEP Board member, subject to the LCR LEP Board Procedure Rules<sup>3</sup>. The substitute member must be an elected councillor from the same local authority as the member for whom they are substituting, with the exception of the representative for Harrogate Borough Council, who may be represented by an elected Member from Craven District Council, Selby District Council or Harrogate Borough Council. An officer cannot substitute for any LCR LEP Board member.

#### **Terms of office**

4.8 The terms of office for each **private sector representative** (including the LCR LEP Chair) will normally be:

- a maximum of 3 years, and
- subject to a maximum of 3 consecutive terms.

4.9 The LCR LEP Board may terminate the membership of any private sector representative at any time.

4.10 The terms of office for any **local authority representative** (or their substitute) is at the discretion of their appointing authority; authorities may terminate their appointment or appoint a representative at any time, to be of effect on receipt of a notice by WYCA's Head of Legal and Governance Services.

#### **Recruitment and appointment of Chair and appointment of Deputy Chair for the LCR LEP**

4.11 The LCR LEP Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the LCR LEP's diversity statement. This may include an interview process conducted by a LCR LEP appointments panel.

4.12 The LCR LEP Board will appoint:

- a private sector representative as **Chair of the LCR LEP<sup>4</sup>**, and

<sup>3</sup> See LEP Board Procedure Rule 9

<sup>4</sup> Pursuant to a recruitment exercise as referenced in paragraph 4.11

- one of the local authority representatives appointed to the LEP Board as a **Deputy Chair of the LCR LEP**.

4.13 A person ceases to be LEP Chair or Deputy LEP Chair if they cease to be a LCR LEP Board member.

## **5. Membership of WYCA Panels**

5.1 WYCA may appoint any LCR LEP Board member to be a member of a WYCA Panel or committee<sup>5</sup>. The minutes of any such Panel will be reported to the LCR LEP Board as soon as reasonably practicable.

## **6. LCR LEP Officers**

6.1 WYCA officers serve both LCR LEP and WYCA. Every WYCA officer must comply with the WYCA Officers' Code of Conduct, which is published on WYCA's web-site.

6.2 The Head of Legal and Governance Services keeps a record of any notice of a pecuniary interest in a contract given by an officer.<sup>6</sup>

## **7. Conduct<sup>7</sup>**

7.1 Every LCR LEP Board member must adhere to the seven Nolan principles of standards in public life.

7.2 Any LCR LEP Board member who is also a WYCA Member or co-opted WYCA Member must comply with WYCA's Members' Code of Conduct. Their disclosable pecuniary interests under that Code are published on WYCA's web-site.

7.3 All private sector representatives on the LCR LEP Board must complete and return a declaration of the following interests:

- the name of any business or organisation in which they have a material or professional interest,
- the capacity in which they are connected to the business or organisation, and
- any potential conflict of interest with LEP matters.

7.4 The declarations of interest by private sector representatives will be published on WYCA's web-site. LCR LEP Board members should notify the Head of Legal and Governance Services of any changes to their published declarations of interest.

<sup>5</sup> WYCA's governance arrangements will apply to any such appointment.

<sup>6</sup> Under S117 Local Government Act 1972 – see further WYCA Procedure Standing Orders.

<sup>7</sup> It is anticipated that these arrangements will be reviewed in 2018, further to the publication of guidance by DCLG.



- 7.5 LCR LEP Board members need to declare any potential conflict of interest which arises during a meeting and exclude themselves from taking part in the discussion or voting of any relevant item relating to their interest.
- 7.6 A private sector representative on the LCR LEP Board should notify WYCA's Executive Head of Economic Services if they (or a business or organisation in which they have a material or professional interest) apply to WYCA for an economic loan or grant.<sup>8</sup>

## **8. LCR LEP Board Sub-groups**

- 8.1 The LCR LEP Board may at any time appoint an advisory sub-group or working group for the purpose of providing advice to the LCR LEP Board on any particular theme or in relation to a particular task.
- 8.2 The LCR LEP Board may appoint as a member of such a sub-group or working group, any private sector representative or other persons who are not LCR LEP Board members.
- 8.3 The membership of any sub-group or working group appointed by the LCR LEP Board must include a LEP Board member who will report back to the LCR LEP Board on any recommendations made by the sub-group.
- 8.4 The LCR LEP Board shall determine the procedure for any sub-group or working group, but in the absence of any such determination, the procedure shall be determined by the sub-group or working group itself.

## **9. LCR LEP Board meetings**

- 9.1 All meetings of the LCR LEP Board will be held in accordance with the LCR LEP Board Procedure Rules approved by the LCR LEP Board from time to time.

## **10. Urgent decisions of the LCR LEP**

- 10.1 In exceptional circumstances where it is not practicable for the LEP Chair to call an additional meeting of the LCR LEP Board to consider an urgent matter, the LEP Chair may, in consultation with WYCA's Managing Director make an urgent decision on behalf of the LCR LEP, provided that the LEP Chair does not have a conflict of interest in the matter.

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<sup>8</sup> WYCA's officer scheme of delegation provides that WYCA's Managing Director must consult with the Chair of the Overview and Scrutiny Committee before making any decision about an economic loan or grant to a business where any potential conflict of interest arises due to the involvement of a LCR LEP Board member with that business.

- 10.2 No substantive decision may be taken by the LEP Chair under 10.1 without a written report.
- 10.3 Any such decision shall be recorded in writing by the LEP Chair, and reported to the next meeting of the LCR LEP Board.
- 10.4 The Deputy LEP Chair may exercise the power of the LEP Chair to make any urgent decision, if the LCR LEP Chair is unable to act due to absence, illness or a conflict of interest.

## **11. Scrutiny arrangements**

- 11.1 WYCA's Overview and Scrutiny Committee may review or scrutinise any WYCA decision in its role as accountable body for the LCR LEP. WYCA's Scrutiny Officer shall ensure that this includes appropriate scrutiny of LCR LEP Board decision-making and LCR LEP achievements.
- 11.2 Any LCR LEP Board member may be asked to attend, or otherwise contribute to, a meeting of WYCA's Overview and Scrutiny Committee.

## **12. Lobbying**

- 12.1 The LCR LEP will not incur public expenditure in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties of the Government to take a particular view on any issue.

## **13. Complaints**

- 13.1 Any complaints received about the LCR LEP will be dealt with under WYCA's complaints policy. This is published on WYCA's web-site.

## **14. Whistleblowing**

- 13.2 Any whistleblowing concerns raised about the LCR LEP will be dealt with under WYCA's whistleblowing policy. This is published on WYCA's web-site.

## Leeds City Region Enterprise Partnership (LCR LEP) Board

### Procedure Rules

#### Introduction

As accountable body for the LCR LEP, WYCA<sup>1</sup> services LCR LEP Board meetings, including maintaining the official record of LCR LEP Board proceedings.

#### **1 Interpretation**

1.1 The Chair shall make any final decision about:

- how the Procedure Rules should be interpreted; or
- any question of procedure not provided for by the Procedure Rules.

#### **2 Role of the Chair**

2.1 The LEP Chair if present shall preside at any meeting of the LCR LEP Board, or in their absence the Deputy LEP Chair. If neither are present, the meeting will elect a Chair to preside for that meeting.

#### **3 Convening meetings**

3.1 The first meeting of the LCR LEP Board after WYCA's annual meeting shall be the LCR LEP Board's annual meeting.

3.3 In addition to the annual meeting, the LCR LEP Board will meet at least 3 times a year on dates agreed by the LCR LEP Board.

3.4 The LEP Chair may also convene a meeting at any time, in consultation with WYCA's Head of Legal and Governance Services.

#### **4 Place of meetings**

4.1 The LCR LEP Board may hold its meeting at any place within the Leeds City Region.

#### **5 Notice of meetings**

5.1 WYCA's Head of Legal and Governance Services will publish dates of LCR LEP Board meetings on WYCA's web-site as soon as reasonably practicable, once they are agreed by the LCR LEP Board or otherwise convened by the LEP Chair.

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<sup>1</sup> through its Head of Legal and Governance Services.

## 6 Annual meeting business

### 6.1 At the annual meeting the LCR LEP Board will:

- note the LCR LEP Board members appointed by local authorities, and their substitutes,
- appoint (or confirm the continuing LCR LEP Board membership of) private sector representatives,
- appoint (or confirm the continuing LCR LEP Board membership of) any other public sector representatives,
- identify the LCR LEP Board Member to represent and engage with the **SME business community**,
- elect **Deputy LEP Chair**,
- receive any **declarations of interests** from LCR LEP Board members,
- approve the **minutes** of the last **LCR LEP Board**,
- appoint any **advisory sub-group or working group** to the LCR LEP Board,
- agree the **date and time** of LCR LEP Board meetings for the municipal year,
- review and approve the LCR LEP Board's **constitution**,
- review and approve the LEP Board's **remuneration and expenses policy**,
- review and receive the LCR LEP Board's **equality and diversity policy**<sup>2</sup> (including a diversity statement),
- consider any **urgent decision of the LEP Chair**,
- receive the **minutes** of any LCR LEP Board **advisory sub-group or working group**,
- receive the **minutes** of any relevant **WYCA advisory committee or panel**,
- consider any relevant **reports or recommendations** from **WYCA's Overview and Scrutiny Committee**,
- consider **any other business** set out in the agenda for the meeting.

## 7 Business at other LEP Board meetings

### 7.1 Every meeting of the LCR LEP Board will:

- receive **declaration of interests** from LEP Board members,
- approve the **minutes** of the last **LCR LEP Board**,
- consider **any decision of the LEP Chair** made under the **urgency provisions**,
- receive the **minutes** of any LCR LEP Board **advisory sub-group or working group**,
- receive the **minutes** of or an update from any relevant **WYCA advisory committee or panel**,

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<sup>2</sup> This will include the annual report on LEP Board and sub-group membership, as required by the diversity statement.

- consider any relevant **reports or recommendations** from **WYCA's Overview and Scrutiny Committee**, and
- consider **any other business** set out in the agenda for the meeting.

7.2 No item of business may be considered by the LCR LEP Board except:

- the business set out in the agenda, or
- business brought before the meeting as a matter of urgency in accordance with 7.3 below.

7.3 An item may not be considered by the LCR LEP Board unless:

- a copy of the agenda including the item has been open to public inspection for at least 5 clear days before the meeting, or
- by reason of special circumstances, which shall be specified in the minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency.

7.4 All reports to the LCR LEP Board shall include any advice provided by WYCA's Chief Finance Officer<sup>3</sup> and Monitoring Officer<sup>4</sup>.

## **8 Public access to agenda and reports**

8.1 At least five clear days before a meeting of the LCR LEP Board, the Head of Legal and Governance Services will make available for inspection by the public at WYCA's offices:<sup>5</sup>

- a copy of the agenda, and
- (subject to 7.3 above) reports for the meeting.

8.2 Where an item is added to an agenda, copies of which are open to inspection by the public, copies of the item (or of the revised agenda) and copies of any report for the meeting relating to the item (subject to 8.3 below), shall be open to inspection from the time the item is added to the agenda.

8.3 If a report relates only to an item during which, in the Head of Legal and Governance Services' opinion, the meeting is likely not to be open to the public<sup>6</sup>, the Head of Legal and Governance Services may decide not to make the report (or part of it) open for inspection.

<sup>3</sup> Appointed under S73 Local Government Act 1985. This is WYCA's Director of Resources.

<sup>4</sup> This is WYCA's Head of Legal and Governance Services.

<sup>5</sup> Wellington House 40-50 Wellington Street, Leeds LS1 2DE.

<sup>6</sup> In accordance with Procedure Rule 11.

8.4 Where a report or any part of a report is not open to public inspection, the Head of Legal and Governance Services:

- will mark every copy of the report (or the part) “Not for publication”, and
- state on every copy of the report (or the part) the description of the information on the basis of which the LCR LEP Board are likely to exclude the public<sup>7</sup> if applicable.

## **9 Substitutes**

9.1 A substitute member<sup>8</sup> may only act in the absence of the LCR LEP Board member:

- for whom they are the designated substitute,
- where the member will be absent for the whole of the meeting, and
- where WYCA’s Head of Legal and Governance Services has received notice before the start of the meeting that the substitute will act.

## **10 Quorum**

10.1 No business may be transacted at a meeting of the LCR LEP Board, unless at least 4 LEP Board members are present, including one local authority representative and one private sector representative.

10.2 During the meeting, if the Chair counts the number of members present, and declares there is not a quorum present, the meeting will adjourn immediately to a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next scheduled meeting of the LCR LEP Board.

## **11 Public access to meetings**

11.1 Any meeting of the LCR LEP Board shall be open to the public except to the extent that the public are excluded (during the whole or part of the proceedings):

- to prevent the likely disclosure of confidential information,<sup>9</sup> or
- by resolution, to prevent the likely disclosure of exempt information,<sup>10</sup> or
- under Procedure Rule 13 relating to general disturbances.

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<sup>7</sup> see further Annex attached.

<sup>8</sup> appointed under 4.8 or 4.9 of the LCR LEP’s Constitution

<sup>9</sup> see further Annex attached.

<sup>10</sup> see further Annex attached.

11.2 A motion to exclude the press and public may be moved without notice at any meeting in relation to an item of business whenever it is likely that if members of the press or public were present for that item there would be disclosure of exempt information.<sup>11</sup>

## **12 Reporting proceedings**

12.1 Without prejudice to the Chair's powers in Procedure Rule 13, and subject to 12.2 and 12.3, while any meeting of the LCR LEP Board is open to the public, any person attending may report on the meeting, and publish or disseminate the recording at the time of the meeting or after the meeting.

12.2 The Chair may decide not to permit oral reporting or oral commentary of the meeting as it takes place if the person reporting or providing the commentary is present at the meeting.

12.3 Where the public are excluded from a meeting to prevent the likely disclosure of confidential or exempt information, the Chair may also prevent any person from reporting on the meeting using methods:

- which can be used without that person's presence, and
- which enable persons not at the meeting to see or hear the proceedings at the meeting as it takes place or later.

## **13 General disturbance**

13.1 If a general disturbance makes orderly business impossible, the Chair may:

- adjourn the meeting for as long as the Chair thinks necessary, or
- call for any part of the meeting room open to the public to be cleared if the disturbance is in that part.

13.2 If a member of the public interrupts proceedings, the Chair shall warn the person concerned. If they continue to interrupt, the Chair may order them to be removed from the meeting room.

## **14 Voting**

14.1 The LCR LEP Board shall operate on a consensus model, wherever possible. Where a consensus is not achieved, a matter shall be carried by a majority of votes of the LCR LEP Board members present and voting.

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<sup>11</sup> see further Annex attached.

14.2 Subject to 14.3 each LCR LEP Board member has one vote<sup>12</sup>.

14.3 The Chair has a casting vote in the event of a tie.

## **15 Speaking at a LCR LEP Board meeting**

15.1 The Chair may invite any local authority officer to attend and speak at a LCR LEP Board meeting to provide professional support and advice.

15.2 The Chair may also invite a representative of any other organisation to attend and speak at any LCR LEP Board meeting, in relation to any report relevant to that organisation.

## **16 Minutes**

16.1 Minutes will record:

- the names of all LCR LEP Board members present at a meeting,
- any declarations of interests made at a meeting, and any action taken,<sup>13</sup> and
- any decision or recommendation made by the LCR LEP Board.

16.2 WYCA's Head of Legal and Governance Services shall publish minutes of a LCR LEP meeting on the WYCA web-site, as soon as practicable after they are approved.

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<sup>12</sup> The LCR LEP Board constitution provides that LEP Board members need to declare any potential conflict of interest which arises during a meeting and exclude themselves from taking part in the discussion or voting of any relevant item relating to their interest.

<sup>13</sup> For example, that the LCR LEP Board member did not participate in the decision or left the room.



## Leeds City Region Enterprise Partnership (LCR LEP) Access to Information Annex

### Rights to attend meetings, inspect documents and record proceedings.

#### Part 1: Rights of the public

References to meetings of the LCR LEP Board in this Annex do not extend to meetings of any advisory sub-group or working group appointed by the LCR LEP Board.

West Yorkshire Combined Authority (WYCA) is the accountable body for the LCR LEP, and as such ensures that the rights of the public to access information as set out in this Annex are observed.

#### 1. Public access to meetings

Any meeting of the LCR LEP Board shall be open to the public except where the public is excluded (during the whole or part of the proceedings) in accordance with the following:

##### A Confidential information

The public **must** be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that the following confidential information would be disclosed:

- information given to the LCR LEP Board or WYCA by a Government department on terms which forbid its public disclosure, or
- information the public disclosure of which is prohibited by or under an Act or Court Order

The LCR LEP Board **may** resolve to exclude the public from a meeting during an item whenever it is likely in view of the nature of the business or the nature of the proceedings that the following confidential information would be disclosed:

- information the public disclosure of (if disclosed into the public domain) would, or would be likely to, inhibit the free and frank provision of advice, the free and frank exchange of views for the purposes of deliberation, and/or would be likely to otherwise prejudice the effective conduct of public affairs.

##### B Exempt information

The LCR LEP Board **may** resolve to exclude the public from a meeting during an item whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that exempt information would be disclosed to the public if the public were present during the item.

Exempt information means information falling within one of the following descriptions:-

Description
Paragraph 1: Information relating to any <b>individual</b> .
Paragraph 2: Information which is likely to reveal the <b>identity of an individual</b> .
Paragraph 3: Information relating to the <b>financial or business affairs<sup>1</sup> of any particular person</b> (including the LCR LEP, WYCA or any other LCR local authority), except information which must be registered under various statutes, such as the Companies Acts or the Charities Act 2011.  “Financial or business affairs” includes contemplated, as well as past or current, activities.
Paragraph 4: Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any <b>labour relations matter<sup>2</sup></b> arising between WYCA or a Minister of the Crown and employees of, or office-holders under WYCA.
Paragraph 5: Information in respect of which a claim to legal professional privilege could be maintained in <b>legal proceedings</b> .
Paragraph 6: Information which reveals that WYCA or any other LCR authority proposes:- (a) to give under any enactment a <b>notice</b> under or by virtue of which requirements are imposed on a person; or (b) to make an <b>order or direction</b> under any enactment.
Paragraph 7: Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of <b>crime</b> .

Information falling within any of these descriptions may only be exempt if and so long as, in all the circumstances of the case, the **public interest** in maintaining the exemption outweighs the public interest in disclosing the information.

A resolution to exclude the public from a meeting must:

- identify the proceedings, or the part of the proceedings, to which it applies;
- state the description of the exempt information giving rise to the exclusion of the public and;
- confirm (by referring to reasons in a relevant report or otherwise), that in all the circumstances of the case, the **public interest** in maintaining the exemption outweighs the public interest in disclosing the information.

<sup>1</sup> “Financial or business affairs” includes contemplated, as well as past or current, activities.

<sup>2</sup> Labour relations matter” are as specified in paragraphs (a) to (g) of section 218(1) of the Trade Unions and Labour Relations (Consolidation) Act 1992, i.e. matters which may be the subject of a trade dispute within the meaning of that Act or any dispute about any such matter.

## C General Disturbance

LCR LEP Board Procedure Rule 13 provides for the public to be excluded from a meeting where general disturbance arises.

### 2. Public access to agenda and reports

The Head of Legal and Governance Services shall make the following open to public inspection, at WYCA's offices<sup>3</sup>, in accordance with the LCR LEP Board Procedure Rules:

- copies of the **agenda** for a meeting of the LCR LEP Board, and
- copies of any **report** for the meeting open to the public.

### 3. Public access to copies at the meeting

The Head of Legal and Governance Services will make available for the use of members of the public present at a meeting a reasonable number of copies of:

- the **agenda**, and
- those **reports** open to the public.

### 4. Public access to documents after a meeting

The Head of Legal and Governance Services will make available for inspection copies of the following for six years after a meeting:

- the **minutes** of the meeting (excluding any part of the minutes when the meeting was not open to the public or which disclose exempt or confidential information),
- a **written summary** of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record,
- the **agenda** for the meeting, and
- **reports** relating to items when the meeting was open to the public.

### 5. Recording meetings<sup>4</sup>

The Head of Legal and Governance Services will provide so far as practicable, reasonable facilities to any person attending a meeting for the purpose of reporting on the meeting.

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<sup>3</sup> These are available on request during usual office hours.

<sup>4</sup> See further Procedure Rule 12. Recording in this context means:

- filming, photographing and making an audio recording of proceedings,
- using any other means for enabling people not present to see or hear proceedings at a meeting as it takes place or later, or
- reporting or providing commentary on proceedings at a meeting, orally or in writing so that the report or commentary is available as the meeting takes place or later to persons not present.

A person attending a meeting for the purpose of reporting on it may use any communication method, including the internet, to publish, post or otherwise share the results of the person's reporting activities.

Publication and dissemination may take place at the time of the meeting or occur after the meeting.

Any person reporting on a meeting is expected to comply with the attached Code of Practice.

## **8. Written record of any urgent decision of the LCR LEP Chair**

The written report and written record of any decision taken by the LCR LEP Chair shall be reported to the next meeting of the LCR LEP Board.

## **Part 2: Press access to meetings**

The Head of Legal and Governance Services shall supply on request<sup>5</sup> for any newspaper:

- a copy of the **agenda** and those **reports** open to the public,
- any **further statements** necessary to indicate the nature of the items on the agenda, and
- if the Head of Legal and Governance Services thinks fit, copies of **any other documents supplied to LCR LEP Board members** in connection with the item.

Procedure Rule 12 and rights relating to recording proceedings set out above apply to members of the press, in the same way as they apply to the public.

## **Part 3: Freedom of Information (FOI) and Environmental Information (EI) Regulations 2004 requests**

The FOI Act 2000 and EI Regulations 2004 apply to the LCR LEP and to WYCA. WYCA publishes information under a Publication Scheme, and additional information is also available published on the LCR LEP web-site.

The public has a general right of access to information held by the LCR LEP Board and WYCA, but this is subject to exemptions<sup>6</sup>.

As the accountable body for the LCR LEP, WYCA deals with any FOI and EI requests addressed to the LCR LEP.

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<sup>5</sup> and on payment of postage or other necessary charges.

<sup>6</sup> the Monitoring Officer or in their absence the Head of Paid Service is authorised by the Secretary of State to assume the role of "qualified person" for the purposes of S36 FOIA (letter dated 4 May 2016).

A FOI request must:

- be in writing,<sup>7</sup>
- state the name of the applicant,
- state an address for correspondence, and
- describe the information requested.

## **Part 4: Members' access**

### **1. General**

WYCA's Access to Information Annex sets out the rights of any member of WYCA to inspect WYCA documents. These rights extend to documents held by WYCA in its capacity as accountable body for the LCR LEP.

### **2. Additional rights of access to documents for members of WYCA's Overview and Scrutiny Committee**

Subject to the exceptions outlined below, a member of WYCA's Overview and Scrutiny Committee is entitled to a copy of any document which is in the possession or under the control of WYCA and contains material relating to any business that has been transacted at a meeting of the LCR LEP Board. The member must make any request for such a document in writing to the Head of Legal and Governance Services, who shall consider any such request on behalf of the LCR LEP.

The document must be provided as soon as reasonably practicable and in any case no later than 10 clear days after the Head of Legal and Governance Services receives the request.

No member of the Overview and Scrutiny Committee is entitled to a copy of any such document or part of a document which contains exempt or confidential information, unless that information is relevant to:

- an action or decision that the member is reviewing or scrutinising, or
- any review contained in any programme of work of the Committee.

Where the Head of Legal and Governance Services determines that a member is not entitled to a copy of a document or part of any such document, she must provide the Overview and Scrutiny Committee with a written statement setting out the reasons for that decision.

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<sup>7</sup> A request will be treated as made in writing where the text is transmitted by electronic means (e-mail), is received in legible form, and is capable of being used for subsequent reference.

**Part 5: LCR LEP Board Membership**

The name of all current members of the LCR LEP Board will be published on the WYCA website.

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## APPENDIX 1D

### Code of Practice for recording meetings of the LCR LEP Board

The right to record meetings are set out in the LCR LEP Board's Procedure Rule 12, and the Access to Information Annex to the Procedure Rules. This Code of Practice supplements those provisions.

The right to record extends only to formal meetings of the LCR LEP Board in so far as they are open to the public.

Recording in this context includes filming, photographing and making an audio recording.

No recordings should be made or published in breach of this Code of Practice.

The agenda for each meeting will state that that the meeting may be recorded. We will also display signs in the meeting room stating that the meeting may be recorded.

Please inform the Chair of the meeting **before** the meeting starts, **if you do not want** to be recorded. The Chair will inform any person recording the meeting that you do not wish to be recorded.

If you record a meeting, you must comply with the following:

#### Before the meeting

Before the meeting starts, please inform the Chair (or clerk) of the committee that you want to record the meeting.

To minimise disruption, and ensure a safe environment, you must also ask the Chair's **permission** before the meeting if you wish to:

- use **large equipment** (that is, **larger** than a smart phone, tablet or compact camera),
- **move** around the room or film from different angles, or
- use **lighting** for filming/**flash** photography.

#### Making your recording

You should record **overtly** (that is, in a way which is clearly visible to others at the meeting).

You must record from the **public seating area** and from **one fixed position**, (unless you have the Chair's permission to do otherwise).

Do not block other people's view of proceedings with your recording device.

Please put your recording device on **silent mode**.

Please **focus** on LCR LEP Board members and persons advising the LCR LEP Board, or any other people invited to address the meeting, who have not objected to being filmed.

Do not record any member of the public who has asked not to be recorded.

Do not record any child or young person under the age of 18 who is present unless their parents/guardians have given you written consent.

## Stopping recording

You must stop recording if the Chair instructs you to<sup>1</sup>.

## Publishing recordings

You must comply with all relevant laws when recording reporting and publishing, including those relating to libel and defamation.

Neither the LCR LEP Board or West Yorkshire Combined Authority as the accountable body for the LCR LEP Board will be liable for recordings or reports made or published by you or any other person.

When you publish a recording, please publish an **explanatory statement** identifying:

- **when and where** the recording was made,
- the **context** of the discussion, and
- the **main speakers** and their **role or title**.

Do not edit the recording in a way that could:

- lead anyone to misinterpret the proceedings or comments recorded,
- misrepresent anyone in the recording, or
- show a lack of respect for anyone in the recording.

Recordings may start and end at any point of a meeting, but you should publish the material between those points without editing it, or alternatively make it clear when breaks in recordings occur.

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<sup>1</sup> The circumstances in which the Chair may do this are set out in Procedure Rule 12.



## Annex C: Governance Assurance Statement

The LEP Chair and Chief Executive should here provide a brief formal assurance statement on the status of governance and transparency. In particular, you should focus on any issues raised in Annex A. This statement should also be published on the LEP's website following conclusion of the Annual Conversation process (in April 2018). You should cover any Overview and Scrutiny function undertaken by the Accountable Body. **(max 500 words)**

We are committed to ensuring high standards of governance and transparency in all our activities. Over the last year we have introduced changes to integrate the LEP panels (with their public and private sector representation) into WYCA's decision making process as advisory committees, thus providing a consistent, accountable and transparent framework across both the LEP and WYCA, so far as possible.

This change in status of the Panels to WYCA advisory committees brings them under the remit of all statutory provisions relating to local authority meetings and the WYCA Members' Code of Conduct. All voting Panel members have complied with the Code's requirement to register their disclosable pecuniary interests, which are published on the WYCA web-site. A standing item provides for declarations of interest at Panel meetings and these are noted in the minutes.

LEP Board meetings are now held in public, with papers published on-line in accordance with the timescales required for meetings of WYCA. The same arrangements apply to the new advisory committees.

The assurance framework sits at the heart of decision making, with all projects subject to a consistent level of rigour and scrutiny and well defined decision points marking their progress from an idea through to delivery. The framework is reviewed annually, with a working group of the Overview and Scrutiny Committee providing detailed input to the review.

Decisions on expenditure on Growth Deal projects are taken by WYCA, with advice from the Investment Committee and other advisory committees as required. These decisions can all be called in by the Overview and Scrutiny Committee. The LEP Constitution to be considered by the LEP Board in 29 November recognises the importance of scrutiny arrangements and proposes extending these to LEP decisions.

We will continue to ensure our arrangements are further developed and improved and welcome the recommendations in the Ney report which we have already introduced.

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**Director and author:** Angela Taylor, Director, Resources



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**Report to:** LEP Board

**Date:** 29 November 2017

**Subject:** Business planning and budget 2018/19

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## **1 Purpose**

- 1.1 To advise the LEP Board of the work underway on business planning and budgeting for 2018/19.

## **2 Information**

- 2.1 Over the past eighteen months WYCA/LEP has been progressing its One Organisation programme, establishing new Directorates, structures, ways of working and cultures and behaviours that enable the organisation to deliver on its priorities and objectives for inclusive economic growth in the region. Key successes and achievements in the past year include:

- The successful development of the assurance framework to effectively progress projects through the various stages from expression of interest through to delivery, ensuring a sufficient consistent level of rigour and challenge.
- Planned delivery of £100m+ of Growth Deal projects in the current year including four skills capital projects (Leeds Printworks, Wakefield College, Selby College, Bradford College)
- Development of an inclusive industrial strategy
- Opening of the Wakefield Eastern Relief Road – the first project constructed as a result of the Transport Fund
- Continued growth of the Elland Road Bus Park and Ride site and opening of another site at Temple Green in Leeds
- Opening of Low Moor Rail Station on the Caldervale Line in Bradford between Bradford Interchange and Halifax Rail Station
- Over 1,500 businesses supported to offer apprenticeships so far this year
- Over 1,200 new jobs committed to the region through engagement from the Trade and Investment Team to date this year
- Provided support to 1190 businesses that want to grow in the region
- Shaped new values and behaviours for the organisation that will guide how we work with our customers, our partners and each other from now on.
- Achievement of the Key Performance Indicators agreed with Government on Growth Deal delivery that has now seen the £42m second instalment of Growth Deal funding for 2017/18 released.

- 2.2 The business plan under development for 2018/19 builds on these successes and reflects the need to respond to the growing agenda in the region. Recent recruitment to the delivery and policy teams will help ensure further improvements to the speed and success of project delivery and ensure the resource is available to seek to secure funding to support the growing policy work required.
- 2.3 The draft business plan will be presented to the WYCA meeting of 14 December 2017 along with a draft budget that will seek to maximise the available resources and match it to the key objectives and priorities. The business plan, budget and transport levy must be approved at the WYCA meeting of 1 February 2018.
- 2.4 The budget for 2018/19 is being prepared in the context of a medium term financial strategy for the next three years which will enable effective planning for both WYCA/LEP and its funding partners. The difficult funding environment for local government is recognised and WYCA is considering a range of options to reduce expenditure, both to balance the budget in the first instance and also to enable a cut in the transport levy.
- 2.5 Accompanying the revenue budget proposals will be the proposed capital programme for 2018/19 to 2020/21. At this stage the programme totals £601m of schemes, of which £346m are Growth Deal funded (58%). Projects are kept under review to ensure that they are deliverable in the timescales, provide value for money and help to deliver SEP objectives.
- 2.6 As well as reviewing expenditure WYCA/LEP is considering if there are ways to increase its other funding streams. One of its other more significant income streams is the business rates income from the enterprise zones (EZ) in the region, which comes to WYCA as accountable body for the LEP. Income from the Leeds EZ, earmarked initially to fund the trade and inward investment team, has been slower to build up than originally forecast, a shortfall over the last three years. This income is now slowly increasing and forecast to build up to £6m pa by 2021. The second EZ covers a number of sites, most of which require investment to remediate or develop the site to enable full occupation. Work is underway to fund some of these works through Growth Deal funding.
- 2.7 Members will be aware of the short term nature of funding streams from Government that support the skills and business agenda, such as the business growth service, skills service and apprenticeship grants. Much of this money is awarded for limited timespans, making longer term planning difficult and forcing changes of direction of interventions depending on the conditions of funding. The current funding is due to fall significantly in 2018/19 unless further funds are secured – this will have a significant impact on the outcomes the teams are currently achieving and opportunities to secure further funding or divert funding from elsewhere are being explored.

- i. **Skills Service.** Funding for skills grants offered by this service ceased in March 2017. Over 849 SMEs have benefited from support to upskill over 10,339 employees. Some transitional funding has been provided to December 2017 for a skills advisory service to businesses, as a 'stop-gap' to help maintain some continuity for businesses by experienced staff who are expected to be funded by a successor project funded by ESF (European Social Fund) and delivered by West Yorkshire College Consortium from next calendar year.
- ii. **Business Growth Service.** Funding of circa £512k pa has been received for the last three years, enabling the continued support to over 2,000 SME's in the region seeking to grow their business. This is delivered on a 'hub and spoke' model with local authorities, who receive 50% of salary match for the 13 Growth Managers they employ to work on supporting local SMEs. Funding has previously been provided through BEIS (Department for Business, Energy and Industrial Strategy) who have this week indicated a commitment to continuing funding for 2018/19 but without confirming the amount. The LEP Network is making representations for this funding to be continued (and not just on a single year basis) and other opportunities, through the Business Rates Pool and European funding, for example, are being pursued.
- iii. **Apprenticeship Grants for Employers.** Funding of £3.7m in the current year has been profiled for expenditure to recruit apprentices in accordance with LEP priorities up to 31 March 2018, after which there is no further funding from government (this has been provided to date through an earlier devolution deal via the Skills Funding Agency). Changes nationally to apprenticeships following the introduction of the national apprenticeship levy now leave only limited funding alternatives available, including EU and Business Rates sources. Again, these are being explored. Since the ending of the £4.6m City Deal Apprenticeship Hub funding in March 2016, other dwindling skills funding has been used to support SMEs in a much reduced manner by promoting apprenticeships to both schools and businesses ahead of the introduction of the national scheme. Work has also been undertaken with colleges and universities to develop higher and degree apprenticeships that meets current and future demand for skills.
- iv. **Enterprise in Education.** WYCA currently has match funding of £390k for only 12 months. This is used to match funds from the Careers and Enterprise Company that enable a team to work with schools and businesses, connecting business volunteers to schools. This so far has enabled 134 schools to interact with business and the focus going forward is to ensure this reaches out to in particular to disadvantaged young people. A careers campaign launch is also planned, to inspire young people to pursue opportunities in our skills shortage sectors, which are largely STEM (Science, Technology, Engineering, Mathematics) based.

2.9 The inherent inflation in both concessionary reimbursement and bus tendered services in the WYCA overall budget along with pay and other contract inflation sees

expenditure increasing even at a standstill in service provision. Taking into account the ambition and priorities of WYCA and its partners there is a continuing mismatch of income and expenditure over the next three years. Whilst all areas of spend are being scrutinised it is expected that the only means of producing a balanced budget will require efficiencies and some significant reductions in the passenger transport service area. Options of how this could be achieved are being developed and in the short to medium term may include reductions in tendered bus service provision, reductions in travel information, changes to the way in which education transport services are provided and a review of bus station operation. A commercial asset strategy focussing on bus stations and other land and property assets is under development but will not provide a solution in the medium term.

### **3 Recommendations**

- 3.1 That the LEP Board note the work underway on budgets and business planning for 2018/19.



**MINUTES OF THE MEETING OF THE  
WEST YORKSHIRE COMBINED AUTHORITY  
HELD ON THURSDAY, 5 OCTOBER 2017 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Tim Swift (Deputy Chair)	Calderdale Council
Councillor Judith Blake CBE	Leeds City Council
Councillor Peter Box CBE	Wakefield Council
Councillor Andrew Carter CBE	Leeds City Council
Councillor Simon Cooke	Bradford Council
Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor David Sheard	Kirklees Council
Councillor Nicola Turner	Kirklees Council

**In attendance:**

Councillor Keith Wakefield OBE	Chair, WYCA Transport Committee
Councillor Robert Light	Chair, WYCA Overview & Scrutiny Committee
Councillor Andrew Waller	City of York Council
Ben Still	WYCA
Angela Taylor	WYCA (minute 53 only)
Caroline Allen	WYCA
Ruth Chaplin	WYCA

**42. Chair's Comments**

The Chair advised that Councillor Andrew Waller will be replacing Councillor Keith Aspden as York's representative on the Authority with effect from 9 October 2017.

**43. Apologies for Absence**

Apologies for absence were received from Councillor Keith Aspden.

**44. Declarations of Disclosable Pecuniary Interests**

There were no pecuniary interests declared by members at the meeting.

**45. Exclusion of the Press and Public**

There were no items on the agenda requiring exclusion of the press and public.

**46. Minutes of the Meeting held on 3 August 2017**

**Resolved:** That the minutes of the meeting held on 3 August 2017 be approved and signed by the Chair.

**47. Capital Spending & Project Approvals**

The Authority considered a report of the Director of Delivery on the progression and funding for the following schemes through WYCA's Assurance Process in line with WYCA's Assurance Framework:

- A629 Phase 4 Halifax to Huddersfield Corridor Improvements
- Access Innovation Programme
- Strategic Business Growth Programme
- Beech Hill, Halifax
- Castleford Rail Station Gateway
- Energy Accelerator Programme
- Leeds District Heat Network
- Portfolio Information Management System

Details of the schemes were outlined in the submitted report. It was noted that the Portfolio Information Management System (PIMs) project had proceeded directly to WYCA due to the nature of the funding stream.

The Authority also considered the following two schemes which had exceptions reports assessed in line with WYCA's Assurance Framework:

- Leeds New Station Street
- Wakefield Eastern Relief Road

Members were advised that the Investment Committee had discussed the need to monitor the progress and development of projects and programmes and interim reports would be prepared for future meetings of the Committee.

**Resolved:**

- (i) In respect of the **A629 Phase 4 Halifax to Huddersfield Corridor Improvements –**

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the A629 phase 4 project proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case).



- (b) That an indicative approval to the total project value of £30.000m is given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
  - (c) That development costs of £0.570m are approved in order to progress the scheme to Decision Point 3 (Outline Business Case), taking the total project approval to £0.645m.
  - (d) That WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £0.570m from the West Yorkshire plus Transport Fund.
  - (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (ii) In respect of the **Access Innovation Programme** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the Access Innovation Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That an indicative approval to WYCA's contribution of £4.750m (which will be funded through £0.485m from the Local Growth Fund (LGF) Access to Capital Grants programme fund and £4.265m from the European Regional Development Fund ERDF)) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (iii) In respect of the **Strategic Business Growth Programme** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the Strategic Business Growth Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
  - (b) That an indicative approval to WYCA's contribution of £3.146m (which will be funded through £2.156m from the ESIF Grant and £0.990m from the WYCA Capital Grants Fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
  - (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (iv) In respect of **Beech Hill, Halifax** –

That following a recommendation from Investment Committee, WYCA approves:

- (a) That the Beech Hill project proceeds through Decision Point 2 and work commences on Activity 4 (Full Business Case).
- (b) That an indicative approval to WYCA's contribution of £1.000m (which will be funded through Growth Deal 3) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (v) In respect of **Castleford Rail Station Gateway** –

That following a recommendation from Investment Committee, WYCA approves:

- (a) That the Castleford Rail Station Gateway project proceeds through Decision Point 3 and work commences on Activity 4 (Full Business Case).

- (b) That an indicative approval to the total project value of £4.511m is given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
  - (c) That development costs of £0.317m are approved in order to progress the scheme to Decision Point 5 (Full Business Case with Finalised Costs), taking the total project approval to £0.338m.
  - (d) That WYCA enter into a Section 56 grant agreement with Northern Rail for expenditure of up to £0.200m from the West Yorkshire plus Transport Fund.
  - (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (vi) In respect of the **Energy Accelerator Programme** –
- That following a recommendation from the Investment Committee, WYCA approves:
- (a) That the Energy Accelerator Programme proceeds through Decision Point 4 and work commences on Activity 5 (Full Business Case with Finalised Costs).
  - (b) That approval to spend the £0.640m Local Growth Fund (LGF) allocation as match to support the development of the Accelerator be confirmed.
  - (c) That an indicative approval to the to the £2.997m European Local Energy Assistance (ELENA) funding (exact amount dependent on Euro exchange rate at the date of approval – application pending) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs). This will bring the total project value to approximately £3.817m (£0.820m LGF, £2.997m ELENA).
  - (d) That development costs of up to £0.180m are approved in order to pay the incurred development costs and to progress the scheme to Decision Point 5 (Full Business Case with Finalised Costs) from the Local Growth Fund, taking the total project approval to £0.820m).

- (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (f) That WYCA's Managing Director use his existing delegated authority to approve projects within any future phases of the Energy Accelerator Programme, providing that the value of each scheme is less than £1m.

(vii) In respect of **Leeds District Heat Network –**

That following a recommendation from the Investment Committee, WYCA conditionally approves the following recommendations, with final approval of these recommendations being subject to WYCA's Managing Director approval of the detailed grant conditions on a clawback mechanism:

- (a) That the Leeds District Heat Network project proceeds through Decision Point 5 and work commences on Activity 6 (Delivery).
- (b) That approval to WYCA's contribution of £4.000m (which will be funded from the Local Growth Fund) is given.
- (c) That WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £4.000m from the Local Growth Fund.
- (d) That the Funding Agreement makes provision for up to £4.000m to be clawed back if the Leeds District Heat Network makes an operating profit over the 25 year asset lifetime.
- (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(viii) In respect of **Leeds New Station Street –**

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the exception to extend the Leeds New Station Street project timescale to completion on site by December 2018 is approved.
- (b) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report

including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(ix) In respect of **Wakefield Eastern Relief Road** –

That following a recommendation from the Investment Committee, WYCA:

- (a) Conditionally approves the up to a £5.574m increase to the estimated final project cost of Wakefield Eastern Relief Road, and the increased total project up to a maximum of £37.593m.
- (b) Delegates the final approval of the exception and the signing of the addendum of the Funding Agreement to WYCA's Managing Director subject to settlement of the final account by Wakefield Council following endeavours to resolve outstanding contractor issues and seeking to reduce the cost figure payable to Network Rail.

(x) In respect of the **Portfolio Information Management System (PIMs)** WYCA approves:

- (a) That the Portfolio Information Management System (PIMs) project proceeds through Decision Point 5 (Full Business Case with Finalised Costs) and work commences on Activity 6 (Delivery).
- (b) That approval be given to the total project value of £0.240m for the development of the system and £0.050m per annum on-going licence fees (the on-going licence fee will be required from 2018/19 onwards) and is funded as an overhead cost from the overall Portfolio Management Office costs.
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

#### **48. HS2 and the HS2 Growth Strategy**

The Authority considered a report of the Director of Policy, Strategy and Communications which:

- Provided an update on the development of HS2.
- Sought endorsement for the principles of the Leeds City Region HS2 Growth Strategy and approve submission to Government.
- Sought endorsement for the principles of the joint WYCA and Leeds City Council response to the High Speed 2 rolling stock depot consultation.

Councillor Waller attended the meeting as an observer and the Chair invited him to speak on behalf of City of York Council. In welcoming the report, Councillor Waller reinforced the scale of potential for York Central and for HS2 links to Scotland to be via York and asked that future reports reflect this. The importance of the East Coast Main Line and York as a key hub in the development of HS2 was recognised and it was noted that WYCA was represented at meetings of the East Coast Main Line Authorities consortium by Councillor Eric Firth, Deputy Chair of the Transport Committee.

Members also discussed the employment and skills opportunities that would be created across the City Region and a report would be prepared for the next meeting.

**Resolved:**

- (i) That the principles of the Leeds City Region HS2 Growth Strategy be endorsed and the final drafting of the submission be delegated to WYCA's Managing Director in consultation with the WYCA Chair.
- (ii) That the principles of the response to the HS2 rolling stock depot location consultation be endorsed and the final drafting of the submission be delegated to WYCA's Managing Director in consultation with the LEP Chair and WYCA Chair.

**49. Vision for Northern Powerhouse Rail**

The Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on the progress being made in Transport for the North's Northern Powerhouse Rail (NPR) development programme, including on Leeds City Region's established position.

Members welcomed the positive progress being made by Transport for the North (TfN) and its partners in the development of Northern Powerhouse Rail. It was reported that a significant amount of discussion and lobbying had taken place and the decisions being made by TfN including the NPR/HS2 touchpoints, the emerging preferred NPR network and the opportunities for the City Region in respect of economic growth and transport links to employment and skills were noted.

**Resolved:** That the positive progress being made through Transport for the North's Northern Powerhouse Rail programme, including in delivering the Leeds City Region ambition for Northern Powerhouse Rail be noted.

**50. Consent to Regulations Establishing Transport for the North**

The Authority considered a report of the Director of Policy, Strategy and Communications which sought confirmation of the consent previously given in principle to regulations establishing Transport for the North (TfN) as a statutory body and granting TfN the concurrent exercise of specified WYCA functions.

It was noted that following the last meeting the regulations now provided for TfN to exercise specified highways and footpath functions, concurrently with West Yorkshire district authorities. The West Yorkshire districts will be asked to consent in their own right to the regulations.

**Resolved:**

- (i) That it be noted that Transport for the North are now liaising directly with each West Yorkshire district council to seek the consent of each individual district to the regulations, in so far as they provide for Transport for the North to exercise concurrent highways functions with those districts, once it is established as a Sub-National Transport Body.
- (ii) That WYCA confirm the consent previously given in principle to the making of regulations, attached at Appendix 1 of the submitted report, by the Secretary of State for Transport to establish Transport for the North as a Sub-National Transport Body under section 102E of the Local Transport Act 2008, and which provide for Transport for the North to exercise concurrent functions with its constituent authorities, including WYCA.

**51. Business Planning & Budget 2018/19**

The Authority considered a report of the Director of Resources on the work being undertaken to progress business and budget planning for 2018/19 and sought approval to establish a Member Working Group on budgets.

The report set out the business planning and budget process for 2018/19 and the budget challenges. The current forecasts for 2018/19 show a £4m funding gap and work was being undertaken to understand the options available to close the gap. It was proposed that a member Working Group be established to undertake scrutiny of the options and the draft budget as it is developed. Approval of the budget would be sought at the WYCA meeting scheduled for 1 February 2018.

The Corporate Plan update on progress to date against Key Performance Indicators was attached to the submitted report and further information in respect of WYCA's apprenticeships would be circulated. It was noted that the Overview & Scrutiny Committee were providing scrutiny and challenge to the key performance indicators and any recommendations would be brought to a future meeting.

**Resolved:** That a member Working Group be formed to progress detailed budget scrutiny and inform reports back to meetings of WYCA.

**52. Industrial Strategy & Autumn Budget Submission**

The Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on:

- Progress in setting a more comprehensive approach to economic and social policy, tailored to the lives, challenges and opportunities of City Region residents.
- The City Region submission to Government ahead of the Budget on 22 November 2017.
- The next steps in bringing about an inclusive industrial strategy.

Members welcomed the report which provided an update in respect of the ongoing work on inclusive growth and the short and longer term ambitions. A copy of the City Region's Autumn Budget submission was attached to the submitted report and members discussed key challenges for the City Region including the productivity gap, skills investment and how to encourage businesses to introduce R&D (research and development).

**Resolved:**

- (i) That the City Region's submission to the Autumn Budget be noted and endorsed.
- (ii) That the people-focused approach to an inclusive industrial strategy, based on bold local decision-making, backed up by new powers and resources be noted and endorsed.
- (iii) That existing projects and programmes be refocused more clearly on inclusive growth outcomes.

**53. Proposed Pension Transfer**

The Authority considered a report of the Director of Resources which provided further information on the preferred way of meeting WYCA's element of pension obligations towards First Group, in response to a Direction issued by the Secretary of State on this matter.

It was noted that the Direction set a transfer date of 1 November 2017 and members asked whether there was any flexibility in extending this as it was possible that a revised decision on a preferred option may be required from the Authority before the next meeting in December 2017. It was agreed that should such a decision need to be taken before the next meeting that this be delegated to WYCA's Managing Director in consultation with the Chair and as many members as possible and that such a decision would have regard to the position of the West Yorkshire Pension Fund.

**Resolved:**

- (i) That a further decision regarding the method by which WYCA meets its obligations under the Direction with regard to First Group be delegated to WYCA's Managing Director in consultation with the Chair.



(ii) That the Budget Working Group inputs to this further decision.

**54. ESIF SUD Update**

The Authority considered a report which provided an update on the European Structural Investment Fund (ESIF) Sustainable Urban Development.

**Resolved:** That the report be noted.

**55. Minutes of the Meeting of the Transport Committee held on 7 July 2017**

**Resolved:** That the minutes of the meeting of the Transport Committee held on 7 July 2017 be noted.

**56. Draft Minutes of the Governance & Audit Committee held on 3 August 2017**

**Resolved:** That the draft minutes of the Governance & Audit Committee held on 3 August 2017 be noted.

**57. Draft Minutes of the West Yorkshire & York Investment Committee held on 6 September 2017**

**Resolved:** That the draft minutes of the West Yorkshire & York Investment Committee held on 6 September 2017 be noted.

**58. Draft Minutes of the Business Innovation & Growth Panel held on 7 September 2017**

**Resolved:** That the Draft minutes of the Business Innovation & Growth Panel held on 7 September 2017 be noted.

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