

GREEN ECONOMY PANEL

**MEETING TO BE HELD AT 4.00 PM ON TUESDAY, 23 OCTOBER 2018
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. MINUTES OF THE MEETING OF THE GREEN ECONOMY
PANEL HELD ON 17 APRIL 2018**
(Pages 1 - 4)
- 4. CHAIR'S UPDATE**

For Decision
- 5. GREEN AND BLUE INFRASTRUCTURE STRATEGY AND
DELIVERY PLAN**
Presented by : Simon Pringle
(Pages 5 - 20)
- 6. ENERGY STRATEGY AND DELIVERY PLAN**
(Pages 21 - 46)

For Information
- 7. LOCAL INCLUSIVE INDUSTRIAL STRATEGY**
(Pages 47 - 142)
- 8. FUTURE FUNDING**
(Pages 143 - 148)
- 9. MAJOR PROJECTS UPDATE**
(Pages 149 - 154)

Signed:

A handwritten signature consisting of the letters 'BAM' in a cursive style, with a horizontal line drawn underneath the letters.

**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
GREEN ECONOMY PANEL
HELD ON TUESDAY, 17 APRIL 2018 AT COMMITTEE ROOM A -
WELLINGTON HOUSE, LEEDS**

Present:

Simon Pringle (Chair)	Project Rome
William Firth	Hargreaves Services PLC
Dr Alice Owen	University of Leeds
Councillor Andrew Waller	City of York Council
Jim Cardwell (Advisory Representative)	Northern Powergrid
David Gill (Advisory Representative)	Northern Gas Grid
Nevil Muncaster (Advisory Representative)	Yorkshire Water

In attendance:

Ben Still	West Yorkshire Combined Authority
Martin Farrington	West Yorkshire Local Nature Partnership
Wallace Sampson	Harrogate Borough Council
Jacqui Warren	West Yorkshire Combined Authority
Noel Collings	West Yorkshire Combined Authority
Janette Woodcock	West Yorkshire Combined Authority

1. Apologies for Absence

Apologies for absence were received from Councillors Jenny Lynn, Andrew Cooper, Lucinda Yeadon and John Williams, Natasha Luther Jones, Rosa Foster Mark Duncan.

The meeting started inquorate. Councillor Andrew Waller was in attendance from Agenda item 5 and the meeting became quorate.

2. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by members at the meeting.

3. Exempt Information - Possible Exclusion of the Press and Public

There were no items on the agenda requiring the exclusion of the press and public.

4. Minutes of the meeting of the Green Economy Panel held on 20 February 2018

Resolved: That the minutes of the Green Economy Panel held on 20 February 2018 be approved

5. Major Projects Update

The Panel considered a report which provided an update on progress against the Green Economy Panel's major projects and programmes

- Energy Accelerator
- Better Homes Yorkshire
- Resource Efficiency Fund
- District Heat Network (DHN) Programme
- Green and Blue Infrastructure (GBI) Strategy and Delivery Plan
- Zero Carbon Energy Strategy and Delivery Plan
- H21
- BEIS Local Capacity Support

Resolved: That the progress against the Green Economy Panel's major projects and programmes be noted.

6. Energy Accelerator Update

The Panel considered a report which provided an update on the Energy Accelerator (Accelerator) programme.

The Accelerator is a key initiative under priority three of the Strategic Economic Plan (SEP) which aims to create a zero carbon energy economy by 2036. It is a new innovative programme. It will provide a project development support service to remove current barriers relating to a lack of project development funding and expertise. This current lack of support is preventing investment in low carbon capital projects across the Leeds City Region. It will provide a service to the public, private, academic and community sectors to develop projects around three key themes:

- Commercial and domestic retrofit including integration of renewable energy into the built environment.
- District heat networks.
- Street lighting.

The Panel received an update on the Accelerator at the meeting on 20 February 2018. The refresh of the Pipeline estimated a positive indicative pipeline of projects was still in place and in need of the Accelerator. Based on this result, the Chair of the Panel was satisfied and the Panel recommend to the Local Enterprise Partnership (LEP) Board that the West Yorkshire Combined Authority (the Combined Authority) consider and sign the European Investment Bank (EIB) ELENA contract for funding. The LEP Board on 27 March 2018 approved the Combined Authority signing

the Contract. The Combined Authority approved the signing of the Contract on 5 April 2018.

Resolved: That the progress on the Energy Accelerator programme be noted.

7. Green and Blue Infrastructure

The Leeds City Region Enterprise Partnership (LEP) Board provided a mandate in January 2016 to refresh the City Region approach to the delivery of green and blue infrastructure. The previous approach was adopted in 2010.

The Green and Blue infrastructure Strategy and Delivery Plan was requested in light of the 2015 Boxing Day Floods that struck the City Region. The LEP Board, in providing the mandate for the refresh, acknowledged that while the primary focus was the mitigation and adaptation of future flood events, implementation of green and blue infrastructure measures can deliver multiple benefits across a wide range of areas.

The Panel considered a report and slide presentation which provided an update on progress to develop a Green and Blue infrastructure Strategy and Delivery Plan for the Leeds City Region and the Panel was asked to note the contents of the report and provide comments on the emerging findings,

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the feedback and comments on the emerging findings, especially in relation to the information outlined in 2.15 and 2.18 of the report be noted.
- (iii) That the questions and thoughts of the Panel following the Leeds City Region Green and Blue Infrastructure Strategy and Delivery Plan slide presentation be noted.

8. Energy Strategy and Delivery Plan

The Leeds City Region Strategic Economic Plan (SEP) sets out the ambition of becoming a 'resilient, zero carbon energy economy'. To understand how the Leeds City Region could achieve the SEP energy ambition, the Energy Strategy and Delivery Plan was commissioned with support from the Department of Business, Energy and Industrial Strategy (DBEIS). The Energy Strategy and Delivery Plan is the named delivery plan of the SEP.

The Panel considered a report and slide presentation which provided an update on progress to develop the Energy Strategy and Delivery Plan for the Leeds City Region and the emerging findings of Work Package 4 and was asked to note the contents of the report and provide comments on the emerging findings, especially in relation to the information outlined in 2.15 and 2.18 of the submitted report

The Panel was presented with the following questions and was asked for their comments and thoughts:

- Given the possible areas of new work, which areas should be prioritised?
- Are there any areas of possible new work which the Panel considered to be missing
- Did the Panel think the possible mechanisms for delivery are suitable and appropriate?
- Are there other possible mechanisms for delivery that the Panel think should be investigated?
- Of the possible delivery mechanisms (both identified and potential new ideas from the Panel) which should be prioritised?

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the comments on the emerging outputs of Work Package 4 and progress to develop an Energy Strategy and Delivery Plan for the City Region be noted.
- (iii) That the questions and thoughts of the Panel following the Energy Strategy and Delivery Plan slide presentation be noted.

Report to: Green Economy Panel

Date: 23 October 2018

Subject: **Green and Blue Infrastructure Strategy and Delivery Plan**

Director(s): Alan Reiss, Director Policy, Strategy and Communications

Author(s): Noel Collings / Jacqui Warren

1. Purpose of this report

- 1.1. To provide the Green Economy Panel with a report on the development of the Leeds City Region Green and Blue Infrastructure Strategy and Delivery Plan and to submit the draft document for approval.

2. Information

Background

- 2.1. This report presents the draft version of the Leeds City Region (City Region) Green and Blue Infrastructure Strategy and Delivery Plan (GBISDP) for approval and endorsement by the Panel. It supplements reports brought to this Panel over the last two years of which the most recent was in April 2018.
- 2.2. The LEP Board provided a mandate in January 2016 to refresh the City Region approach to green infrastructure in light of the 2015 Boxing Day floods, acknowledging the beneficial effect it can have in mitigating and adapting to the impacts of flooding.
- 2.3. The LEP Board also recognised the additional wide ranging additional benefits that green infrastructure can provide e.g. improved health and wellbeing, mitigation and adaptation to the effects of climate change, increased land values.
- 2.4. The GBISDP is a named delivery plan of the Strategic Economic Plan (SEP) and is aligned with current thinking on the emerging Local Inclusive Industrial Strategy (LIIS) and policy framework for the City Region (**Appendix 1**).
- 2.5. The GBISDP was split into two elements; the strategy and the delivery plan.

Strategy

- 2.6. The Strategy element of the GBISDP established a vision, five interconnected aims and seven priorities (**Appendix 2**).
- 2.7. Over 50 organisations from across the City Region with an interest or influence over the delivery of green infrastructure measures contributed to the development of the vision, aims and priorities.
- 2.8. The LEP Board approved the Strategy in March 2017.

Delivery Plan

- 2.9. The development of the Delivery Plan was led by a convening partner for each priority whose role was to bring together relevant partners, collate current and planned actions, and identify future interventions.
- 2.10. Convening partners identified a long list of over 160 actions across the seven priorities ranging from those which are currently being developed to brand new interventions.
- 2.11. Prioritisation of the 160 plus actions was undertaken according to local and national strategic fit, deliverability and impact. From this process a shortlist of 12 actions have been identified for delivery as part of the Delivery Plan over the next five years:
 - **Natural flood management programme:** Coordination of the identification and delivery of the future natural flood management pipeline in the City Region.
 - **Inclusive growth integration programme:** Integration of inclusive growth principles, including Green Streets, Healthy Streets, into project appraisal processes across the Combined Authority and local authorities.
 - **Network of off-road / safe cycling and walking routes:** Programme to increase the number of off-road and / or largely safe cycling and walking routes in the City Region.
 - **Leeds City Region green infrastructure map:** Production of a City Region green infrastructure map, linking into the Leeds City Region Infrastructure Map, and helping to embed green infrastructure into new developments and infrastructure projects.
 - **Green infrastructure revenue identification and liability reduction:** Development of an approach to identify new revenue funding for the ongoing maintenance of green infrastructure (seen as a key barrier to the implementation of green infrastructure) at a local authority level.
 - **White Rose Forest plan:** Setting out how the White Rose Forest will expand and deliver on its share of the Northern Forest commitments.

- **Peatland restoration programme:** Links partners and initiatives across the City Region to map, plan, prioritise and secure funding for post-2020 peatland restoration.
- **Post-Brexit agricultural and environmental policy and support:** Agree preferred options for policy / mechanisms to provide agricultural and environmental benefits in the City Region post-Brexit, including potential devolution funding and in line with the recently published Agriculture Bill 2018.
- **Green infrastructure jobs, skills and GVA assessment:** Production of the evidence base relating to jobs, skills (including shortages) and GVA of the green infrastructure sector in the City Region. Will also identify future potential opportunities relating to green infrastructure.
- **Green infrastructure skills programme:** Development of opportunities for providing and developing skills within the green infrastructure sector in the City Region.
- **Green infrastructure planning policy consistency:** Exploration of how planning policies and guidance on green infrastructure could be more consistent across the City Region.
- **Green infrastructure resource targeting:** Development of mechanisms that allow resources for green infrastructure improvements to be focussed on areas of greatest need.

Appendix 3 is a draft summary of the Strategy and Delivery Plan. This will be developed into a public facing document.

Project development, coordination and delivery

- 2.12. During consultation with partners on the shortlist of actions it became obvious that there limited resource within partner organisation to fully commit to their delivery.
- 2.13. Despite some achievements by partners a similar issue was experienced in attempting to deliver the previous Green Infrastructure Strategy (produced in 2010) in the City Region.
- 2.14. To mitigate the limited resources to deliver within partner organisations, a proposal to secure a shared resource is being explored.
- 2.15. Monitoring of progress will be through the Green Economy Panel via its major projects update provided on a quarterly basis. A more detailed review of progress will be undertaken after two years.

Next steps

- 2.16 The following table highlights the next steps for the GBISDP.

Action	Timescale
Approval of the GBISDP from the GEP,LEP and Combined Authority	October – End of December 2018
Develop and gain commitment for a shared delivery resource	End of December 2018
Commence work on the Delivery Plan's 12 prioritised projects	April 2019

3. Financial implications

- 3.1. There will be financial implications for the Combined Authority of both contributing to a shared resource and delivering the projects identified. Further work will be undertaken to understand the scale of the financial ask.

4. Legal implications

- 4.1. No legal and compliance implications have been identified.

5. Staffing implications

- 5.1. There could be potential staffing implications depending on further discussions with partners and any future decisions made. Further work will be undertaken to understand what staffing implications could arise.

6. External consultees

- 6.1. Over 50 organisations have been involved in the development of the GBISDP, including Yorkshire Water, Environment Agency, Forestry Commission, Natural England and local authorities.

7. Recommendations

- 7.1. That the Green Infrastructure Strategy and Delivery Plan be given approval and feedback provided.

8. Background documents

- 8.1. None.

9. Appendices

Appendix 1 – Contribution to achieving the key challenges of the LIIS

Appendix 2 – Green infrastructure vision, aims and priorities

Appendix 3 – Green Infrastructure Strategy and Delivery Plan

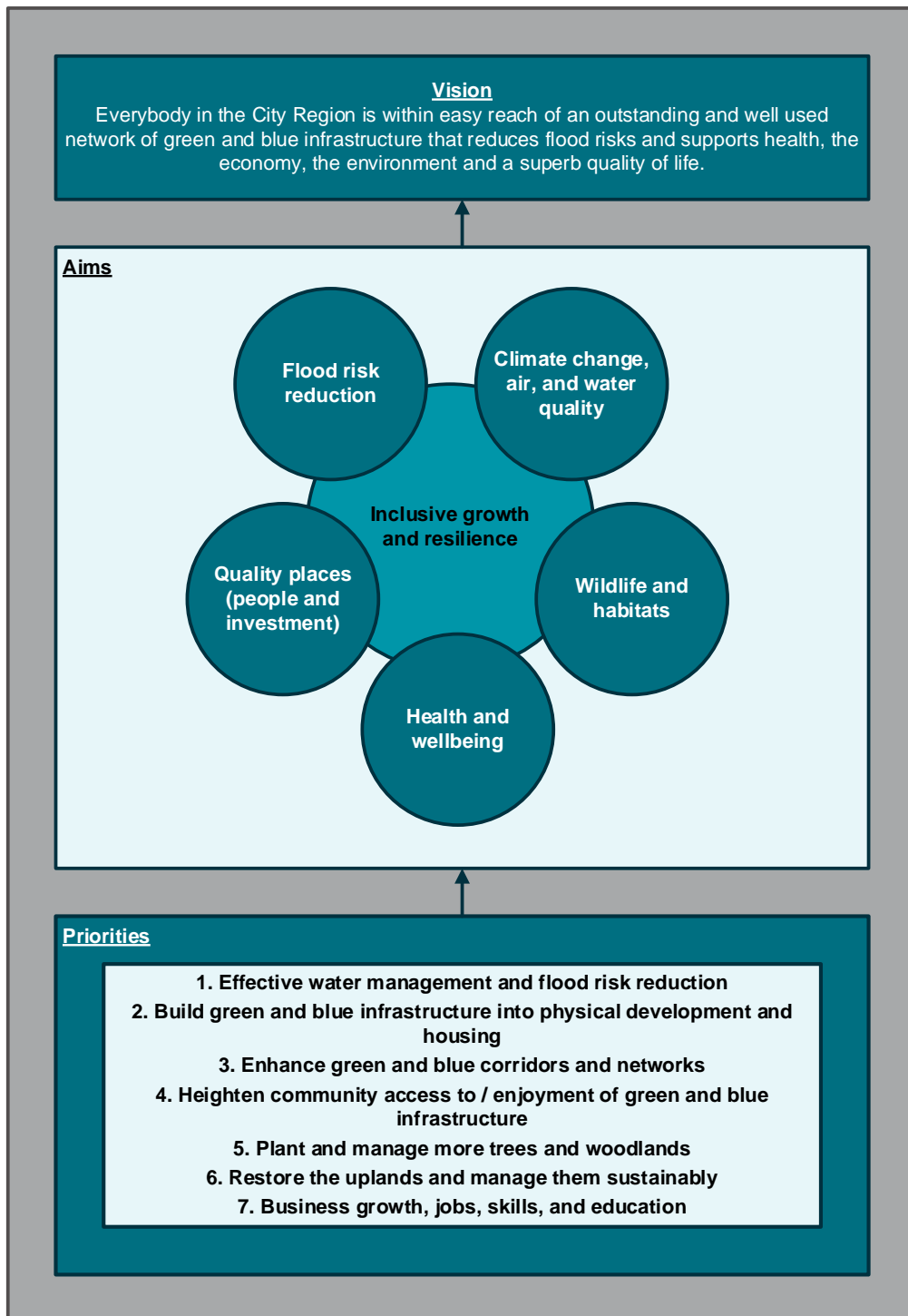


Appendix 1 – Contribution to achieving the key challenges of the LIIS

Key challenges for the City Region	How can the Green Infrastructure Strategy and Delivery Plan help to tackle these?
Productivity gap is increasing	<p>By supporting the key drivers of productivity including skills, innovation, investment and enterprise by creating new business and upskilling opportunities.</p> <p>By enhancing the City Region’s attractiveness and profile by raising the quality of developments and town / city centres, and improving an accessible green and blue infrastructure network.</p> <p>By providing the environment that enables businesses to attract talent and investment.</p>
Innovation and research and development are very low	<p>By connecting green and blue infrastructure expertise in universities and other institutions to business growth and the development of key projects e.g. energy, planning, engineering, construction.</p>
Living standards have stalled	<p>By boosting quality of place, leisure and amenity aspects of quality of life and living standards.</p> <p>By encouraging high quality development, reducing flood risk on businesses, and supporting business and jobs growth.</p>
Stubborn deprivation exists	<p>By prioritising access to, and improvement of, green and blue infrastructure in areas of deprivation and poor health.</p> <p>By creating opportunities for work experience, employment and apprenticeships.</p> <p>By improving air quality, mental health and physical activity.</p>

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Appendix 2 – Green and blue infrastructure vision, aims and priorities



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Green & Blue Infrastructure Strategy and Delivery Plan

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LEEDS CITY REGION
ENTERPRISE
PARTNERSHIP

Working in
partnership
with the

West
Yorkshire
Combined
Authority

Introduction

This Strategy and Delivery Plan is about how the City Region builds on its green and blue infrastructure strengths and ensures it is one of its defining characteristics.

The Leeds City Region Strategic Economic Plan (SEP) sets out the ambition to become a resilient, zero carbon energy economy underpinned by high quality green infrastructure.

Headline initiatives related to green and blue infrastructure set out in the SEP are:

- Make climate change adaptation and high quality green infrastructure integral to improving the City Region economy and its spatial priority areas.
- Develop an integrated flood risk reduction programme, incorporating flood defences, green infrastructure and resilient development.

Challenges & Strengths of GBI in LCR

Strengths

- Unique in England in having large urban areas in close proximity to a high quality natural environment.
- High number of natural designations ranging from the Yorkshire Dales National Park and Nidderdale Area of Outstanding Beauty to Sites of Special Scientific Interest and Local Wildlife Sites.
- Strong green infrastructure sector with interest ranging from large national organisations to small community groups.
- Excellent cycling and walking provision.

Challenges

- Over 63,000 residential properties and more than 27,000 non-residential properties have some degree of flood risk.
- 7,385 residential and 4,698 non-residential properties are at a high risk of flooding.
- Less than 17 percent of City Region's blanket bog peatlands are in good condition.
- Tree cover is lower than the national average of 10 percent (likely to be around 7 percent).
- Areas of deprivation with poor access to green space.
- Long-term uncertainty over maintenance of, and payment for, green infrastructure assets.
- Poor integration of green infrastructure into new developments.
- Significant issues related to physical and mental health.
- Extent of current green infrastructure provision in the City Region is unknown.
- Uncertainty over agricultural and environmental policy and support post Brexit and effect it will have on businesses across the City Region.
- Post 2020 support for peatland restoration once EU funding is withdrawn.
- Integration of green infrastructure considerations into business cases and conventional economic appraisals.
- Size of the green infrastructure sector in terms of GVA and people employed is unknown.

Benefits

Green and blue infrastructure is important because it has the ability to deliver the following benefits:

- Reduced flood risk across the City Region.
- Reduced carbon emissions and improved carbon storage potential.
- Reduced peak river flow rates and storm flows.
- Reduced economic damage of flooding.
- Increased productivity.
- Attracts inward investment through a green and pleasant environment.
- Retention of talent.
- Improved air quality.
- Reduced health inequalities.
- Increased physical activity leading to lower obesity levels and reductions in serious diseases.
- Improved mental health.
- Ability to bring communities together.
- Increased property values.

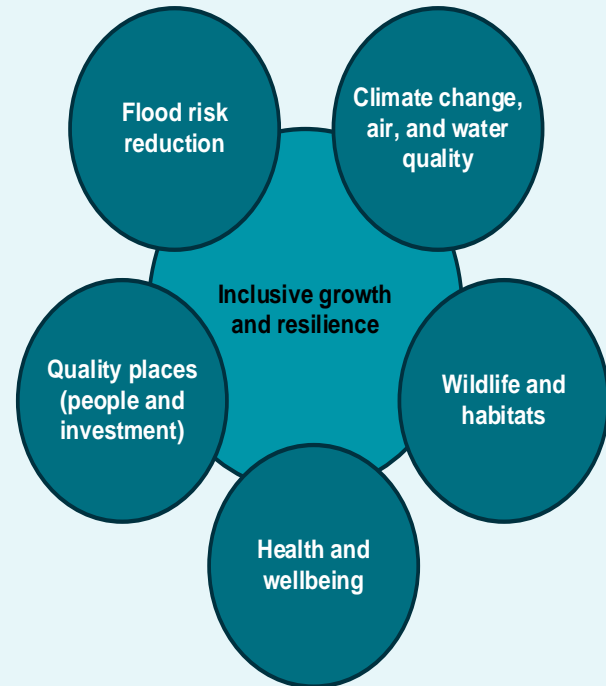
Aims & Rationale

This Strategy and Delivery Plan has the following vision and aims.

Vision

Everybody in the City Region is within easy reach of an outstanding and well used network of green and blue infrastructure that reduces flood risks and supports health, the economy, the environment and a superb quality of life.

Aims



Priorities

And will be delivered across the seven priorities outlined below.

Priorities

1. Effective water management and flood risk reduction
2. Build green and blue infrastructure into physical development and housing
3. Enhance green and blue corridors and networks
4. Heighten community access to / enjoyment of green and blue infrastructure
5. Plant and manage more trees and woodlands
6. Restore the uplands and manage them sustainably
7. Business growth, jobs, skills, and education

Delivery Plan Actions

The vision and priorities will be met through the following proposed actions

Project	Description
Leeds City Region Natural Flood Management Programme	Programme coordinating the identification and delivery of the future natural flood management pipeline in the City Region. Programme will also seek to collate data from existing natural flood management schemes with the view to building the evidence base to ultimately allow natural flood management measures to be used for Flood Grant in Aid funds.
Inclusive Growth Integration Programme	Programme to integrate inclusive growth principles e.g. green infrastructure, healthy streets, health and wellbeing, into project appraisal processes e.g. Combined Authority PAT process.
Network of off road / safe cycling and walking routes	Programme to increase the number of off road and / or largely safe cycling and walking routes in the City Region. Programme will link into the ongoing work to develop Local Cycling and Walking Implementation Plans.
Leeds City Region Green Infrastructure Map	Production of a City Region green infrastructure map, linking into the Leeds City Region Infrastructure Map.
Green infrastructure revenue identification and liability reduction	Development of an approach to identify new revenue funding for the ongoing maintenance of green infrastructure (seen as a key barrier to the implementation of green infrastructure).
White Rose Forest Plan	Setting out how the White Rose Forest will expand and deliver on its share of the Northern Forest commitments.
Leeds City Region Peatland Restoration Programme	Programme to link partners and initiatives across the City Region to map, plan, prioritise and secure funding for post 2020 peatland restoration.
Post Brexit agricultural and environmental policy and support	Agree preferred options for policy / mechanisms to provide agricultural and environmental benefits in the City Region post Brexit, including lobbying of government and devolution.
Green infrastructure jobs, skills and GVA assessment	Production of the evidence base relating to jobs, skills (including shortages) and GVA of the green infrastructure sector in the City Region.
Leeds City Region Green Infrastructure Skills Programme	Programme to develop opportunities for providing and developing skills within the green infrastructure sector in the Leeds City Region. Follows the outputs of the jobs, skills and GVA assessment.
Green infrastructure planning policy consistency	Exploration of how planning policies and guidance could be more consistent across the City Region.
Green infrastructure resource targeting	Development of mechanisms that allow resources for green infrastructure improvements to be focussed on areas of greatest need e.g. areas of poor health and wellbeing, green infrastructure deficient areas.

Next Steps

The findings of the Strategy and Delivery Plan will be built on over the coming months. Key activities include:

- Approval of the Strategy and Delivery Plan by the Combined Authority.
- Development of detailed work plans for the prioritised projects.
- Develop and gain commitment for a shared delivery resource .
- Commencement of action delivery.

Report to: Green Economy Panel

Date: 23 October 2018

Subject: **Energy Strategy and Delivery Plan**

Director(s): Alan Reiss, Director Policy, Strategy and Communications

Author(s): Noel Collings / Jacqui Warren

1. Purpose of this report

- 1.1. To provide the Green Economy Panel with a report on the development of the Leeds City Region Energy Strategy and Delivery Plan and to submit the draft version for approval / endorsement.
- 1.2. To gain feedback from the Green Economy Panel on the setting of a science-based carbon dioxide (CO₂) emissions reduction target for the Leeds City Region.

2. Information

Background

- 2.1. This report presents a summary of the draft version of the Leeds City Region (City Region) Energy Strategy and Delivery Plan (ESDP) for endorsement by the Panel. It supplements reports brought to this Panel over the last year of which the most recent was in April 2018.
- 2.2. The City Region Strategic Economic Plan (SEP) sets out the ambition 'to become a resilient zero carbon energy economy underpinned by high quality green infrastructure'. To understand how the City Region could achieve the SEP energy ambition the ESDP was commissioned, with support from the Department of Business, Energy and Industrial Strategy (BEIS).
- 2.3. The ESDP is a named delivery plan of the SEP and is aligned with current thinking on the emerging Local Inclusive Industrial Strategy (LIIS) and policy framework for the City Region (**Appendix 1**). In line with the national Industrial Strategy, which acknowledges the need to maximise the advantages for UK industry of the global shift to clean growth, further work will be undertaken to strengthen the LIIS to ensure carbon reduction is an integral part of everything we do in the City Region.

- 2.4. The purpose of the ESDP is to demonstrate how the City Region can begin to meet the objectives of the SEP and gain an economic advantage from the global transition to a clean, low carbon economy.
- 2.5. The ESDP is likely to contribute to a wide range of benefits in the City Region including:
- Reduced CO₂ emissions
 - Lower energy costs for businesses and organisations
 - Increased competitiveness through lower energy costs for businesses
 - Reduction in fuel poverty and increase in associated health benefits
 - Regional approach to delivery of new clean growth economic opportunities i.e. supply chains and jobs and increase productivity
 - Clear articulation of City Region energy strengths and opportunities
 - Improved air quality
 - Increased revenue
 - Retention of businesses
 - Increased inward investment
- 2.6. The ESDP and its actions will also help to address the national energy trilemma which, in addition to the decarbonisation of the energy system, aims to address energy security and affordability
- 2.7. ESDP is made up of four work packages:
- **Work Package 1:** Energy state of the Leeds City Region
 - **Work Package 2:** Technology Options Appraisal
 - **Work Package 3:** Energy Opportunity Areas
 - **Work Package 4:** Delivery Plan
- 2.8. A summary of the headline outputs of the four work packages is set out below:
- WP1: Energy state of the Leeds City Region
- 2.9. The emissions produced in the City Region are a direct result of the energy consumed. This means that emissions from electricity generated within the City Region are excluded from the analysis presented below. The emissions considered are emissions as a direct result of fuel burnt and electricity consumed by end users.
- 2.10. The City Region consumed 64,232GWh of energy in 2015 a decrease of 22 percent compared to 2005 levels. Consumption was roughly equal across the domestic, industrial and commercial, and transport sectors.
- 2.11. As would be expected given the intrinsic link between energy consumption and emissions, between 2005 and 2015 CO₂ emissions (emissions) also decreased by 38 percent to 16,472ktCO₂.
- 2.12. While overall emissions are forecasted to decrease by 2036 the transport sector is expected to reverse this trend with a 28 percent increase in emission

over the period to 2036. This is likely to be caused by minimal changes to the internal combustion engine, the move back to petrol cars from diesel, and to date poor market penetration from electric vehicles. Further work is underway to explore this trend further.

- 2.13. Please note forecasts are in line with BEIS central projections for the key drivers of energy and emissions, such as fossil fuel prices and take account of the estimated impact of implemented, adopted and agreed (as of July 2017) Government policies. As such there is reasonable confidence in the accuracy of the forecasts.
- 2.14. The energy sector in the City Region represents 1.5 percent of the economy (£918 million) and employs approximately 7,900 people. This is forecast to increase by 1.5 percent per year to £1.237 billion and to 10,200 people by 2036.
- 2.15. A more comprehensive overview of the key findings of the work package is contained at **Appendix 2**.

WP2: Technology options appraisal

- 2.16. A technology options appraisal was commissioned to understand the most significant energy technologies that would allow the City Region to meet the energy ambition set out in the SEP.
- 2.17. A total of 18 technologies were identified as having the most likelihood of enabling the ambition to be met. Each technology was scored against a series of criteria and ranked according to its performance against these criteria. The top five scoring technologies were:
 - Energy efficiency e.g. loft and cavity wall insulation
 - Electric and plug-in hybrid vehicles
 - Heat networks
 - Hydrogen

 - Solar PV

WP3: Energy opportunity areas

- 2.18. The technologies identified in WP2 have been mapped to understand the broad spatial opportunities for locating them in the City Region. These included energy storage, carbon capture and storage, and renewable heat.
- 2.19. The outputs of the work package will feed into the Leeds City Region Infrastructure Map.
- 2.20. The opportunity maps allow house buildings, local authorities, investors etc. interested in developing different energy technologies to hone into specific areas of the City Region where they can undertake more detailed project feasibility work.

- 2.21. The opportunity maps also allow a shared strategic approach to infrastructure development in the City Region e.g. EV infrastructure, allowing energy to be built into major strategic infrastructure projects.
- 2.22. It should be noted that the energy opportunity mapping is intended to provide a strategic spatial oversight for energy technology types in the Leeds City Region. It does not take precedent over existing local evidence or policies contained within local authority Local Plans and any associated development management policy.

WP4: Energy Delivery Plan

- 2.23. The work package brings together the evidence generated as part of the previous three work packages and supplements this evidence with target setting and future scenario modelling to produce a coherent Energy Delivery Plan for the City Region.
- 2.24. Through stakeholder workshops five priorities were identified which the ESDP should focus on. These were:
- Resource efficient business and industry;
 - New energy generation;
 - Energy efficiency and empowering consumers;
 - Smart grid systems integration; and
 - Efficient and integrated transport.
- 2.25. Underneath these five priorities are 17 action areas which provide more details on the areas which projects will be focussed around. **Appendix 3** provides details on these action areas.
- 2.26. To date 36 actions have been identified with partners to form the basis of this strategy's delivery plan. These are set out in **Appendix 4**. Further work is now underway with partners to explore these projects in detail. Where possible, emissions savings have also been estimated. The top ten actions that could potentially deliver the greatest CO₂ emissions reduction are:
- **Hydrogen vehicles:** Deployment of hydrogen buses on one City Region bus route, hydrogen refuelling stations, and hydrogen-powered cars into local fleets.
 - **EV charging and infrastructure:** Deployment of dedicated taxi and public EV charging points across the City Region.
 - **Advancing industrial energy efficiency:** Targeting the high emission industrial sectors of the City Region (thought to be chemicals, food and drink, and glass) with an energy efficiency innovation programme.
 - **Industrial waste heat recovery (incl. heat recovery from refrigeration):** Deployment of waste heat recovery infrastructure across the City Region, targeting energy from waste plants, energy intensive industries and key retail stores.

- **Carbon capture and storage (CCS):** Deployment of new CCS installations across the City Region, supporting and building on the pilot bioenergy carbon capture and storage project at Drax.
- **District heat networks:** Continued support to develop district heat networks across the City Region.
- **H21:** Continued support for the development of the H21 project ensuring that the benefits are retained within the City Region as far as possible.
- **Public estate renewables programme:** Utilisation of the public sector portfolio of buildings for the installation of renewable energy generation.
- **Carbon budgets and carbon management plans:** Implementation of carbon budgets and carbon management plans across City Region partners.
- **Street lighting programme:** Accelerating LED lighting, smart lighting controls and networked solutions across local authority areas.

2.27. Please note there are various levels of confidence associated with the CO₂ emissions savings of each project. There is typically more confidence where projects are well developed e.g. district heat networks. As further work is undertaken (see 2.32) CO₂ emissions savings for projects will be refined, however the estimated savings quoted for projects are considered conservative and err on the side of caution at this early stage.

Science-based target

2.28. One way to achieve the SEP ambition could be to adopt the Paris Climate Change Agreement of limiting temperature rise to below 2°C. If adopted the City Region would need to achieve an emissions reduction of 53 percent or 8,730 ktCO₂ by 2036 (against a 2015 baseline of 16,472 ktCO₂).

Hypothetically:

- 3,304 ktCO₂ (38 percent) could be saved by delivering all of the projects outlined to date in the ESDP.
- 2,141 ktCO₂ (25 percent) is estimated to be achieved through business as usual measures such as confirmed government policies.
- 3,285 ktCO₂ (38 percent) to be found before 2036 through more accelerated programmes, new projects and radical policies.

2.29. Figure 1 illustrates the above¹.

¹ Please note due to rounding figures may not add up to 100 percent.

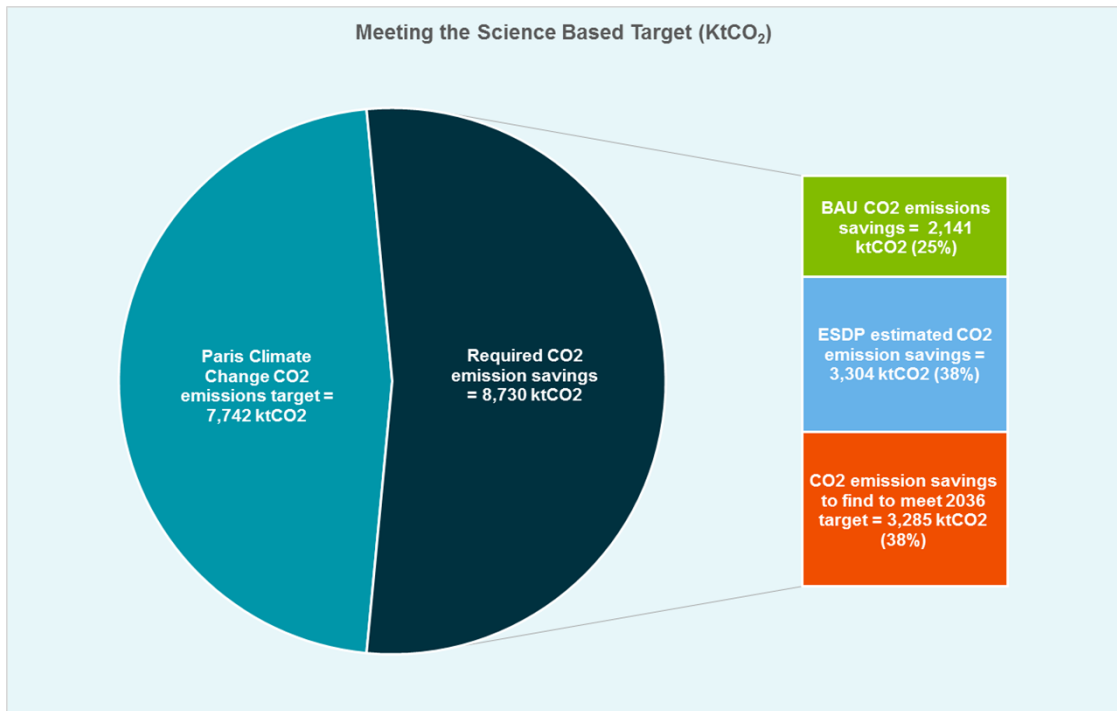


Figure 1. Outline of how to meet the 53 percent emission reduction target

- 2.30. It is worth stating that at this moment in time the above is based on estimates and a range of assumptions. The majority of the projects needed to meet the science based target are also not fully developed with allocated funding to deliver them. While the projects identified to date would not achieve the target, the majority of these interventions are currently led and implemented by the public sector only. There are likely to be significant additional emissions savings available through private sector programmes.
- 2.31. Future CO₂ scenario modelling undertaken to understand the benefits of meeting the 53 percent reduction target has indicated that doing so could generate approximately 100,000 jobs and be worth over £11 billion in GVA². The capital spend to achieve these outcomes is estimated to be between £46 and £50 billion. Please note this is a high-level assessment and requires further work. See below.
- 2.32. Further work is now needed to understand:
- Emission reduction requirements in detail.
 - Refine scenarios to better reflect regional activity and their estimated benefits.
 - Planned ESDP actions and their emission savings contributions in detail, and with a higher level of confidence.
 - New programmes and new innovative technology that could help meet a regional emission reduction target.
 - How realistic it is to meet the science based target.

² Please note that this is not an indication of the maximum GVA which is retained in the City Region, but instead the maximum GVA expected from the capital spend on converting to new technologies.

- 2.33. The Panel are asked for their comments on setting a science based target for the City Region.
- 2.34. Leaders of the West Yorkshire Combined Authority have been initially briefed on the opportunity to explore setting a regional carbon reduction target in line with global emission reduction targets. A Leeds City Region summit / event is now proposed to explore setting a regional emission reduction target and how to meet it.
- 2.35. More immediately there are also a number of delivery mechanisms that partners across the City Region will be able to access to deliver projects identified in the ESDP. Some of these include the Combined Authorities Energy Accelerator and Resource Efficiency Fund.
- 2.36. Furthermore the new North East, Yorkshire and Humber (NEYH) Energy Hub will also provide project development support to implement some new projects arising from the City Region’s ESDP
- 2.37. The draft summary of the ESDP is contained at **Appendix 5**. Please note this document will be designed up prior to being presented to the LEP and CA.
- 2.38. The table below outlines the next steps for the ESDP.

Action	Timescale
1. Approval of the ESDP from the LEP and Combined Authority.	October – December 2018
2. Devise detailed work plans for prioritised actions within the ESDP.	October 2018 – Spring 2019
3. Suitable actions from the ESDP to be immediately fed into the Energy Accelerator and new Energy Hub.	October 2018 onwards
4. Stakeholder engagement and possible City Region event to explore the science based target and how to meet it.	October 2018 – Spring 2019
5. Commission further work to support the exploration of the science based target.	October 2018 – Spring 2019

Action	Timescale
6. Subject to 1, 4 and 5 above, gain approval for the science based target from the GEP, LEP and Combined Authority.	Summer 2019

3. Financial implications

- 3.1. Given the scale of the projects identified in the ESDP there are likely to be financial implications for the Combined Authority. Further work will be undertaken to understand the scale of the financial ask, and this will be reported at a future Panel meeting.

4. Legal implications

- 4.1. No legal and compliance implications have been identified.

5. Staffing implications

- 5.1. No staffing implications have been identified.

6. External consultees

- 6.1. None.

7. Recommendations

- 7.1. That the Energy Strategy and Delivery Plan be given approval / endorsed and feedback provided.
- 7.2. To provide feedback on the setting of a science-based CO₂ emissions reduction target for the City Region.

8. Background documents

- 8.1. None.

9. Appendices

- Appendix 1 – Contribution to achieving the key challenges of the LIIS
- Appendix 2 – Energy state of the Leeds City Region: Summary of key findings
- Appendix 3 – Priority Action Areas
- Appendix 4 – Project summaries
- Appendix 5 – Summary of the ESDP

Appendix 1 – Contribution to achieving the key challenges of the Local Inclusive Industrial Strategy

Key challenges for the City Region	How can the Energy Strategy and Delivery Plan help to tackle these?
Productivity gap is increasing	<p>By providing opportunities for businesses to reduce costs, remain competitive and relocate to the City Region through the provision of lower cost energy.</p> <p>By providing opportunities for businesses to be better able to profit from the decentralisation of energy generation.</p>
Innovation and research and development are very low	<p>By enabling resources to be allocated to research and development that would otherwise have been spent on energy.</p> <p>By providing and making businesses aware of the opportunities for innovation within the energy sector.</p> <p>By ensuring businesses have the opportunity to and are aware of developments in the energy sector that allow innovation and research and development to occur.</p>
Living standards have stalled	<p>By providing job opportunities for City Region residents in the energy sector.</p> <p>By ensuring all City Region residents have the opportunity to benefit from cleaner, cheaper energy.</p>
Stubborn deprivation exists	<p>By decreasing the number of City Region residents classed as in fuel poverty through lower energy bills and improved thermal comfort.</p> <p>By contributing to a reduction in respiratory related illnesses through the improvement of air quality.</p>

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Appendix 2 – Energy state of the Leeds City Region: Summary of key findings

The emissions produced in the City Region are a direct result of the energy consumed; this means that emissions from electricity generated within the City Region are excluded from the analysis presented. The emissions considered are Scope 1 and Scope 2 only, this includes emissions as a direct result of fuel burnt and electricity consumed by end users. Our Region's large power stations are therefore excluded from this analysis.

The City Region consumed 64,232 GWh of energy in 2015 a decrease of 22 percent compared to 2005 levels. The level of consumption roughly equates to 48 percent of Yorkshire and Humber and 5.5 percent of England's total consumption. Consumption was roughly equal across the domestic, industrial and commercial, and transport sectors.

As would be expected given the intrinsic link between energy consumption and emissions, between 2005 and 2015 emissions also decreased by 38 percent to 16.5 million tonnes of CO₂. This equates to roughly 60 percent of total emissions within the Yorkshire and Humber and 6.5 percent of total emissions in England.

The decrease in both energy consumption and emissions can be attributed in the main to increases in energy efficiency, a shift in the type of industry in the City Region and a decarbonisation of the UK electricity grid.

Over the period of the SEP (to 2036) energy consumption is forecast to increase by 13 percent (on 2015 levels) as a result of an increasing population, construction of more homes, continual growth in number of vehicles on the road network, increased mileage and more freight being carried via road.

Within the forecasts industrial and commercial energy consumption is forecasted to decrease due to a move to less energy intensive industries and a drive to increase efficiency to reduce operating costs.

In contrast to consumption emissions are forecast to decrease by 13 percent over the period to 2036. This is due to a move to less carbon intensive fuels, further electrification of processes, more efficient homes and appliances and further decarbonisation of the UK electricity grid.

While overall emissions are forecasted to decrease the transport sector is expected to reverse this trend with a 28 percent increase in emission over the period to 2036. This is likely to be caused by minimal changes to the internal combustion engine, the move back to petrol cars from diesel, and a lack of growth in the electric vehicle market.

Currently the City Region generate three times as much energy as it consumes making it a net exporter of energy. Historically this position has been as a result of the concentration of coal power stations in the City Region. While two of the three large coal power stations have recently closed down it is likely that developments on these sites coupled with the continued operation of Drax, will lead to the City Region remaining as a net exporter of energy into the future, albeit at a reduced level than historically.

Jobs and skills

The energy sector in the City Region represents 1.5 percent of the economy (£918 million) and employs approximately 7,900 people. This is forecast to increase by 1.5 percent per year to £1.237 billion and to 10,200 people by 2036.

While contributing a small element of the City Region economy employees within the energy sector are typically higher skilled relative to the average for all industries e.g. management, professional and associate professional / technical occupations.

In the City Region, similar to the national picture, faces significant challenge around skills shortages, with skilled trades, management, professional and operative occupations all susceptible to skills shortages. In the future it is likely that the sector will have difficulties in obtaining the skills that it needs, especially where it competes with other sectors in specific areas like engineering. Brexit is also likely to have an impact on the ability of employers in recruiting the right skills due to the current significant reliance on migrant workers from the EEA.

A significant level of higher education provision directly relevant to the skills required by the energy sector is hosted in the City Region. However only a small number of total graduates go on to work in the energy sector with the majority going on to take up employment in the manufacturing and professional services sectors.

Appendix 3 – Priority Action Areas

Priority	Action Area
Resource Efficient Business and Industry	Deliver advice and financial support to SMEs through the REF and build on the legacy of the programme through access to new finance to enable further implementation.
	Implement energy efficiency improvements across the large industrial sectors, demonstrate new and innovative technologies and share learning.
	Support innovation and growth in energy intensive industries, including technology innovation through carbon capture, utilisation and storage and energy efficiency technologies.
	Facilitate action across the energy intensive sectors within the City Region; coordinate a collaborative sector involvement in the BEIS sectoral Industrial Decarbonisation and Energy Efficiency Action Plans.
New Energy Generation	Provide a test bed for game changing, innovation technologies.
	Drive investment in distributed generation and low carbon energy projects.
	Drive investment in heat networks.
	Use the Energy Accelerator as a vehicle for project development.
	Energy innovation and supply chain development.
Energy Efficiency and Empowering Consumers	Deliver energy efficiency improvements to homes across the City Region to reduce fuel poverty and improve health.
	Develop partnership and funding models with utilities, local authorities, housing associations, community

Priority	Action Area
	energy groups and the health sector to implement energy efficiency programmes, building on the success of programmes such as Better Homes Yorkshire.
	Promote better housing standards in new development, in line with Government commitments.
Smart Grid Systems Integration	Unlock the transition to a smarter, more integrated energy economy, which balances supply and demand, capitalising on the City Region’s existing sector strengths in the digital and data analytics market.
	Support the deployment of smart grid technologies across the domestic, commercial and industrial sectors, including smart meters, demand side response, energy storage and data analytics.
	Facilitate innovation through technology incubation, collaborating with local start-ups, technology developers and research institutions to access Government research and development funding and commercialise technologies.
Efficient and Integrated Transport	Promote a better, more integrated transport system, which is clean and efficient, addresses air quality issues, and promotes alternative transportation through cycling, walking and public transport.
	Support the development of clean transport technologies, including electric vehicles and ultra-low emission vehicles, hydrogen fuel cell EVs and a network of charging infrastructure.

Appendix 4 – Project Summaries

Project	Summary
Resource Efficiency Fund 2	Extend the scope of the existing REF to reach a larger number of SMEs and widen the scope for the types of assessment provided. Pilot system-wide innovation and the circular economy.
Green City Region Web Portal	Build on the existing Business Growth Hub by expanding the energy and environmental services offered by the Hub.
Green Curricula in Apprenticeships	Incorporate good business practice around energy and water management into curricula of apprenticeships.
Advancing Industrial Energy Efficiency	Targeting of the high emission industrial sectors of the City Region with an energy efficiency innovation programme.
Industrial Waste Heat Recovery	Quick start the development of waste heat recovery infrastructure across the City Region, targeting energy from waste plants and energy intensive industries including the glass, chemicals and food and drink sectors. Also includes the equipping of retail stores with heat recovery systems connected to refrigeration units.
CCS	Deployment of new CCS installations across the City Region, supporting and building on the pilot bioenergy capture and storage project at Drax.
District Heat Networks	Continue to support the development of the six most advanced networks while developing the heat network pipeline and identifying potential funding sources to allow implementation.
H21 Implementation, Skills and Supply Chain	Continue to support the development of the H21 project led by Northern Gas Networks, retaining as far as possible the benefits of the project within the City Region.

Project	Summary
Public Estate Renewables Programme	Utilisation of the public sector estate for the installation of renewable energy generation.
Community Energy Schemes	Provide support for, and facilitate the growth of the community energy sector and community energy projects, including the investigation of a community energy fund.
Carbon Budgets and Carbon Management	Implementation of carbon budgets and carbon management plans across the City Region's partners, in line with the Government's Emissions Reduction Pledge 2020 report.
Green Bonds	Development of a green bonds business model to support the ongoing transition to renewable energy.
Improve Local Plan Housing Policies	Introduction of planning policies which go beyond Building Regulations. (Identified due to the Deregulation Act 2015 not being enacted and the new National Planning Policy Framework stating ' <i>local authorities are not restricted in their ability to require energy efficiency standards above Building Regulations</i> '.)
Promote Sustainable Design and Construction	Consideration of alternative methods of house building, including Passivhaus and off-site modular construction.
Scaling Up Better Homes Yorkshire	Widespread rollout of retrofit fabric insulation and heating measures combined with new generation for households where it is suitable.
Whole System Domestic Energy Efficiency Retrofit Demonstrator	Takes a whole village or neighbourhood approach to the deployment of 'whole-system' energy efficiency measures to achieve a high level of efficiency.
Public Sector Retrofitting	Retrofit of the public sector estate with energy efficiency measures such as energy management systems, LED lighting, motion sensors.

Project	Summary
Full Fibre Infrastructure	Support the City Region Local Full Fibre Bid as a catalyst for the implementation of a smart energy system.
Street Lighting Programmes	Accelerate LED replacement, smart lighting controls and networked solutions across local authority areas.
Solar Carports	Installation of solar PV canopies above car parking spaces, proving space efficient renewable generation.
Whole Energy System Approach Pilot	Identification of new early stage new developments in the City Region where a whole energy systems pilot could be undertaken.
Energy Storage for Council Housing Mounted Solar PV	Identification of housing blocks and estates with high density solar PV installations, and install battery storage to maximise the solar PV utility.
Smart Leeds	Innovative kick starter project aimed at delivering a large number of energy system pilot and demonstrator projects in the City Region.
Hydrogen Vehicles	Deployment of hydrogen buses on one City Region bus route, and build two hydrogen refuelling stations. Will enable the incorporation of hydrogen powered cars into corporate fleets where the fuelling stations are located.
EV Charging and Infrastructure	Deploy dedicated taxi and public EV charging points across the City Region, focusing on rapid charging technology and high demand locations.
Hyperhubs	Pilot project to demonstrate proof of concept in the City Region.
Smart Park and Ride	Targeting of two new P&Rs to include solar PV canopies, energy storage, electric buses, charging infrastructure, a grid / private wire export link.

Project	Summary
Smart Travel Evolution Programme (STEP)	Consider the extension of STEP across the City Region, monitoring and analysing real time journey information to make interventions where vehicles and traffic signals work together to improve the network.
Behaviour Change Schemes	Promotion of cycling and walking through behaviour change schemes across the City Region.

Leeds City Region Energy Strategy and Delivery 39 Plan

DRAFT

Introduction

The energy sector is currently experiencing a number of challenges in the UK; how to provide affordable and secure energy supplies, which are critical for economic development and ensuring businesses remain competitive, while responding to the requirements to decarbonise in line with international (Paris Climate Change Agreement) and national (Climate Change Act) agreements.

The Leeds City Region has a long history of energy generation, with its energy assets historically producing a major share of the UK's energy. With this long history comes a population with significant knowledge and expertise in delivering and operating energy generation projects. These are the strengths which it will be vital to maximise in ensuring the challenges currently faced are addressed and used to the City Region's advantage.

This Strategy and Delivery Plan sets out how the Leeds City Region could begin to meet the energy ambition set out in its Strategic Economic Plan to become a resilient, zero carbon energy economy. It also sets out the ways in which the City Region can gain an economic, social and environmental advantage from the unprecedented change happening within the sector and the challenges and opportunities that this brings.

Strengths and Challenges

The City Region is well placed to take advantage of the opportunities that are, and will, present themselves both within and outside the energy sector. These strengths are:

- A long legacy of energy generation within the region, having provided and indeed continuing to provide a significant proportion of the countries energy needs.
- An energy sector that has productivity levels among the highest of any industry in the region and is relatively high skilled, with strong representation in management, professional and technical occupations.
- A higher education sector which hosts a significant level of provision which is directly relevant to the needs of the energy sector.
- A high level of investment by employers in apprenticeships that relate to the specific needs of the energy sector.
- A large number of manufacturing, construction and distribution businesses that have the potential to play an integral part in moving to a zero carbon economy
- Significant existing low carbon programmes such as the Resource Efficiency Fund, Better Homes, Energy Accelerator

While these strengths will be built on as part of the Strategy and Delivery Plan there are a range of challenges that need to also be addressed, including:

- An estimated 13% increase in energy demand over the next 20 years and the need to reduce CO2 emissions in the face of this and across domestic, transport and industrial sectors.
- A continued reliance on fossil fuels and low uptake of low carbon and renewable energy sources (8.8% of energy consumed currently provided by renewables).
- A high number of households (12.5%) which remain in fuel poverty and need for all homes to achieve an EPC rating of C by 2035.
- A need to ensure the regions energy intensive industries (particularly in the chemicals, food and drink, and glass sectors) remain competitive on a global scale and are retained within the region.
- A need to ensure energy prices are kept manageable for businesses and households.
- Bringing our City Region in line with global emission reduction targets could require significant carbon savings and capital investment (initial estimate of up to £50 billion) and realise the economic benefits (initial estimate could be £11billion in GVA and create 100,000 jobs).

Benefits

By implementing the Strategy and Delivery Plan the City Region is likely to see a wide range of benefits that directly affect businesses and households across the region. These include:

- A reduction in emissions, both from a CO2 and air quality perspective
- Potentially lower energy costs through a decentralised and more efficient energy system.
- An increase in the number of jobs directly and indirectly related to energy, especially through bringing our City Region in line with global emission reduction targets
- An increase in the GVA of the energy sector within the City Region, which even considering current trends will grow over the next 20 years, but will accelerate if the Paris Climate Change Agreement is met.
- An ability to increase productivity, attract inward investment and talent due to lower energy costs and an increase in employment.
- Contributing to the delivery of climate change targets, including the Climate Change Act and Paris Climate Change Agreement.
- Alleviation of fuel poverty in the 12.5% of households currently classed as fuel poor.
- An increase in the security of energy supply within the City Region, relying less on imported fuel supplies

Vision & Priorities

Vision:

The vision for the Strategy as set out in the Strategic Economic Plan is to **create a resilient, zero carbon economy underpinned by high quality green infrastructure** and **within the next ten years target investment and innovation to make the City Region a leading edge centre for zero carbon energy.**

Aim:

This strategy and delivery plan aim to accelerate action to support the development of a resilient, zero carbon economy underpinned by high quality green infrastructure.

Priorities:

To support the vision this strategy and delivery plan will focus on five priorities:

- **Resource efficient business and industry** (including delivering advice, financial support, new improvement programmes, support for innovation and new clean tech clusters)
- **New energy generation** (including test beds for innovation, driving investment, use of the City Region's Energy Accelerator and Energy Hub)
- **Energy efficiency and empowering consumers** (large-scale energy efficiency improvement schemes, new funding models, higher housing standards)
- **Smart grid systems integration** (unlock the transition to a smarter, more integrated energy economy, deployment of smart grid technologies, facilitate innovation through technology incubation)
- **Efficient and integrated transport** (including clean, integrated systems, development of clean transport technologies and networks of ultra low emission vehicles)

Delivery Plan

The vision and priorities will be met initially through the following proposed actions

Project	Summary
Resource Efficiency Fund 2	Extend the scope of the existing REF to reach a larger number of SMEs and widen the scope for the types of assessment provided. Pilot system-wide innovation and the circular economy.
Green City Region Web Portal	Build on the existing Business Growth Hub by expanding the energy and environmental services offered by the Hub.
Green Curricula in Apprenticeships	Incorporate good business practice around energy and water management into curricula of apprenticeships.
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Community Energy Schemes	Provide support for, and facilitate the growth of the community energy sector and community energy projects, including the investigation of a community energy fund.
Carbon Budgets and Carbon Management	Implementation of carbon budgets and carbon management plans across the City Region's partners, in line with the Government's Emissions Reduction Pledge 2020 report.
Green Bonds	Development of a green bonds business model to support the ongoing transition to renewable energy.
Improve Local Plan Housing Policies	Introduction of planning policies which go beyond Building Regulations. (Identified due to the Deregulation Act 2015 not being enacted and the new National Planning Policy Framework stating ' <i>local authorities are not restricted in their ability to require energy efficiency standards above Building Regulations.</i> ')
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Behaviour Change Schemes	Promotion of cycling and walking through behaviour change schemes across the City Region.

*These are draft projects that now need to be developed further with partners

Next Steps

The findings of the Strategy and initial Delivery Plan will be built on over the coming months. Key immediate activities include:

- Approval of the Strategy and Delivery Plan by the Combined Authority.
- Development of detailed work plans for the prioritised projects.
- Exploration of a City Region CO2 reduction target with Stakeholder, including the investigation of bringing our City Region in line with global emission reduction targets.
- A Leeds City Region summit in spring 2019 to explore setting a regional emission reduction target and how to meet it.
- Detailed delivery plan with potential regional carbon targets to be adopted by the end of 2019.

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Report to: Green Economy Panel

Date: 23 October 2018

Subject: **Local Inclusive Industrial Strategy**

Director: Alan Reiss, Director Policy, Strategy and Communications

Author(s): Marc Eatough, Jo Barham and Jacqui Warren

1 Purpose of this report

- 1.1 To update Panel Members on the development of a Local, Inclusive Industrial Strategy for Leeds City Region, informed by the outcome of the LEP Board away day held on 20 September 2018.

2 Information

Background

- 2.1 Government launched its Industrial Strategy in November 2017, with the aim of increasing growth and productivity across the UK.
- 2.2 The national Strategy is focused on five foundations of productivity (ideas, people, place, infrastructure, business environment) and four grand challenges (Clean Energy, Ageing Society, Artificial Intelligence, and the Future of Mobility). Local Enterprise Partnerships have been given the task of producing Local Industrial Strategies aligned to the national framework and building upon a robust evidence base.
- 2.3 In early 2018, the LEP Board and Combined Authority agreed that work would begin on the development of a Local, Inclusive Industrial Strategy (LIIS) for Leeds City Region. Sitting at the heart of our new, long-term strategic framework, our emerging LIIS will focus on bold steps aimed at driving inclusive growth, boosting productivity and earning power for a post-2030 economy.
- 2.4 The LIIS provides a unique opportunity for the City Region to:

- Build and deliver an ambitious programme for long-term growth that will respond to global challenges, to unlock our immense potential and become the growth engine for the North and the UK economy; and
- Improve the productivity of the economy and deliver economic inclusion so benefits are felt by all, and firms become more competitive for a new international trading environment.

2.5 Building on the evidence presented at the 2017 LEP Board away day and our engagement to date a draft 'LIIS prospectus' was produced which aims to:

- Summarise the City Region's key strengths and assets and planned approach to developing an ambitious LIIS, building on what our region has achieved together over recent years;
- Describe our focus on tackling four inconvenient truths, identified by the LEP Board in 2017, as the key challenges facing City Region that must be addressed to ensure the City Region can maximise its potential;
- Set out initial thinking on potential priorities and proposals that could form the focus of the LIIS and deliver inclusive growth ambitions;
- Identify priority areas in which existing knowledge and intelligence could be improved; and
- Form the basis for future engagement with partners, including with government, to help shape the development of the LIIS.

2.6 A copy of the latest version of the draft prospectus is provided in **Appendix 1**.

LEP Board Away Day

2.7 The LEP Board away day was held on 20 September 2018, with the aim of shaping thinking on development of a Local, Inclusive Industrial Strategy and priorities for Leeds City Region.

2.8 It also provided the opportunity for Board Members to hear from Government on latest developments for Local Industrial Strategies and engage Government representatives on the Leeds City Region proposed approach. The discussion was structured around three key themes:

1. What is distinctive about Leeds City Region vs what is a national challenge and priority?
2. What should our priorities be?
3. What further evidence do we need to develop our understanding?

2.9 A summary of the key messages emerging from the away day are provided below:

1. Distinctiveness

- Diversity of the City Region is a key strength and should be celebrated this includes diversity of geography, community, heritage and the business

base. It was suggested that we need to think of a strong hook for the City Region's many strengths and assets;

- Diverse SME base with niche sector strengths including Medtech and Advanced Manufacturing;
- University expertise is a real strength for Leeds City Region, providing niche opportunities for engagement. Need to exploit this more effectively including a move towards higher level skills.

2. Priorities

- Ensure that the Local, Inclusive Industrial Strategy provides a compelling narrative for the City Region which gets buy-in from a range of partners including the voluntary and community sector.
- Harnessing the power of the business:
 - Proposals for a private sector advisory group providing peer-to-peer support for businesses, enabling people to spend more time on rather than in the business;
 - Promoting a joined-up approach to business support ensuring messages reach as many business as possible. Harnessing the power of business and other leaders to tackle low productivity;
 - Effective delivery of core business support services, ensuring that the fundamentals of business support programmes are sound. This includes robust evaluation of existing activities and private sector engagement on service design.
- Continued investment in digital tech, skills and infrastructure, will be key to adapting to, and exploiting the opportunities associated with the 'future economy'. We need to ensure that new digital technologies are used as enabling tools, bringing business, the public sector and people together with a shared vision.
- Engaging with the voluntary and community sector to build on strong foundations for inclusive growth. Supporting inclusive growth is vital in order to improve living standards and tackle stubborn deprivation in the City Region. The voluntary and community sector plays a key role working with communities to tackle complex issues and remove barriers to participation. These interventions provide the foundations to build on as development of the Local, Inclusive Industrial Strategy takes place.
- Aligning the strengths of our universities with the needs of businesses and promoting the diffusion of innovation through strengthened networks. Diffusion of innovation to improve productivity is as important as the process itself.
- Support and encourage peer-to-peer sharing of good practice and understanding.

- Engage with stakeholders at a pan-northern level where collaboration at a bigger geography can enhance activity. This will build on ongoing work with the Northern Powerhouse (NP) 11¹ to drive economic growth in the prime capabilities of the North².

3. Further evidence

- Further evidence needed on supply chains, innovation networks and tech based sector strengths and cluster opportunities:
 - **Supply chains:** identifying areas where there are opportunities to improve processes and develop new opportunities for businesses
 - **Innovation:** exploration of innovation networks and how information is shared. Alignment and connectivity of assets is important to support this activity
 - **Tech strengths/cluster opportunities** (clean tech, med-tech, textiles, etc. deep dive)
- **Productivity:** including:
 - better understanding of the difference between growth and productivity and clear on which is the priority; and
 - greater analysis of productivity performance across the City Region, including analysis of sectors that have significant levels of low productivity firms.
- **Understanding impact of existing support products:** understanding of what works, key lessons and better use of evaluation to understand impact.

HMG Guidance on Local Industrial Strategies

- 2.10 A policy prospectus on Local Industrial Strategies was published by Government in early October³. As set out in the Industrial Strategy White Paper the prospectus highlights that agreeing a Local Industrial Strategy with government will be a necessary condition for LEPs and Mayoral Combined Authorities to draw down any future local growth funding being deployed through them.
- 2.11 The prospectus does however state that Local Industrial Strategies should remain strategic documents and not contain any proposals that require new funding or have spending implications outside of existing budgets available to local areas.
- 2.12 In addition to providing a steer on the role of government on the co-production process, the document also sets out a number of key requirements to inform the development of Local Industrial Strategies, including:

¹ NP11 is a collaboration of 11 Northern LEPs, and is chaired by Roger Marsh.

² The Northern Powerhouse Independent Economic Review identified Energy, Health Innovation, Advanced Manufacturing and Digital as the Prime Capabilities for the North

³ <https://www.gov.uk/government/publications/local-industrial-strategies-policy-prospectus>

- **Evidence:** setting out a robust and open evidence base, drawing out the relative strengths and weaknesses, with an emphasis on productivity
- **Focus:** map out the specific opportunities and challenges facing the local area:
 - building on specific distinctive local strengths and address any local weakness;
 - harnessing distinctive strengths to meet the Industrial Strategy’s Grand Challenges; and
 - identifying priorities across the foundations of productivity, including ideas, people, infrastructure, business environment and places
- **Collaboration:** make clear how the LEP will work in partnership with public and private stakeholders to achieve ambitions, including across broader geographies, such as the Northern Powerhouse;
- **Prioritisation:** prioritise specific, achievable and long-term ambitions, relating to evidence and specific challenges and future opportunities to enhance productivity; and
- **Evaluation:** set out clear plans to evaluate progress, drawing on lessons of policy evaluation such as the What Works Centre for Local Economic Growth.

Autumn Budget, 2018

- 2.13 The Government has stated that it will sign off all Local Industrial Strategies by early 2020, prioritising areas with the potential to drive wider regional growth and focusing on clusters of expertise and centres of economic activity.
- 2.14 Ahead of the 2018 Autumn Budget (**Appendix 2**) a City Region submission has been prepared which is firmly anchored in government’s approach to a modern industrial strategy. In addition to immediate, short-term proposals, the submission puts forward to government a bold set of longer-term ideas and proposals, aimed at driving inclusive growth, boosting productivity and earning power for a post-2030 economy.
- 2.15 A summary of our proposals is provided in the table below, including those with a specific focus on the Green Economy Panel agenda:

PROPOSALS FOR ACTION	GREEN ECONOMY FOCUS
<ul style="list-style-type: none"> • £250-300 million for our Transforming Cities Fund bid for Leeds City Region • Approximately £78 million investment in skills, including £60 million to continue our Skills Capital Investment Programme • £170 million Housing Infrastructure Fund investment • Maximise HS2 in the city region through a commitment to the original delivery timescales of HS2 	<ul style="list-style-type: none"> • £30 million Local Fund for low carbon energy projects • Support for university and business partners’ regional Strength in Places Fund bids including, Clean Growth Investment Accelerator • H-21: continue to support the Northern Gas Network’s ambitious conversion of the gas network to hydrogen • Tackle carbon and air quality through a nationwide scrappage scheme to

<p>(2033) and agreement to build from the North (e.g. NPR junctions)</p> <ul style="list-style-type: none"> • Deliver in full the Trans Pennine Route upgrade • Commitment to invest in local and regional transport • UK Shared Prosperity Fund forms part of wider Single Pot and is implemented in collaboration with Government and Partners. 	<p>expediently remove older polluting cars and vans from our roads</p> <ul style="list-style-type: none"> • Flood infrastructure/resilience fund: An additional £10.5m of capital funding could be used to support delivery of a new £33m capital flood programme, providing flood protection to over 500 businesses • Revise flood grant, including support for Natural Flood Management schemes.
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Green Economy Panel

2.16 A Green Economy Panel working group has been set up to support the development of the LIIS and wider policy framework. A series of meetings are planned over the next six months to explore local clean growth opportunities. The group will also review the results of the Leeds City Region-Styria knowledge exchange that took place in July 2018. A study into the potential for new clean technology clusters across the City Region is also being explored to support the LIIS.

3 Financial Implications

3.1 There are no immediate and direct financial implications arising as a result of this report. The Leeds City Region currently does not have access to further government support for a local industrial strategy, unlike Mayoral Combined Authorities who have access to funding to increase capacity and resources.

4 Legal Implications

4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

5.1 LIIS forms a central component of the Combined Authority and LEP’s programme of work to broaden its policy range. This will require capacity and expertise from the Combined Authority, local authorities and other partners. This can largely be provided within existing resources.

6 External Consultees

6.1 External engagement to inform the development of the Local, Inclusive Industrial Strategy is anticipated to commence in spring 2019.

7 Recommendations

7.1 That the Combined Authority notes the update on the Local Inclusive Industrial Strategy and the key actions agreed by the LEP Board.

8 Background Documents

8.1 There are no background documents.

9 Appendices

Appendix 1 – Draft Leeds City Region LIIS Prospectus

Appendix 2 – Leeds City Region Autumn Budget submission (2018)

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Developing a Local Inclusive Industrial Strategy

55 **Draft prospectus for discussion**

LEP Board Away Day, September 2018

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Executive Summary

E.1 Executive Summary

Our vision is: *“Leeds City Region will be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone”.*

Developing our Local, Inclusive Industrial Strategy will be critical to achieving this vision, helping initiate a new and exciting period of successful and inclusive growth for the City Region.

The Government launched its **Industrial Strategy** in November 2017, with the aim of increasing productivity and growth across the UK. The Industrial Strategy is focused on **five foundations** (*ideas, people, place, infrastructure, business environment*) and **four grand challenges** (*Clean Energy, Ageing Society, Artificial Intelligence, and the Future of Mobility*) which are set to transform industries and societies around the world. Local Enterprise Partnerships have been given the task of producing Local Industrial Strategies aligned to the national framework and building upon a robust evidence base.

The LEP Board (November 2017 and January 2018) and Combined Authority (February 2018) supported an approach to replace the Strategic Economic Plan and broaden the city region’s policy range by working towards the development of a new, agile, long-term strategic framework. It was also agreed that work would begin on the development of the Local Inclusive Industrial Strategy (LIIS) which will sit at the heart of this new framework aimed at driving growth, boosting productivity and earning power for a post-2030 economy. The development of a LIIS for the City Region provides an opportunity **to improve the productivity of the economy and deliver economic inclusion** so benefits are felt by all, and firms become more competitive for a new international trading environment.

To inform discussions at the 2018 LEP Board Away Day and the future development of the LIIS, the following document sets out:

- the City Region’s key strengths, assets and growth opportunities;
- **our focus on tackling four inconvenient truths**, identified by the LEP Board as the key challenges facing Leeds City Region that must be addressed in order to ensure the City Region can maximise its potential; and
- a summary of emerging priorities and proposals that could form the focus of our LIIS in order to transform the Leeds City Region economy and deliver our ambitions and those of the national Industrial Strategy and the Northern Powerhouse.

The information presented in this draft document builds on the evidence presented at last year’s LEP Board Away Day and has been informed by discussions with the LEP Board and Advisory Panels over the last 12 months.

E.1 Executive Summary

Sitting at the heart of our strategic framework, the LIIS will play to our strengths, helping to deliver the UK Industrial Strategy.

Building on our collective strengths and our range of specialisms, and by bringing businesses, local authorities, universities, education providers and other partners together, our LIIS will play a key role in:

- keeping the City Region and UK at the forefront of scientific research, innovation and new technologies;
- investing in infrastructure to transform the places where people want to live and work and businesses want to invest; and
- nurturing future talent, addressing skills shortages and providing the technical skills that will drive our economy.

Spanning areas such as innovation, enterprise, skills and employment, trade and investment, digital, and investment in strategic infrastructure such as housing and transport, we are developing proposals with our partners that will enable us to make real progress towards achieving the City Region's vision. This will encapsulate the national priorities, including:

IDEAS

Our world class university and research base alongside our globally competitive tech-based sectors are a critical and unique asset in this regard. We will continue to build on our strong foundations to accelerate progress in this area.

PEOPLE

We will continue to deliver a strategic and co-ordinated approach bringing together the work of our partners to provide tailored local solutions based on the needs, assets and opportunities of particular places and communities.

BUSINESS ENVIRONMENT

We will drive-up productivity, growth and employment through an environment that enables businesses to start-up, innovate, trade and invest. This will be key to making the City Region an even more productive place.

INFRASTRUCTURE

Infrastructure is key to improving productivity. Prioritising a holistic approach to policy making, we will ensure that our infrastructure enables people from all backgrounds to benefit from economic growth.

PLACE

The opportunity to leverage the assets of each city and town to attract people and investment and to drive growth is huge. When aligned to wider policy objectives the impacts are amplified further.

As shown on the following slide our sector and tech strengths can contribute towards meeting the national Industrial Strategy Grand Challenges.

Draft for discussion

E.2 Executive Summary

The Leeds City region is a truly diverse economy at the heart of the Northern Powerhouse, with recognised world leading capabilities. The size of our economy, its wide variety of economic and cultural assets and its many strengths remain a great platform on which we can build future prosperity.

Key sector and tech strengths

The City Region is home to a distinct **'healthcare ecosystem'** and is a powerhouse in terms of its contribution to the UK healthcare sector, with world leading companies, clinical expertise and research and development capacity across its universities, hospitals, healthcare and medical device manufacturing sectors.

Globally, **med-tech is a key growth sector which is set to be worth £500bn in the next five years.** With a world-leading concentration of excellence in medical technologies, alongside broader healthcare industries and recognised strengths in digital health innovation, the City Region is well positioned to significantly grow this sector and secure a greater market share.

With a wealth of **FinTech firms** and the largest centre for banking services in the UK outside London, the City Region is perfectly positioned to become the Northern UK's Fintech Centre, contributing to the sector's estimated annual revenue of £20 billion.

The City Region has a thriving food and drink manufacturing sector, linked to great local agricultural produce and world-class agri-tech facilities. The City Region's manufacturing history is combined with its agricultural tradition in some of the country's largest and most respected food and drink companies.

Manufacturing contributes over £6.7 trillion to the global economy. In the City Region it is worth £8.5 billion and the UK's biggest manufacturing base. With distinct advantages in market size, workforce skills and supply chains, we are well placed to address challenges for the future of manufacturing and provide the perfect location for companies looking to grow, innovate and improve efficiency.

We are home to a **network of unique digital assets, capacity and capability and a critical mass of systems, physical infrastructure and skills that are enabling growth across all sectors.** If harnessed, these have the potential to set the City Region apart from other places, not just in the UK but globally.

With a significant and growing business base, and eight internationally recognised centres of **low carbon and clean-technology expertise**, the City Region is positioning itself as one of the UK's foremost sources of national energy production, evolving from a traditional fossil fuel industry to a major producer of clean energy.

E.3 Executive Summary

Our emerging ideas

Work has commenced to identify a number of priorities and 'big ideas' that could form the core building blocks and focus of the Leeds City Region LIIIS:

- Transformative private sector leadership to tackle the productivity gap;
- The Leeds City Region Transformed by Digital Technology; and
- Maximising the impact of HS2 and Northern Powerhouse Rail through the development of inclusive growth corridors in the Leeds City Region.

These initiatives will be delivered through a range of partners, utilising local and national funding, including future funding sources such as the UK Shared Prosperity Fund.

What success will look like

A GLOBALLY RECOGNISED ECONOMY WHERE GOOD GROWTH DELIVERS HIGH LEVELS OF PROSPERITY, JOBS AND QUALITY OF LIFE FOR EVERYONE

AMBITION... BY 2036...

- To have a £100bn plus economy and become a positive, above average contributor to the UK economy;
- To close the productivity gap;
- To reduce the proportion of jobs that pay less than the real Living Wage;
- To reduce the employment rate gap for all disadvantaged groups; and
- To deliver new, good quality affordable homes in the City Region.

We will design and deliver projects and support our partners to deliver activity which contributes towards meeting these overarching aims and objectives for Leeds City Region.

Next Steps: The Government has stated that it will sign off all Local Industrial Strategies by early 2020, prioritising areas with the potential to drive wider regional growth and focusing on clusters of expertise and centres of economic activity.

We will work with local stakeholders including universities, healthcare providers, Government Departments, and business leaders to support and develop emerging opportunities including where there are synergies between the challenges and mission opportunities. In the meantime we would like to hear about how it should be implemented in practice, and anything else which may be required to help the City Region become a more productive, prosperous and inclusive place.

1. Background and context

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1.1 Background

Our vision is: *“Leeds City Region will be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone”*.

Developing our Local, Inclusive Industrial Strategy will be critical to achieving this vision, helping initiate a new and exciting period of successful and inclusive growth for the City Region.

Government launched its **Industrial Strategy** in November 2017, with the aim of increasing growth and productivity across the UK. The Strategy is focused on **five foundations of productivity** (ideas, people, place, infrastructure, business environment) and **four grand challenges** (Clean Energy, Ageing Society, Artificial Intelligence, and Future of Mobility).

In early 2018, the LEP Board and Combined Authority agreed that work would begin on the development of a Local, Inclusive Industrial Strategy for Leeds City Region. A Local, Inclusive Industrial Strategy provides an opportunity **to improve the productivity of the economy and deliver economic inclusion** so benefits are felt by all, and firms become more competitive for a new international trading environment.

Our strategy is clear: to build and deliver an ambitious programme for long-term growth that will respond to global challenges, to unlock our immense potential and become the growth engine for the North and the UK economy. Sitting at the heart of our new, long-term strategic framework, our emerging Local, Inclusive Industrial Strategy will focus on bold steps aimed at driving inclusive growth, boosting productivity and earning power for a post-2030 economy.

This Prospectus sets out our key strengths, growth opportunities and challenges, outlining our emerging priorities to transform the Leeds City Region economy and deliver our ambitions and those of the national Industrial Strategy and the Northern Powerhouse.

WHAT ARE LOCAL INDUSTRIAL STRATEGIES?

Long-term, evidence based plans aligned to the national Industrial Strategy that will:

- strengthen local economic growth and reduce disparities by boosting productivity, earning power and competitiveness;
- identify local strengths and challenges, future opportunities and the actions required to improve skills, increase innovation and enhance infrastructure and business growth;
- guide the use of local funding streams as well as funding devolved to local areas, which could include the future UK Shared Prosperity Fund.

The Government intends to agree Local Industrial Strategies for all areas by early 2020.

1.2 Our approach and strategic framework

Work is on-going to replace the Strategic Economic Plan (SEP) with a new agile, long-term framework aimed at driving growth and delivering prosperity throughout the economy. Building on the SEP, it will provide the strategic framework for investment, including for the Local, Inclusive Industrial Strategy and the future UK Shared Prosperity Fund, Industrial Strategy Challenge Fund, Sector Deals, Strength in Places Fund, etc. The new framework is presented on the next slide, with its core principles including:

- a focus on **tackling the key challenges** agreed by the LEP Board in September 2017:
 1. the City Region's **productivity gap with peers is too large and growing**;
 2. **Investment, particularly private investment, in research and development is too low**;
 3. **living standards in the City Region have stalled**; and
 4. **stubborn deprivation persists**
- based on robust evidence, demonstrating a clear understanding of the key strengths, assets and challenges in Leeds City Region;
- to reflect the City Region's expanded policy remit, e.g. culture, and potentially new aspects of tackling disadvantage in health, early years and education;
- to ensure all Combined Authority and LEP strategies are aligned with a clear focus on tackling the above challenges and delivering inclusive growth outcomes;
- to maximise our strategic assets and strengths e.g. our concentration of science, research and innovation assets; our globally-competitive manufacturing sector and vibrant digital-tech sectors, including medical technologies; and
- to place the City Region on the front-foot with an ambitious policy platform that improves competitiveness and ensures the benefits are shared fairly.

CORE PRINCIPLES OF OUR APPROACH:

Open and collaborative policy making.

Foster, in partnership, an inclusive, place-based strategy where all communities contribute to, and benefit from, growth.

Boosting earnings, testing local solutions with HMG to help tackle the productivity challenge.

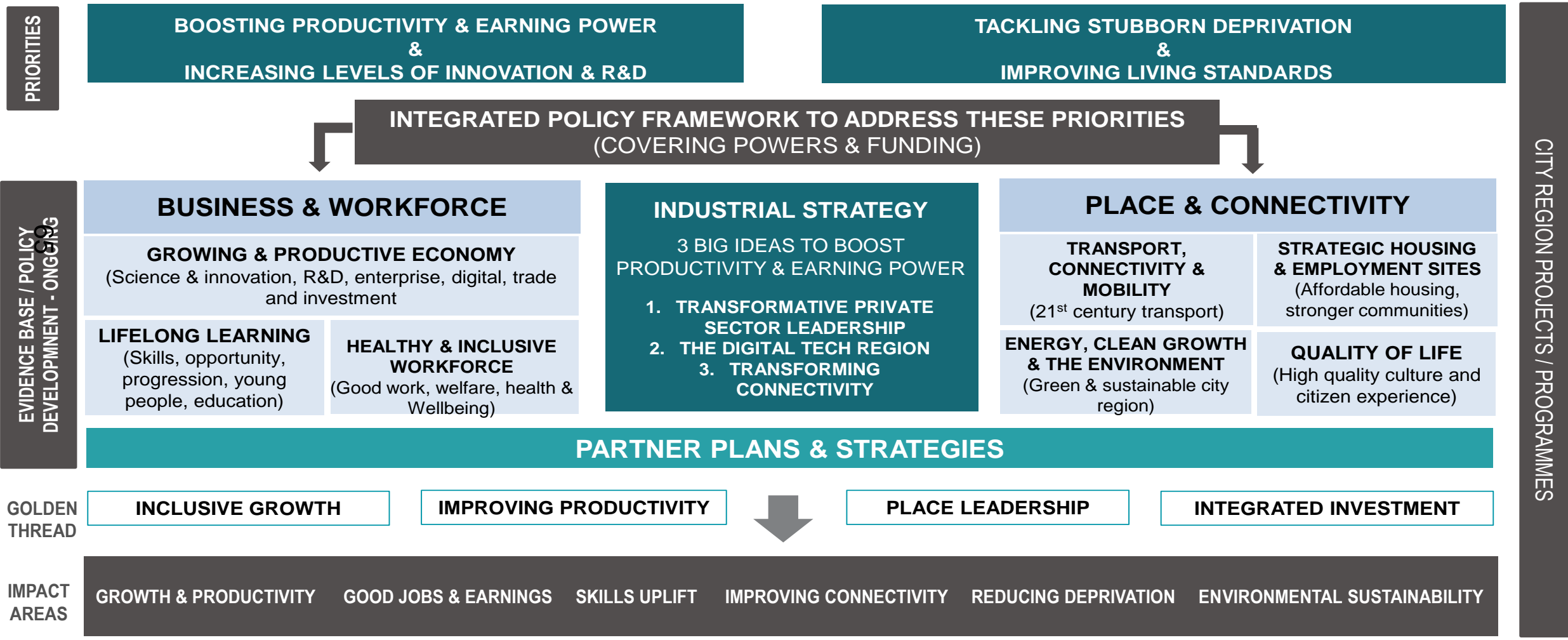
Accelerating infrastructure delivery and embedding resilience.

1.3 A strategic framework for shaping our priorities

VISION

“TO BE A GLOBALLY RECOGNISED ECONOMY WHERE GOOD GROWTH DELIVERS HIGH LEVELS OF PROSPERITY, JOBS AND QUALITY OF LIFE FOR EVERYONE”

[range of expressions of this vision will be developed so that it speaks to our different audience in a language and format they understand]



DIFFERENCE FOR WHOM (COHORTS/SEGMENTATION)

2. A City Region well positioned to meet our ambition and national priorities

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2.1 About us

The Leeds City region is a truly diverse economy, at the heart of the Northern Powerhouse, with recognised world leading capabilities.

The facts

Northern capital

- £66.5 billion economy – the biggest contributor to the Northern Powerhouse
- Over 126,000 businesses

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Innovation capital

- World class universities delivering leading research
- Leading innovation clusters including Medtech and Advanced Manufacturing

Human capital

- 1.387 million workforce – largest and fastest growing in the North

Transport capital

- At the centre of the UK, within one hour's drive of 7 million people



2.2 Our track record

Our £1billion-plus Growth Deal with Government is now halfway into delivery, and its impact is being felt across the region in the shape of new, world-class college facilities, homes, commercial developments and transport infrastructure, and – crucially – more skilled jobs created and safeguarded for local people.

The Growth Deal was secured in 2014. It was – and indeed still is – the largest Growth Deal of any local enterprise partnership area in the country.

The Deal provides around £690 million of devolved Government investment, made up of £516 million local growth funding plus £173.5 million Department for Transport funding to improve transport in Leeds.

Unlike anywhere else in the country at that time, the City Region also secured a further £420 million to establish an overall £1 billion West Yorkshire-plus Transport Fund to improve road, rail and other transport links across the region over a 20-year period.

Three years since we received our first tranche of funding, investment has now been approved by the West Yorkshire Combined Authority for over 100 significant Growth Deal projects.

DELIVERING POSITIVE OUTCOMES AND ECONOMIC IMPACT ACROSS THE CITY REGION

In **BRADFORD**, our Growth Deal is supporting the creation of the New Bolton Woods urban village between Bradford and Shipley, which will ultimately bring 1,000 new homes to the area.

In **CALDERDALE**, Transport Fund investment is helping to reduce road congestion on the A629 between Halifax and Huddersfield, supporting the council's transformation of the town centre, and helping to protect homes and businesses in the Calder Valley from flooding.

KIRKLEES has seen major Growth Deal investment in innovative new facilities for skills development and business growth including the newly launched Springfield Centre in Dewsbury, the Huddersfield Innovation and Incubation Project at Huddersfield University and the Process Manufacturing Centre at Kirklees College.

LEEDS has benefitted from investment in new college facilities including a new campus for Leeds College of Building on the city's South Bank, Leeds City College's hugely impressive Printworks campus. At the University of Leeds, the Nexus innovation and incubation centre is set to open in September, 2018.

In **WAKEFIELD**, the Wakefield Eastern Relief Road – the first of our Transport Fund schemes to be completed in June last year – is helping to ease congestion on a key commuter route in the city and has also opened up land to build 2,500 houses.

Commuters in **YORK** will soon see reduced congestion on the York Outer Ring Road when a major package of Transport Fund investment is completed.

Hard-to-insulate homes in **HARROGATE** will benefit from improved energy efficiency measures – which include insulation for attics and hard-to-treat cavity walls – making them cheaper to heat as well as healthier to live in and better for the environment.

Growth deal investment in **SELBY** College helped to refurbish existing facilities and extend the Aspiration Building by almost 500 square metres.

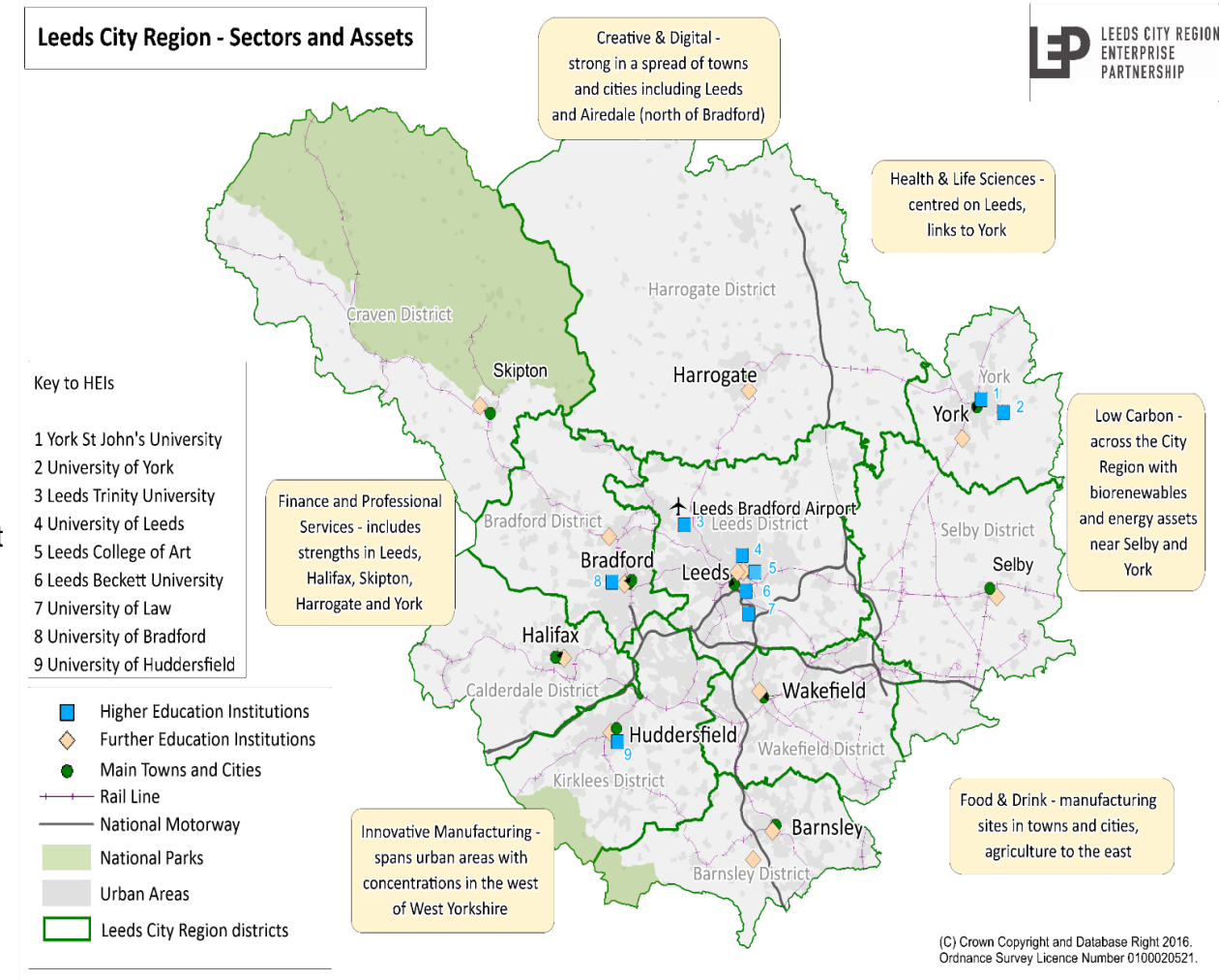
CRAVEN will benefit from flood resilience packages to support other government investment, and improve flood protection for businesses and communities.

The old market site in the heart of **BARNSELY** will receive funding as part of a wider programme to deliver a high quality town centre.

2.3 An economy with many strengths and great assets

The size of our economy, its wide variety of economic and cultural assets and its many strengths remain a great platform on which we can build future prosperity.

- **Largest economy outside of London and the South East:** accounting for over 4% of national output.
- **Resilient:** The structure of the economy (*a broad business base and relatively large proportion of SMEs*) means that it should be more resilient to any potential downturn in any single industry.
- **Exporting strengths in Chemicals** worth £1.5bn representing 27% of the UK total.
- **Strong clusters & sectors:** largest manufacturing workforce of any LEP, largest centre of financial and strong digital sector growth (including med-tech/fin-tech).
- **Increasing numbers of people in employment:** with the creative & digital and food and drink sectors outpacing national growth.
- **Home to world-leading university research:** City Region universities are in the top five of the research rankings for six key technology areas: big data, robotics, advanced materials, agri-science, regenerative medicine and satellites.
- **A competitive business location at the heart of the UK.**



The following slides summarise our key strengths & assets set against the five foundations and four grand challenges of the national Industrial Strategy.

2.4 The City Region has the foundations for growth (1)

IDEAS

Successful regions around the world are characterised by high rates of **innovation** across small and large firms, public institutions and individuals. Rates of R&D and innovation in Leeds City Region are improving, but not fast enough to close the gap with national averages.

We will continue to build on our strong foundations to accelerate progress in this area. Our world class university and research base alongside globally competitive tech-based sectors are a critical and unique asset. They have a substantial track record in proactively engaging with and supporting businesses to innovate, start-up and grow; and are critical to the City Region's investment offer. This includes helping access funds, such as the Industrial Strategy Challenge Fund.

PEOPLE

With a workforce of 1.3m, growing numbers of people with qualifications at all levels; improvements to GCSE pass rates, success in reducing NEETs, a high concentration of universities, and high performing colleges, the City Region is well placed to increase skill levels and employability significantly. This will support us to meet future job demands and enable people from all communities to secure more and better jobs.

Through initiatives such as the Skills Service we will continue to deliver a strategic and co-ordinated approach that brings together the work of wide ranging partners across the City Region to provide tailored local solutions based on the needs, assets and opportunities of particular places. This will include schemes to build employability skills that support business productivity and innovation and those that support access to jobs and progression.

BUSINESS ENVIRONMENT

The City Region is a great place to invest and do business. It continues to be a priority for the City Region to provide the right environment and business support that allows businesses to unlock their economic potential.

Building on the success of our Growth Service, our aim is to drive-up productivity, growth and employment through an environment that enables businesses to start-up, innovate, trade and invest. This will be key to making the City Region an even more productive place that can compete internationally.

The LEP will work with, and through partners to ensure that all interventions are directly targeted to local need as articulated by business, effectively coordinated so as to avoid complication and confusion, and streamlined with national priorities.

2.5 The City Region has the foundations for growth (2)

INFRASTRUCTURE

Leeds City Region is located at the heart of the UK, with an extensive road and rail network, offering businesses easy access to markets and to labour with competitive costs. The City Region has witnessed important improvements to strategic infrastructure in recent years, but more needs to be done to meet our growth ambitions:

Strategic housing and employment sites, including Enterprise Zones in the Aire Valley, along the M62 and in York Central (managed by York, North Yorkshire & East Riding LEP) that will be developed as the location for many thousands of high quality jobs.

The West Yorkshire plus Transport Fund that will deliver significant enhancements to the City Region's road, rail and bus networks over the next decade, alongside the major improvements that are already in the pipeline to invest in the motorway network and to increase rail capacity and speed through the electrification programme and new franchises, and also the long term opportunities presented by **HS2 and Northern Powerhouse fast rail**. We are investing in future mobility and setting out our vision in our emerging Future of Mobility Strategy.

Investment in strategic flood resilience programmes and high quality green infrastructure, integral to improving the economy and safeguarding businesses, jobs and homes.

A **strong digital infrastructure**, ranging from the Super Connected Cities of Bradford, Leeds and York, to Leeds as the home of the only internet exchange outside London, to the Digital Health Enterprise Zone in Bradford.

PLACE

Attractive, vibrant city and town centres and rural areas are important for making the region a great place where people want to live and work, and where businesses want to invest.

The City Region is a diverse and polycentric economy, made up of major cities, towns and countryside, each with distinctive assets, economic roles and priorities.

The opportunity to leverage the assets of each city and town – across urban and rural areas - in order to attract people and investment and to drive growth is huge. When aligned to wider policy objectives, for example on flood mitigation, clean energy, health and wellbeing, and economic inclusion, the impacts are amplified further.

The City Region is equally diverse in relation to the differing levels of economic and social prosperity within its boundaries. Whilst it is home to some of the most prosperous neighbourhoods in the UK, too many neighbourhoods are amongst the poorest and have not benefited from growth.

This pattern of growth sees parts of our City Region still working hard to restructure their economies and business base, reinvigorate their population centres and address long standing issues on skills, deprivation and health for example.

2.6 Meeting national Grand Challenges

Artificial intelligence

Clean growth

The future of mobility

Ageing society

Working with scientific leaders, the Industrial Strategy's four Grand Challenges are aligned to developments in technology, set to transform industries and societies around the world.

The Grand Challenges will take a mission-based approach where the UK has existing strengths. Each of the Grand Challenges will be supported by funding from the Industrial Strategy Challenge Fund and matched by commercial investment. Leading figures from industry and academia will be invited to act as expert advisors, led by a 'Business Champion'.

We will review and assess the City Region's existing infrastructure and expertise aligned to the Grand Challenges and explore potential opportunities for intervention. We will work with local stakeholders including universities, healthcare providers, Government Departments, and business leaders to support and develop opportunities including where there are synergies between the challenges.

The Grand Challenges provide a lens by which to view City Region activity, as well to explore local, regional, and national opportunities for collaboration. The Grand Challenges run through a number of themes of activity in the City Region delivered through the LIFS and Policy Framework.

As will be shown in the following slides, the City Region is home to numerous growth sectors, technology and digital assets which position us strongly to work with government and the private sector to contribute effectively to the Grand Challenges.

2.6.1 Health & life sciences

The City Region is home to a distinct healthcare ecosystem and is a powerhouse in terms of its contribution to the UK healthcare sector, with world leading companies, clinical expertise and research and development capacity across its universities, hospitals, healthcare and medical device manufacturing sectors.

Our strengths and assets:

- **Host to some of the leading medical device manufacturing and digital health companies in the UK**, including the Global Development and Technology Centre for DePuy Synthes - a Johnson & Johnson company, RSL Steeper, Brandon Medical, TPP and EMIS.
- **World-leading concentration of excellence in research and innovation** in the universities of Leeds, Bradford, Huddersfield, Leeds Beckett and York.
- **Host to four out of five NHS headquarters**, 13 clinical commissioning groups and 12 NHS trusts, and home to NHS Digital.
- **Engagement between companies and the science base is seen as a real strength in the region**, there is a need to sustain regional science capacity and capability through centres of research excellence.
- **Forefront of global R&D in health & innovation.** Attracted over £100 million medical technology research funding, accounting for more than 8% of all EPSRC medtech funding, with major national medtech research and innovation centres.

In **digital health** our vision is already crystallising. Alongside significant HEI assets such as the Digital Health Enterprise Zone (DHEZ) at the University of Bradford, the City Region is home to the two market leading primary healthcare health IT systems (EMIS and TPP), the largest healthcare data platform in the world (NHS Spine) and the NHS Health and Social Care Information Centre (HSCIC).

The Leeds City Region is therefore well placed to contribute to **the AI and data economy and ageing society grand challenges.**

Medical Technologies

Globally, med-tech is a key growth sector which is set to be worth £500bn in the next five years. With a world-leading concentration of excellence in medical technologies, alongside broader healthcare industries and recognised strengths in digital health innovation, the City Region is well positioned to significantly grow this sector and secure a greater market share.

To meet this ambition, investment in public and private sector R&D, including in the region's world-class research is a priority. This will help position the City Region and UK economy strongly for the future, whilst helping meet local and national priorities, including improving growth and productivity levels, and delivering a range of wider social benefits, including reducing healthcare costs and improving patient outcomes.

2.6.2 Advanced manufacturing & engineering

Manufacturing contributes over £6.7 trillion to the global economy. In the City Region it is worth £8.5 billion and the UK's biggest manufacturing base.

Our strengths and assets:

- **The City Region is at the heart of the UK's advanced manufacturing and engineering activity.** Business concentrations span high-tech areas such as precision engineering, electrical equipment and chemicals, as well as strengths in textiles, furniture and printing.
- **Delivering high quality bespoke engineering solutions** to a diverse range of growth sectors and technical competences including, robotics, precision engineering, metrology, clean energy, digital manufacturing and smart materials.
- **Speed and efficiency.** Manufacturing supply chains with cost effective routes to national and international markets.
- **Strength in research, innovation and Centres of Excellence across nine universities**, including the Automotive Research Centre and Advanced Materials Centre (Bradford), Centre for Precision Engineering, and 3M Buckley Innovation Centre (Huddersfield), Institute for Design, Robotics & Optimisation and Centre for Technical Textiles (Leeds) and Centre for Complex Systems Analysis and Green Chemistry Centre (York), the Virtuosity Centre at the University of Leeds.

With distinct advantages in market size, workforce skills and supply chains, we are best placed to address challenges for the future of manufacturing and provide the perfect location for companies looking to grow, innovate and improve efficiency.

With these strengths the City Region working with our partners we are well placed to contribute to the four **Grand Challenges**.

2.6.3 Innovation and digital tech will be key to our success

Digital technologies are changing the fundamental nature of how businesses, government and citizens interact, do business, live and play. We need to ensure that new digital technologies are used as enabling tools, bringing business, the public sector and people along together with a shared vision. It is one of the greatest sources of disruption that businesses and organisations can apply to drive innovation in the way they work and in the products and services they deliver, with the outcome being higher efficiency, productivity and growth.

More of our firms and public institutions will quickly exploit new ideas, opportunities and technologies to find solutions and achieve growth, efficiency and productivity.

Similarly, the **character, ideas, abilities and ambitions of our people** will be central to a culture that builds on the City Region's traditions and which is inventive, outward looking, collaborative, open to new ideas and laced with grit and determination.

Our diverse and polycentric economy, made up of major cities, towns and countryside, gives us the distinctive assets and opportunities we need to do this.

The City Region economy is well placed to capitalise on this for a number of reasons.

We are home to a **network of unique digital assets, capacity and capability and a critical mass of systems, physical infrastructure and skills that are enabling growth across all sectors**. If harnessed, these have the potential to set the City Region apart from other places, not just in the UK but globally.

Collaboration platforms such as IX Leeds, one of only three internet exchanges in the UK and the only one outside London; and the Leeds node of the Open Data Institute which is one of 22 nodes across 15 countries, are providing individuals, businesses and public sector organisations with opportunities to collaborate for mutual benefit.

Digital sectors in the UK contributed £118 billion to the economy in 2015: over 7% of the UK's gross value added (GVA), and exports of digital goods and services now amount to over £50 billion. Tech City UK estimates that the digital sectors are creating jobs 2.8 times faster than the rest of the economy.

However, this is not just about the digital sector – those businesses whose core business is in digital technologies. This Digital transformation can make every business in every sector more productive, wherever they are located. And this transformation is changing the skills required to not only operate in highly skilled digital jobs, but also to function and participate at a basic level in society. And none of this would be possible without the fundamental underpinning digital infrastructure architecture which allows all of these connections to be made. **Our emerging Digital Framework aims to harness these distinct assets and opportunities to help position the City Region as a global digital centre.**

2.6.4 Significant and growing strengths and expertise in tech

CLEAN TECH

Global investment in renewable energy now outstrips that on fossil fuel power and the demand for low-carbon goods and services is growing.

The scale of opportunities to create new products and drive business growth in this field is expanding and could potentially grow by 11% per year between 2018 and 2030 – 4 times faster than the rest of the economy. Our energy generation sector and wider innovation ecosystem is critical to the whole UK and is a focus for national innovation and investment.

With a significant and growing business base, and eight internationally recognised centres of low carbon and clean-technology expertise, the City Region is positioning itself as one of the UK's foremost sources of national energy production, evolving from a traditional fossil fuel industry to a major producer of clean energy.

The region also hosts major manufacturers in the energy equipment supply chain, with particular strengths in electric motors, domestic appliances, engines & turbines and cooling and ventilation.

FINANCIAL TECH

With a wealth of *FinTech* firms and the largest centre for banking services and in the UK outside of London, the City Region is perfectly positioned to become the Northern UK's Fintech Centre, contributing to the sector's estimated annual revenue of £20 billion.

FinTech assets include:

- leading companies such as BJSS, Nostrum Group, TSYS, Eclipse;
- Dotforge, the first FinTech Accelerator outside of London;
- Collaborative ecosystem with a cluster of innovative digital and creative companies;
- talent pipeline, including the highest concentration of STEM graduates outside of London; and
- respected providers of IT software, apps and project management training.

AGRI-TECH: The City Region has a thriving food & drink manufacturing sector, linked to great local agricultural produce and world-class agri-tech facilities. The City Region's manufacturing history is combined with its agricultural tradition in some the country's largest and most respected food and drink companies, including Northern Foods and Arla (largest creamery in Europe). There are excellent opportunities in the agri-tech and bio-economy sectors, linked to major R&D assets and business growth at Sand Hutton and Heslington East.

2.7 Areas that are critical to future performance

The headline analysis of the City Region's economy shows an area with enormous potential but one that needs to address key challenges associated with productivity, innovation, exporting, skills, and connectivity if it is to realise that potential and stay both competitive and resilient in the face of changing global and national economic circumstances.

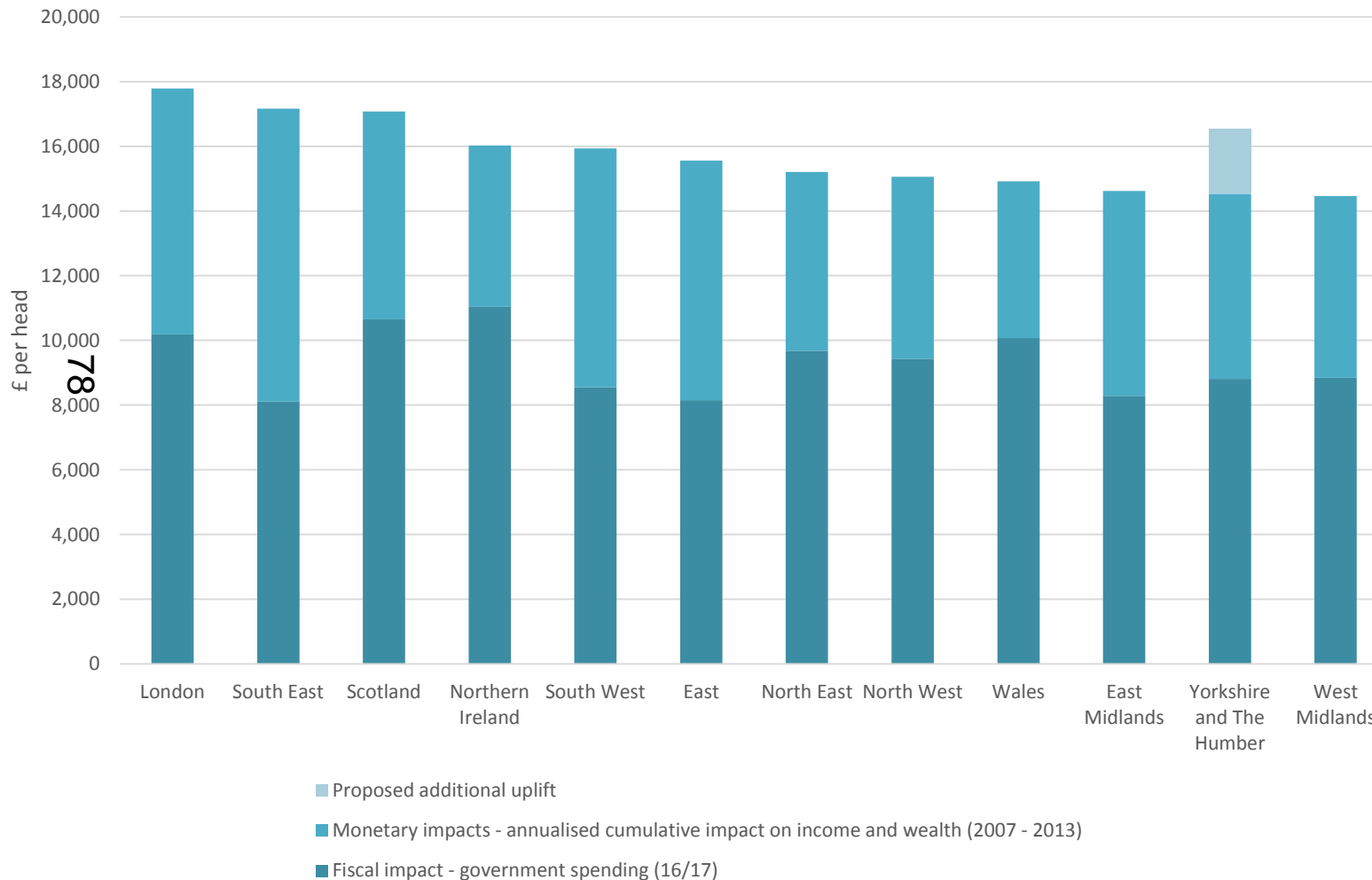
Key areas that are critical to future performance include:

- **Addressing the issues that are restricting our businesses from being more productive and achieving their growth ambitions:** labour market and skills; low carbon, energy and climate change adaptation (e.g. flood risk); and infrastructure – spanning transport, digital, housing, employment sites and key centres, and green infrastructure;
- **To innovate, compete and deliver benefits across business and society, our economy needs to:** create more middle income jobs; ensure that lower level jobs offer reasonable incomes and progression opportunities; and ensure that skills and potential are fully tapped and lead to reduce in-work poverty;
- **Employment creation and wage levels:** Job growth has been concentrated in posts characterised by high or low incomes, whereas the number of jobs offering middle incomes has declined;
- **Underperforming sectors:** some of our local industry sectors underperform on productivity; we need to raise mediocre and poorly performing firms closer to the level of our leading firms within each sector; and
- **Addressing the considerable variations that exist and persist across our districts and communities:** access to well-paid and fulfilling jobs for more people and reduced inequalities and poverty, as well as to long-term business success, increasing profitability and environmental sustainability.

Our emerging LIIS and its long-term strategic propositions will be key to maximising opportunities and ensuring that we tackle the challenges we face so that our full economic potential is realised.

2.8 Rebalancing the effects of fiscal and monetary policy choices

Annual impact of fiscal and monetary policy choices



Leeds City Region faces a number of structural weaknesses, including:

- Poor education attainment
- Low levels of skills, career progression and work progression
- Poor transport, digital and community infrastructure
- Very little research and development investment.

These challenges are often the result of decades of economic change and insufficient investment in effective solutions. Although projects are underway that seek to address these challenges, the level of investment does not equate to genuinely rebalancing the UK economy.

3. A local, inclusive industrial strategy for Leeds City Region: *emerging ideas*

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3.1 Bold, long-term proposals with the intent of driving structural economic change in the Leeds City Region

Our LIIS will play to our strengths, helping to deliver the UK Industrial Strategy.

Building on our collective strengths and our range of specialisms, and by bringing businesses, local authorities, universities, education providers and other partners together, our LIIS aims to:

- keep the City Region and UK at the forefront of scientific research, innovation and new technologies;
- invest in infrastructure to transform the places where people want to live and work and businesses want to invest; and
- nurture future talent, address skills shortages and provide the technical skills that will drive our economy.

Spanning areas such as innovation, enterprise, skills and employment, trade and investment, digital, and investment in strategic infrastructure such as housing and transport we are developing proposals with our partners that will enable us to make real progress towards achieving the City Region's vision, whilst meeting national priorities. For example, key themes embedded within our emerging proposals include:

Investment in 21st Century Infrastructure

- Delivering the Leeds City Region Connectivity and Future Mobility Strategy
- Developing sustainable solutions to future transport needs
- Enhancing digital connectivity for businesses and communities

Boosting Productivity

- Helping businesses to adopt digital practices
- Diffusion of learning and best practice across our networks
- Supporting clusters of excellence

Stimulating Innovation

- Supporting the City Region's world class innovation assets and leading universities
- Working in partnership with expert partners
- Working with partners to maximise opportunities from Clean Tech, Med Tech and Advanced Manufacturing

Progression, including High Level Skills

- Helping to create an environment to attract and retain the best graduates
- Upskilling and reskilling workers to take advantage of digital opportunities

3.2 Tackling the productivity challenge

Work has commenced to identify a number of priorities and ‘big ideas’ that could form the core building blocks and focus of our local industrial strategy:

- **Transformative private sector leadership to tackle the productivity gap;**
- **The Leeds City Region Transformed by Digital Technology; and**
- **Maximising the impact of HS2 and Northern Powerhouse Rail through the development of inclusive growth corridors**

These initiatives will be delivered with a range of partners, including and going well beyond the LEP and Combined Authority, and utilising local and national funding (this will include future funding sources such as the UK Shared Prosperity Fund).

A key priority for our approach in developing these ideas and proposals is to draw on emerging guidance and best practice including evaluation evidence. We have engaged a range of local stakeholders and national experts including the What Works Centre for Local Economic Growth, Centre for Cities, Yorkshire Universities and the Centre for Urban and Regional Development at Newcastle University to support our thinking.

Our collaborative approach will continue as we develop the proposals further. Building on extensive consultation undertaken for the SEP, we continue to work with business, local stakeholders and national experts.

The big ideas are summarised in the slides that follow.

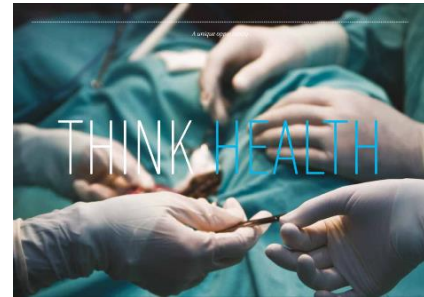
The aim is to boost earnings and living standards through sustainable and more productive businesses, with people connected in a more inclusive labour market.

This will include raising productivity in low-pay sectors, supporting growing businesses and sectors to reduce poverty, connecting economic development, and maximising the potential of anchor institutions.

3.3 Emerging proposals (1)

Transformative private sector leadership

- Deliver the city region’s digital framework and the Med-Tech Science and Innovation Audit as a proof-of-concept to drive growth where the city region has a global frontier leadership.
- Exploring the potential of digital supply chains to increase productivity.
- Looking at how innovation/investor readiness support and other sources of public investment could further encourage businesses to access existing funding for innovation in particular, and ways to promote further business collaboration on R&D investment.
- Ensure inward investment activity drives up productivity – including how firms locating or re-locating to the region from abroad drive increased social value across local supply chains.
- Deliver more inclusive labour markets that offer more flexible work and better progression, especially in low paid roles.
- An ambitious retraining programme, where people are no worse off by developing new skills the economy needs.



3.3.1 Developing dynamic clusters through Strength in Places

Academic and business partners from across the City Region are leading the development of proposals to support innovation-led regional growth by driving clusters of businesses that have the potential to innovate or adopt new technologies.

These proposals, summarised below, will be key to meeting our strategic priorities.

- **MEDTECH:** Led by the University of Leeds and building on the Leeds City Region Science and Innovation Audit, this proposal will set out the City Region's ambition to grow and strengthen the existing Medtech cluster.
- **TEXTILES:** Led by the University of Huddersfield and building on an existing cluster around West Yorkshire, the proposal will focus around the legacy textiles industry and opportunities to grow the sector through tech improvements.
- **BIOTECH:** Led by the bio renewables centre in York, the application will be focused upon building the bio-economy across the Leeds City Region, York North Yorkshire East Riding and Humber LEP areas.
- **HYDROGEN:** The Welding Institute (TWI) are leading a bid around hydrogen energy with Tees Valley LEP. The University of Leeds are collaborating with Institute towards a 'hydrogen valley' concept.
- **GLASS FUTURES:** To create a globally unique pool of expertise in glass technology across the Northern Powerhouse.
- **CLEAN GROWTH INVESTMENT ACCELERATOR:** This project will develop an innovative financing platform to unlock large-scale investments in clean growth within the Leeds City Region.
- Delivering value from **CHEMISTRY AND MATERIALS** across the Northern Powerhouse Region: the project will establish an integrated science and technology innovation network to maximise the economic impact.

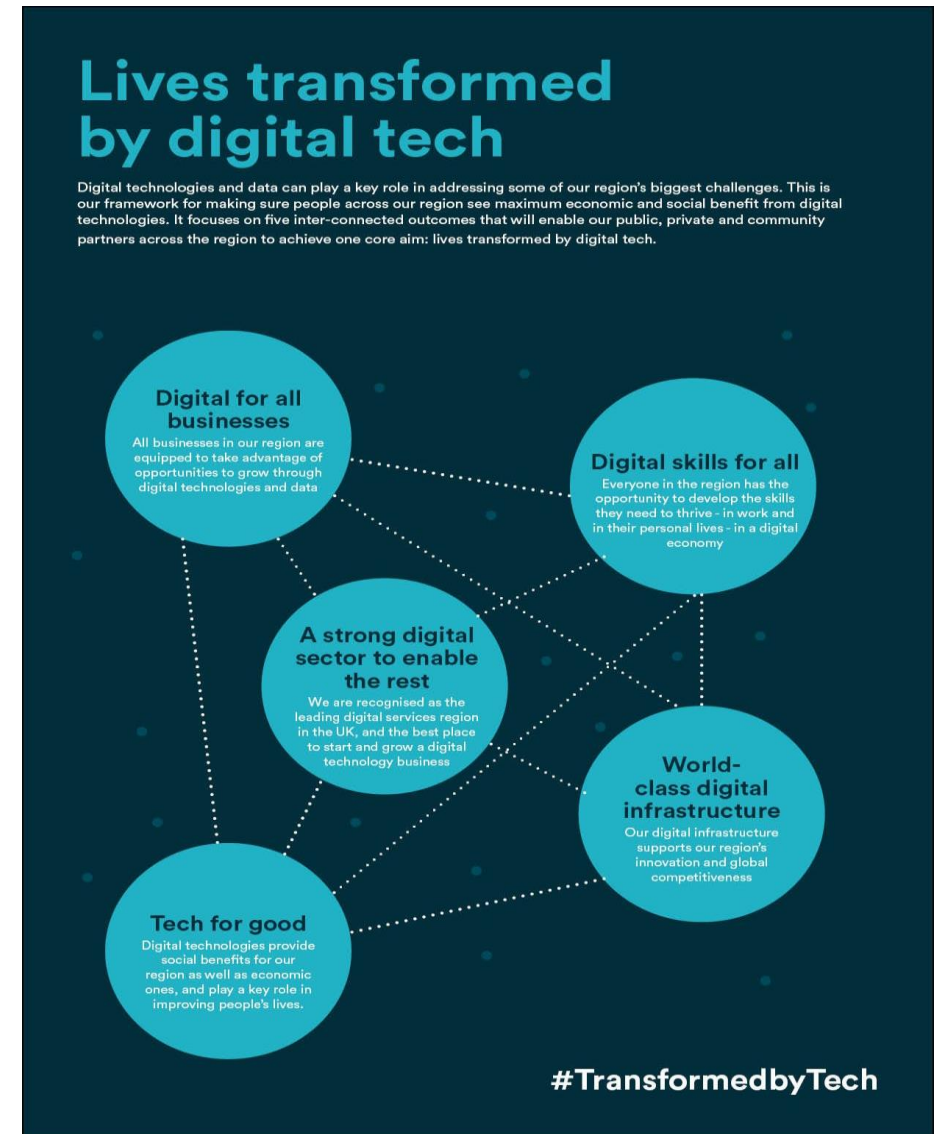
3.4 Emerging proposals (2)

A City Region Transformed by Digital Technology

Work to develop a Digital Framework is now being progressed alongside work to develop the LIIS. The Framework, once established, will contribute significantly to the narrative and objectives of the digital & tech focused LIIS.

There are five strands (or outcomes) to the emerging LCR Digital Framework (which are all very much interconnected):

1. **Digital for all businesses:** all our businesses will be equipped to exploit new digital technologies and take advantage of opportunities for ⁸business through data;
2. **Digital skills for all:** giving everyone the opportunity to develop the digital skills they need to flourish in the new digital economy;
3. **A digital sector to enable the rest:** become the leading digital services City Region and the best place to start and grow a digital technology business;
4. **World class digital infrastructure:** ensure everyone can access a fast, reliable and resilient network; and
5. **Tech for good:** creating the culture to embrace new technologies and use data to solve our biggest problems and create new economic opportunities.



3.4.1 Examples of actions being developed and tested

DIGITAL SERVICE SECTOR TO ENABLE THE REST

- Explore opportunities to establish a private sector led Digital body
- Provide the conditions for digital tech companies to thrive & flourish (finance, business support and skills/access to talent)
- Develop a marketing campaign that specifically raises the profile and visibility of the digital tech sector
- Develop a soft landing package for scale up tech firms new to the City Region

WORLD CLASS DIGITAL INFRASTRUCTURE

- Invest in world-class connectivity through fibre, mobile, wireless and new technologies, to homes, businesses, social housing, public spaces and public transport where market failure prevails (BDUK, etc.). Work in collaboration with Network rail, Police and NHS
- Support the development of world class 'connectivity' assets e.g. data centres, internet exchanges, IoT networks.

DIGITAL FOR ALL BUSINESSES

- Explore sector deal around Industrial Digitalisation, focused around med-tech and textiles
- Working closely with the Digital Catapult, Innovate UK and the High Value Manufacturing Catapult explore the recommendations emerging from 'The future of UK Manufacturing report' particularly around 'objective brokerage'

TECH FOR GOOD

- Securing buy in and cultural shift from public sector partners to embrace smart region approaches
- Seeking funding and resources to develop bottom-up, scalable smart city solutions around energy and transport
- Work with partners to encourage a smarter City Region, including ODI North and Data Mill North

DIGITAL SKILLS

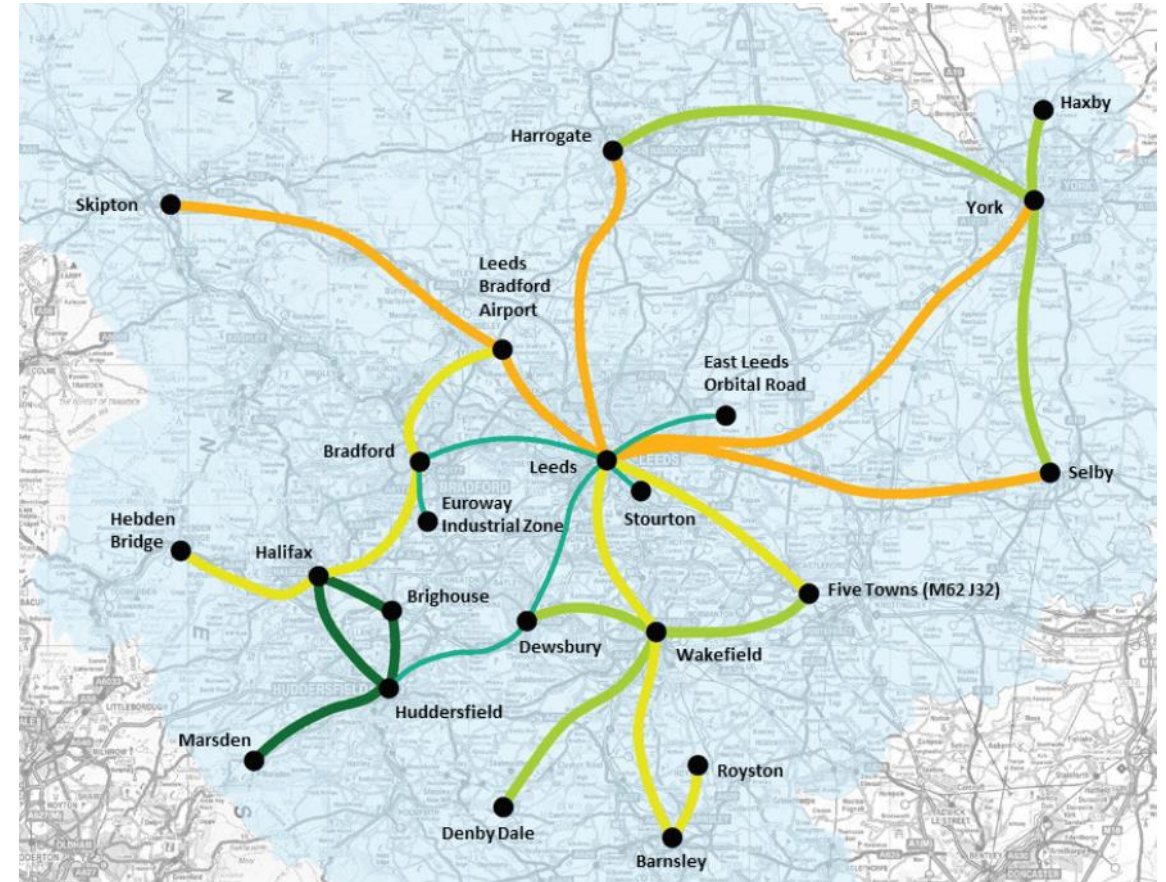
- Work with partners (e.g. Barclays Digital Eagles) and existing initiatives to support citizens with Digital skills
- Promote digital apprenticeships and degree apprenticeships
- Work closely with schools, FE, HEI (training providers) and employers to ensure we develop talent with the skills businesses need both now and in the future

3.5 Emerging proposals (3)

Transformational Connectivity: maximising the impact of HS2 and Northern Powerhouse Rail.

A series of inclusive growth corridor plans are being developed with district partners to help connect communities, including some of the most deprived areas of City Region, to major planned infrastructure projects.

- The development of corridor plans are one of the key strands of the Leeds City Region Connectivity Strategy. A range of connectivity options for the proposed corridor areas are in the process of being scoped through an options assessment which includes consideration of objectives including:
 - Promoting accessibility to the most deprived areas and communities;
 - Improving accessibility to areas of employment; and
 - Promoting options that align with planned commercial, industrial and housing growth.
- The resulting corridor plans will reflect a range of policy activity to drive inclusive growth, building on a comprehensive review of evidence to understand the needs of deprived communities. The plans will bring together transport and economic development policies to tackle long-standing issues.
- The Transforming Cities Fund – transforming mobility for future generations, will support delivery of the plans.

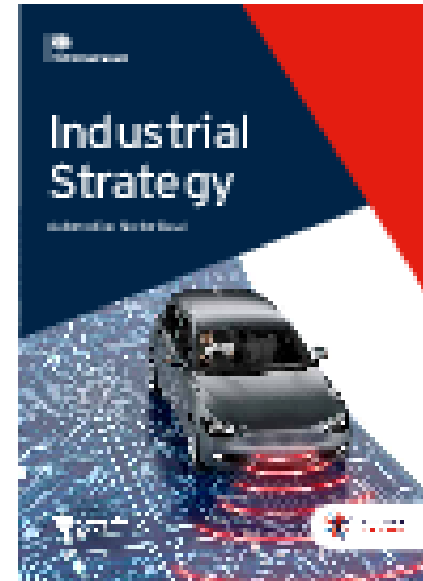


3.5.1 Transforming mobility for future generations

Rapid technological advances are enabling an unprecedented pace of change that will impact our cities, our environment and our society. A great deal of work is being undertaken to further understand where transport is heading (both in the UK and globally) recognising that these technological ‘disruptions’ provide both opportunities and challenges to cities and city regions.

The future of mobility concepts being developed through our Transforming Cities Fund proposals and Future Mobility Strategy will support the Grand Challenges:

- **Dynamic Transport:** A ‘passenger service innovation fund’ for West Yorkshire to implement demand responsive transport solutions by 2022 - this is supported by key bus operators.
- **Mobility As a Service:** A single ‘all mode’ ticketing and information app for the region. For bus, rail, cycling and car clubs, this would integrate all transport ticketing, journey planning and payment options for the region.
- **Improving access to transport for all members of society:** A ‘Door-to-Door digital transport hub’, operating across the region to help ensure that existing spare capacity in public transport services is best matched to currently unmet trip requests.
- **Research and Development:** Work with leading research institutions, such as the University of Leeds Virtuocity programme, to look at the impact of autonomous vehicles on our city centres.
- **E-Bike Transformation at our Gateways:** Delivery of a programme of urban realm infrastructure improvements, including docking stations for a first phase of E-bikes initially focused at each gateway.



Source: Automotive sector deal

4. What will success look like?



4.1 Our LIIS is key to meeting our long-term ambitions

Our LIIS will be a key mechanism for:

- Driving up productivity, growth and employment through an environment that enables businesses to start-up, innovate, trade and invest;
- Increasing skill levels and employability significantly to meet future job demands;
- enabling people from all communities to secure more and better jobs, in turn significantly improving earnings and living standards;
- Radically increasing innovation, in particular through private sector investment in R&D;
- Positioning the City Region as a global digital centre;
- Achieving a transformational move to innovative, clean energy technology across all aspects of the economy; and
- Building a 21st century physical and digital infrastructure that supports the City Region to grow and compete globally, including delivering our target of 10,000 – 13,000 new homes per annum.

4.2 An emerging impact framework

VISION

A GLOBALLY RECOGNISED ECONOMY WHERE GOOD GROWTH DELIVERS HIGH LEVELS OF PROSPERITY, JOBS AND QUALITY OF LIFE FOR EVERYONE

AMBITION.....BY 2036.....

- To have a £100bn plus economy, becoming a positive, above average contributor to the UK economy;
- To close the productivity gap with x (appropriate exemplar);
- To reduce the proportion of jobs that pay less than the real living wage by x
- To hit the 2.3% for private sector investment in innovation;
- To reduce the employment rate gap for all disadvantaged groups by x (including all disabled groups);
- To deliver 10,000 to 13,000 new homes per annum of which x will be affordable

PERFORMANCE FRAMEWORK & KEY METRICS
(BASELINE/INTERIMS & LONG TERM TARGETS BEING DEVELOPED)

BUSINESS & WORKFORCE		PLACE		TRANSPORT & CONNECTIVITY	
IMPACT AREA	METRIC	IMPACT AREA	METRIC	IMPACT AREA	METRIC
GROWTH & PRODUCTIVITY	<ul style="list-style-type: none"> Economic output (£ billion per year) Output per head (£ per hour worked) Business birth, death and net rates Exports as a % of GVA 	COMMUNITIES	<ul style="list-style-type: none"> Absolute low income – children living in households with income below 60% of medium income Residents satisfaction with their local area - % of people either satisfied/dissatisfied with their neighbourhood Quality of life/place – Halifax quality of life survey 	TRANSPORT	<ul style="list-style-type: none"> Satisfaction with transport infrastructure National Highways & Transport Survey Satisfaction with public transport (WYCA customer survey) Widening labour markets (deprived communities) – access to urban centres/employment within 20/40 mins using public transport/cycling, etc. Mode share (Key route network speeds/Traffic volumes, Km of new cycle facilities) % of smartcard/m-ticket transactions
INNOVATION	<ul style="list-style-type: none"> R&D expenditure (public/private) Investments by British private sector equity & venture capital association members % of firms engaged in product & process innovation (UK Innovation Survey) 	ENERGY & ENVIRONMENTAL SUSTAINABILITY	<ul style="list-style-type: none"> CO2 emissions per capita Air quality (% deaths attributed to air pollution) % of households in fuel poverty Area of land experiencing a reduction in flooding likelihood (hectares – EA stats) 	BROADBAND	<ul style="list-style-type: none"> Business premises with superfast broadband service made available Households with superfast broadband service made available Download speeds Take-up
GOOD JOBS AND EARNINGS	<ul style="list-style-type: none"> Employment rate (% of working population) Economic inactivity rates (% of working age population) 20% earn less than (£ per week) / real living wage Weekly median wages (£) 	SITE DEVELOPMENT	<ul style="list-style-type: none"> Area of developed land (hectares) Housing units completed by tenure/affordability House price/land value/rental effects Commercial floor space constructed/refurbished 		
SKILLS & TALENT	<ul style="list-style-type: none"> % of working age population with NVQ Level 4 qualification % of working age population with no qualifications 				

4.3 What will our ambition for inclusive growth look like across our region?

Our vision for **Inclusive Growth** is an ambition for both the right quantity *and* quality of growth. It is about creating a strong, productive and resilient economy where a radical uplift in business competitiveness, productivity and profits go *hand in hand* with access to good jobs that pay higher wages, and where all residents have access to opportunity and enjoy improved quality of life.

The value of this is clear - people are better off, the local economy is boosted, the environment is improved, society is fairer and government is able to spend less on welfare and public services. This will underpin everything we do and be used as a principle against which we will test and measure success.

FOR PEOPLE: The benefits of growth do not automatically trickle down to all, so we will adopt an approach that will proactively prioritise options to extend job and income opportunities to *all* communities. Many more jobs will be ‘good’ jobs, defined by decent income, fair terms and appropriate flexibility and security, where effort is recognised and people have the opportunity to learn, contribute, progress and work in a safe and healthy environment.

This new norm, coupled with higher productivity, will raise pay and incomes over time, helping to reduce in-work poverty. Graduates and other young people will not need to leave to find work which befits their skills. More people in good jobs will have benefits for health, just as improved health will widen the labour pool and enhance productivity.

OUTCOMES WILL INCLUDE:

- People, including those facing challenges and disadvantage accessing jobs and progressing to higher earnings
- Focus on quality jobs to underpin productivity improvements and higher wages

4.3.1 What will our ambition for inclusive growth look like?

FOR BUSINESS: this will equate to **heightened productivity** and increasing numbers of businesses that make ‘inclusive growth’ an intrinsic part of their long-term corporate strategy and the route to delivering value for shareholders. Their outlook will span both local supply chains and international markets, embodying an open and collaborative culture.

They will strive to offer ‘good’ jobs that, along with investment in the skills they need at all levels, will enable them to attract and retain the talented people they need to grow and to move into higher value product and service markets. This will be challenging in some sectors (e.g. retail, catering and care) but we will work together to help businesses find practical, realistic solutions that help move them along a path towards good growth.

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FOR THE ENVIRONMENT: We will apply a **low carbon and sustainable** approach in everything we do. As a leader in low carbon, we will exploit new economic opportunities with potentially huge global market opportunities. Our businesses will be highly efficient in their use of energy and resources, allowing them to de-couple growth from carbon emissions and pollution. Poor air quality and fuel poverty will be a thing of the past – homes will be well-insulated, while efficient energy generation, usage and smart networks will ensure everyone is actively in control of their energy consumption. We will not just have maintained and enhanced our already beautiful landscape, but will have found innovative new ways to work with it, for example through investments in new or enhanced natural assets that promote flood alleviation.

OUTCOMES WILL INCLUDE:

- Greater productivity, innovation, enterprise and best use of tech to improve earnings
- Business access to widest possible labour pool
- Focus on the quality of jobs, progression and business practices

OUTCOMES WILL INCLUDE:

- Enhanced productivity via energy solutions, smart cities
- Energy solutions that benefit disadvantaged communities
- Improved air quality

4.3.2 What will our ambition for inclusive growth look like?

FOR PLACES: *High quality and connected places* are intrinsic to inclusive growth. Our distinctive variety of places will offer outstanding quality of life through their unique business, physical and environmental assets, as well as their diversity of culture and heritage.

Vibrant, regenerated town and city centres will be people friendly, no longer dominated by the car and with clean air and the highest quality green infrastructure and public realm. This will sit alongside a rural hinterland that plays its full and highly significant role in the City Region economy. There will be enough of the right-sized, high quality, carbon neutral homes in the right places to give residents a choice of where they want to live in safe communities at a price they can afford.

Places will be connected by high quality **transport and wider infrastructure** that serves the needs of people and businesses. Movement between towns and cities will be easy and fast, based on a single 'metro style' public transport system that connects residents to jobs and companies to their markets with ease and reliability.

HS2 and a fast east-west rail connection across the North of England, plus improved access to Leeds-Bradford and Manchester International Airports, will ensure excellent physical links to the rest of the UK and the world. Schools and colleges, green infrastructure, flood prevention and management measures and digital connectivity will likewise be comparable to the best in the world and will give the City Region a global reputation that readily attracts skilled people and investment.

OUTCOMES WILL INCLUDE:

- The right scale, location and quality of transport, housing and digital infrastructure to enable access to opportunity for everyone
- Infrastructure investment/services aligned to policy in business growth, skills and energy
- Future proofed green and transport infrastructure solutions
- Disadvantaged communities able to access jobs in investment schemes

5. Next steps

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5.1 Next steps

The Government has stated that it will sign off all Local Industrial Strategies by early 2020, prioritising areas with the potential to drive wider regional growth and focusing on clusters of expertise and centres of economic activity.

We believe that we meet these criteria and that we are ready to begin discussions with the Government about the development of LIIS for the Leeds City Region.

This document summarises our key strengths and assets and planned approach to developing an ambitious LIIS, building on what our region has achieved together over recent years. We have set out our initial thinking, based on our engagement so far, and we would welcome further views on it.

We look forward to working with Government and our partners on the development of a LIIS that will deliver long-term solutions to the opportunities and challenges facing the City Region, the North, and the national economy. A successful and vibrant City Region economy is key to delivering national Industrial Strategy and the ambitions of the Northern Powerhouse.

In the meantime we would like to hear about how it should be implemented in practice, and anything else which may be required to help the City Region become a more productive, prosperous and inclusive place.

How to contribute?

- By email.....
- By social media.....
- In writing.....

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Leeds City Region Autumn Budget submission

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- Infrastructure & place
 - Transport
 - Housing & regeneration
- Clean growth

4. Delivering positive outcomes

Executive summary

Our strategy

This submission sets out our long-term vision for a more productive and inclusive Leeds City Region set in the context of our strategic framework for growth.

Our vision is: “The Leeds City Region will be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone”.

The Leeds City region is a truly diverse economy at the heart of the Northern Powerhouse, with recognised world leading capabilities. The size of our economy, its wide variety of economic and cultural assets and its many strengths remain a great platform on which we can build future prosperity. **Our strategy is clear** - to build and deliver an ambitious programme for long-term growth that will respond to global challenges, in turn unlocking our immense potential and becoming the growth engine for the North – and the UK economy.

Our approach is to address long-term structural economic issues, helping to spread prosperity and opportunity across the country. Although the reasons for the UK and Leeds City Region’s poor productivity are complex, a bolder, locally-led approach across private and public sectors gives vital long-term leadership and accountability. Our emerging **Local Inclusive Industrial Strategy (LIIS)** will focus on bold steps **to improve the productivity of the economy and deliver economic inclusion** so benefits are felt by all, and firms become more competitive for a new international trading environment.

The transfer of powers and resources, including a commitment to deliver a significant single pot, is vital to support more local decision-making attuned to local economic and social conditions. This is also vital to revitalising our politics, bridging the disconnect between some communities (particularly in the post-industrial North) and power.

In addition to immediate, short term proposals, this submission puts forward to government a bold set of ideas and proposals, aimed at driving inclusive growth, boosting productivity and earning power for a post-2030 economy.

Our priorities for action (1)

Spanning areas such as innovation, enterprise, skills and employment, trade and investment, digital, and investment in strategic infrastructure such as housing and transport we are developing medium to long-term proposals with our partners that will enable us to make real progress towards achieving the City Region's vision, whilst meeting national priorities.

IDEAS

Keep the City Region and the UK at the forefront of scientific research, innovation and new technologies.

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BUSINESS ENVIRONMENT

Enable businesses to start-up, innovate, trade and invest. Supporting private sector leadership to deliver a more productive City Region.

PEOPLE

Nurture future talent, address skills shortages and provide the technical skills that will drive our economy.

INFRASTRUCTURE

Invest in infrastructure to transform the places where people want to live and work and businesses invest.

PLACE

Support vibrant, people-friendly, regenerated places, no longer dominated by the car, with clean growth, high quality green infrastructure and a vibrant cultural offer.

Securing devolution is vital to meet the challenges we face as a City Region and deliver our vision for growth. We therefore call on Government to commit to our devolution asks providing the powers and funding we need to maximise our vision for growth. If a deal by 2020 is not possible, Leeds City Region will seek an interim funding deal from Government.

We are seeking £600 million, alongside wider Government investment in our foundations for growth to deliver our priorities for action. This includes:

- £250-300 million for our Transforming Cities Fund bid for Leeds City Region to fund transforming connectivity and mobility on key commuter routes providing connections for those communities most in need of access to jobs, services and education
- Approximately £78 million investment in skills, including £60 million to continue our Skills Capital Investment Programme
- £170 million Housing Infrastructure Fund investment; and
- A £30 million Local Fund for low carbon energy projects.

Further detail on each of our priorities for action is set out in the following slides.

Our priorities for action (2)

POLICY AREA	HEADLINE PROPOSALS
<p>IDEAS: Keep the City Region and the UK at the forefront of scientific research, innovation and new technologies.</p>	<ul style="list-style-type: none"> • Support for university and business partners' regional Strength in Places Fund bids including, Medtech, Textiles, Biotech, Hydrogen, Glass Futures, Clean Growth Investment Accelerator, and Chemistry & Materials. • Support for Innovate North proposals on innovation • Support proposals to establish an Office for Data Analytics in Leeds City Region
<p>BUSINESS ENVIRONMENT: Supporting private sector leadership to deliver a more productive City Region.</p>	<ul style="list-style-type: none"> • Continued backing of the Leeds City Region Growth Hub with additional funds to prepare for the impact of Brexit • Continuing Key Account Management funding for investor development from the Department for International Trade
<p>PEOPLE: Nurture future talent, address skills shortages and provide the technical skills that will drive our economy.</p> <p>102</p>	<ul style="list-style-type: none"> • Support for our comprehensive review of the skills system to develop a blueprint for an education and skills system that can contribute to the delivery of the outcomes needed at local level • £60m skills capital investment to enable specialist provision for technical and vocational education reforms • £10m to enlarge and extend skills programme to meet the specific opportunity of HS2 (unfunded as part of the HS2 Growth Strategy) • £5m to improve the focus and impact of careers education and underpin the implementation of the National Retraining Scheme, building on our existing Career Learning Pilot. • £2.5m for dedicated resources to promote apprenticeship take-up reaching out to all levy paying companies from unspent levy funds • £100,000 for labour market intelligence to develop local provision of technical education for 16-19 year olds
<p>PLACE: Support vibrant, people-friendly regenerated places, no longer dominated by the car, with clean growth, high quality green infrastructure and a vibrant cultural offer.</p>	<ul style="list-style-type: none"> • Approve City Region bid for £152 million Forward Funding and £18m Marginal Viability Housing Infrastructure Fund investment • Continue to address the need for a rolling fund, both revenue and capital, of £50m to keep the housing pipeline moving through to delivery faster to address viability of sites • Local Fund for low carbon projects (value ~£30m) to complement existing European Investment Bank funding • H-21: Continue to support the Northern Gas Network's ambitious conversion of the gas network to hydrogen

Our priorities for action (3)

POLICY AREA	HEADLINE PROPOSALS
<p>PLACE: Support vibrant, people-friendly regenerated places, no longer dominated by the car, with clean growth, high quality green infrastructure and a vibrant cultural offer.</p>	<p>Enterprise Zones</p> <ul style="list-style-type: none"> Enhanced flexibility relating to Enterprise Zone occupier incentives (i.e. Enhanced Capital Allowances and Business Rate Discount). Flexibility, where the opportunity and need arises, to re allocate Enterprise Zone sites and / or add additional Enterprise Zones sites (see below for HS2). <p>Planning Coordination</p> <ul style="list-style-type: none"> To build on the Planning Delivery Fund through providing additional funding to support more and better joint working, across local authority boundaries to meet the statutory requirements under the duty to cooperate. <p>Quality of Life</p> <ul style="list-style-type: none"> Support for our emerging strategy making the most of our cultural and sporting assets to offer a high quality of life for all current and prospective residents.
<p>INFRASTRUCTURE: Invest in infrastructure to transform the places where people want to live and work and businesses invest.</p>	<p>Deliver in full the Trans Pennine Route upgrade with:</p> <ul style="list-style-type: none"> Commitment to the outcomes agreed by the Transport for the North Board for TRU (close to £4bn) with priority focus between York and Huddersfield Commitment from Network Rail and DfT to work with local partners and involve them in the decision-making particularly where housing and development could be accelerated through station investment. <p>Maximise HS2 in the city region through:</p> <ul style="list-style-type: none"> Commitment to the original delivery timescales of HS2 (2033) and agreement to build from the North (e.g. NPR junctions) £20m to continue to develop project feasibility and business cases across infrastructure development and skills and supply chain to progress the HS2 Growth Strategy Agreement to take forward the Masterplan for Leeds Station to fully integrate HS2 and existing station (£2m to develop next stage of work) Proper integration of HS2 with Northern Powerhouse Rail with junctions at Stourton and Garforth to create maximum flexibility for future services. Support for the University of Leeds Institute of High Speed Rail and System Integration Mitigate the Combined Authority's loss of Business Rate income from the HS2 Rolling Stock Depot proposal at the Leeds Enterprise Zone A positive decision on a South Yorkshire Parkway to support economic growth to the South of region and connect with Northern Powerhouse Rail <p>Commitment to Northern Powerhouse Rail including:</p> <ul style="list-style-type: none"> Significant new capacity with new line between York, Leeds and Manchester with a city centre station in Bradford to make the most of Bradford's increasing working age population set to grow by 24,000 by 2024. Existing capacity constraints on the East Coast Main Line to be resolved and for HS2 services to connect to Scotland via East coast (£9bn of benefit from £3bn of investment) Infrastructure around Leeds station, that is currently holding back the growth in services to be tackled. Ensuring Network Rail has sufficient funding to deliver the outcomes (£1m for development work)

Our priorities for action(4)

POLICY AREA	HEADLINE PROPOSALS
<p>INFRASTRUCTURE: Invest in infrastructure to transform the places where people want to live and work and businesses invest.</p> <p>104</p>	<p>Commitment to road investment including:</p> <ul style="list-style-type: none"> • Prioritisation of investment in the M62 as the North’s most important east-west road for moving people and goods - to improve journey times, reliability and resilience. • Enhanced collaboration with Highway England to make most effective use of their Designated Funds and a positive decision on investment in the Major Road Network <p>Investment in local and regional transport</p> <ul style="list-style-type: none"> • A rapid and positive announcement on DfT’s Transforming Cities Fund (for Leeds City Region - £250-£300m with flexibility over a number of years to deliver transformational change), to fund better transport connections for those communities most in need of access to jobs, services and education • Go further on the NIC’s recommendation and create long term funding budgets for infrastructure for city regions. To enable projects such as the Airport Parkway to be built <p>Tackle carbon and air quality though:</p> <ul style="list-style-type: none"> • Nationwide scrappage scheme to expediently remove older polluting cars and vans from our roads • Devolved and continued funding for air quality initiatives must be provided to local authorities to address local emission issues. <p>Future mobility</p> <ul style="list-style-type: none"> • Support for City Regions to bid for Future Mobility Industrial Strategy Challenge Funding
	<p>Digital infrastructure</p> <ul style="list-style-type: none"> • Additional Local Full Fibre Network DCMS funding to deliver resilient full fibre solutions that interconnect with datacentres in Manchester and Leeds, align with the Transpennine Fibre Project and support the rollout of 5G in the future. • Government support to enhance to the profile of digital infrastructure to the same strategic importance as other infrastructure types. • Support for investment in digital technologies and associated service redesign which help to transform service delivery across Local Authority boundaries and improve readiness for devolution. In particular for planning and economic services. <p>Flood infrastructure</p> <ul style="list-style-type: none"> • Flood infrastructure/resilience fund: additional funding to support partner funding to deliver catchment scale flood management infrastructure to protect homes, business and provide economic benefit to the City Region. An additional £10.5m of capital funding could be used to support delivery of a new £33m capital flood programme, providing flood protection to over 500 businesses and supporting economic growth. • Enhanced insurance support for flood affected businesses, potentially via an extension to Flood RE which provides insurance for households • Revise flood grant in aid to support delivery of wider economic growth and environmental objectives including support for Natural Flood Management schemes.

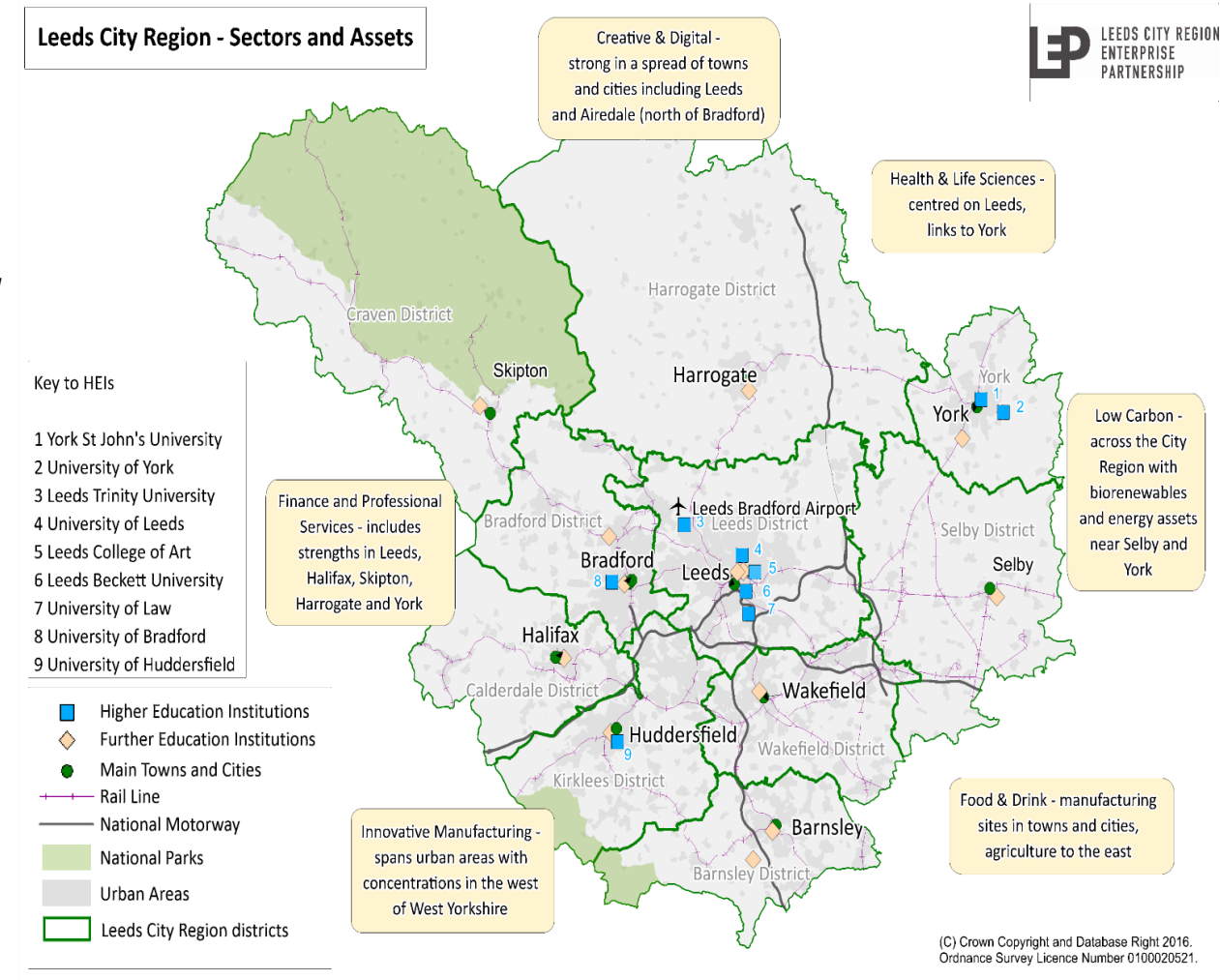
1. About us: *the solution, not the problem*

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1.1 An economy with many strengths and great assets

The size of our economy, its wide variety of economic and cultural assets and its many strengths remain a great platform on which we can build future prosperity.

- **Largest economy outside of London and the South East:** accounting for over 4% of national output.
- **Resilient:** The structure of the economy (*a broad business base and relatively large proportion of SMEs*) means that it should be more resilient to any potential downturn in any single industry.
- **Strong clusters & sectors:** largest manufacturing workforce of any LEP, largest centre of financial and strong digital sector growth (including med-tech/fin-tech).
- **Increasing numbers of people in employment:** with the creative & digital and food and drink sectors outpacing national growth.
- **Home to world-leading university research:** City Region universities are in the top five of the research rankings for six key technology areas': big data, robotics, advanced materials, agri-science, regenerative medicine and satellites.
- **A competitive business location at the heart of the UK.**



*Leeds College of Art is now Leeds Arts University.

1.2 Our track record

Our £1 billion-plus Growth Deal with government is now halfway into delivery, and its impact is being felt across the region in the shape of new, world-class college facilities, homes, commercial developments and transport infrastructure, and – crucially – more skilled jobs created and safeguarded for local people.

We secured our Growth Deal back in 2014. It was – and indeed still is – the largest Growth Deal of any local enterprise partnership area in the country.

The Deal provides around £690 million of devolved Government investment, made up of £516 million local growth funding plus £173.5 million Department for Transport funding to improve transport in Leeds, which was announced as part of the deal.

Unlike anywhere else in the country at that time, the City Region also secured a further £420 million to establish an overall £1 billion West Yorkshire-plus Transport Fund to improve road, rail and other transport links across the region over a 20-year period.

Three years since we received our first tranche of funding, investment has now been approved by the West Yorkshire Combined Authority for over 100 significant Growth Deal projects.

DELIVERING POSITIVE OUTCOMES AND ECONOMIC IMPACT ACROSS THE CITY REGION

In **BRADFORD**, our Growth Deal is supporting the creation of the New Bolton Woods urban village between Bradford and Shipley, which will ultimately bring 1,000 new homes to the area.

In **CALDERDALE**, Transport Fund investment is helping to reduce road congestion on the A629 between Halifax and Huddersfield, supporting the council's transformation of the town centre, and helping to protect homes and businesses in the Calder Valley from flooding.

KIRKLEES has seen major Growth Deal investment in innovative new facilities for skills development and business growth including the newly launched Springfield Centre in Dewsbury, the Huddersfield Innovation and Incubation Project at Huddersfield University and the Process Manufacturing Centre at Kirklees College.

LEEDS has benefitted from investment in new college facilities including a new campus for Leeds College of Building on the city's South Bank, Leeds City College's hugely impressive Printworks campus. At the University of Leeds, the Nexus innovation and incubation centre is set to open in September, 2018.

In **WAKEFIELD**, The Wakefield Eastern Relief Road – the first of our Transport Fund schemes to be completed in June last year – is helping to ease congestion on a key commuter route in the city and has also opened up land to build 2,500 houses.

Commuters in **YORK** will soon see reduced congestion on the York Outer Ring Road when a major package of Transport Fund investment is completed.

1.3 Effective partnerships

Partnership is at the heart of our approach. We work with local authorities, universities and businesses to shape our policies to deliver effective change for communities across the City Region. We are developing our strategic framework in an open and collaborative way, consulting with key experts as well as using on-line engagement tools to maximize public engagement.

We are strengthening our relationships with government agencies and departments including the Ministry for Housing, Communities and Local Government, Homes England and the Department for Business Energy and the Industrial Strategy.

We are continuing to refine our approach to ensure that our assurance processes are robust, (this includes our approach to evaluation) and meet the standards we require as an organization using our Assurance Framework.

We ask Government to enthusiastically commit its full weight to these partnerships.

1.4 The City Region has the foundations for growth (1)

IDEAS

Successful regions around the world are characterised by high rates of **innovation** across small and large firms, public institutions and individuals. Rates of R&D and innovation in Leeds City Region are improving, but not fast enough to close the gap with national averages.

We will continue to build on our strong foundations to accelerate progress in this area. Our world class university and research base alongside globally competitive tech-based sectors are a critical and unique asset. They have a substantial track record in proactively engaging with and supporting businesses to innovate, start-up and grow; and are critical to the City Region's investment offer. This includes helping access funds, such as the Industrial Strategy Challenge Fund.

PEOPLE

With a workforce of 1.3m, growing numbers of people with qualifications at all levels; improvements to GCSE pass rates, success in reducing NEETs, a high concentration of universities, and high performing colleges, the City Region is well placed to increase skill levels and employability significantly. This will support us to meet future job demands and enable people from all communities to secure more and better jobs.

Through initiatives such as the Skills Service we will continue to deliver a strategic and co-ordinated approach that brings together the work of wide ranging partners across the City Region to provide tailored local solutions based on the needs, assets and opportunities of particular places. This will include schemes to build employability skills that support business productivity and innovation and those that support access to jobs and progression.

BUSINESS ENVIRONMENT

The City Region is a great place to invest and do business. It continues to be a priority for the City Region to provide the right environment and business support that allows businesses to unlock their economic potential.

Building on the success of our Growth Service, our aim is to drive-up productivity, growth and employment through an environment that enables businesses to start-up, innovate, trade and invest. This will be key to making the City Region an even more productive place that can compete internationally.

The LEP will work with, and through partners to ensure that all interventions are directly targeted to local need as articulated by business, effectively coordinated so as to avoid complication and confusion, and streamlined with national priorities.

1.5 The City Region has the foundations for growth (2)

INFRASTRUCTURE

Leeds City Region is located at the heart of the UK, with an extensive road and rail network, offering businesses easy access to markets and to labour with competitive costs. The City Region has witnessed important improvements to strategic infrastructure in recent years, but more needs to be done to meet our growth ambitions:

Strategic housing and employment sites, including Enterprise Zones in the Aire Valley, along the M62 and in York Central (managed by York, North Yorkshire & East Riding LEP) that will be developed as the location for many thousands of high quality jobs.

The West Yorkshire plus Transport Fund that will deliver significant enhancements to the City Region's road, rail and bus networks over the next decade, alongside the major improvements that are already in the pipeline to invest in the motorway network and to increase rail capacity and speed through the electrification programme and new franchises, and also the long term opportunities presented by **HS2 and Northern Powerhouse fast rail**. We are investing in future mobility and setting out our vision in our emerging Future of Mobility Strategy.

Investment in strategic flood resilience programmes and high quality green infrastructure, integral to improving the economy and safeguarding businesses, jobs and homes.

A **strong digital infrastructure**, ranging from the Super Connected Cities of Bradford, Leeds and York, to Leeds as the home of the only internet exchange outside London, to the Digital Health Enterprise Zone in Bradford.

PLACE

Attractive, vibrant city and town centres and rural areas, with a vibrant cultural offer, are important for making the region a great place where people want to live and work, and where businesses want to invest.

The City Region is a diverse and polycentric economy, made up of major cities, towns and countryside, each with distinctive assets, economic roles and priorities.

The opportunity to leverage the assets of each city and town – across urban and rural areas - in order to attract people and investment and to drive growth is huge. When aligned to wider policy objectives, for example on flood mitigation, clean energy, health and wellbeing, and economic inclusion, the impacts are amplified further.

The City Region is equally diverse in relation to the differing levels of economic and social prosperity within its boundaries. Whilst it is home to some of the most prosperous neighbourhoods in the UK, too many neighbourhoods are amongst the poorest and have not benefited from growth.

This pattern of growth sees parts of our City Region still working hard to restructure their economies and business base, reinvigorate their population centres and address long standing issues on skills, deprivation and health for example.

1.6 Devolution and the LEP Review

Securing devolution is vital in order to meet the challenges we face as a City Region and deliver our vision for growth. Currently, we don't have the powers or funding required to make the transformational changes our City Region needs.

Our ambition can only be achieved through sufficiently empowered and democratically accountable local decision making which is guided by a strategic framework encapsulating a Local, Inclusive Industrial Strategy based on local knowledge and robust intelligence. **We therefore call on Government to commit to our devolution asks providing the powers and funding we need to maximise our vision for growth. If a deal by 2020 is not possible, Leeds City Region will seek an interim funding deal from Government.**

Devolution will create opportunities to significantly reduce the sizeable gaps in productivity and Gross Value Added (GVA) between Leeds City Region and the rest of the UK.

Our approach is built upon a flexible model which can incorporate changing geographies on the LEP boundary review. We are committed to working with Government to ensure that we maximise the opportunities for the City Region to meet our long-term bold ambitions.

1.7 Areas critical to future performance

The headline analysis of the City Region's economy shows an area with enormous potential but needs to address key challenges associated with productivity, innovation, exporting, skills and connectivity if it is to realise that potential and stay both competitive and resilient in the face of changing global and national economic circumstances.

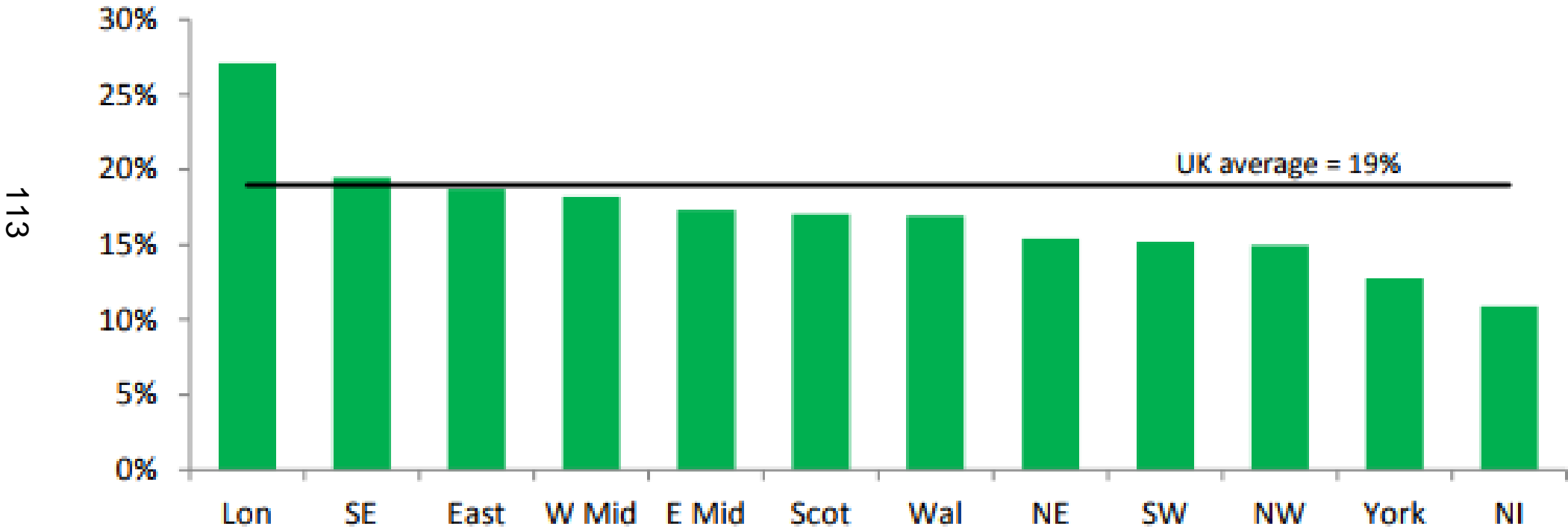
Key areas that are critical to future performance include:

- **Addressing the issues that are restricting our businesses from being more productive and achieving their growth ambitions:** labour market and skills; low carbon, energy and climate change adaptation (e.g. flood risk); and infrastructure – spanning transport, digital, housing, employment sites and key centres, and green infrastructure;
- ↕ **Employment creation and wage levels:** Job growth has been concentrated in posts characterised by high or low incomes, whereas the number of jobs offering middle incomes has declined;
- **To innovate, compete and deliver benefits across business and society, our economy needs to:** create more middle income jobs; ensure that lower level jobs offer reasonable incomes and progression opportunities; and ensure that skills and potential are fully tapped and lead to reduce in-work poverty;
- **Sectors:** some of our local industry sectors underperform on productivity; we need to raise mediocre and poorly performing firms closer to the level of our leading firms within each sector; and
- **Addressing the considerable variations that exist and persist across our districts and communities:** access to well-paid and fulfilling jobs for more people and reduced inequalities and poverty, as well as to long-term business success, increasing profitability and environmental sustainability.

1.8 Recovery in the South has outpaced the North...

Total GVA growth by UK region/country (workplace based), 2010-2015

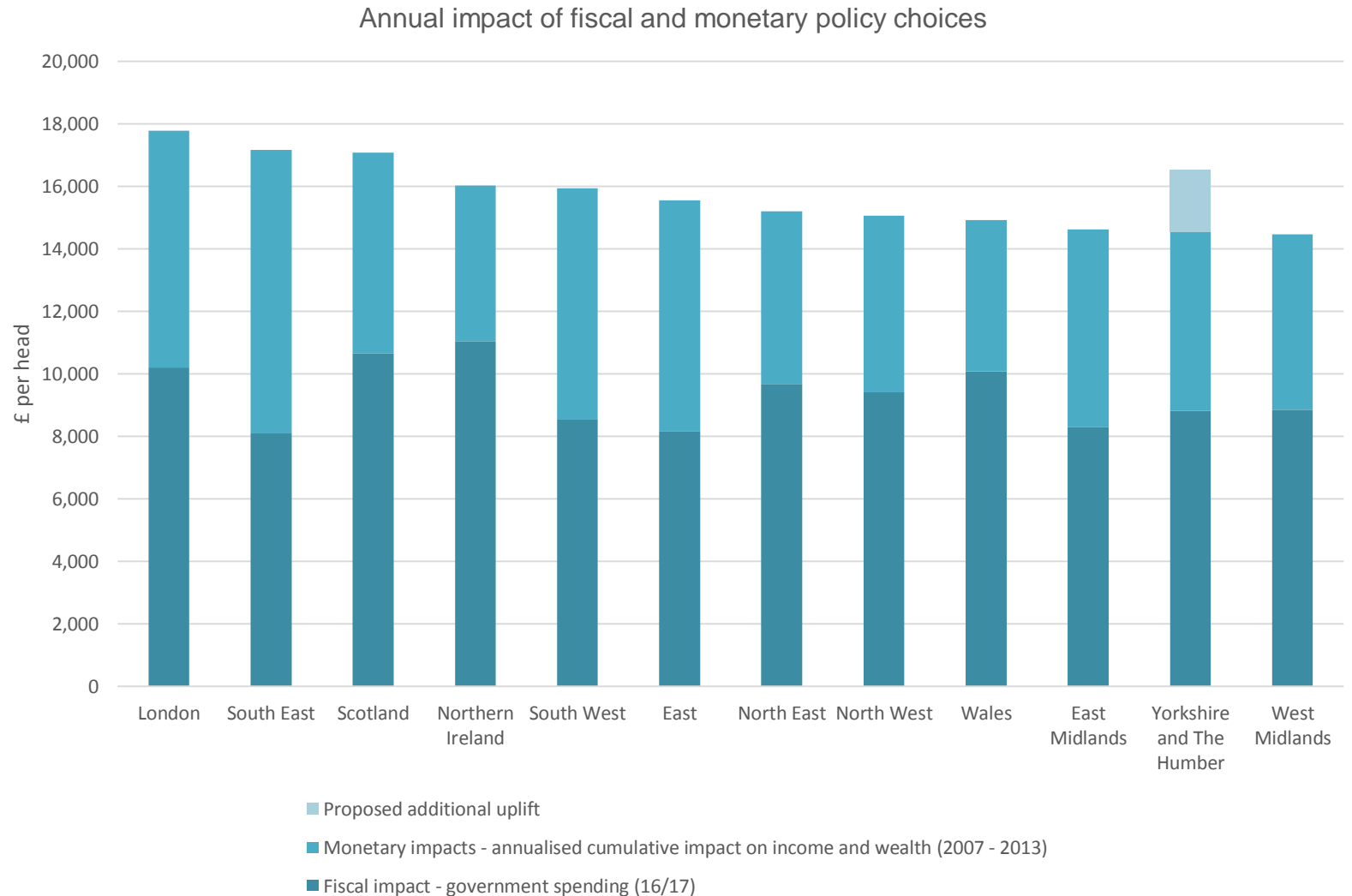
Not adjusted for inflation



Source: ONS in Parliamentary research note - <http://researchbriefings.files.parliament.uk/documents/SN05795/SN05795.pdf>

... reflecting Government's policy choices and investment

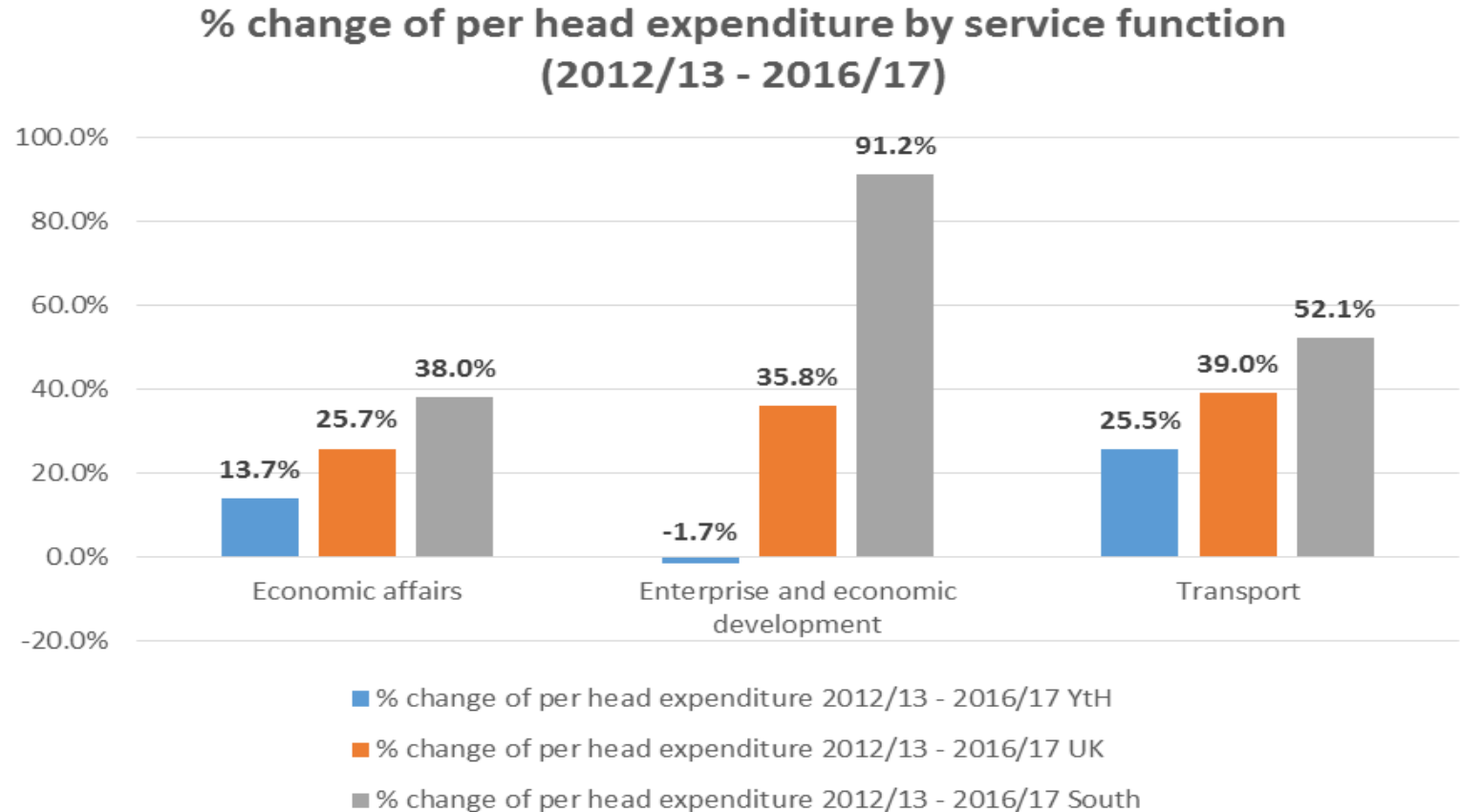
- Fiscal and monetary policy since the financial crisis have supported the creation and protection of wealth in the Greater South East.
- **Government must demonstrate its aim to rebalance the economy is backed-up by policy and spending decisions.**
- The chart opposite shows that, even a £2000 per head annual uplift (or £6.2 billion for the City Region) would still leave the region behind London, the South East and Scotland.



Source: Local calculations taken from HMT (Country & Regional Financial Analysis 2015/16) and Bank of England (mean annual impact from analysis of distributional impact of monetary easing, 2008-14)

1.9 Spending in the South has outpaced the North

- An example of the disparity in spending decisions is on economic affairs; particularly enterprise and transport.
- Just these two categories, the cash spending gap for the Leeds City Region to equalise with investment in the South is:
 - An additional **£75 million** per year for enterprise and economic development
 - An additional **£105 million** per year for transport



Source: Local calculations taken from HMT's country and regional financial analysis (2015/16)

2. Our long-term strategy

2.1 Bold, long-term proposals with the intent of driving structural economic change in the Leeds City Region

Work is on-going to replace the Strategic Economic Plan (SEP) with a new agile, long-term framework aimed at driving growth and delivering prosperity throughout the economy. Building on the SEP, it will provide the strategic framework for investment, including for the Local, Inclusive Industrial Strategy and the future UK Shared Prosperity Fund. It will set out a compelling narrative for Leeds City Region, bringing together our broad collective strengths, and articulating a clear vision for a more productive and inclusive economy.

Building on our range of specialisms, and by bringing businesses, local authorities, universities, education providers, the voluntary and community sector, and other partners together, our package of proposals will place the City Region on the front-foot with an ambitious policy platform that improves competitiveness and ensures the benefits are shared fairly.

In doing so these proposals will:

17.

- **tackle the four key challenges facing the City Region** (as agreed by the LEP Board in September 2017)
 - the City Region's productivity gap with peers is too large and growing;
 - Investment, particularly private investment, in research and development is too low;
 - living standards in the City Region have stalled; and
 - stubborn deprivation persists
- **play a key role in meeting our long-term ambitions, including:**
 - to drive up productivity, growth and employment through an environment that enables businesses to start-up, innovate, trade and invest;
 - to increase skill levels and employability significantly to meet future job demands;
 - enable people from all communities to secure more and better jobs, in turn significantly improving earnings and living standards;
 - to radically increase innovation, in particular through private sector investment in R&D;
 - to become a global digital centre;
 - to achieve a transformational move to innovative, clean energy technology across all aspects of the economy; and
 - to build a 21st century physical and digital infrastructure that supports the City Region to grow and compete globally

2.2 Tackling the productivity challenge

Spanning areas such as innovation, enterprise, skills and employment, digital, trade and investment and investment in strategic infrastructure we are developing **large scale ‘game-changing’ proposals with our partners** that will enable us to make real progress towards achieving the City Region’s vision, whilst meeting national priorities. We will deliver this by building on and developing our evidence base to ensure we have a robust and granular understanding of our local strengths and weaknesses.

This includes identifying a number of priorities and ‘big ideas’ that could form the core building blocks and focus of our local industrial strategy:

- **Transformative private sector leadership** and the **Leeds City Region Transformed by Digital Technology**, that will help keep the City Region and UK at the forefront of scientific research, innovation and new technologies, whilst nurturing future talent, addressing skills shortages and providing the technical skills that will drive our economy; and
- **Transforming Connectivity**, by maximising the impact of HS2 and Northern Powerhouse Rail and wider infrastructure investment to transform the places where people want to live and work and businesses invest

Building on the extensive engagement that informed the SEP, these initiatives will be developed and delivered through a wide range of partners, including and going well beyond the LEP and WYCA, and utilising local and national funding, including future funding sources such as the UK Shared Prosperity Fund.

A key priority for our approach in developing these ideas and proposals is to draw on emerging guidance and best practice (including evaluation evidence) and building on those areas where there is the greatest impact. Engaging with expert partners such as Centre for Cities, the What Works Centre for Local Growth, and leading academics, we are committed to strengthening our evidence base with further research including on areas such as supply chains, innovation networks, and tech based sector strengths.

These proposals are summarised in the slides that follow.

The aim is to boost earnings and living standards through sustainable and more productive businesses, with people connected in a more inclusive labour market.

This will include raising productivity in low-pay sectors, supporting growing businesses and sectors to reduce poverty, connecting economic development, and maximising the potential of anchor institutions.

2.3 Transformative private sector leadership

- Deliver the city region's digital framework and the Med-Tech Science and Innovation Audit as a proof-of-concept to drive growth where the city region has a global frontier leadership.
- Exploring the potential of Industry 4.0 and digital supply chains to increase productivity.
- Looking at how innovation/investor readiness support and other sources of public investment could further encourage businesses to access existing funding for innovation in particular, and ways to promote further business collaboration on R&D investment.
- Aligning the strengths of our universities with the needs of businesses and promoting the diffusion of innovation through strengthened networks
- Ensure inward investment activity drives up productivity – including how firms locating or re-locating to the region from abroad drive increased social value across local supply chains.
- Deliver more inclusive labour markets that offer more flexible work and better progression, especially in low paid and part time roles.
- An ambitious retraining programme, where people are no worse off by developing new skills the economy needs. Maximising the potential of opportunities such as HS2 and clean growth.
- Support proposals for a private sector advisory group providing peer-to-peer support for businesses, enabling people to spend more time *on* rather than *in* their business.
- Harnessing the power of business and other leaders to tackle low productivity. Promoting a joined-up approach to business support ensuring our message reaches as many business as possible. Promoting a 'No Wrong Door' agreement on business support across all public and private intermediaries.



2.4 A City Region Transformed by Digital Technology

Digital technologies are changing the fundamental nature of how businesses, government and citizens interact, do business, live and play. We need to ensure that new digital technologies are used as enabling tools, bringing business, the public sector and people along together with a shared vision – ‘be digital or get digitised’.

Work to develop a Digital Framework is now being progressed alongside work to develop the new Local Inclusive Industrial Strategy. The Framework, once established, will contribute significantly to the narrative and objectives of the digital & tech focused LIIS.

There are five strands (or outcomes) to the emerging LCR Digital Framework (which are all very much interconnected):

1. **Digital for all businesses:** all our businesses will be equipped to exploit new digital technologies and take advantage of opportunities for business through data
2. **Digital skills for all:** giving everyone the opportunity to develop the digital skills they need to flourish in the new digital economy;
3. **A digital sector to enable the rest:** become the leading digital services City Region and the best place to start and growth a digital technology business;
4. **World class digital infrastructure:** ensure everyone can access a fast, reliable and resilient network; and
5. **Tech for good:** creating the culture to embrace new technologies and use data to solve our biggest problems and create new economic opportunities.

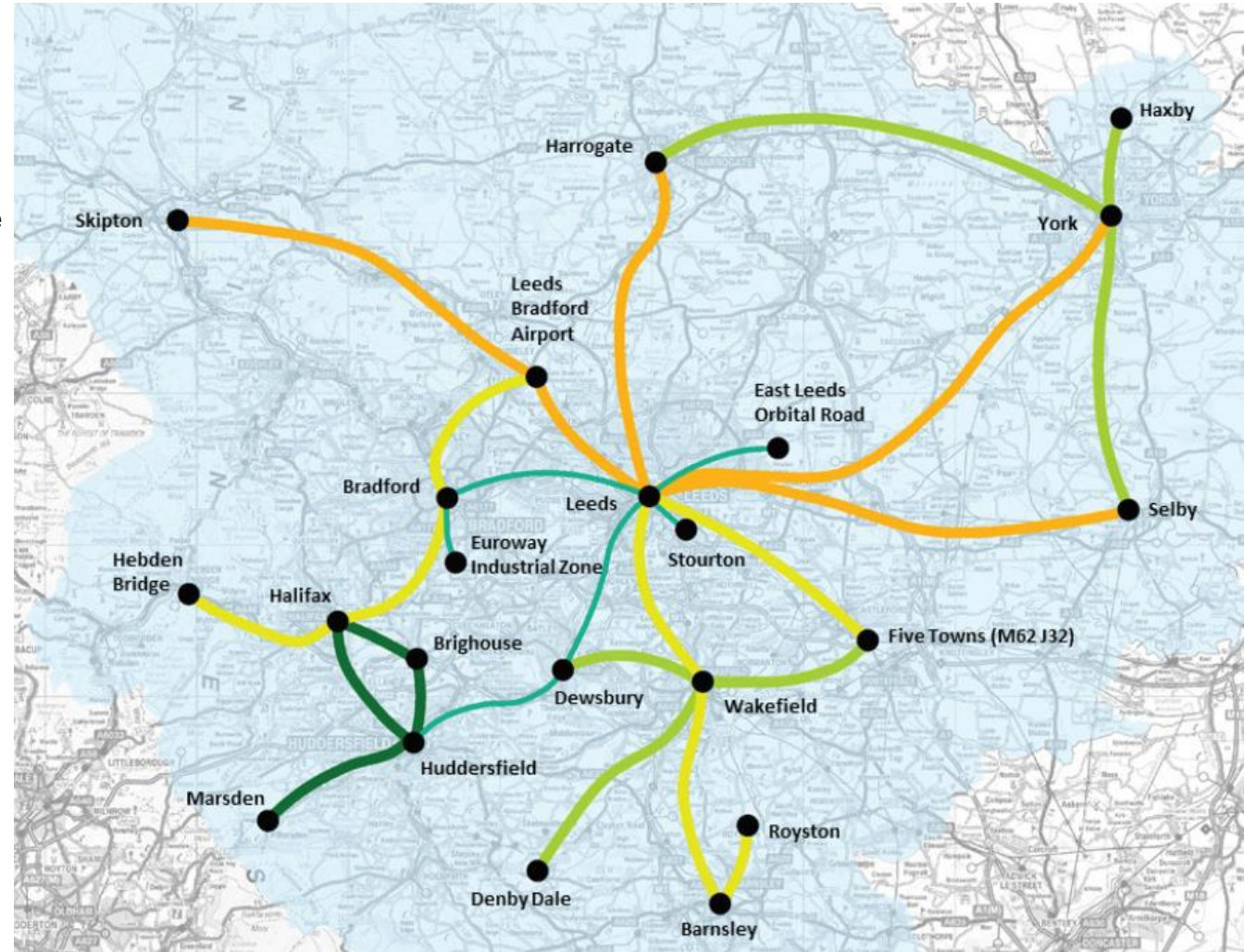


2.5 Transformational Connectivity

Transformational Connectivity: maximising the impact of HS2 and Northern Powerhouse Rail.

A series of inclusive growth corridor plans are being developed with district partners to help connect communities, including some of the most deprived areas of City Region, to major planned infrastructure projects.

- The development of corridor plans are one of the key strands of the Leeds City Region Connectivity Strategy. A range of connectivity options for the proposed corridor areas are in the process of being scoped through an options assessment which includes consideration of objectives including:
 - Promoting accessibility to the most deprived areas and communities;
 - Improving accessibility to areas of employment; and
 - Promoting options that align with planned commercial, industrial and housing growth.
- The resulting corridor plans will reflect a range of policy activity to drive inclusive growth, building on a comprehensive review of evidence to understand the needs of deprived communities. The plans will bring together transport and economic development policies to tackle long-standing issues.
- The Transforming Cities Fund – transforming mobility for future generations, will support delivery of the plans.



3. Proposals for action by policy theme

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3.1 Ideas and Business Environment (1)

Department for Business Energy and Industrial Strategy

The opportunity to deliver positive change by:

- **Driving-up levels of investment in innovation and R&D:** Businesses do not invest enough in R&D, shortage of talent in STEM, low levels of patents, need to strengthen its culture of innovation.
- **Being more enterprising:** City Region has too few businesses; the City Region is not creating enough business start ups; not enough start-ups are moving to the next level, not enough existing businesses step up.
- **Raising levels of trade & investment:** Raise the level of exporting undertaken by our firms LCR has an external trade deficit of £5 billion; address the trade challenges and opportunities of Brexit.
- **Improving the performance of all of our sectors:** Most of our sectors under-perform on productivity with too few businesses understanding their relative productivity performance, the opportunity to improve and support available to do so. Opportunity to use the City Region's large businesses and major supply chains to spark improvements in business leadership.

3.1.2 Ideas and a supportive business environment (2)

Policy area	Our asks
<p>BUSINESS ENVIRONMENT: Supporting private sector leadership to deliver a more productive City Region.</p>	<ul style="list-style-type: none"> • Continued backing of the Leeds City Region Growth Hub with additional funds to prepare for the impact of Brexit • Continuing Key Account Management funding for investor development from the Department for International Trade
<p>IDEAS: Keep the City Region and the UK at the forefront of scientific research, innovation and new technologies.</p> <p>124</p>	<ul style="list-style-type: none"> • Support for Innovate North proposals on innovation • Deepening relationships with Catapults starting with an Memorandum of Understanding with the Digital Catapult and funding to support project work • Industrial Digitalisation lobbying/rationale for taking part in NE pilot/ leading on aspects • Innovate UK data sharing – improved mechanisms to secure unsuccessful Innovate UK applicant data • Support proposals to establish an Office for Data Analytics in LCR <p>Support for university and business partners’ regional STRENGTH IN PLACES FUND bids.</p> <p>University and business partners from across the City Region are leading on development proposals to drive innovation-led regional growth by driving clusters of businesses that have the potential to innovate or adopt new technologies. These proposals, summarised below, will be key to meeting our strategic priorities: Strength in Places Fund bids:</p> <ul style="list-style-type: none"> • MEDTECH: Led by Leeds University and building on the LCR Science and Innovation Audit, this proposal will set out the City Regions ambition to grow and strengthen the existing medtech cluster. • TEXTILES: Led by Huddersfield University and building on an existing cluster around West Yorkshire, the proposal will focus around the legacy textiles industry and opportunities to grow the sector through tech improvements.

3.1.3 Ideas and a supportive business environment (2)

Policy area	Our asks
<p>IDEAS: Keep the City Region and the UK at the forefront of scientific research, innovation and new technologies.</p> <p>125</p>	<p>Continued...</p> <ul style="list-style-type: none"> • BIOTECH: Led by the bio renewables centre in York, the application will be focused upon building the bio-economy across the LCR, YNYER and Humber LEP areas. • HYDROGEN: The Welding Institute (TWI) are leading a bid around hydrogen energy with Tees Valley LEP. Leeds University are collaborating with Institute towards a 'hydrogen valley' concept. • GLASS FUTURES: to create a globally unique pool of expertise in glass technology across the Northern Powerhouse. • CLEAN GROWTH INVESTMENT ACCELERATOR: This project will develop an innovative financing platform to unlock large-scale investments in clean growth within the Leeds City Region. • Delivering value from CHEMISTRY AND MATERIALS across the Northern Powerhouse Region: the project will establish an integrated science and technology innovation network to maximize the economic impact

3.2 People: Skills and labour market (1)

Department for Education

Evidence shows that a more productive economy requires a skilled and flexible workforce to thrive and grow. Improving skills in the workforce is vital to accelerating productivity across the region.

Our priorities to achieve this:

- To raise the bar on high level skills – ensuring that individuals are able to access the right high level opportunities and that business can access the right skills;
- More and better apprenticeships – to support business to understand and make the most of apprenticeships and help individuals into apprenticeships as a pathway into rewarding careers;
- Great education connected to business – to ensure that high quality labour market information is accessible to all and available to business. To ensure that careers information, advice and guidance is impartial, and targeted at parents and teachers as well as young people;
- Employability, accessing jobs and realising potential – equipping those most in need with the skills needed to progress in work and access opportunities; and
- Building workforce skills and attracting talent – ensuring that training provision and facilities meets current and future needs of business and individuals, that talent is attracted to and retained within the region.

To ensure that we are able to achieve our priorities, we are working with Government on a number of pilots to help ensure local areas have the skills needed to succeed, but much more could be done through focused and targeted activity aligned with additional resources.

3.2.1 People: Skills and labour market (2)

Policy area	Our asks
<p>PEOPLE: Nurture future talent, address skills shortages and provide the technical skills that will drive our economy.</p>	<ul style="list-style-type: none"> • Building on the Skills Advisory Pilot, we need to ensure that labour market intelligence is used to make decisions about the local provision of technical education for 16-19 year olds. £; p100,000 of investment from government would enable us to pilot this by reflecting requirements in our unique Delivery Agreements that we have with developed with our FE colleges. We could extend these arrangements to our higher education institutes, local authorities and leading independent training providers. Lessons learnt would be reported back to government. • We can help the Government achieve its ambition of 3 million apprenticeship starts by 2020. To do this we need access to dedicated resources to promote apprenticeship take-up. Building on our track record of delivering apprenticeship support we would extend the support available in our apprenticeship/employment hub programme to provide an integrated business support offer to help companies make the most of the levy and address local skills needs. An additional £2.5m would ensure that we are able to reach out to all levy paying companies in the area, and to all ages – filling a gap that we cannot address through ESIF funded projects. • Building on our highly successful Enterprise in Education Programme and our Careers Hub pilot, we need to create a region wide Career Learning Hub to support, develop and co-ordinate an all age careers offer. £5m would enable us to improve the focus and impact of careers education, information and advice and underpin the implementation of the National Retraining Scheme, building on our existing Career Learning Pilot. • We understand that the majority of the Adult Education Budget is clean money from the point of view of European Social Fund project match funding. If this could be confirmed it would unlock substantial resources to support local skills development across our full range of priorities, at no cost to Treasury. • To ensure that the region is able to support young people and implement the Government’s vocational and technical education reforms, £60m is needed for skills capital investment in defined local projects, to enable education institutions to develop the facilities that are required to deliver specialist provision. • Resources are needed to enlarge and extend our skills programme to meet the specific opportunity of HS2. £10m investment would ensure that we have a sufficient pipeline of skills and that local people from all backgrounds can benefit from the high quality jobs that will be created.

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3.3 Infrastructure & Place: transport (1)

Department for Transport

The opportunity

Through our emerging Local, Inclusive Industrial Strategy we have the opportunity to transform connectivity throughout the City Region and maximise the benefits of HS2 and Northern Powerhouse Rail (NPR). HS2 is the single largest planned investment in national infrastructure in the UK. Will deliver a major transformation in UK rail capacity and inter urban connectivity.



- Significant potential to maximise local and regional impacts of HS2 through local supply chain opportunities and increasing skills and by establishing Leeds Station as a world class gateway and creating enhanced stations in York and Bradford through NPR;
- Significantly improved Leeds City Region connectivity will ensure the benefits from HS2 are spread as far as possible across the region, benefitting local residents and enabling existing businesses to expand and providing opportunities for new businesses; and
- Rail connectivity, capacity and reliability improvements, including Trans Pennine upgrade to support northern economy.
- Working with Highways England and Transport for the North we are identifying the roads within our region that are vital for economic growth and require investment to transform connectivity between cities and supply chain relationships and to accelerate housing delivery.

3.3.1 Infrastructure & place: transport (2)

Policy area	Our asks
<p>INFRASTRUCTURE: Invest in infrastructure to transform the places where people want to live and work and businesses invest.</p> <p>129</p>	<p>NATIONAL RAIL INFRASTRUCTURE</p> <p>Deliver in full the Trans Pennine Route upgrade with</p> <ul style="list-style-type: none"> • Commitment to the outcomes agreed by the Transport for the North Board for TRU (close to £4bn) with priority focus between York and Huddersfield • Commitment from Network Rail and DfT to work with local partners and involve them in the decision-making particularly where housing and development could be accelerated through station investment. <p>Maximise HS2 in the city region through:</p> <ul style="list-style-type: none"> • Commitment to the original delivery timescales of HS2 (2033) and agreement to build from the North (e.g. NPR junctions) • £20m to continue to develop project feasibility and business cases across infrastructure development and skills and supply chain to progress the HS2 Growth Strategy • Agreement to take forward the Masterplan for Leeds Station to fully integrate HS2 and existing station (£2m to develop next stage of work) • Proper integration of HS2 with Northern Powerhouse Rail with junctions at Stourton and Garforth to create maximum flexibility for future services. • Support for the University of Leeds Institute of High Speed Rail and System Integration • Mitigate the Combined Authority's loss of Business Rate income from the HS2 Rolling Stock Depot proposal at the Leeds Enterprise Zone • A positive decision on a South Yorkshire Parkway to support economic growth to the South of region and connect with Northern Powerhouse Rail <p>Commitment to Northern Powerhouse Rail including:</p> <ul style="list-style-type: none"> • Significant new capacity with new line between York, Leeds and Manchester with a city centre station in Bradford to make the most of Bradford's increasing working age population set to grow by 24,000 by 2024. • Existing capacity constraints on the East Coast Main Line to be resolved and for HS2 services to connect to Scotland via East coast (£9bn of benefit from £3bn of investment) • Infrastructure around Leeds station, that is currently holding back the growth in services to be tackled. Ensuring Network Rail has sufficient funding to deliver the outcomes (£1m for development work)

3.3.2 Infrastructure & place: transport (3)

Policy area	Our asks (continued)
<p>INFRASTRUCTURE: Invest in infrastructure to transform the places where people want to live and work and businesses invest.</p> <p>130</p>	<p>NATIONAL AND REGIONAL ROAD INFRASTRUCTURE</p> <p>To achieve transformational results we need:</p> <ul style="list-style-type: none"> • Highway England’s RIS planning and Transport for the North’s Strategic Transport Plan to prioritise investment in the M62 as the North’s most important east-west road for moving people and goods - to improve journey times, reliability and resilience. We need junction improvements (e.g. M62 J26/M606) and new junctions (e.g. M62 J24a/A641), but also a funded, whole corridor approach that improves links and junctions up and downstream as well as diversion routes and key links to the Strategic Road Network in order to maximise the gains of national investment • Enhanced collaboration with Highway England to make most effective use of their Designated Funds - To maintain SRN performance whilst minimising detrimental impacts on places by addressing air quality, noise and severance and providing natural flood management. We would support greater flexibility in the use of these funds to achieve place-based objectives and a less complex, more transparent process for decisions • A positive decision on investment in the Major Road Network - With TfN we have defined a MRN for the North and are identifying investments to improve alternative routes over the Pennines (e.g. A629-A56), provide localised capacity improvements between our important economic centres (e.g. A62) and strengthen Outer Ring Roads (e.g. A6120), deliver new roads to create new development opportunities (e.g. North Kirklees Orbital Road) and connect to national and international markets (links to NPR and HS2, Leeds Bradford Airport link road). If Government were minded to retain their shorter MRN network, we seek minor amendments to make it work appropriately and to match National Road Funding eligibility with the full range of funding needs, including e.g. urban Inner Ring Roads and major renewal schemes • Confidence in long term funding for vital local infrastructure - Getting local assets right is a building block of a high performing, resilient road network, but we carry a substantial 10 year backlog in highway maintenance and the costs of major renewals and local network improvements are out of scale with local transport funding pots and a poor fit with other funding opportunities and appraisal frameworks.

3.3.3 Infrastructure & place: transport (4)

Policy area	Our asks (continued)
<p>INFRASTRUCTURE: Invest in infrastructure to transform the places where people want to live and work and businesses invest.</p>	<p>INVESTING IN LOCAL INFRASTRUCTURE</p> <p>Commitment to road investment including:</p> <ul style="list-style-type: none"> • Prioritisation of investment in the M62 as the North’s most important east-west road for moving people and goods - to improve journey times, reliability and resilience. • Enhanced collaboration with Highway England to make most effective use of their Designated Funds and a positive decision on investment in the Major Road Network <p>Investment in local and regional transport</p> <ul style="list-style-type: none"> • A rapid and positive announcement on DfT’s Transforming Cities Fund (for Leeds City Region - £250-£300m with flexibility over a number of years to deliver transformational change) • Go further on the NIC’s recommendation and create long term funding budgets for infrastructure for city regions. To enable projects such as the Airport Parkway to be built <p>Tackle carbon and air quality though:</p> <ul style="list-style-type: none"> • Call on government to deliver a nationwide scrappage scheme to expediently remove older polluting cars and vans from our roads • Deliver alternatives to short term competitive and piecemeal funding competitions which does not deliver longitudinal change. Devolved and continued funding for air quality initiatives must be provided to local authorities to address local emission issues. • Collaboration between government, sub-regional transport bodies and combined authorities to develop pan-northern alternative fuel infrastructure to support the logistics industry • Capital funding is required to help local authorities to support low-emission last mile delivery models, including consolidation centres • Direct government intervention with bus operators to overcome capital barriers and support further rollout of zero-emission fuel technology • Welcome a review of existing taxi private hire licensing that inhibit higher emission standards being truly effective due to cross-boundary licensing changes. • Review the current DfT’s on-street residential charge point scheme and trial alternative models more suited to local conditions <p>Future mobility</p> <ul style="list-style-type: none"> • Support for City Regions to bid for Future Mobility Industrial Strategy Challenge Funding

3.4 Infrastructure & Place: housing & regeneration (1)

Ministry for Housing, Communities and Local Government, Department for Transport, Department for Environment, Food and Rural Affairs & Department for Digital, Culture, Media and Sport

Our ambition is to build a 21st century physical and digital infrastructure that supports the City Region to grow and compete globally; and to do this in a way that enhances places, transforms connectivity, maximises GVA benefits, minimises carbon impacts, and enables all businesses, people and places to have access to opportunities.

A key priority for the City Region is to develop an integrated investment approach to the development of our Spatial Priority Areas (SPAs) if we are to accelerate job creation, deliver new homes and secure more private sector investment. In particular, we face an important challenge to provide the right commercial and residential sites in the right locations – sites that have the best possible digital and energy connections, sustainable transport access, and are resilient to future economic changes.

Upfront investment in infrastructure to bring forward sites for housing & employment development significantly reduces market failures & development risk (pump prime investment) and attracts private investors.

Providing the volume and the right types of housing needed to accommodate a growing workforce is essential to facilitate growth and also acts as a means of boosting local jobs and investment. There is also a need to ensure greater travel choice (and encourage a healthier workforce) through better sustainable travel links to our SPAs and communities.

LEEDS CITY REGION SPATIAL PRIORITY AREAS



3.4.2 Infrastructure & place: flooding and digital (1)

Policy area	Our asks
<p>INFRASTRUCTURE: Invest in infrastructure to transform the places where people want to live and work and businesses invest.</p> <p style="text-align: center;">133</p>	<p>Flood infrastructure/resilience fund</p> <ul style="list-style-type: none"> • Flood infrastructure/resilience fund: additional funding to support partner funding to deliver catchment scale flood management infrastructure to protect homes, business and provide economic benefit to the City Region. An additional £10.5m of capital funding could be used to support delivery of a new £33m capital flood programme, providing flood protection to over 500 businesses and supporting economic growth. • Enhanced insurance support for flood affected businesses, potentially via an extension to Flood RE which provides insurance for households • Revise flood grant in aid to support delivery of wider economic growth and environmental objectives including support for Natural Flood Management schemes. <p>Digital infrastructure:</p> <ul style="list-style-type: none"> • To ensure widespread delivery of full fibre and support 5G roll out changes need to be made to the national broadband access mapping data from Ofcom. Currently Ofcom data blocks public sector delivery of digital infrastructure where their data suggests there is an operator presence/connections in specific post code areas, notwithstanding the type and speed of service actually available to users. There needs to be national move towards allowing the ‘overbuild’ of closed fibre networks by default. • Additional Local Full Fibre Network (LFFN) DCMS funding to deliver resilient full fibre solutions that connect the City Region’s key economic centres, other areas of economic opportunity/need and transport corridors. This will provide an infrastructure that can accommodate a wider roll out of 5G mobile technology on street furniture by 2025 to be ready for smart mobility developments • Additional flexibility in the LFFN programme to support revenue costs to allow local partners to deliver an agile and VfM programme of works • Build on the positive DCMS Trans Pennine Rail Fibre and 5G Pilot by: <ul style="list-style-type: none"> • Providing DCMS LFFN funding as outlined above to complement the Trans Pennine project by providing additional fibre resilience regionally into strategic data exchanges in Leeds and Manchester and additional fibre connectivity for homes and businesses via key ‘touch points’ between the rail route and the LFFN project • extending the 5G pilot to cover the route between Leeds and York, so that’s it is consistent with the currently proposed rollout of rail based fibre connectivity in this area. This is noting that York is a key economic centre for the city region and includes a major mixed use growth opportunity at York Central, part of which has been designated as an EZ. • Government support to enhance to the profile of digital infrastructure to the same strategic importance as other infrastructure types. • Consider national measures to ensure street furniture is modern and capable of accommodating 5G infrastructure as it is rolled out. • Future proofing of new development: currently there is limited scope for local authorities to impose full fibre in new developments. Building on the updated NPPF, a new requirement through national planning legislation to make this happen for both business and residential developments. • Support for investment in digital technologies and associated service redesign which help to transform service delivery across Local Authority boundaries and improve readiness for devolution. In particular for planning and economic services. <p>Quality of Life</p> <ul style="list-style-type: none"> • Support for our emerging strategy making the most of our cultural and sporting assets to offer a high quality of life for all current and prospective residents.

3.4.1 Infrastructure & place: housing and regeneration (2)

Policy area	Our asks
<p>PLACE: Support vibrant, people-friendly regenerated town and city centres, no longer dominated by the car, with clean growth, high quality green infrastructure and a vibrant cultural offer</p>	<ul style="list-style-type: none"> • Secure £152 million Forward Funding and £18m Marginal Viability Housing Infrastructure Fund investment • Continue to address the need for a rolling fund, both revenue and capital, of £50m to keep the pipeline moving through to delivery faster. The Leeds City Region Strategic Sites Pipeline represents key strategic local plan allocations to deliver 74,000 new homes over c. 190 sites, both publically and privately owned <p>Enterprise Zones</p> <ul style="list-style-type: none"> • Enhanced flexibility relating to Enterprise Zone occupier incentives (i.e. Enhanced Capital Allowances and Business Rate Discount). This may include an extension to eligibility periods where take-up of employment floorspace has been delayed and/or the ability to offer both incentives (this also relates to our Transport proposal regarding the HS2 Rolling Stock Depot at the Leeds Enterprise Zone) • Flexibility, where the opportunity and need arises, to extend existing Enterprise Zone sites or identify new locations <p>Planning Coordination</p> <ul style="list-style-type: none"> • To build on the Planning Delivery Fund through providing additional funding to support more and better joint working, across local authority boundaries to meet the statutory requirements under the duty to cooperate.

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3.5 Place: Energy and Clean Growth (1)

Department for Business Energy and Industrial Strategy
Ministry for Housing, Communities and Local Government

Our ambition is to create a zero carbon economy underpinned by high quality green infrastructure by 2036

This will support the City Region to grow and compete globally; in a way that enhances places, transforms connectivity, maximises GVA benefits, minimises carbon impacts, and enables all businesses, people and places to have access to opportunities.

Energy, clean growth and green infrastructure

A region that is a net exporter of energy making a significant contribution to the UK's energy mix. A region that is home to a strong low carbon goods and services sector. A region that is underpinned by high quality green infrastructure that contributes to the protection of key assets from the effects of climate change.

The low carbon economy in the UK is estimated to grow by 11 percent per year up to 2030 and deliver between £60 billion and £170 billion of export sales of goods and services. The region given its strengths in the low carbon goods and services sector is well placed to take advantage of the opportunities that this growth present.

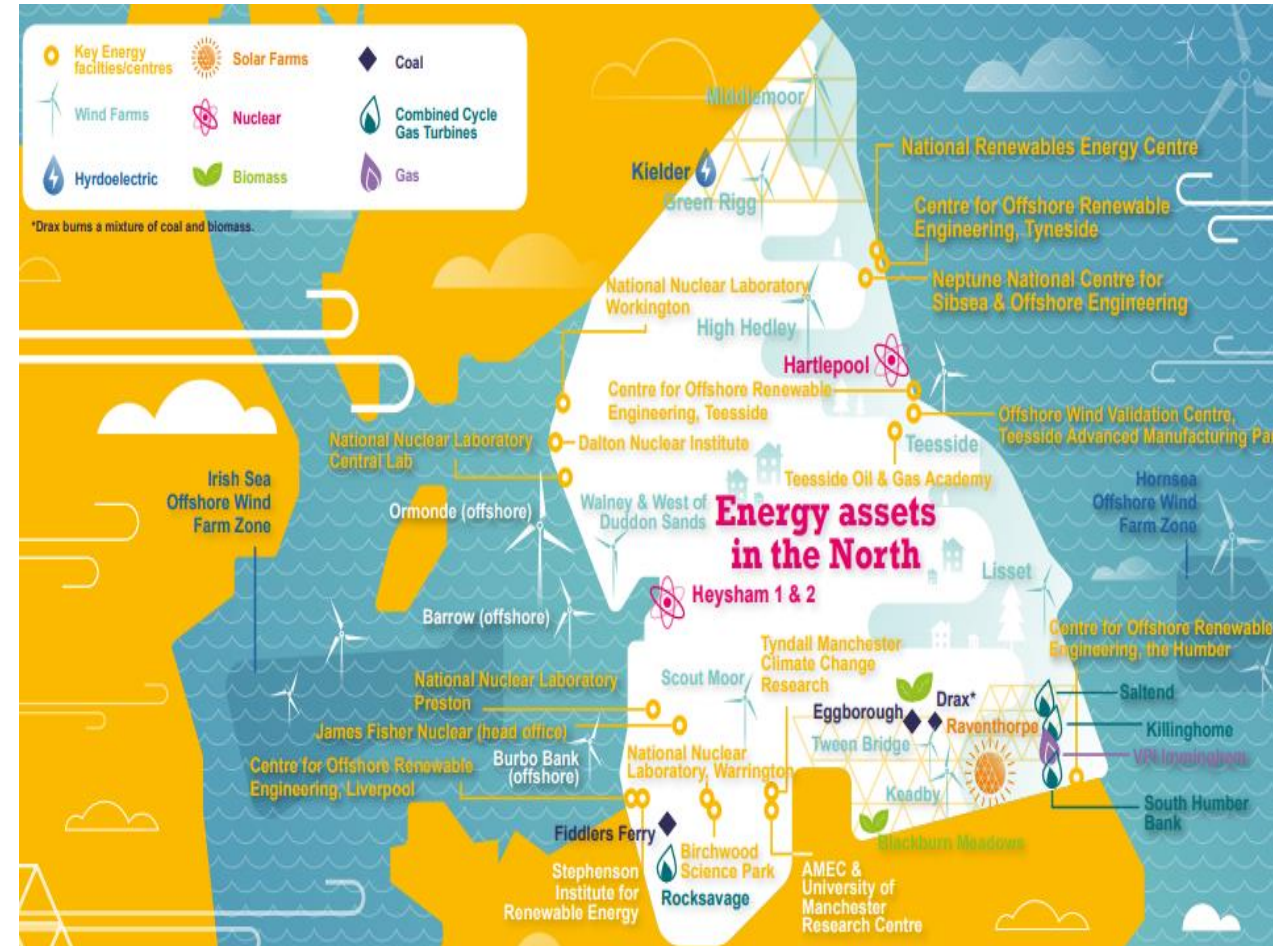
Delivering against the Paris Climate Change Agreement of limiting temperature increases to below 2°C is estimated to provide further benefits to the region in the form of over £13 billion GVA and 100,000 jobs. New manufacturing, skills, apprenticeship and supply chain opportunities will also be achieved if the Paris agreement is delivered against.

Building on the strong green infrastructure foundations will enable the population to be healthier, attract investment and businesses to towns and cities in the region, assist in the retention of talent, reduce the impacts of flooding, and adapt to the effects of climate change.

3.5.1 Place: Energy and Clean Growth (2)

Clean Growth Transformation: Reducing City Region emissions and maximising the economic opportunities of clean growth

- A series of programmes are already operating:
 - **Resource Efficiency Fund** (supports SMEs to be resource efficient)
 - **Better Homes Yorkshire – public private partnership** (delivering domestic energy efficiency measures)
 - **Energy Accelerator** (new advice service providing free project development support to deliver £60m of low carbon projects)
- ¹³⁶ New Energy Strategy and Delivery Plan will focus on:
 - Resource Efficient businesses and Industry
 - New energy generation
 - Energy Efficiency and empowering consumers
 - Smart grid systems integration
 - Efficient and integrated transport
- New **Green and Blue Infrastructure Strategy and Delivery Plan** will ensure that. Everybody in the Region is within easy reach of an outstanding and well used network of green and blue infrastructure that reduces flood risks and supports health, the economy, the environment and a superb quality of life.



Source: IPPR

3.5.2 Place: Energy and Clean Growth (3)

Energy and clean growth

City region is home to expertise and numerous assets which that we are well placed to tackle national and global clean growth challenges.....

- Whilst the City Region has sector strengths in energy infrastructure and manufacturing, carbon emissions are falling at a lower rate than the national average. The existing energy generation sector needs to adapt and grow over the next decade as coal generation is phased out and energy intensive industries supported to become sustainable for the long term.
- Market failures result in limited investment, or investment ready projects, in decentralised low carbon energy.
- The average City Region fuel poverty has fallen, yet within the City Region fuel poverty varies considerably from 8 to 18% representing some of the worst in the country
- Need to consolidate currently fragmented, ad hoc funding to a sustainable resource to progress pipeline of major local energy generation, energy efficiency interventions and SME support schemes.
- BEIS research into innovation trends show that the energy sector is innovating at a slower rate than other sectors.
- The low carbon economy could grow by an estimated 11% per year up to 2030 and deliver between £60 billion and £170 billion of export sales of goods and services (Clean Growth Strategy 2017)

The solution:

- A key priority for the City Region is to maximise
- Local Fund for low carbon projects (£30m)
- Energy Intensive support programme (similar to Industrial Energy Efficiency Accelerator but at regional level)
- Domestic energy revolving loan fund (£30m)
Area-based ECO funding devolved to City Region (£30m) post 2022
- H21 – Continue to support this programme and we ask Government to make positive decisions
- Revised flood grant in aid to support NFM schemes
- Ongoing maintenance support for GI
- Ultra low Emission Transport programme / Air quality

3.5.3 Place: Energy and Clean Growth (4)

Policy area	Our asks
<p>PLACE: Support vibrant, people-friendly regenerated town and city centres, no longer dominated by the car, with clean growth, high quality green infrastructure and a vibrant cultural offer</p> <p>138</p>	<ul style="list-style-type: none"> • Linked to delivering the Energy Accelerator and £60m of projects that it will support, create a Local Fund for low carbon projects (value ~£30m), possibly through devolved funding and consolidation of existing funds • Targeting the domestic ‘able-to-pay’ market, and building on local expertise, the £30 million domestic energy revolving fund will upgrade the wider housing stock • Devolved ECO funds and rigorous targeting of fuel poor homes in the City Region to improve health outcomes and reduce fuel poverty • Building on the success of the Resource Efficiency regional programme, create an Energy Intensive support programme (similar to Industrial Energy Efficiency Accelerator but at regional level) and including circular economy opportunities. • H-21: Continue to support the NGN’s ambitious conversion of the gas network to hydrogen. There will be associated benefits for industry including regional research centre and regional skills programme. We also ask Government to make positive decisions on the decarbonisation of heat and associated Carbon Capture and Storage. • Revise flood grant in aid to support Natural Flood Management schemes and wider place based objectives. • Ongoing maintenance support for Green Infrastructure.

4. Delivering positive outcomes

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4.1 Outcomes, impact and added value

Our vision for **Inclusive Growth** is about an ambition for both the right quantity *and* quality of growth that is in everyone's interest.

It is about creating strong, productive and resilient communities and an economy where a radical uplift in business competitiveness, productivity and profits go *hand in hand* with access to good jobs that pay higher wages, and where all residents have access to opportunity and enjoy improved quality of life.

The value of this is clear - people are better off, the local economy is boosted, the environment is improved, society is fairer and government is able to spend less on welfare and public services. This will underpin everything we do and be used as a principle against which we will test and measure success.

FOR PEOPLE

Outcomes will include:

- People, including those facing challenges and disadvantage accessing jobs and progressing to higher earnings
- Focus on quality jobs to underpin productivity improvements and higher wages

4.1.2 Delivering inclusive growth outcomes

FOR BUSINESS

- Greater productivity, innovation, enterprise and best use of tech to improve earnings
- Business access to widest possible labour pool,
- Focus on the quality of jobs, progression and business practices

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FOR THE ENVIRONMENT

- Enhanced productivity via energy solutions, smart cities
- Energy solutions that benefit disadvantaged communities
- Improved air quality

FOR PLACES

- The right scale, location and quality of transport, housing and digital infrastructure to enable access to opportunity for everyone
- Infrastructure investment/services aligned to policy in business growth, skills and energy
- Future proofed green and blue infrastructure fully integrated with transport infrastructure solutions
- Disadvantaged communities able to access jobs in investment schemes

4.2 Making it happen

DEVOLVED INVESTMENT FUND

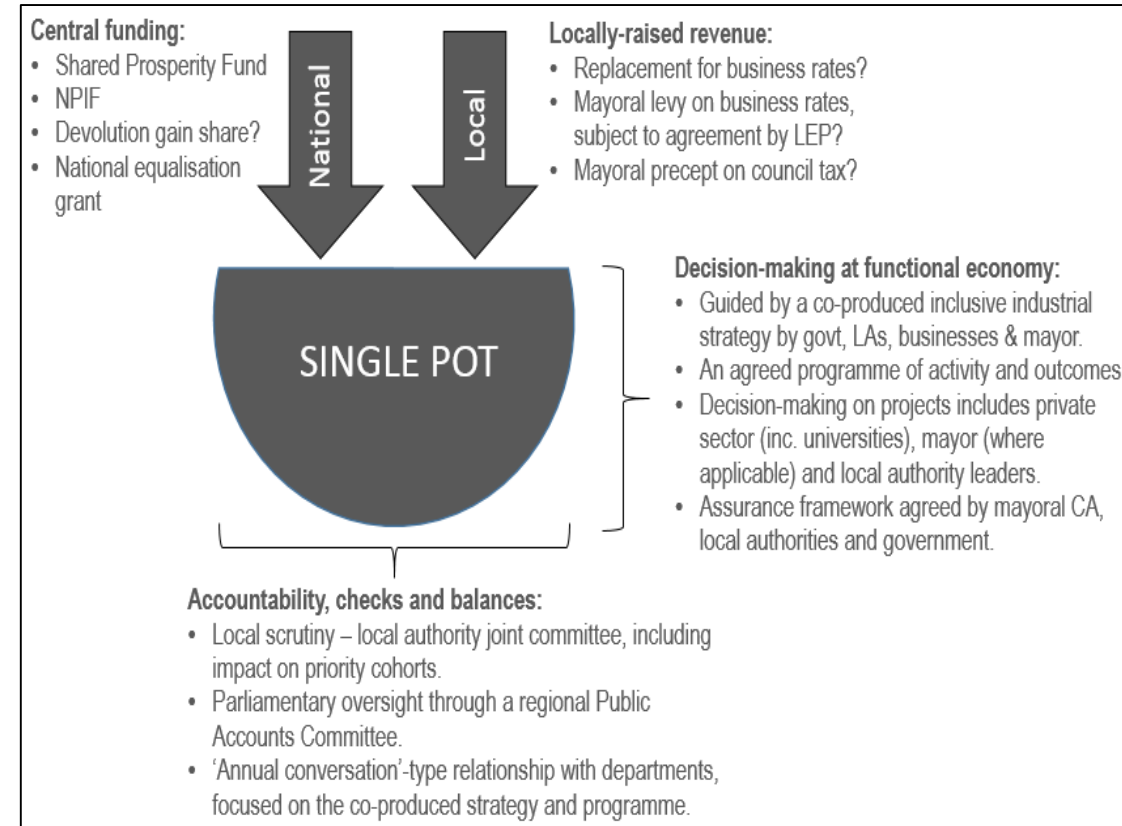
- **SINGLE POT** – powers enabling the City Region to put devolved and local funding streams into an un-ring-fenced pot to deliver maximum flexibility and impact. Working closely with government agencies to ensure an integrated approach to investment
- **GAINSHARE** – This would include extending a new financial settlement combining the best elements of Growth Deals and ESIF to allow productive investments of capital and revenue to support local inclusive industrial strategies, such as support for a new child care offer and care sector deal.

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EFFECTIVE ASSURANCE

WE HAVE WORKED HARD TO ENSURE THAT THE LEEDS CITY REGION ASSURANCE FRAMEWORK IS ONE OF THE MOST ROBUST IN THE COUNTRY.

Our decision-making processes are continually evolving to learn from experience, and the Single Appraisal Framework will be updated to ensure that all future investment is assessed according to its contribution to the priorities for Leeds City Region’s Strategic Framework and its commitment to inclusive growth.



Report to: Green Economy Panel

Date: 23 October 2018

Subject: **Future Funding**

Director(s): Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Jacqui Warren

1. Purpose of this report

- 1.1 To provide an update on current and future funding streams to support the Panel's strategic ambitions.

2. Information

- 2.1 There are a range of European and national funding streams supporting the transition to a zero carbon economy and the protection and enhancement of the natural environment. This paper is not a full assessment of the current schemes available to support the Panel's ambitions. It is meant to highlight a few forthcoming opportunities and outline the initial thinking on the new UK Shared Prosperity Fund.

Current GEP major projects

- 2.2 The following table highlights the currently funded Green Economy Panel major projects and their funding streams and timescales. It also identifies where new funding is / planned to support these projects post 2019.

Major Projects	Funder	Funding timescales	New funding being explored
Energy Strategy and Delivery Plan	BEIS	March 2018	Energy Accelerator and Energy Hub
REF I	ERDF PA3 Local Growth Deal	October 2019	ERDF PA4 – November 2018 (see below)

Better Homes	ECO3	New ECO coming October 2018 - 2021	
Warm Homes	Round 1	May 2019	Warm Homes Round 2a - September 2018 (see item 9)
Energy Accelerator	EIB- ELENA Local Growth Deal	August 2021	
District Heat Networks	HDNU – various rounds 1 - 7	Various	Energy Accelerator

Forthcoming Funding - European Funds

2.3 Under the City Region's current European Structural and Investment Funds (ESIF) programme several new European Regional Development Fund Calls (ERDF) are planned to be launched in early October 2018, with an expected closing date around the 23rd November 2018. Calls which are expected to be published in the following Priority Axis areas:

- **PA1 Research and Innovation:** 1 Business Investment in Research and Development Call
- **PA3 SME Competitiveness:** 1 SME Productivity Growth Call & 1 Property Focused Call on Key Growth Sites and Spatial Priority Areas
- **PA4 Low Carbon:** 1 Low Carbon Call including resource efficiency
- **PA6 Preserving and Protecting the Environment:** 1 Habitats and Environmental Call

2.4 As discussed by the Panel previously, the Combined Authority will be bidding for funding under the forthcoming PA4 Low Carbon call to continue the Resource Efficiency Fund up to 2022 and to widen the scope of the support provided.

National Funds

2.5 At a national government level there have been a range of recent calls including the Industrial Strategy Challenge Fund and the Strength in Places Fund. The following new funds are also anticipated:

- **Round 8 Heat Networks Delivery Unit** (open now). This provides grant funding and guidance to local authorities in England and Wales for heat network project development. This fund closes on 31st December 2018.
- **Heat Networks Investment Funding** (opening in Autumn 2018). This is a £320m Heat Networks Investment Project capital investment programme. It is expected to support up to 200 projects by 2021 through grants and loans and other mechanisms and to lever in up to £2bn of wider investment,

reducing bills, cutting carbon and forming a key part of wider urban regeneration in many locations.

- **Industrial Heat Recovery Support** (opening in autumn 2018). This is a fund to increase industry confidence to invest in technologies to recover heat from industrial processes and to increase the deployment of such technologies in England and Wales.
- **Industrial Challenge Fund** – The Industrial Strategy Challenge Fund aims to bring together the UK’s world-leading research with business to meet the major industrial and societal challenges of our time. This is part of government’s £4.7 billion investment in R&D over 4 years. This includes the faraday battery challenge and prospering from the energy revolution. A full list can be found at www.gov.uk/government/collections/industrial-strategy-challenge-fund-joint-research-and-innovation
- **Hydrogen Supply Competitions** (Phase 1 opens in Oct 2018, with Phase 2 in May 2019). There is a range of funding to support for low carbon industry including the Hydrogen Supply Competition. This is a £20 million Hydrogen Supply programme aiming to accelerate the development of low carbon bulk hydrogen supply solutions. A full list of other low carbon industry funding can be accessed at www.gov.uk/guidance/funding-for-low-carbon-industry.

Other forthcoming funding

- 2.6 **Warm Homes Round 3** (Open on 4th December and close at midday on 8th February 2019). The Warm Homes Fund (WHF) is a £150million fund provided by National Grid and administered by Affordable Warmth Solutions (AWS) across England, Scotland and Wales. It is primarily designed to incentivise the installation of affordable heating solutions in fuel poor households who do not use mains gas currently as their primary heating fuel. It is envisaged that this fund will be used to supplement local initiatives and existing funding streams.
- 2.7 **Highways England Designated Funds** (Open now - 2021). These are a series of ring fenced funds designated to Highways England to address a range of issues beyond the traditional focus of road investment. There are 5 designated funds:
- environment – £300 million
 - cycling, safety and integration (CSI) - £250 million
 - air quality – £100 million
 - innovation – £150 million
 - growth and housing – £100 million
- 2.8 At present the Combined Authority is in the very early stages of exploring the two funding streams above and potential, eligible schemes.

Longer term funding landscape post ESIF

- 2.9 The Government has made a commitment to create a new UK Shared Prosperity Fund (UKSPF) to replace ESIF, “*designed to reduce inequalities between communities,*” *delivering “sustainable, inclusive growth”*. Work is ongoing in helping government give consideration to how the fund could work when addressing the need to raise both productivity and drive inclusive growth. It should be noted that LEPS’s and Combined Authorities will play a key role in working with government to ensure that any future funding model is aligned and supports the delivery of Local Industrial Strategies (the government has said Local Industrial Strategies should be used to help prioritise and maximise the long term impact of the UKSPF). Administration of the SPF is promised to be simpler than for EU funds. Further information is expected as part of the 2019 Spending Review. Government have made a commitment to hold a formal consultation on the SPF expected later this year.
- 2.10 The Combined Authority will report regularly to the Panel on the progress relating to the development of the Shared Prosperity Fund.
- 2.11 The Panel is asked to identify areas of interest from the above funding streams and to identify any other funding sources that should be explored by the Panel.

3. Financial Implications

- 3.1 There are no implications associated with this paper.

4. Legal Implications

- 4.1 There are no implications associated with this paper.

5. Staffing Implications

- 5.1 There are no implications associated with this paper.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That the Panel note the funding update and comment on and identify areas of interest to explore in 2019.

8. Background Documents

- 8.1 None.

9. Appendices

9.1 None

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Report to: Green Economy Panel

Date: 23 October 2018

Subject: Major Projects Update

Director(s): Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Jacqui Warren

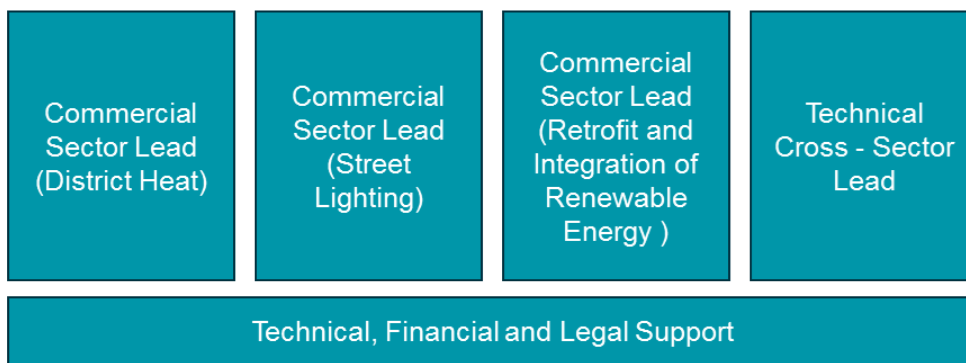
1. Purpose of this report

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

2 Information

Energy Accelerator

- 2.1 The Energy Accelerator (Accelerator) is a key initiative under priority three of the Strategic Economic Plan (SEP) which aims to create a zero carbon energy economy by 2036. It is a new innovative programme. The Energy Accelerator is a new team of expert advisors that will support the development of low carbon projects. It will potentially offer free support to the commercial and public sector in the following areas:
- Energy efficiency and renewable energy (new and retrofitted)
 - District heat networks
 - Street lighting
- 2.2 In preparation for the establishment of the Accelerator, a team of expert advisors have been procured by the West Yorkshire Combined Authority (Combined Authority). They will provide 3 commercial sector leads and one cross sector technical lead to work on the Accelerator. They will be supported by a wider pool of experts that can be called upon depending on the projects in need of support through the Accelerator. This team is summarised below.



- 2.3 In addition to the experts, the Combined Authority now has a part-time programme manager in place to manage the whole programme and the advisors above. A project manager has been recruited and will start in December and interviews for a programme assistant are also currently taking place.
- 2.4 Now that the Accelerator is entering the delivery and implementation phase, overall management of the programme has transitioned from the Combined Authority's Policy, Strategy and Communication Directorate to the Delivery Directorate. As a consequence of this some new changes to the governance of the programme and the Advisory Group are now needed. A new internal programme board will also be established, led by the Combined Authority's new Director for Policy, Strategy and Communication. A full paper outlining these changes will be presented at the 29 January 2019 Panel meeting, and in consultation with the Accelerator's Advisory Group and Green Economy Panel Chair.
- 2.5 The Accelerator will begin to be operational from late October 2018. A communication strategy is being developed to support the programme. Some initial communications will commence as part of the new national Green GB Week.
- 2.6 The Panel will continue to receive quarterly updates on the Accelerator through the major project updates at each meeting.

Better Homes Yorkshire

- 2.7 This is a City Region wide programme delivering energy efficiency and heating improvements across the City Region's homes. The projects within the programme are progressing well and to date over 800 homes have received measures during 2018/19, against the target of 1,320. This brings the total number of homes improved through the programme to 3,900 to date.

Warm Homes Fund bid Round 2a

- 2.8 Building on the success of the first Warm Homes programme the Panel received a report on [24 July 2018](#) outlining a new round of Warm Homes funding. The Panel endorsed the Combined Authority applying for Round 2a funding. The bid outline was subsequently considered by the Investment

Committee on 5 September with a recommendation made to the Combined Authority to approve the bid and delegate decision making.

- 2.9 The proposal includes plans to install over 1000 first-time, full central heating systems to households in fuel poverty. Properties will be mixed tenure; both social and private rented, and owner occupied households. Funds will support the installation of a full gas central heating system and a gas mains connection where necessary.
- 2.10 The scheme is intended to run from 2019 to February 2021, and will be delivered by the Better Homes Yorkshire Partnership. The national Warm Homes Fund team have noted that it is the established partnerships, such as Better Homes, around the country which have achieved delivery to date. Marketing and promotional activity will take place primarily through local authority partners to drive through referrals. The outcome of the bid is expected by November 2018.

Resource Efficiency Fund

- 2.11 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.
- 2.12 Table 1 summarises the most up to date key progress indicators for the Resource Efficiency Fund.

Table 1: Progress as at 31 August 2018			
	Last Update	Current	Revised Programme Target
Total Business Contacts	379	447	501
Assessments Commissioned	198	234	321
Businesses Supported	133	148	303
Businesses receiving non-financial support	126	127	200
Businesses receiving information, diagnostic and brokerage support	45	45	75
Grants Completed	67	84	133

- 2.13 Overall, businesses supported are at 89 percent of target to the end of September, and are expected to meet target this quarter.
- 2.14 There have been 107 grant approvals to date, with 3 subsequently withdrawing.

District Heat Network (DHN) Programme

- 2.15 The DHN Programme continues to support 11 active schemes in the Leeds City Region. These innovative schemes 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.
- 2.16 Since the last meeting the feasibility study work on the Castleford Spatial Priority Area (SPA) district heat network has been completed.
- 2.17 A number of the district heat projects in the City Region are being investigated for inclusion in the Energy Accelerator project.
- 2.18 The Leeds PIPES scheme is on-site and is on track to complete by end of June 2019 as planned. The Combined Authority have established monthly monitoring of financial and project progress with the project team at Leeds City Council, spend of Growth Deal grant award of £4 million is expected in 2019/20 as planned.

Green and Blue Infrastructure (GBI) Strategy and Delivery Plan and Zero Carbon Energy Strategy and Delivery Plan

- 2.19 See agenda items 5 and 6.

North East, Yorkshire and Humber Energy Hub

- 2.20 A North East, Yorkshire and Humber (NEYH) Energy Hub (Hub) is currently being established.
- 2.21 The Energy Hub will:
- Provide much needed capacity to LEPs and local authorities to undertake the initial stages of development for priority local and regional energy projects and programmes (e.g. feasibility studies and business cases), up to a point where investment can be secured.
 - Take a collaborative and coordinated approach across multiple LEP areas.
- 2.22 The Combined Authority and the LEP Board have endorsed the establishment of the Hub. A new part time officer is in post to support Hub projects within the Leeds City Region.
- 2.23 The new Hub will support a wider range of local and regional energy projects when compared to the Energy Accelerator.
- 2.24 The Hub will provide an additional support service to the City Region, complementing the existing Resource Efficiency Fund and Energy Accelerator.

Hydrogen 21 (H21)

- 2.25 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.
- 2.26 A H21 Leaders meeting was held on 17 September 2018. The purpose of the meeting was to provide a more detailed update on the H21 project. Further meetings are now planned to explore how Leaders and local LEPs can continue to support the programme.

Green GB Week

- 2.27 The Government held its first Green GB Week in October, from 15-19 October 2018. This is designed to highlight the opportunities clean growth offers the UK and raise understanding of how business and the public can contribute to tackling climate change.
- 2.28 The Combined Authority used this week as a hook to promote the City Region's clean growth projects. The main focus was:
- A thought leadership blog from the Chair of the Green Economy Panel marking the 10th year anniversary of the Climate Act and what the City Region has done and plans to do in the future.
 - Social media campaign for the full week highlighting our key projects and areas of work. This included a series of key statistics and messages around emissions reductions/jobs/GVA potential/ twitter graphics of the clean growth sector for the region.

Clean Air Strategy Consultation Response

- 2.29 The Panel on 24 July 2018 discussed the key issues relating to the Government's [Clean Air Strategy proposals](#). The Panel provided input into the Combined Authority's draft response which was submitted to Government on 14 August 2018. In responding to the consultation the Combined Authority made these key points below:
- Welcomes the holistic approach to tackling emissions but the strategy is light on ambition or detail. It fails to state real action on how it will address transport and energy based emissions - especially particulate matter - in the shortest possible time;
 - There is little detail on how the strategy supports government cross-departmental actions set out in the Clean Growth Strategy (published October 2017) and 25 Year Environmental Plan (published January 2018);
 - The strategy signposts future new primary legislation and powers to support local authorities to act, without explaining what these are, or what funding will be devolved to support local authorities to take action;
 - There needs to be greater government support in making the case for green and blue infrastructure investment to enhance and protect the environment;

- In reviewing the role of and funding for biomass based energy generation, the government must make the distinction between large scale, multi-benefactor schemes compared with individual domestic unit installations.
- The Combined Authority supports the government’s agenda for full-decarbonisation of the domestic heat network – the Leeds City Region Clean Energy Strategy will detail our approach to achieving a ‘zero-carbon economy’ by 2036. However we wish to see a balanced energy approach to decarbonisation rather than full electrification. We await greater clarity from the government’s forthcoming Heating Strategy.
- Current energy efficiency programmes can produce significant air quality improvement and should be considered as important as innovation.
- The Combined Authority sees electrification of the regional rail network as a key priority in improving journey times, connectivity and air quality and we will continue to press government for this much needed investment.
- More stringent environmental standards are welcome but their impact on business and productivity should be considered. Mechanisms to incentive a low emission future are preferred over taxation mechanisms that have potential to hurt economic growth.

3. Financial Implications

3.1 There are no implications associated with this paper.

4. Legal Implications

4.1 There are no implications associated with this paper.

5. Staffing Implications

5.1 There are no implications associated with this paper.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the Panel note the progress against the GEP’s major projects and programmes.

8. Background Documents

8.1 None.

9. Appendices

None.