
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 17 November 2020

Subject: **Convention of the North and NP11 Spending Review
Submission and Covid-19 Statement**

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1. Purpose of this report

- 1.1 To inform and seek the views of the LEP Board in relation to the following policy documents prepared jointly by the Convention of the North and the NP11:
- Spending Review submission: the levelling up deal for the North; and
 - Covid-19 Statement
- 1.2 To note the Spending Review submission prepared by the Combined Authority / LEP, focussing on recovery.

2. Information

- 2.1 The Convention of the North brings together people and organisations from across the North, including business, trades unions, elected leaders and Mayors, and community and faith groups, to speak with one voice on pan-northern issues, in particular developing a positive vision of how we can lead economic and social transformation. Its Steering Group is chaired by the leader of Newcastle City Council and includes local representation by the Leaders of Bradford, Leeds and York Councils and the LEP Chair, also in his capacity as NP11 Chair.
- 2.2 The NP11 is the business-led voice for the North that brings together the 11 LEPs from across the North of England. It plays a leading role in realising the vision for an economically thriving Northern Powerhouse that drives prosperity, international competitiveness, and inclusive growth across the area.
- 2.3 In September 2019, The Convention of the North and NP11 met in Rotherham for the largest ever gathering of Northern leaders. The Prime Minister expressed his commitment to the Northern Powerhouse and levelling up. The manifesto that was then published was backed by every major newspaper group across the north.

Spending Review: the levelling up deal for the North

- 2.4 As a result of the pandemic, the meeting in Liverpool planned for the autumn to review our progress towards powering up the North has been cancelled. Instead a joint statement (the levelling up deal for the north, shown at Appendix 1) was prepared and submitted to the Chancellor of the Exchequer on 24th September, ahead of the anticipated Spending Review and Devolution White Paper. The call to action is to deliver levelling up and make good on the Prime Minister's promise to unite the country and back the North.
- 2.5 The statement sets out the deal, the recovery challenge, and the delivery priorities and associated asks of Government:
- The headline deal, as proposed, consists of the following elements:
 - What the North offers, including 'prime capabilities' such as advanced manufacturing and health innovation.
 - What the North will do, such as leading a fair and inclusive economic recovery.
 - What the North needs from Government, eg deeper and wider devolved powers and funding and investment.
 - The overall recovery challenge is to "build back better", based on the North's vulnerability evidenced by the £3.2bn paid in support grants so far and sudden economic contraction, and expectations that, based on experience from the financial crisis, the North will recover more slowly than the rest of England. The risk is also noted that existing socio-economic inequalities, which have been exacerbated by the pandemic, will not be addressed.
 - Finally, a number of priorities - and related asks - which will drive the levelling up ambition are articulated in the submission as follows:
 - **Clean growth** - A dedicated Net Zero North programme to develop transformational low carbon projects, such as the N8 Net Zero North proposition, backed by a Northern Investment Fund. Back a flexible, regional approach to energy innovation and regulation and set energy efficiency measures as a national infrastructure priority. Deliver proof of concept demonstrators and pilot utilising carbon pricing and natural capital accounting to inform viability assessments alongside reform of Green Book appraisal processes.
 - **Education, skills and work** - Give places the freedom to match education and skills provision to local opportunities, with the inclusion of skills as a minimum in all forthcoming Northern devolution deals. Address the underinvestment in early years provision and maintain and enhance the commitment to delivering a high performing technical education system. Commit to close the disadvantage gap in secondary education with a further investment of £1 billion a year in Northern schools and reform the Pupil Premium to better target funding for disadvantaged pupils.
 - **Productivity and innovation** - Rebalance UKRI R&D funding in line with the opportunities for growth presented by the North's key sectors and improve productivity in low-wage, low-productivity businesses and

sectors. Dedicated Northern innovation funding to unlock commercially-driven collaboration in regional strengths.

- **Trade and Investment** - Provide the North with additional ownership of, and freedom to lead investment and trade through a jointly owned midterm strategy with Department for International Trade. Establish a performance management framework for investment that aligns with the priorities of the Northern Powerhouse Independent Economic Review to attract investment and trade. Establish a pan-Northern capacity fund to support local authorities and partners to develop investment propositions at scale.
- **Transport** - A Northern Budget for transport to deliver the TFN plan, with long-term local transport budgets to support development of new and existing infrastructure, better connecting people to jobs. A 'new deal for rail', with progress on High Speed 2 and Northern Powerhouse Rail, and devolution of control and shared accountability for the North's rail network. Reform appraisal methodologies, and develop a national infrastructure strategy that responds positively to the recommendations from the National Infrastructure Assessment.
- **Digital** - Support a pan-Northern digital skills programme to retrain businesses and workers for an increasingly digital world. Support the creation of a digital poverty programme, which improves access to digital connectivity and devices for those that need it. Establish a Future Digital Fund - incentivising accelerated private sector delivery of full fibre and 5G wireless connectivity.
- **Culture, leisure and tourism** - Establish a national strategy and programme of activity to support the resilience of the Northern cultural and visitor economy. Work with Government to support the review of the DMO structure in England, leading to a better coordinated and more sustainable local approach to building back the tourism sector post Covid-19. Support to increase productivity across the North's visitor economy.
- **Housing** - Establish a new Housing Infrastructure Fund for the North, to improve viability through tackling the excess costs of development on previously developed land, and strategic town centre and local house building projects needed to unlock land values and growth. Incentivise forward looking local plans that support wider growth, by reviewing the standard method for establishing local housing need and include devolution of housing delivery powers and funding to Combined Authorities. Establish an innovation corridor across the North in Modern Methods of Construction to accelerate delivery, alongside high quality and best design standards.

2.6 The above priorities align closely and nest with the region's ambitions and policy response to Covid-19 which is considered elsewhere on the agenda, and also with the Combined Authority's spending review submission as summarised in the following section.

Combined Authority / LEP submission

2.7 Recognising the significant impact of COVID-19 on our places, the Combined Authority / LEP spending review submission focusses on three areas key to enabling a recovery that will also deliver on Government's levelling up agenda for the Leeds City Region and support the national recovery:

1. Investment into the West Yorkshire economy based on the economic recovery plan, including:
 - £60 million Health-tech proposition
 - £194 million Transition to Net Zero proposition
 - £159 million Lives Transformed by Digital proposition
 - £340 million Entrepreneurship proposition
 - £50 million Culture and creative industries proposition
 - £465 million Economic recovery skills ask
2. Long-term transport investment based on the transport recovery plan, including:
 - Accelerating delivery of a low carbon, innovative WY Mass Transit System
 - An enhanced partnership for buses in West Yorkshire
 - Supporting a new integrated ticketing and information offer for passengers
 - Commitment to an integrated rail plan for the North & Midlands
 - Support for a West Yorkshire connectivity plan and pipeline
 - Support for a West Yorkshire decarbonisation pipeline
 - Support for Transport for the North's Economic Recovery Plan
3. Further asks to deliver sustainable funding for levelling up, including:
 - Funding for Local Authorities and Combined Authorities to address past legacies of underinvestment in services and infrastructure
 - Next steps on devolution
 - £115 million per year through the UK Shared Prosperity Fund
 - Support for the adequate long-term funding of LEPs

2.8 In connection with the Combined Authority's submission, support was also provided to the specific representations for:

- Leeds City Region MIT REAP – a request for £17m over 2021-24 to implement a comprehensive package of 'ready to scale' interventions and programmes which will deliver economic growth.
- Act Early North - £10m over five years to create a global centre of prevention research in Bradford that will provide policy makers with the evidence they need to inform cost-effective preventative health policy and early years interventions in the lives on young people.

Covid-19 Statement

2.9 On 8th October, the Convention of the North and NP11 prepared a joint statement in response to the recent surge in Covid-19 cases across the UK, to call for urgent dialogue with the Government on a joint plan of action around

the following: management of any restrictions; financial support, including for business, employees, and places; an integrated and localised test and trace system; clear and consistent communications between local leaders and government; and supporting innovation in the retail and hospitality sectors to manage and adapt to Covid-19 transition.

- 2.10 Given the pace and magnitude of recent events, including the implementation of new tiered restrictions, regional deals, and national announcements around financial support, a verbal update will be given at the meeting on the status and progress that has been made on the joint plan.

3. Clean Growth Implications

- 3.1 Delivering clean growth is central to the ambition of the Convention for the North and NP11 as set out at Section 2.5 of the report. The LEP / CA submission included the propositions from the Economic Recovery Plan including an ask of £194m for the Transition to Net Zero.

4. Financial Implications

- 4.1 None arising directly from this report.

5. Legal Implications

- 5.1 None arising directly from this report.

6. Staffing Implications

- 6.1 None arising directly from this report.

7. External Consultees

- 7.1 None arising directly from this report.

8. Recommendations

- 8.1 The LEP Board is asked to:

- Note the CA / LEP Spending Review Submission
- Note the Spending Review submission: the levelling up Deal for the North; and Covid-19 Statement as set out in Section 2 of this report.
- Discuss opportunities to progress the priorities set out in the Spending Review submission and summarised at Section 2.5.
- Consider the types of financial support needed for the region as proposed in the Covid-19 Statement, including for business, employees; and support needed for innovation in the retail and hospitality sectors to manage and adapt to Covid-19 transition, as summarised at Section 2.9.

9. Background Documents

9.1 None

10. Appendices

10.1 Appendix 1 – Convention of the North / NP11 Spending Review Submission

10.2 Appendix 2 – Convention of the North / NP11 Covid-19 Statement