

Leeds City Region Autumn Budget submission

Contents

Executive Summary

1. About us

- Opportunities and challenges we face

2. Our long-term strategy

3. Our proposals

- Ideas and a supportive business environment
- People: skills and labour market
- 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.

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
IDEAS: Keep the City Region and the UK at the forefront of scientific research, innovation and new technologies.	<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
BUSINESS ENVIRONMENT: Supporting private sector leadership to deliver a more productive City Region.	<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
PEOPLE: Nurture future talent, address skills shortages and provide the technical skills that will drive our economy.	<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
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.	<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
-------------	--------------------

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

Commitment to road investment including:

- 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

Investment in local and regional transport

- 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

Tackle carbon and air quality though:

- 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.

Future mobility

- Support for City Regions to bid for Future Mobility Industrial Strategy Challenge Funding

Digital infrastructure

- 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.

Flood infrastructure

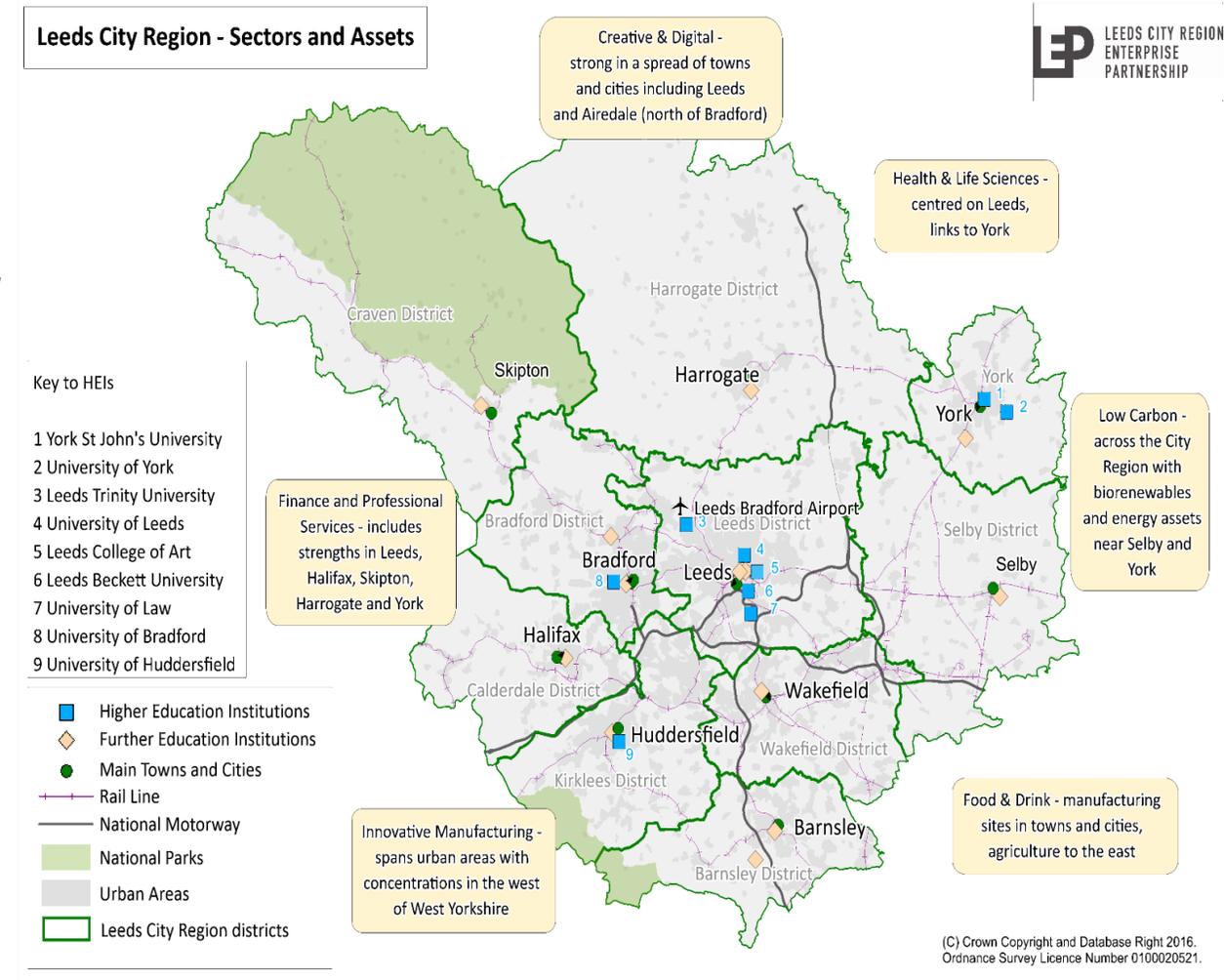
- Flood infrastructure/resilience fund: additional funding to support partner funding to deliver catchment scale flood management infrastructure to protect homes, business and provide economic benefit to the City Region. An additional £10.5m of capital funding could be used to support delivery of a new £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*

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, agriculture, 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.

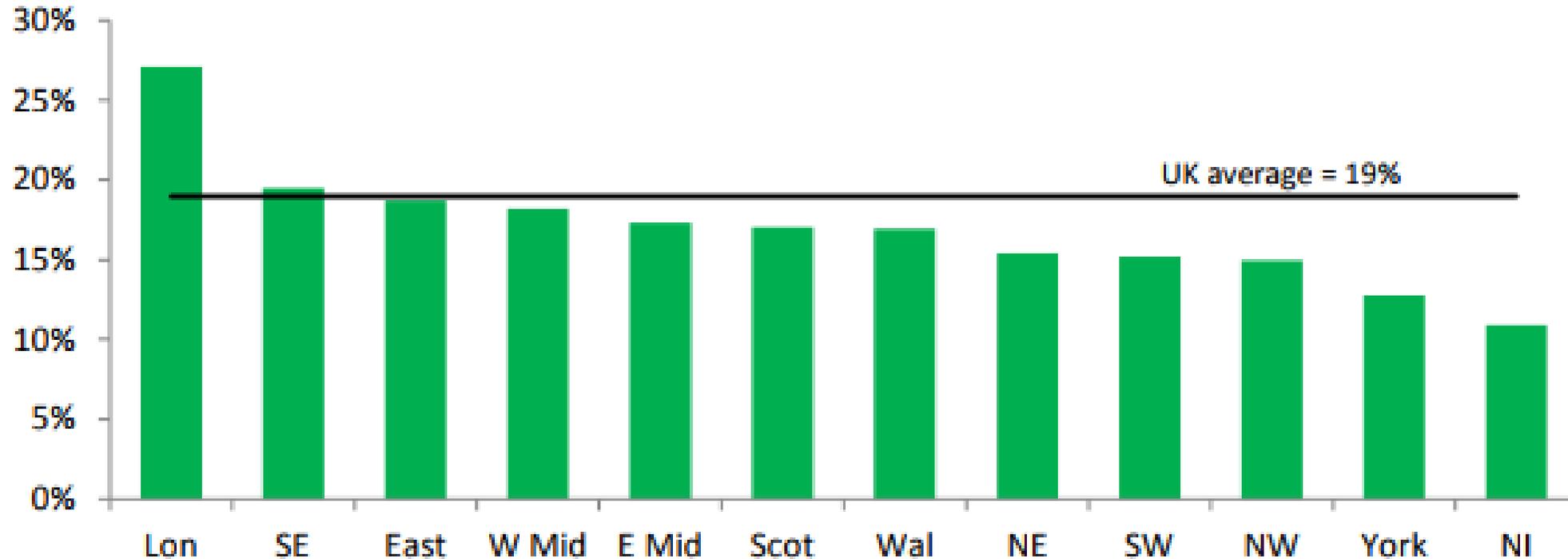
Key areas that are critical to future performance include:

- **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

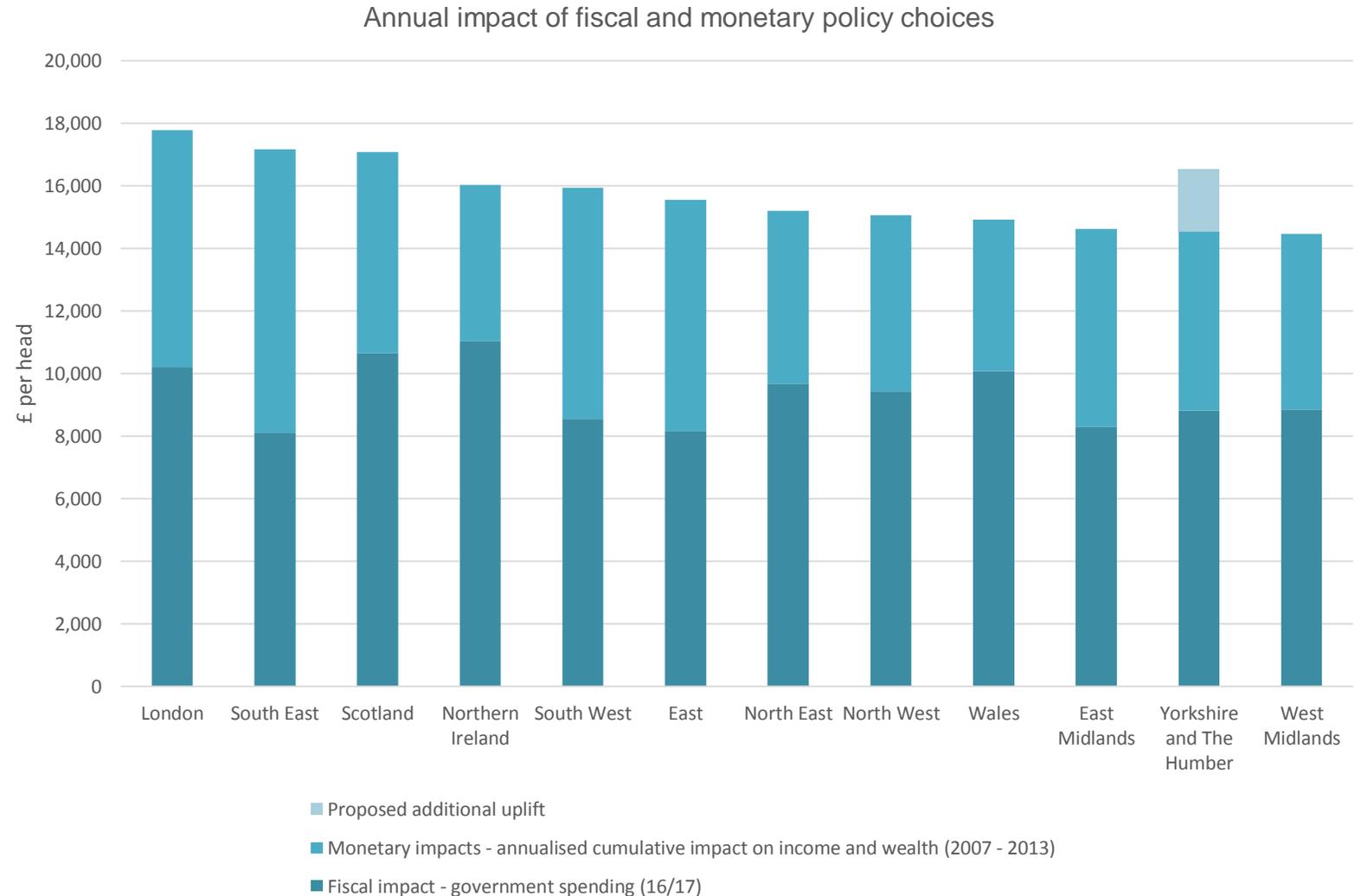
Not adjusted for inflation



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

... reflecting Government's policy choices and investment

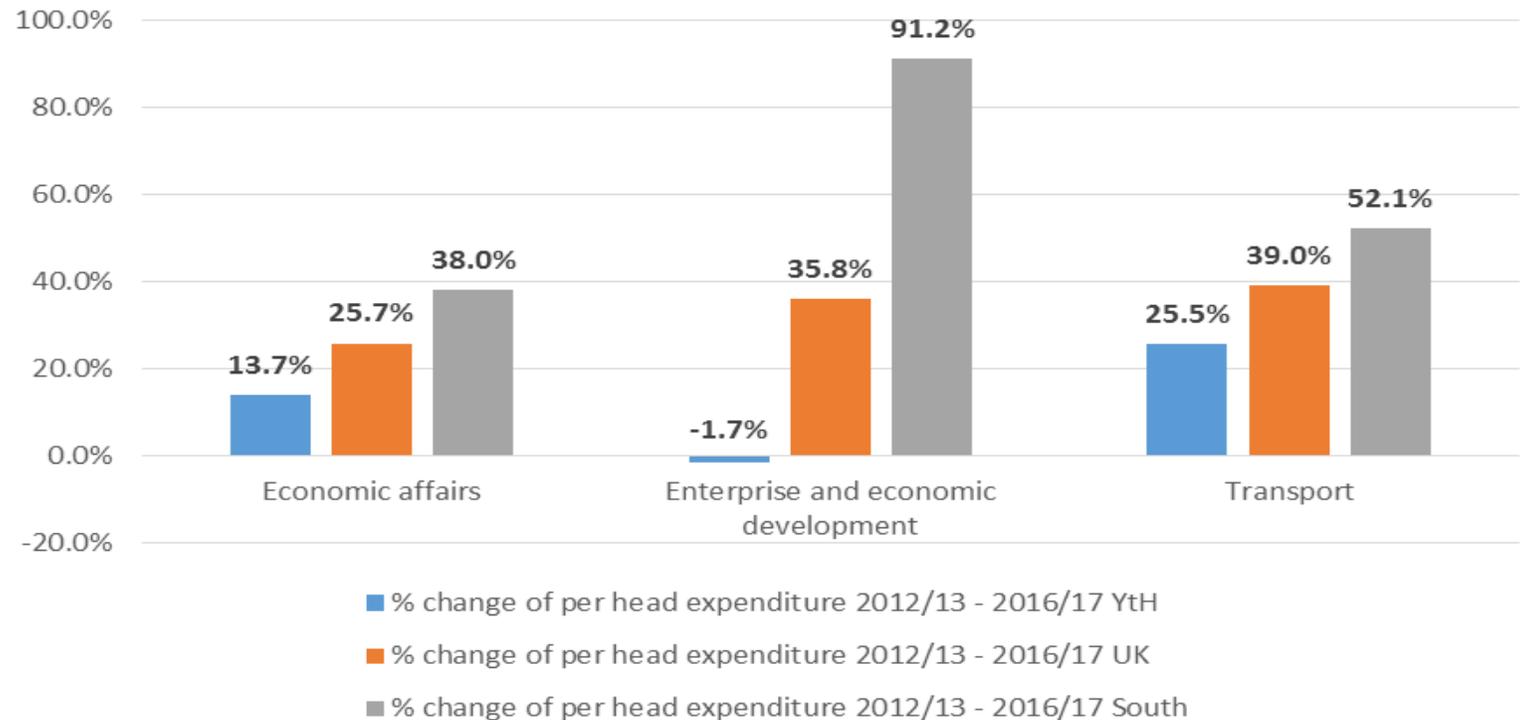
- Fiscal and monetary policy since the financial crisis have supported the creation and protection of wealth in the Greater South East.
- **Government must demonstrate its aim to rebalance the economy is backed-up by policy and spending decisions.**
- The chart opposite shows that, even a £2000 per head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



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

% change of per head expenditure by service function (2012/13 - 2016/17)



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:

- **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.

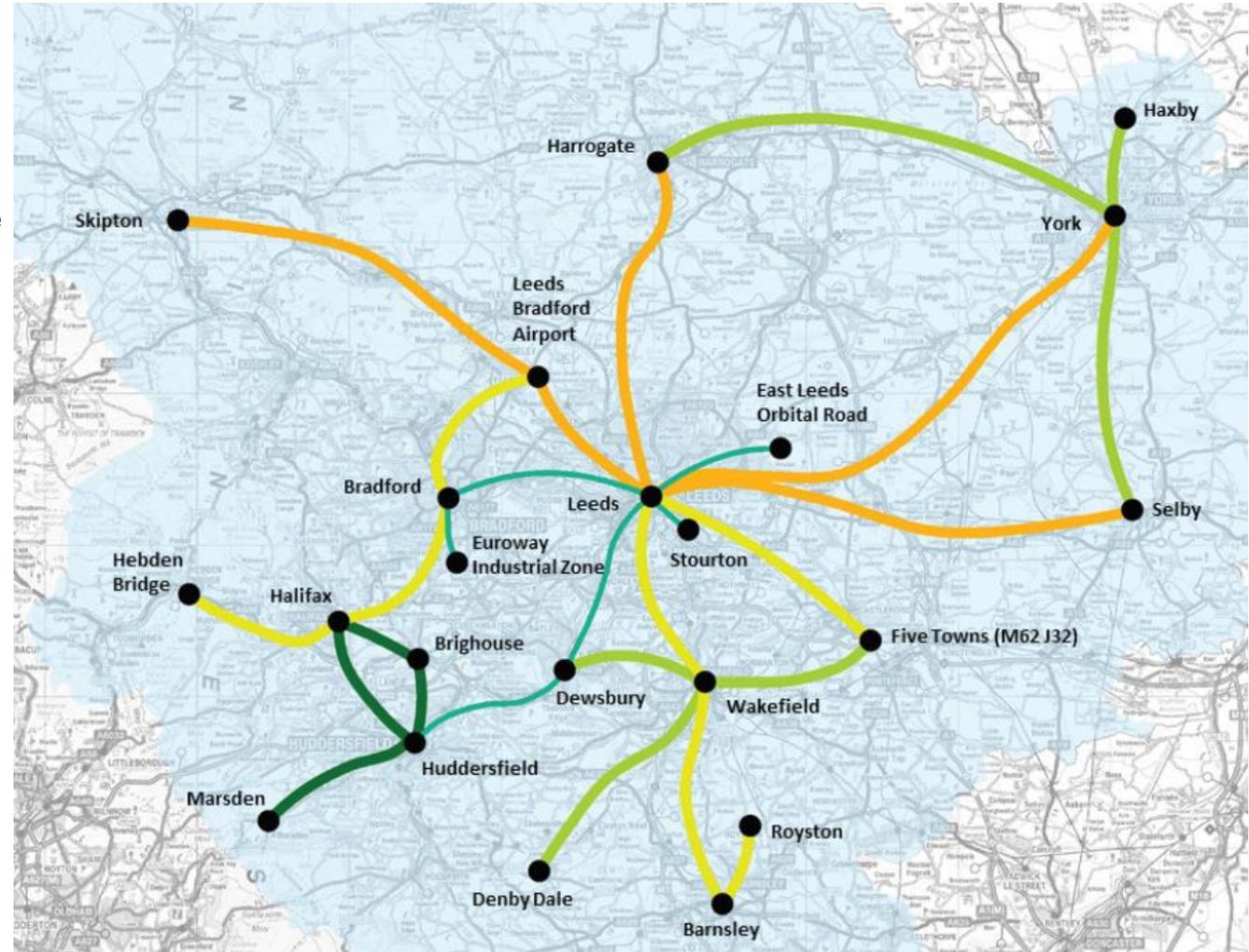


2.5 Transformational Connectivity

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

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>	<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>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.

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>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>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>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.

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.

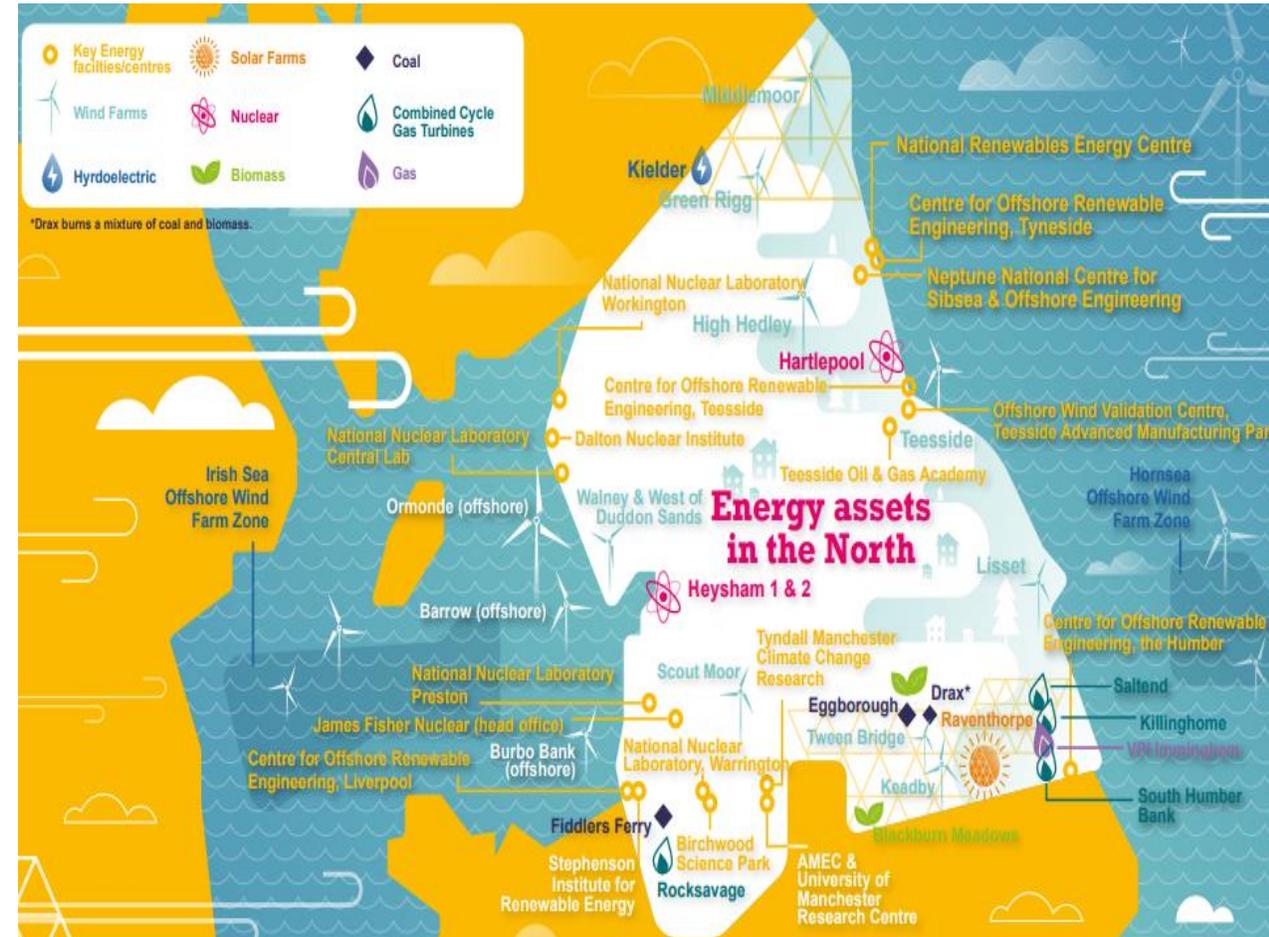
Delivering against the Paris Climate Change Agreement of limiting temperature increases to below 2°C is estimated to provide further benefits to the region in the form of over £13 billion GVA and 100,000 jobs. New manufacturing, skills, apprenticeship and supply chain opportunities will also be achieved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

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

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.

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.

