

**HM TREASURY**

Press Notice

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## **Government formalises Leeds city deal**

The Government's plans to transform the powers and levers available to local leaders to deliver growth and jobs in their communities were confirmed today with the signature of agreements between the Deputy Prime Minister, Rt Hon Nick Clegg MP, the Financial Secretary to the Treasury, Rt Hon Greg Clark MP, and the leaders of Leeds.

The deal aims to create new opportunities for young people across Leeds City Region, and extra jobs as a result of new transformative powers over skills and employment, and transport.

The Deal also gives Leeds City Region new powers over transport, and includes further initiatives on infrastructure investment, pulling together £200 million of local resources with a single Capital Pot.

The Deputy Prime Minister, Nick Clegg, said:

"Today Leeds signs a deal to hand chunks of power over from Whitehall control - a dramatic shift that will mean everyone in Leeds will feel the benefits, from young people looking for jobs, to businesses looking to expand.

"There is enormous potential in Leeds. The city is an economic powerhouse generating £52 billion for the UK economy – so it makes sense that Leeds itself decides how to make that powerhouse grow."

Greg Clark said:

"This is a great deal for Leeds. The Government is committed to unlocking the full growth potential of our cities. We want powerful, innovative cities that are able to shape their economic destinies, boost entire regions and get the national economy growing.

“This deal provides a suite of new freedoms, powers and tools to help Leeds embark on new and innovate ways to drive local economic growth. ”

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## Notes for Editors

1. On July 5 2012, the Government announced a series of historic city deals with our largest cities (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham, and Sheffield).
2. Today's event saw the Core Cities invited to Downing Street. They were congratulated on their efforts and signed wave 1 deals with the Government agreeing its joint commitment to the full implementation of the city deals.
3. Each deal is bespoke and reflects the different needs of individual places but every deal aims to:
  - Give cities the powers and tools they need to drive local economic growth;
  - Unlock projects or initiatives that will boost their economies; and
  - Deliver a step change in the governance arrangements.
4. The cornerstone of the Deal is a 'Guarantee for the Young' – a commitment that every young person in the Leeds City Region has access to a job, training, apprenticeship, volunteering or work experience. The Leeds City Region 'Guarantee to the Young' will aim to create 2,500 new apprenticeships for young people across Leeds City Region and support the Local Enterprise Partnership's aim to have 7,500 more employers by 2016, with up to 15,000 new apprentices in learning. There will also be a 14-24 Academy taking 300 students per year within two years.
5. The Deal also gives Leeds City Region new powers over transport. Leeds City Region will establish a £1bn West Yorkshire 'plus' Transport Fund that could create a 2% uplift in Leeds City Region's economic output and 20,000 extra jobs, in return for the five authorities in West Yorkshire - Leeds, Bradford, Calderdale, Wakefield and Kirklees – moving to a Combined Authority model. The deal includes further initiatives on infrastructure investment, trade and inward investment.
6. There are four parts to Leeds City Region deal:
  - a. Skills and Worklessness:

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<sup>1</sup> NB. There is also an agreement to take forward Leeds City Regions' supplementary proposals on business friendly planning and the low carbon economy bilaterally.

- **Guarantee to the Young:** Leeds City Region will establish a package of multiple, yet interlinked, pathways to employment, supporting Leeds City Region's long term ambition to be 'NEET free'. There will be a Guarantee to the Young – a guarantee that every young person in the Leeds City Region has access to a job, training, apprenticeship, volunteering or work experience. These new initiatives will include a trail-blazing 14-24 Academy that will deliver a business-led curriculum; Apprenticeship Hubs, which will have two strands: Apprenticeship Training Agencies which will support small businesses that have traditionally shied away from apprenticeships because of costs or bureaucracy, and wider Apprenticeship brokerage activities amongst more Apprenticeship-ready businesses. And as part of the 16-17 youth contract pilot, Leeds, Bradford and Wakefield will provide an intensive programme for young people aimed at engaging them earlier.
- b. **Skills for a Growing Economy:** As part of the Deal, Leeds City Region will also take on a leadership role on skills more generally in order to align the skills investments of Government, employers and individuals with the real growth sectors in the Leeds City Region economy.
- c. **Transport:** Leeds City Region will establish a £1bn West Yorkshire 'plus' Transport Fund financed by a local levy that the Combined Authority (see below) would place on individual councils and a 10 year transport funding allocation from the post-2014 local Major Transport Scheme Budget, that could create a 2% uplift in Leeds City Region's economic output and 20,000 extra jobs. Leeds City Region are also working on a joint proposal with other northern cities for devolution of the Northern Rail franchise.
- d. **Investment:** Leeds City Region will create an investment fund backed by £200m of local resources, including pooled business rates. This will be matched by a single capital pot from central government, aligned to local investment priorities.
- e. **Trade and Inward Investment:** Leeds City Region will commit resources to implement a delivery and investment plan for trade and inward investment. Government will support the plan and provide resource for joint project teams. The deal would seek to address the Leeds City Region trade deficit (over £1 billion a year), aiming to turn it into a trade surplus of £600m by 2015 and £1.7bn by 2018. This would raise Leeds City Region's Gross Value Added by 1.1% annually from 2015, and could create at least 7,400 jobs by 2018.

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