

£54.6M EXPANSION OF GROWTH DEAL BOOSTS LOCAL PLAN FOR LEEDS CITY REGION ECONOMY

The Leeds City Region Enterprise Partnership has agreed an expansion to its Growth Deal with the Government which will see an extra £54.6m invested in Leeds City Region between 2016 and 2021. This is in addition to the £572.9m of funding committed by the Government on 7 July 2014. Over the lifetime of its Deal (2015-2021) the Local Enterprise Partnership estimates that up to 10000 new jobs could be created, 2000 new homes built and that it has the potential to generate £640m public and private investment.

The additional proposed projects include:

- A **Housing and Regeneration programme** to develop key sites for housing and employment growth, helping the City Region move further towards its aim of doubling house building levels
- An enhanced **Business Grants programme**, helping more companies to start, grow, innovate and exploit supply chain opportunities
- **Innovation and Enterprise** centres at the Universities of Huddersfield and Leeds, supporting advanced manufacturing, health and medical and digital and creative sectors
- A **Decentralised Energy** programme, enabling large scale energy investments which exploit new resource smart technologies.

The Leeds City Region Growth Deal is part of a long term plan to devolve at least £12 billion from central government to local economies. The plan aims for every part of the country to be a motor of growth for the national economy – building on the strength of the West Yorkshire area.

Quotes

The Prime Minister said:

“Giving local communities the power and the money to unlock growth and development and make the spending decisions that work for them is a key part of our long-term economic plan to secure a brighter future for Britain and ensure a recovery for all.

“And this is happening right here in Leeds, with more money announced today for key projects to boost the local economy as part of the multi-million pound expansion of the Government’s Growth Deals.

“And because the money will be in the control of a partnership of local community, business and civic leaders it means it will go on the things that really matter to people and businesses here.

“That is what Growth Deals are all about, backing local people and investing in the infrastructure, housing and skills that will drive forward local economies, create more jobs and opportunities for hardworking people and supercharge all parts of our country.”

The Deputy Prime Minister said:

“A quiet revolution is underway in the Leeds area and across the country, as Growth Deals signal the death of the culture where Whitehall calls the shots. I’ve seen for myself the difference it makes to give Leeds more power over skills, over business support, over infrastructure spending.

“I am delighted to announce the expansion of the Leeds City Region Growth Deal today.

“The Coalition Government has been relentless in our efforts to sort out the public finances and set firm foundations for growth. Growth Deals help create a stronger economy and a fairer society by boosting local economies, and providing more jobs, better transport and affordable homes.”

Roger Marsh, Chair of the Leeds City Region Enterprise Partnership (LEP) said: “This expansion of the £1 billion Growth Deal we secured last summer is further demonstration of the government’s confidence in Leeds City Region as an economic powerhouse-in-the-making, capable of generating extraordinary growth for the North and the nation, and transforming us into a net contributor to national wealth.

“I welcome this additional funding, which will enable us to support more local small businesses to reach their full growth potential, boost innovation and enterprise in manufacturing, healthcare, digital and other fast-growing sectors, and invest in low-cost, efficient local energy that will make our region a global leader in the low carbon energy revolution.

“Most importantly, this investment will enable us to go further and faster in delivering the ambition set out in our Strategic Economic Plan of creating sustained good growth that benefits everyone who lives and does business here.”

Councillor Peter Box, Leader of Wakefield Council and Chair of the West Yorkshire Combined Authority said: “We have proved in the Leeds City Region that strong partnership working between the public and private sectors delivers better economic outcomes, quicker and at better value for the taxpayer than centrally administered schemes.

“With this additional investment we will be able to build upon work already underway and create more jobs and economic opportunities for local people and businesses – including building more good quality, affordable homes to meet current and future

demand, helping reduce energy bills for local people and small businesses, and investing in world-class college facilities to help our young people to develop the skills they need to thrive in a fast-paced labour market.

“We are clear though, in our ongoing dialogue with government, that this must be a staging post in our journey towards full devolution and giving our City Region all of the tools it needs to unleash its enormous economic potential.”

FACTSHEET

1. How much is the Government investing in Leeds City Region as part of the Growth Deal?

	Initial Growth Deal (July 2014)	Expansion – additional funding awarded (Jan 2015)	Total Expanded Growth Deal
Local Growth Fund	£572.9m	£54.6m	£627.5m

2. What proposed projects will this new tranche of funding deliver? the following projects:

- A Housing and Regeneration programme to develop key sites for housing and employment growth, helping the City Region to move further towards its aim of doubling house building levels
- An enhanced Business Grants programme, helping more companies to start, expand, innovate and exploit supply chain opportunities
- Leeds University Innovation and Enterprise Centre providing incubation space for high tech and spin off companies, particularly those in the health and medical sector
- Huddersfield University Incubation and Innovation Centre supporting innovation, skills development and jobs growth in advanced manufacturing and digital and creative sectors
- A Decentralised Energy programme, enabling large scale energy investments which exploit new resource smart technologies
- An extended Skills Capital programme, supporting additional investment in further education colleges and training providers that will support engineers, manufacturers and other sectors.

In addition to those schemes which are currently proposed for funding under the West Yorkshire plus Transport Fund, the West Yorkshire Combined Authority will use the new Single Appraisal Framework to inform a formal review of transport fund priorities by December 2015. This will include considering funding options for projects that are longer term priorities for investment. This includes junction improvements, connections to Leeds-Bradford airport, Harrogate line

electrification (Leeds-York), the Shipley Eastern bypass, and connectivity improvements between Wakefield Five Towns and Leeds. Leeds City Region and the Government will explore the case for making future Growth Deal funding available to address bottlenecks in transport infrastructure that could be funded outside the West Yorkshire plus Transport Fund to maximise access to growth right across the city region.

This adds to the projects that were announced in July 2014, including:

- **West Yorkshire Plus Transport Fund**– In addition to a £180m commitment from 2015/16 to 2020/21, the government also agreed to support the Fund from 2021/22 to 2034/2035. This includes an additional £30 million per annum, dependent on the economic impact of local investments. With local commitments this creates a £1 billion Transport Fund.
- **Skills capital programme** – Investment in further education colleges and training providers that will support engineers, manufacturers and other sectors, as well as ensuring a world-class learning environment for young people.
- **Business growth programme**– providing capital grants for businesses.
- **Energy hub** - supporting the development of a pipeline of new infrastructure projects across the region (including energy efficiency, energy generation, supply chain and distribution and storage projects).
- **Resource smart city region programme**– tailored advice to SMEs on how to cut their spending on fuel so they can increase productivity and competitiveness.
- **One City Park, Bradford** – Transformation of Bradford city centre to enable the development of a central business district, which will see new buildings specially built for businesses.
- **East Leeds extension** –the Red Hall and Brownfield sites in Seacroft will be cleared and prepared for housing to be built on them.
- **City Fields, Wakefield** – the former power station site in the development's Southern Gateway will be demolished and the land cleared and prepared for new housing to be built.
- **York Central** – Regeneration site that will accommodate housing, office, retail and leisure within a 1 million sq ft urban extension in central York. Funding will support Phase 2 of the project, including clearing and preparing the site and Holgate Beck.

- **Halifax Town Centre** – Part of the wider Halifax Town Centre renaissance plan, this project for Northgate House will support site clearance and demolition to enable a new commercial development.
- **BioVale, York** – New science facilities will be built to provide an “Innovation cluster” for biotechnology. A joint project with the York, North Yorkshire and East Riding Local Enterprise Partnership.
- **Horse Close, Craven** – A key site to for employment and housing In Skipton. This project will fund a new bridge over the Leeds/Liverpool canal to open up land, including for affordable housing, in this North Yorkshire market town.
- **Olympia Park site, Selby** (loan funding subject to due diligence) - to accelerate the delivery of 844 homes.

3. How does this benefit the people of Leeds City Region?

The Growth Deal will promote growth in Leeds City Region by funding a further 6 key projects or programmes across the LEP area. These will develop land and buildings to create new jobs, homes and local facilities. New employment opportunities will be supported through business innovation and more local people will be skilled up to work in growing sectors. Local communities will be able to access new forms of low carbon or neutral carbon energy.

According to estimates by the LEP, the Growth Deal could bring to Leeds City Region:

- Up to 10000 Jobs
- Up to 2000 Homes
- Up to £640m public and private sector investment

4. What is the benefit for local businesses?

The Growth Deal confirms additional funding for a capital grants to businesses. This flexible fund, along with the new Growth Deal-supported Business Growth Hub, will enable companies to get the right support at the right time to start-up, grow and enter new markets. University based Innovation and Enterprise Centres will help businesses form and develop in high technology sectors, including health and medical, advanced manufacturing and digital and creative.

5. Facts and figures

The Growth Deal builds on significant recent investment in growth opportunities in Leeds City Region including:

Growing Places Fund total allocation: £36.2m

Enterprise Zone funding: £8.575m

The Leeds City Deal will create a £1bn West Yorkshire Transport Fund to improve journey time and maximise economic productivity. Government is also contributing £4.6m towards a new Apprenticeship hub as part of a 'Guarantee for the Young' – a commitment that every young person in the City Region has access to a job, training, apprenticeship, volunteering or work experience.

Regional Growth Fund: Regional Growth Fund: Leeds City Region LEP area has to date received £49m investment from the Regional Growth Fund, and could also benefit from £36.0m invested in neighbouring LEPs