

Multi-Area Agreement for Leeds City Region 2008-2016

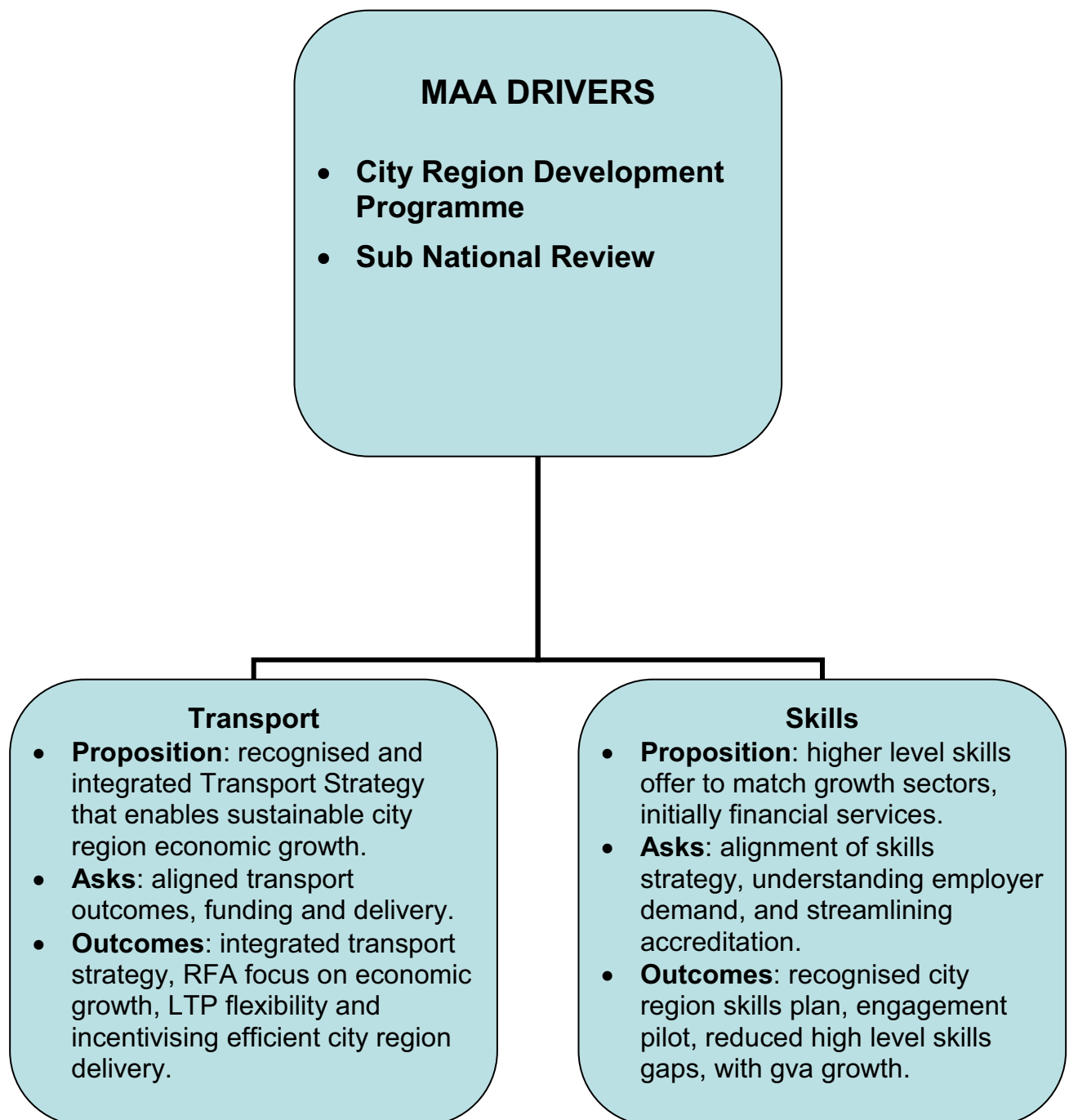
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Executive Summary

In line with the aspiration of the Sub National Review (SNR), and to drive forward delivery of the Development Programme for the Leeds city region (CRDP), we are seeking an Agreement with Government on those specific areas of delegation that will enhance the capacity of our democratically accountable leadership to make decisions that will accelerate the sustainable economic growth of our city region. Our Multi-Area Agreement (MAA) has been developed to create a new, mature dynamic with Government and its national agencies.



Our CRDP provides ‘horizontal’ policy alignment (between our eleven Local Authorities); our MAA provides the ‘vertical’ alignment needed, including devolution, between the local and national levels.

Eleven local authorities one vision

Our *CRDP*, agreed in 2006 by our eleven Local Authorities, focuses on addressing the specific city region drivers and inhibitors of economic competitiveness such as: transport infrastructure; skills and the labour market; housing market; business sectors; and innovation. Seizing the opportunity to unlock prosperity within our communities is central to our CRDP’s driving vision for the sustainable growth of our city region:

To develop an internationally recognised city region; to raise our economic performance; to spread prosperity across the whole of our city region, and to promote a better quality of life for all of those who live and work here.

Our *MAA* shines the spotlight on specific barriers and solutions to growth which have been identified within our CRDP evidence base and by subsequent analysis:

- Addressing growing **transport** congestion (as identified in our long term Transport Vision), to ensure our people can get to and from work, and that our communities are not physically excluded from new growth and employment opportunities¹;
- Closing the persistent gap in **higher level skills** (NVQ level 3/4+), including those identified within our growth sectors and drivers, with an initial focus on Financial and Business Services, to ensure that our businesses have a pool of skilled knowledge workers to drive business competitiveness.² *Our MAA will not initially focus on worklessness and issues around lower level skills.*

Our MAA has been developed as a positive and pragmatic response to addressing these challenges and as a response to the opportunity set out in the SNR for more locally determined economic growth.

¹ **Hilary Russell**, *MAA Literature Review*, EIUA, Liverpool John Moores University, March 2008, has found that improved transport infrastructure plays a key role in economic growth: by improving spillover effects by widening the services supply chain and increasing the supply of suitable staff,.

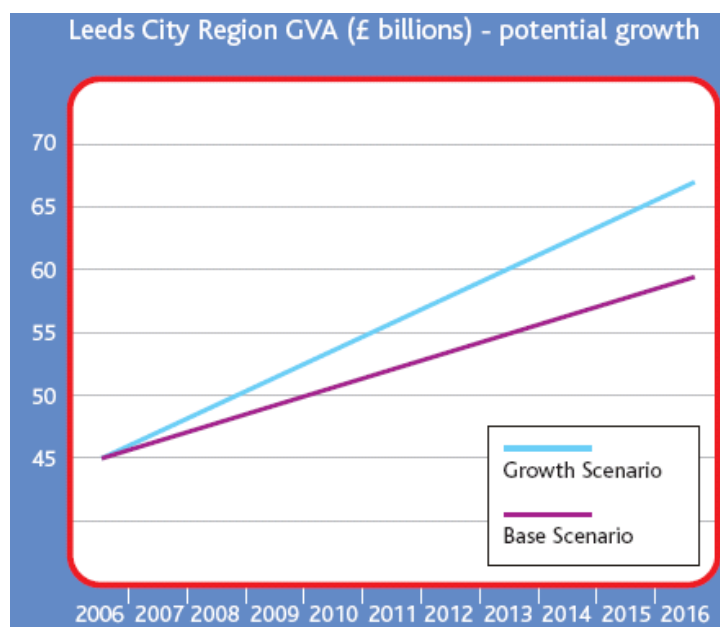
² **John Denham** ([The Guardian, Monday 19th May 2008](#)) stated that Britain needs to act urgently to prevent an acute shortage of skills in strategic sectors of the economy, including in the financial services sector: "We are making a lot of progress, but the fact is too much of our skills training is based on a hope that employers will train people in the skills the economy will need in the medium term...If we are to be certain our economy is equipped to face future challenges, we will need in the future to do more than to continue to rely on hope."

By focusing on the above two key themes of transport and skills, we wish to enable the city region labour market as a driver for competitive advantage and growth, therefore delivering the complementary aspirations of our CRDP and government’s Public Service Agreement to improve regional economic performance and narrow the gap between city regions.

Competitiveness: the challenge to be addressed

Our CRDP has identified that, without concerted intervention, economic growth in our city region will be held back. The chart below illustrates the projected divergence in the economic fortunes of our city region based on two possible scenarios³:

- Base scenario illustrates ‘natural’ economic growth, without CRDP intervention and investment to stimulate growth and correct market failure. Although the city region has recently experienced rapid growth, the base (“policy off”) scenario will not enable the city region to help the government in the delivery of their agreement to close the productivity gap between city regions.
- Our growth scenario focuses on securing rapid growth and includes the effects of proposed major schemes that regional and local partners have prioritised within the CRDP, such as maximising our growth drivers (key business sectors) and addressing underlying growth inhibitors (such as transport connectivity, skills, housing and critical utility infrastructure). It recognises that growth can be choked off, including by labour supply shortages and congested transport infrastructure.



³ 2006, Yorkshire Forward, Experian Business Strategies

Delivering our CRDP: the opportunities and threats

The CRDP growth (“policy on”) scenario illustrated above suggests that by 2016 the city region could generate around 150,000 net additional jobs and increase GVA by £21bn from the 2006 figure of £45.5bn to around £66.9bn, representing a 4% per annum growth in GVA per capita.

We recognise that although economic growth is a clear *opportunity* to raise relative and absolute city region prosperity, it is also potentially a *threat*:

- increasing peak hour pressure on the capacity of the transport system from more people commuting across the city region is increasingly unsustainable; and
- Excess demand for highly skilled employees affects business competitiveness by exerting an upward pressure on labour costs or persistent gaps opening up in the supply of skills.

Critical to delivery of the city region growth (policy on) scenario is delegation from government to enable decision making and delivery at the appropriate spatial level, to address the symptoms and barriers to growth, such as chronic congestion and labour market failure, such as key skills gaps.

By addressing these key growth inhibitors of higher level skills and transport, we envisage that our MAA will add real value to delivery of our CRDP growth ambitions, and as a key Northern growth driver, accelerate our contribution to delivering government’s ambition to close the productivity gap between the city regions.

Local Linkages

In addition, we have been mindful to ensure that our MAA complements, and does not duplicate, the individual Local Area Agreements (LAAs) and local area interventions which are being agreed in individual districts across the city region.

- *Worklessness*, for example, is a recognised key local economic and social issue within specific pockets of deprivation within our city region (see [Worklessness in Leeds City Region](#), 2007) and further investigation is needed to identify the particular role the city region/MAA can occupy, given that there is at present insufficient experience of shared working in this area on which to build.
- We will similarly be working closely to support and network the nascent *Employment and Skills Boards* emerging across the city region and will seek to build on shared priorities and good practice as these are developed, potentially to fit within the scope of subsequent MAA refresh activity, as appropriate.

Our governance arrangements and delivery capacity

It is recognised that, on their own, strong governance structures are not able to drive economic growth. However they are considered a pre-condition for the devolution of local leadership, policy development and delivery.

The focus of our partners has therefore been to seek the alignment of governance arrangements with the functional city region economy, creating a robust and democratically accountable mechanism for identifying the key economic challenges and producing effective policy solutions.

Our city region governance arrangements, including a legally constituted Joint Committee of eleven Local Authority Leaders (established in April 2007), have been designed to create a policy making environment which enables public and private partners to respond quickly and proportionately to changes in the economic environment, such as the impact of periodic economic shocks.

As recently announced, all of the city region's upper tier/unitary authorities are either rated 3 or 4 star, and we have developed this MAA in partnership with high performing local partners such as our Regional Development Agency Yorkshire Forward, the private sector/employers, the LSC, Metro (the West Yorkshire Passenger Transport Authority/Passenger Transport Executive) and Government office for Yorkshire and the Humber.

Our individual and collective city region governance arrangements therefore provide the strongest possible platform for the delivery of our MAA.

Future Development

Our MAA has been developed as a response to the issues which are acting as a hurdle to sustainable economic growth within the city region. The political, economic, social and technological context is subject to constant change and correction; our MAA will need to evolve as the CRDP is delivered and regularly refreshed, and should be flexible enough to respond to opportunities to include new themes as appropriate, such as:

- Worklessness
- Housing
- Critical infrastructure

Where there is the evidence base and capacity for intervention on these agendas, eg implementation of a potential housing new growth point, specific asks will be developed in conjunction with GOYH and the relevant government departments to refresh the content of our MAA accordingly.

Asks and measures of success

Our MAA seeks to establish a dialogue about devolution in line with SNR, where delivery of our CRDP would be enabled by additional specific government support.

The vital few MAA transport and skills related ‘asks’, summarised in the tables below, have been identified as a basis for establishing how relevant government departments would be able to support the delivery of agreed city region priorities, and at the same time align with relevant national government agreements and objectives.

Agreement on our initial asks will build on the capacity of our established governance arrangements, and provide a platform for a constructive and permissive dialogue with government to ensure that decision making and policy formation takes place at the most appropriate spatial level.

Our Higher Level Skills Asks	What we require of Government	What we will deliver
Ask 1: Strategic Alignment	<p>1.1 Recognition by DIUS of city region priority to address higher level skills.</p> <p>1.2 Duty, eg for LSC, to co-operate/participate in preparation of a high level skills plan for the city region.</p> <p>1.3 Leeds city region named consultee on LSC, HEFCE, Integrated Regional Strategy and national skills policy/legislation.</p>	<ul style="list-style-type: none"> • Skills Plan for higher level skills by June 2008, with funding aligned around city region outcomes; • city region influence on regional and national policy/legislation; and • policy alignment that supports the DIUS economic competitiveness objective.
Ask 2: Employer engagement	<p>With DIUS, test innovative engagement approaches, using a representative cohort of city region of SMEs.</p> <p>This work will require additional flexibility from DIUS/LSC and the QCA on the courses eligible for public funding.</p>	<ul style="list-style-type: none"> • established and representative cohort of (circa 200) SMEs by 2008; • feed learning into city region/national policy; and • cohort become sector champions, and disseminate best practice to our other SMEs.
Ask 3: Streamlined approach to accreditation	<p>Pilot flexibilities in the accreditation of in-house training and credit accumulation within Leeds city region SMEs of level 3 / 4+ courses which directly relate to our key economic drivers/sectors.</p>	<ul style="list-style-type: none"> • streamlined accreditation increases uptake of skills; • reduction in reported high level skills gaps; • increase in higher level qualifications gained; and • wider benefits, such as engaging hard to reach employers.

Our Transport Asks	What we require of Government	What we will deliver
<p>Ask 1: Co-develop a Transport Strategy that delivers aligned outcomes and priorities</p>	<p>1.1 Dft to participate in the development of the Leeds city region 10-15 year Transport Strategy.</p> <p>1.2 Network Rail to be encouraged to participate/co-operate in the development of our Transport Strategy.</p> <p>1.3 Recognition of Leeds city region as a named consultee.</p>	<p>Nationally recognised Transport Strategy in place by June 2009 that aligns and influences national priorities, investment plans and outcomes, including DfT economic growth and access to jobs DSOs.</p>
<p>Ask 2: Delegation to improve the allocative efficiency of agreed transport funding</p>	<p>2.1 DfT will work with the city region to develop a pilot programme to accelerate the delivery of major schemes</p> <p>2.2 Freedom to use LTP on revenue activities, such as Smarter Choices.</p> <p>2.3 LTP funding to be made available as cash grant to all city region partners.</p>	<p>Collectively, these proposed financial freedoms will:</p> <ul style="list-style-type: none"> • sharpened focus of transport investment on delivering faster economic growth, in line with our CRDP forecasts; • unlock LTP block funding potential to deliver aligned city region outcomes, eg through pooling and spend on strategic revenue items; and • through retaining cashable savings, incentivise local partners to support national and regional scheme delivery.
<p>Ask 3: Enable the city region to remove operational barriers to the delivery of an integrated transport system</p>	<p>3.1 Responsibility for the management of the Northern rail franchise within the city region on behalf of the DfT.</p> <p>3.2 Ability to implement bus/rail ticketing schemes beyond the</p>	<ul style="list-style-type: none"> • efficiencies and opportunities in the city region rail network • Ticketing scheme across Leeds city region to improve the functioning of the labour market. • Increased influence on

	West Yorkshire boundary (Metrocard).	Northern / Network Rail to meet the needs of the city region e.g. performance and quality of services.
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What our MAA will Mean in practice

A mature dynamic between government and the city region, which fosters economic policy making at the most appropriate spatial level.

Through improved collaboration, conditions created for accelerated economic growth and the creation high value employment opportunities.

More people in the city region with the skills they need to compete in a global economy.

A transport system that supports investment and the free movement of workers and goods within the functional city region economy and beyond.

Interventions designed to maximise inclusion of all areas within the city region and minimise the long term impact on the environment.

1. Introduction - Our City Region and Vision

- 1.1 Comprising the densely networked, interconnected cities, boroughs, districts and places within West, South and North Yorkshire, Leeds city region represents a naturally functioning economic space. With its self-contained labour and housing markets, the city region provides an ecosystem for our business sectors and institutions to create the new ideas and innovative products and services which are the drivers of competitive advantage and economic growth.
- 1.2 The Leeds city region covers an area of 5,716 km², around 80 km across from north-south and east-west. With close to 3m people, a resident workforce of 1.5m, an employment rate of 74.3%, over 70,000 businesses and an economy worth £46bn per year, our city region has diversity and it also has scale.
- 1.3 The city region is home to 56% of the Yorkshire and Humber region's population, yet occupies less than 37% of the land area, suggesting that the agglomeration benefits of the city region are substantial. And the following table reinforces just why our city region is the recognised economic output driver of the region.

Key Indicators	Yorkshire and Humber	LCR Share of Y&H Total	LCR % Share
Population	5.1m	2.8m	56%
GVA	£78.1bn	£45.8bn	59%
VAT Stock	130.3k	75.3k	58%
Jobs	2.453m	1.479m	60.3%

Key Leeds city region economic indicators

- 1.4 Our city region economy appears to be performing relatively strongly because it comprises those interdependent places (See Annex A) where the strengths of one place are assets for others to draw upon. The following sectors, which are the key drivers of competitive advantage and economic growth, occur across the city region in different intensities and concentrations although they draw upon wider pools of labour markets, sources of knowledge, suppliers and investment, business to business networks and they serve markets on an increasingly global basis.
- Financial and business services
 - Electrical and optical equipment

- Bioscience, health and medical research
- Digital and creative industries

- 1.5 And yet, despite its many strengths, the productivity of our city region is not growing quickly enough; GVA of £37,500 per full time employee lags the national figure of £41,700⁴. In order to seek to close the 10% gap, a step change in business competitiveness is needed, accompanied by concentration of the focus of public policy on the spatial level of the city region.
- 1.6 All the places and communities in our city region have therefore moved to become equal partners of a strategic economic alliance brought together under the democratic auspices of a joint committee of the city region's eleven local authority Leaders with delegated powers to promote economic development (see Section 6).
- 1.7 Our legally constituted, democratically accountable partnership has committed to realising a vision to fully recognise the strengths of our city region and also to seek to seize future growth opportunities. Its pursuit respects the different starting points of its individual places, directions of travel, and the common linkages between strategic choices on shared priorities. Our collective vision is to develop:

an internationally recognised city region; to raise our economic performance; to spread prosperity across the whole of our city region, and to promote a better quality of life for all of those who live and work here.

⁴ Experian Business Strategies for Yorkshire Futures, 2007

2. Why a Multi-Area Agreement (MAA) is needed

- 2.1 To drive our vision for the city region, our partnership has made clear choices about what to do in order to accelerate sustainable economic growth. These agreed areas for action are set out in the [Leeds City Region Development Programme \(CRDP\)](#) . Our aspirations for the city region are closely aligned with those contained in the [Regional Economic Strategy](#) (RES), in particular RES Objective 3 (Skilled People - Benefiting Business) and RES Objective 4 (Transport, Infrastructure and Environment).
- 2.2 Our CRDP sums up the key statistics, provides the analysis, and spotlights the economic drivers of growth as well as the factors which hold us back. These are the structural things where specific actions at the city region level will be required to fulfil our considerable economic potential. In order to achieve this level of aspiration we recognise that, collectively, we need first to dismantle some of the key obstacles to achieving a faster rate of growth, such as transport congestion and specific persistent gaps in higher level skills.
- 2.3 Our CRDP also summarises the dynamics of the market forces operating within our city region and which overlay the geography of places, are creators of value from the ebbs, flows and interactions of housing and labour markets, consumer expenditure patterns, transport of goods and people, spill-overs of tacit knowledge between businesses through often less tangible relationships and networks. As a consequence of our economic success, it is recognised that the city region has become increasingly busier, and, without co-ordinated and targeted investment in its transportation connectivity, an appropriately skilled workforce, scarce investment resources will potentially be misdirected, and the growth of the city region put at risk.
- 2.4 Because our shared economic priorities, such as tackling high level skills gaps and reducing transport congestion, are city region-wide and intertwined, the corresponding solutions are best delivered collectively, cutting across traditional administrative, partnership and functional boundaries. We cannot however work-up and then action viable solutions in isolation. A flexible, long-term delivery framework is needed which clarifies the respective roles and responsibilities of local, regional and national partners, and which also identifies and then provides a route map that addresses any capacity bottlenecks.
- 2.5 Some of the practical support measures required from regional and national agencies and from government in order to fully realise our ambitious growth scenario are summarised in our CRDP. The city region economy is set to grow. Base case scenario based on economic trends and past performance indicates the city region will create 62,200 net additional jobs and increase GVA by £14bn by 2016. Our Growth (“policy on”) scenario proposes that the city region will create around 150,000 net additional jobs, and increase GVA

by £21bn from the 2006 figure of £45.5bn to around £66.9bn by 2016. The growth scenario recognises that there are a number of factors that, if not addressed, will serve to inhibit the growth and competitiveness of the city region, including transport connectivity, and skills and labour markets.

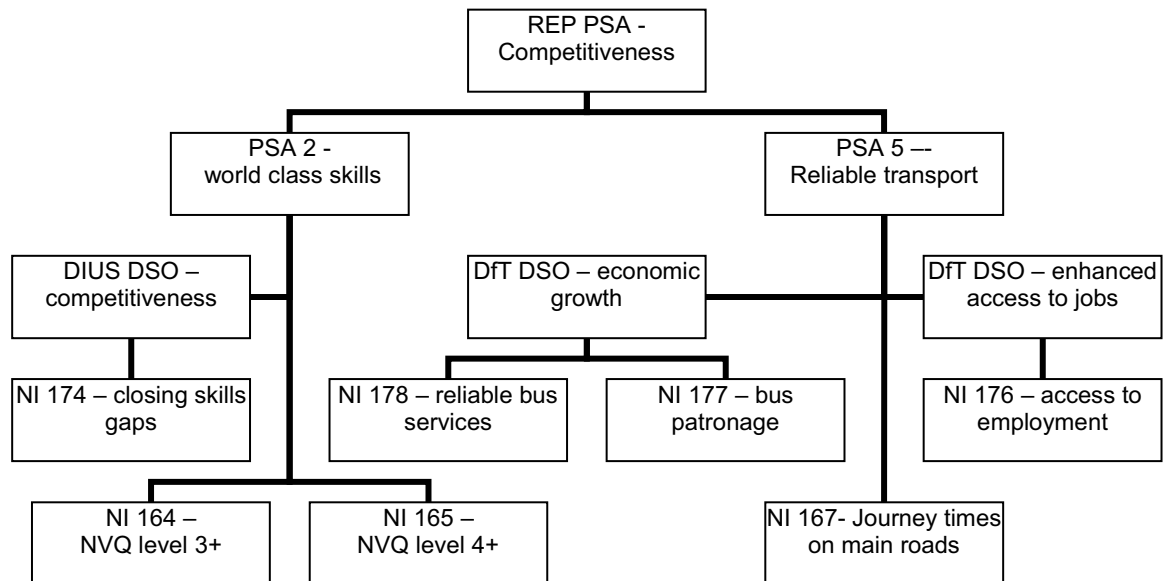
- 2.6 In the development of our Multi-Area Agreement (MAA) proposition we have refreshed our thinking about how government and their national agencies in particular can work with us to help deliver the aspiration of our CRDP and remove the barriers to growth. A focused approach to development of our MAA has been undertaken which has been driven through our established governance structures (Section 6 refers), and which has engaged a full range of local, regional and national partners, including the eleven Leeds City Region Local Authorities, the private sector, Yorkshire Forward, the Learning and Skills Council (LSC) and Government Office for Yorkshire and the Humber (GOYH). We have also had a number of discussions with Government departments including the Department for Communities and Local Government (CLG), the Department for Transport (DfT), and the Department for Innovation, Universities and Skills (DIUS) and have been active in relevant MAA networking activity, such as those networks convened by CLG/OPM and the New Local Government Network (NLGN). A summary of development activity undertaken since October 2007 is shown at Annex B.
- 2.7 Our proposed MAA is thus envisaged as: *a Concordat between the Leeds city region partnership and government, creating a framework for progressive and managed delegation, in line with the proposed 'place shaping' role for Local Government as set out in the [Lyons Inquiry into Local Government](#) ambition of the [Sub National Review of Economic Development](#) and more recently as set out in [REP PSA](#), to engage the ongoing support from Government to ensure that policy design and delivery is responsive to city region need and opportunity, enabling us to work smarter and to accelerate the pace at which our CRDP, and consequently economic growth, is delivered.*
- 2.8 The Multi-Area Agreement (MAA) proposition is a long term cross-boundary partnership based approach to the dismantling of the key barriers to the sustainable growth of the Leeds city region. Our proposed MAA initially will seek to address the following evidence-driven and interlinked priorities of:
- Closing persistent higher level skills gaps, with a focus on SMEs within our city region growth sectors; and
 - Transport connectivity inside and outside the city region.

2.9 Our detailed proposals have been developed to address the following:

- high level drivers, including CRDP and relevant Public Service Agreement/Departmental Strategic Objective (PSA/DSO) delivery;
- nature of the specific problem that needs to be resolved, eg market failure;
- the proposed partnership based solution by which we would seek to resolve the identified problems (including our ‘asks’ of Government); and
- consideration of the specific outcomes/impact which will be achieved as a result.

3. Outcomes Framework

- 3.1 Our MAA proposal has updated the understanding within our CRDP of the key barriers to city region competitiveness and the specific areas of delegation that we consider would be helpful in order to promote faster economic growth. This section provides an overview of some of the relevant considerations in establishing a robust high level outcomes framework.
- 3.2 Our CRDP provides the horizontal agreement between partners to growth the economy of the city region. Our MAA provides the necessary vertical alignment with regional and national agencies and government. The establishment of our MAA would therefore help enable the necessary ‘policy on’ conditions to deliver our CRDP “growth scenario” which is to secure a total of £21bn additional GVA p.a. by 2016, 150k additional jobs, and 4% growth p.a., with this in turn driving the REP PSA agreement to making sustainable improvements in the economic performance of all English city regions, and over this period, reducing the persistent gap in growth rates between the city regions. Delivery of our MAA will also support PSA 2 (world class skills) and PSA 5 (reliable transport), along with associated DSOs.
- 3.3 In addition, significant Strategic Added Value (SAV) deriving from implementation of our MAA with respect to embedding our governance structures, including the following:
- *co-ordination* - alignment of national and regional strategies with CRDP, joint planning and delivery, and partnership working);
 - *strategic catalyst* – Leeds city region influence over funding/resources, shared vision and leadership, including private sector input via Business Leadership Group; and
 - *innovator/advocator* – Providing city region intelligence and contextual understanding (via CRDP/economic assessment), highlighting city region spatial priorities, and enabling specific project successes.
- 3.4 The following diagram provides an overview of government’s performance framework as these relate to our MAA ambitions and the themes of high level skills and transport. As part of agreement with CLG we would propose to agree delivery of elements of this overall framework within our city region through our MAA.



National skills and transport performance framework

3.5 Although the above diagram illustrates the overall framework for the delivery of our MAA transport and skills themes, the specific added value/outcomes in respect of the individual skills and transport strands of the MAA are considered further in Sections 4 and 5 below. The outcomes outlined provide the basis for assessing the success and value added of implementing the individual MAA “asks” of government which relate to skills and transport, and their specific contribution to national PSA and DSO delivery. MAA delivery will dovetail with individual NIs, as discussed in Section 7.

4. Skills

Policy and evidence base

- 4.1 Our analysis of the key skills issues has drawn on a range of policy and independent evidence and is set out in the table below:

Key skills evidence/policy	Relevant conclusions/findings
Leeds City Region CRDP	<p>Articulates the need for interventions in the city region labour market which delivers the following key aims:</p> <ul style="list-style-type: none"> • A highly skilled workforce, in particular equipped with the skills required by our key economic sectors; • An efficiently functioning labour market, matching supply to demand and supported by enhanced transport connectivity; and • An inclusive labour market, maximising the economic contribution of all, including that of individuals in our hardest to reach communities.
CRDP Evidence Base - Financial and Business Services Study, Henderson, 2006	Independent research which identifies the Financial and Business Services (FBS) sector as critical to the success of the Leeds city region economy and articulates the skills shortages which are acting as a constraint to growth.
A Vision for Skills 2008-2010	Y&H Regional Skills Partnership proposals for a sectoral focus on the development of high level skills through partnership with city regions.
Regional Economic Strategy	Identifies higher level skills as a key deliverable for period 2006-2015.

Key skills evidence/policy	Relevant conclusions/findings
Yorkshire Forward Corporate Plan 2008-2011	<p>Highlights that some 20% of the UK’s productivity (GVA) gap with countries such as France and Germany is the result of gaps in specific skills needed to drive business growth.</p> <p>Acknowledges the city region labour market as the appropriate level for delivering high level skills, including the funding of niche programmes for key sectors, such as FBS in Leeds city region.</p>
Regional Skills Commissioning Plan 2007/08	<p>Learning and Skills Council Y&H sets out actions needed to achieve the vision for the Region, with potential gaps in the articulation of implications for city regions and their target sectors.</p>
Leitch Review of Skills	<p>Examines long term skills needs, recommending a transformation in skills attainment by 2020, including higher level skills, this based on a firmly demand-led approach.</p>

The problem to be addressed

- 4.2 In 2006/07 £1.07bn was spent by LSC in Y&H, £327m of which on adult learning/skills and learner support and development. Nationally £3.3bn was spent on adult learning, helping 3.5m adults to improve their skills, 348,160 of which were in the Y&H region.
- 4.3 The Skills Partnership (2007) for our region has concluded the following:
- Skills and employment outcomes are pursued by a range of public organisations, with a diversity in terms of priority focus (eg skills level and sector) and spatial impact (although generally not functional economy/city region).
 - an increasing focus of interventions on tackling disadvantage (lower level skills) and local interventions to address economic development objectives, missing city region focus and higher level skills.

- partners seemed to suggest on the whole that national policy was actually having the affect of restricting or reducing flexibilities, or at very least driving the use of funding down very specific routes; and
- At one level this was seen as a good thing as partners subscribe to the idea that tackling a small number of key issues with significant resource is better than tackling many issues with thin resources. However, the counter-claim, is that there are probably ‘winners and losers’ because of this approach and that if anything flexibilities previously enjoyed - for supporting innovative, sectoral, or spatially-specific programmes that are responsive and genuinely adaptive to change and opportunity – are likely to be less apparent in future.

Sector focus

4.4 Building on the policy and evidence base summarised in the above table, our MAA would focus initially on resolving particular issues around higher level skills attainment, with *an initial focus on the financial and business services (FBS) sector*. We propose pilot work within the FBS sector for the following reasons (see also Henderson report, 2006 above):

- nationally second in size only to London, our FBS sector is a significant productivity driver employing some 273,000 employees in the city region (112,000 of which are in Leeds), comprising some 63% of the regional total employed in the sector, and forecast to comprise 25.1% of Leeds city region output and 19.1% all jobs in the period to 2016;
- there is a persistent under-supply of individuals in the sector with the requisite high level skills which is choking off the growth of the sector;
- some 94% of workplaces have between 1 and 199 employees, indicating a sector comprised of small firms, although for many years rationalisation and merger of firms has been stimulated by intensifying competition; and
- the accelerated expansion of the FBS sector would maximise benefit to all geographic areas of the city region, capitalising on local economic strengths and opportunities through the development of a “hub and spoke” approach.

4.5 Our approach seeks to road test what might be termed the “market making” assumptions underpinning our proposed focus, prior to including the other city region target growth sectors of electronic and optical, bioscience, health and medical research, and our digital and creative industries. We would for example seek to explore further why market signals reflecting the shortage of supply of highly skilled workers are not working as would be predicted under conditions of perfect competition, ie that wages should go up and more people would be willing to pay for the training, and then growth in pay falls back as supply matches demand. Our hypothesis is that, because of barriers to take

up of skills, such as the protracted process for achieving in-house accreditation, and the existence of supply side rigidities, too many of our SME employers adopt satisficing⁵ behaviours, and therefore ‘make do’ with access to a second best mix of skills even though opportunities for business development may be lost as a result, providing that as a result the underlying viability of the business is not threatened.

4.6 In terms of the empirical evidence base for the above assumptions, employers interviewed for city region research into the sector concluded there are more high level FBS vacancies in the city region than suitably qualified people to fill them. Certainly however the city region labour market appears more capable of filling these high value added vacancies than elsewhere outside of London, for following reasons:

- The Leeds city region attracts and retains a critical mass of graduates, who provide a valuable labour pool for FBS recruits;
- There is also a critical mass of variety and volume of FBS opportunities across the city region (overcoming "second job syndrome") and the generally higher perceived quality of life and lower cost of living ratio means that staff in the south east are more readily relocating to help fill vacant posts; and
- This critical mass has created a fluid and dynamic labour pool with a diverse skills base which contributes to a more attractive and competitive offer, e.g. FBS firms in the Leeds city region are now able to attract and retain clients from London alongside their existing local client list.

4.7 And yet, despite the obvious strengths of the sector, such as the dynamism of the labour market, high level skills issues that employers identified as needing to be addressed at Leeds city region level include the following⁶:

- Alongside general higher level skills issues, the city region has further gaps in specialist technical activities such as *venture capital, merchant banking, and specialised aspects of corporate law, and IT.*
- There also remains a persistent gap in well developed softer skills in the sector (including recent graduates), with respect to communication, networking, customer care, which are essential for delivering business development (in other words, there is a scarcity of technical experts that also have well developed business development skills).
- There is a wider issue with harnessing the entrepreneurial nature of large sections of the Leeds city region population, reflected in a lower business density than nationally.

⁵ Concept of ‘bounded rationality’ as applied to the theory of the firm and coined by the economist Herbert Simon.

⁶ See also Mark Rudd, *Leeds Financial and Related Services Sector: Strengths of the Labour Market*, Leeds Metropolitan University, Policy Research Institute, 2006.

Skill level focus

- 4.8 The wider requirement to more generally increase higher level skills in the city region is also recognised, beyond the FBS sector. Yorkshire Forward has estimated that currently around 28.1% of the city region’s economically active adults are qualified to level four or above. This is greater than for the region but lower than England which has a rate of 31.5%. Yorkshire Forward⁷ has estimated that by increasing the attainment of skills in the region to the Leitch targets to 2020 employment will grow by 0.81% p.a. compared with base forecast of 0.46% p.a. and GVA by 3.3% p.a. compared with baseline of 2.4% p.a.
- 4.9 To close the productivity gap, efforts need to be directed consistently at hitting the targets laid down by Leitch to have 40% of the working population in the city region qualified to this standard or above by 2020, equating to an additional 630,000 people requiring higher level skills.
- 4.10 We see this clear focus on higher level skills as a particular strength of our MAA because it embodies the principle of subsidiarity. While there is a need to ensure clear progression pathways that lead between basic skills, the worklessness agenda and higher level skills, it is only higher level skills that are best addressed at the scale of the functional (city region) economy and that the district and below forms a better scale for tackling basic skills and worklessness. Through links to emergent district Employer Skills Boards (ESB) and Local Strategic Partnerships (LSP), city region partners will ensure pathways to opportunity and across delivery are managed effectively without risking “mission creep”.

Stakeholder engagement

- 4.11 The development of the MAA has prioritised an active and early input from employers. A series of employer led sector specific ‘round table’ discussions were convened in April 2008 as part of our MAA development process (see box below) and further “triangulated” against the private sector views of our Business Leadership Group in April.

⁷ *Changing skills profiles in Yorkshire and Humber*, Experian, April 2008

Leeds city region financial and business services (FBS) - employer led round table discussion on higher level skills, April 2008

One of a series of employer led round table discussion focussing on key skills barriers within city region growth sectors as a crucial step in our programme of constructive employer engagement.

Key Private Sector issues and challenges raised have informed the development of our MAA skills proposition and asks:

- Clear sign up to the fundamental importance of progression routes and ensuring employees had access to appropriate training and development throughout their careers. However, capacity issue noted around employers (of all organisational size) engaging in the system without the driver of specific actions or outcomes to achieve, and agreement that any engagement has to be meaningful.
- In a similar vein to the Creative and Digital round table discussions, agreement that managing supply and demand will be important and require partnerships with employers/funders and providers to ensure an effective pipeline and supply of people with relevant skills.
- Noted that organisations are involved in education through engagement with schools or with higher level education through involvement in FE/HE. However there was insufficient involvement around the creation of courses, content or delivery.
- Several of the large employers gave information on current in-house training provision and noted that for technically qualified jobs (such as accountancy) on-going professional development was vital. Employers noted that most of the training offered was in-house and currently focused on customer services and sales.
- When discussing a *demand led* system participants noted that there is a demand for employability skills to be embedded within provision across the board. It was also noted that the existing division (and the pathways) between academic and vocational training needs to be addressed. Specific examples of good practice in engaging business with the skills system, in this case the University of Huddersfield used the West Yorkshire Employer Coalition's Contact Centre employer group as a sounding board for the development of a Foundation Degree in Contact Centres. First Direct, Chair of WYEC's Contact Centre group, piloted the Foundation Degree, which was subsequently launched in Sept 07.
- Part of the asks of the MAA involve seeking dialogue with Government around easements on the accreditation process for in-house training. Participants were keen to move this forward, if it meant appropriate sources of funding could then be accessed. There was general agreement that this process could ensure courses were appropriate (in terms of length and delivery options) and relevant (in terms of content). It was agreed that methods of accrediting work based learning should be investigated especially (e.g. a scout badge system). The current Qualification Credit Framework was briefly discussed and partners felt this could be a useful way for staff to develop a portfolio of skills.

- 4.12 Within the city region, an ongoing prioritisation of employer engagement will be at the heart of the local end of the delivery of our MAA. Rather than setting up new processes that cut across existing arrangements, we will tap into existing mechanisms for constructive business engagement by:
- continuing to draw on the strategic input of the Business Leadership Group to ensure connection through to a wider set of business based interests and concerns; and
 - developing and maintaining connections to the existing and developing Employment and Skills Boards that offer employer engagement into broad skills and employment issues at a smaller geographical scale.
- 4.13 In terms of achieving a demand-led business based approach within the specifics of our sectoral focus on financial and business services, we will prioritise engagement in further ways:
- we will develop a cohort of SMEs, actively engaged in the delivery of our asks (see below for further detail); and
 - We will draw upon proposals to expand the Leeds Financial Services Initiative [Leeds Financial Services Initiative](#) (LFSI) to develop a sectoral network across the city region, building on existing networks in Leeds, Bradford and York.
- 4.14 At this stage it is not our intention to add to this effective utilisation of existing mechanisms for employer engagement by creating a city region statutory Employment and Skills Board. We believe that such a step would not add to our demand led approach, and would risk creating an unhelpful administrative burden on businesses not commensurate to the benefits it could offer. We will however keep the option of establishing a city region wide ESB under review to progress this should there be a clear rationale and net benefit in the future.
- 4.15 With our focus on higher level skills, there is a clear need and opportunity within our city region to draw on the substantial higher education infrastructure and capacity present within the city region’s colleges and universities. To that end we have actively engaged with West Yorkshire Universities, who are members of the city region Skills and Labour Market Panel. We will seek ensure that all key stakeholders are involved in the delivery of the MAA and further stakeholder engagement work will be prioritised as part of the delivery of the MAA:
- Higher Education Funding Council for England (HEFCE)
 - Qualifications and Curriculum Authority (QCA)
 - Sector Skills Council for Financial Services
 - Yorkshire Universities network

- National Financial Services Academy

What government can do to help and why

- 4.16 Our proposals for our sectors are pragmatic and grounded in realism. We recognise that it is challenging to plan for and deliver the right 'value adding' specialist skills provision to the FBS sector, particularly in the current climate of turbulence within global financial markets. However that perceived vulnerability serves to crystallise the importance of ensuring that the sector in the Leeds City Region are made resilient and, more positively, to capitalise on any new commercial opportunities. It has therefore become critical that the provision of high level skills meets the requirements articulated by employers and is delivered via a demonstrably flexible, capable and adaptive supply side.
- 4.17 The following asks of the Department for Innovation Universities and Skills (DIUS) which are detailed below are sought as a basis for discussion with government and partners to seek to address the above issues and challenges. The specific outcomes which will be delivered are also articulated below, which sit within the outcomes framework set out in Section 3.

Skills Ask 1	Strategic Alignment
What and why	<ul style="list-style-type: none"> • The scale of public sector funding available to fund skills within the city region is massive (the Y&H Regional Skills Partnership has estimated circa £2.4bn for Y&H in 2007/08, including RDA, LSC, JCP, HEFCE and GOYH, and excluding most LA and all employer contributions), and yet, as described above, there are persistent higher level skills gaps reported within our key economic drivers. If left unresolved this issue could limit the full economic potential of the city region. • Strategic alignment is necessary to ensure that the focus of national, regional and local skills policies and plans becomes more closely attuned to Leeds city region priorities as this is the spatial level at which the labour market functions, in terms of the demand for and supply of higher level skills (levels 3/4+) within specific CRDP growth sectors, eg Financial and Business Services. • It is considered that the Leeds city region partnership’s pursuit of alignment to date has been made more difficult by the trajectory of skills system

	<p>which is to increasingly focus on lower level skills (eg level 2), accompanied by reductions around the flexibility of funds (e.g. ESF rules) and the availability of discretionary funding (e.g. it is understood that the LID fund £9-10m in Y&H finished in April 2008).</p> <ul style="list-style-type: none"> • Moreover, the current planning arrangements of our key agencies have made alignment problematic. The current Y&H LSC focus on regional and sub regional planning has become less relevant as a tool because it does not map onto the functional economy of the city region. For example, within its 2008/09 statement of need, the LSC WY has prioritised links with the Leeds city region ‘skills theme’ for 2008/09. • This position is welcomed; however, due to the mismatch between the LSC and its current spatial focus and the functional economy of the city region this intent cannot deliver a practical mechanism for securing better alignment around Leeds city region priorities. For example, while the Leeds city region spatial area covers a significant area of North Yorkshire, there is no equivalent prioritisation of Leeds city region links within the LSC NY 2008/09 statement of need, these current arrangements limit the development of actions that address city region-wide skills issues.
<p>How to be delivered (the help needed from government)</p>	<p>We therefore wish to request the following from government:</p> <p>Skills Ask 1.1 Recognition from DIUS of the city region approach in tackling higher level skills issues and an ongoing dialogue with DIUS to identify current and potential opportunities for Leeds city region and any local and national constraints to delivery against Leeds city region priorities.</p> <p>Skills Ask 1.2 To build on commitment from Local Authorities, LSC, HEFCE, Yorkshire Forward, Employers, UK Commission for Employment and Skills and Higher and Further Education providers, to commission provision in a framework informed by the Leeds city region partnership which aligns priorities, relevant funding streams and outcomes around the CRDP priority of closing persistent higher level skills gaps in the Leeds city region target sectors. That</p>

	<p>commitment will be backed up by a requirement/duty for the key players to participate/cooperate in the delivery of this Ask.</p> <p>Skills Ask 1.3 The Leeds City Region has been identified as a key partner in aligning skills planning and tackling higher level skills issues. Formalising this status by ensuring the Leeds city region is a named consultee for all key local and regional partners involved with the planning, commissioning and delivery of skills will help produce a demand led approach to addressing gaps in higher level skills and provide a mechanism for the Leeds city region partnership to influence targeting of scarce resources.</p> <p>Therefore we ask that the Leeds city region is formally consulted on the preparations of the LSC annual regional commissioning plan and local statements of need, relevant HEFCE Strategic Development Fund, Business Support programmes, any future Integrated Regional Strategy skills proposals and relevant national skills policy and legislation.</p> <p>Building on such closer strategic alignment, will provide a framework for the delivery of Skills Asks 2 and 3 outlined below.</p>
<p>Measures of success/outcomes</p>	<ul style="list-style-type: none"> • Leeds city region skills plan developed signed off by June 2009, aligning funding streams and outcomes around delivering CRDP higher level skills priorities. • Leeds city region response to consultations from July 2008, eg relevant LSC Annual Statements of Need (for NY, WY, and SY sub regions) • Contribute to DIUS DSO to: improve the skills of the population throughout their working lives to create a workforce capable of sustaining economic competitiveness, and enable individuals to thrive in the global economy.

<p>Skills Ask 2</p>	<p>Understand and enable the Leeds city region skills system to be more responsive to employer need and demand</p>
<p>What and why</p>	<ul style="list-style-type: none"> • There is a recognised problem of engaging the private sector in the skills and training agenda and around showing / demonstrating the long term benefits of investing in training and development. • In light of the findings of the Leitch Review and current government policy direction, it has become clear that any viable skills system must- be demand-led and made relevant to employers. To achieve this requires the full support and commitment of employers who are fully engaged and ‘own’ the process.
<p>How to be delivered (help needed from government)</p>	<p>Leeds city region Partnership to pilot a business engagement model to test innovative approaches (potentially delivered via vehicles such as LFSI/FSA and/or Science City York/York Professional Networks), within a statistically representative cohort of Leeds city region FBS sector SMEs (who make up the bulk of the employers). This cohort will become better engaged in the skills agenda across Leeds city region through support in articulating their latent and existing needs, as well as being involved in product design to achieve a more tailored high level skills offer.</p> <p>In order to secure meaningful engagement from SMEs we will develop a model which allows the accreditation process to occur alongside the programme development, speeding up the process of accreditation and framework development.</p> <p>This will require additionally flexibility from DIUS/LSC and the QCA on the type and nature of courses, training and CPD opportunities which are eligible for public funding. Specific support around the development and implementation of ‘credit accumulation’ schemes for the employees of SMEs will also be required.</p> <p>We will engage with the existing and developing Employment and Skills Boards within the Leeds City Region to provide further strategic support and guidance in delivering this ask.</p>

<p>Measures of success/outcomes</p>	<ul style="list-style-type: none"> • representative cohort (circa 200) Leeds city region FBS SMEs selected by October 2008, interviewed and used as city region benchmark/baseline, to re-survey every 2 years, building up data set and engagement; • feed learning into Leeds city region plan/national policy as appropriate; and • benefits in terms of cohort SMEs acting as champions and disseminating the best practice/learning to the sector.
<p>Skills Ask 3</p>	<p>A streamlined approach to accreditation and ‘credit accumulation’</p>
<p>What and why</p>	<ul style="list-style-type: none"> • It is recognised that, in general, the publicly funded skills system does not support people once they are past their first stage 2 / 3 accredited qualifications. We recognise that focusing on level 2 qualifications bring social and economic benefits. However, it is clear that level 3 and above has a larger impact on economic growth and competitiveness. • Increased attainment at level 3 and above is crucial for the continued growth of the Leeds city region and as such we seek ways in which the accreditation of in-house training, which is considered by employers in or city region to be protracted and difficult, for our key economic drivers can be streamlined and improved. • The ask is that DIUS relax the rules for employer accreditation of qualifications to cover a collaborative approach for SMEs in our financial and business services sector.
<p>How to be delivered (help needed from government)</p>	<p>Pilot with DIUS and relevant agencies (eg UK Commission and Qualifications and Curriculum Authority) flexibilities in the accreditation of in-house training within Leeds city region SMEs of level 3 / 4+ training and relevant CPD opportunities which directly relate to our key economic drivers/sectors.</p> <p>We would propose building on the model outlined in Unlocking Britain’s Talent, and using the expanding Train to Gain (T2G) programme as a delivery mechanism for piloting higher level skills accreditation and credit accumulation frameworks, through locally</p>

	<p>relevant and innovative industry led accreditation bodies. This approach would require flexing the current focus of T2G, however is considered sensible to avoid cluttering the marketplace with new initiatives and branded programmes, and causing unnecessary confusion to employers (we would also seek to review and build upon current thinking underway in the NE/NW around using T2G for level 3).</p> <p>Delivery would be in two phases:</p> <p>The first phase (July 2009 to January 2009):</p> <ul style="list-style-type: none">• the work to establish the collaborative and ensure business engagement. Collaborative to include:<ul style="list-style-type: none">○ FBS SMEs;○ the Financial Services Academy (based in Leeds);○ the Financial Services Skills Council (the Sector Skills Council for the industry);○ Qualifications and Curriculum Authority (QCA); and○ West Yorkshire/YH Universities/ HEFCE, jointly facilitated by Leeds city region and YH LSC.• engaging employers, bringing together key partners and developing relationships with the aim of engaging more employers in designing training courses / provision. <p>This work would define phase two (January to June 2009):</p> <ul style="list-style-type: none">• facilitate employers working together to design appropriate qualifications at level 3 and above using a credit framework approach. Part of the ask will be to seek fast track accreditation for units towards a full qualification with the overall aim being full qualifications at levels 3 / 4+ and a route way to foundation degrees onwards.• Awarding body status given to groups of employers / Financial Services Academy, as appropriate.
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<p>Measures of success/outcomes</p>	<p>Benefits would be measured (against control group, as necessary) in terms of:</p> <ul style="list-style-type: none"> • Streamlined qualification accreditation, by making it easier for employees in our SMEs (initially in the FBS sector) to acquire specific accredited higher level skills, would help speed up and increase the take up of skills and boost productivity, contribute to more efficient use of public funds, potentially avoid duplication of provision and give an increased opportunity to involve employers in shaping the content and delivery of skills. • perceived benefits to employers in terms of improved business competitiveness. • Measurement of additional higher level skills attained/skills gaps reduced through relaxed accreditation, with an annual 10% improvement on baseline in representative cohort of circa 200 SMEs (proposed as a holding measure and subject to review). • Methodology established to measure the additional impact on GVA and employment of more higher level skills gained through our MAA, eg via Yorkshire Forward / Experian econometric model. • Roll out of the successful model to other city region growth sectors of: electrical and optical equipment; bioscience, health and medical research; and digital and creative industries. • Wider benefits to be captured, such as: <ul style="list-style-type: none"> ○ testing the extent to which employers that qualify staff as opposed to just training them will increase the overall propensity for to undertake additional learning activity; and ○ embedding of the perceived value of vocational learning as a valuable part of the ‘learning mix’, and therefore encouraging more hard to reach employers to engage with the wider skills system.
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Summary value added

- 4.18 Delivery of the above key skills asks would provide a powerful platform for achieving the following:
- Recognition by the above partners of the city region as a functioning economy, both in terms of the labour market and key sectors.
 - Strategic Added Value (SAV): Alignment of regional skills strategy/planning and delivery around CRDP skills priorities.
 - Unlocking increased GVA and employment growth to 2016 and beyond through re-focusing partners and employers around investment in skills in the city region, and piloting measures to correct the balance of supply and demand for highly skilled employees within our growth sectors, initially focussing on the FBS sector.
 - Contribution towards targets set in the Leitch Review of Skills, including
 - More employers engaged in training.
 - More qualifications gained;
 - Positive progression pathways;
 - Higher skilled workforce and
 - Fewer skills gaps reported by employers.

5. Transport

Policy and evidence base

- 5.1 Recent national and regional transport policy has shifted emphasis to recognise economic development outcomes as a key driver for investment decision making. This shift has informed recent transport policy development, and the main relevant policy setting and independent evidence which has informed the development of our transport proposition is outlined in the table below:

Key transport evidence/ policy	Relevant conclusions/ findings
<u>CRDP: Long Term Vision for Transport in the Leeds City Region, 2006</u>	The Transport Vision highlights that rising congestion is inevitable, and without radical action to prevent it, will crowd out economic growth.
The case for better transport investment: Agglomeration and growth in the Leeds City Region, Centre for Cities, 2007	Finds that Transport investment targeted specifically at city region priorities to be capable of securing significant additional economic returns from bringing people and businesses closer together, averaging 18% net additional benefits, currently unaccounted for in standard transport appraisal techniques.
<u>Yorkshire Futures study in the future of Y&H to 2030, Henley Centre HeadlightVision, 2008</u>	Recognition that Y&H as one of the worst hit regions for urban area traffic problems with Leeds city region the most acutely affected, eventually bringing about recognition of the issue and need for major co-ordinated investment.
Y&H <u>Regional Transport Strategy</u>	Sets out, as part of the Regional Spatial Strategy (RSS) the regional priorities and possible outcomes for transport investment and demand management, in order to achieve wider objectives including lower-impact transport, facilitating sustainable housing, and economic development (having regard to CRDPs). Key priority (A7) is to improve capacity and quality of public transport links within and between the main urban areas in the Leeds city

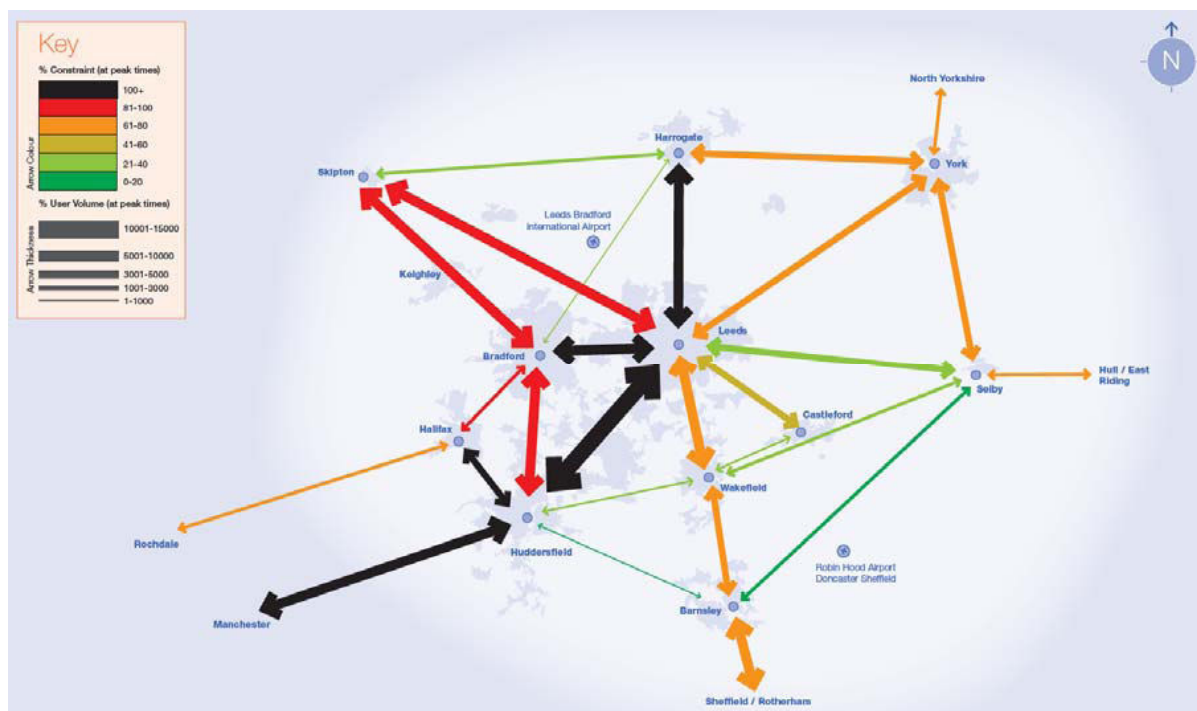
	region.
Yorkshire Forward Corporate Plan 2008-2011	Transport identified as a key “Policy Product” with objective of tackling transport related issues at a strategic level, in order to pursue economic development objectives. Specific priorities include seeking to influence partners to increase rail capacity in/to Leeds to improve access to the city region key labour market. Recognises the impact of RDA focus on Transport in terms of delivering Strategic Added Value (SAV), such as through better partnership.
Northern Way: Short, Medium and Long Term Transport Priorities	Outlines proposals to benefit movements between the North’s city regions, between Regions and to/from international gateways.
The Eddington Transport Study and the Government’s response: Towards a Sustainable Transport System	Consideration of how to strengthen the long-term links between Transport, the UK’s economic productivity, and sustainable growth.

The challenges to be addressed

- 5.2 Road traffic congestion and crowding on public transport is preventing a reliable, free flow of workers and goods and is “crowding out” the level of investment and economic growth in the city region⁸ that might otherwise be possible. Our CRDP growth scenario anticipates that 150,000 new jobs could be created in the city region by 2016. Together with spatial relocation of existing employment into regeneration areas and cities there will be significant and increasing pressure placed on the transport system. Our CRDP recognises that ‘smarter’ transport investment could realise even greater jobs growth. Our Transport Vision sets out that without long term 25 year targeted investment in our transport infrastructure, complemented by measures to manage the level of demand at peak travel times, the competitiveness of the city region, and therefore its potential contribution to productivity in the North and the UK as a whole, will be compromised.
- 5.3 As described in the in the Sections above, the city region operates as a functional labour market. Key to its effective functioning is the capability of the transport network to cope with demonstrably growing levels of demand, in particular on road and rail commuting routes within our city region and

⁸ See [Duranton and Puga \(2003\)](#) which considers in detail the theoretical micro-foundations of urban agglomeration economies including the trade-off between city growth and transport congestion.

between the other city regions. The central “accessibility through connectivity” theme within the city region Transport Vision (see Section 5.1 above) relates both to these internal connectivity priorities within the city region, and also to stepwise improvements needed in external connectivity linkages to London and Heathrow, Trans-Pennine links to Manchester and Manchester Airport, enhanced access to Sheffield and the Humber Ports.



2021 Main Peak time Highway and Rail Movement Patterns and Constraints

- 5.4 Based on a “do minimum” future scenario, as illustrated in the diagram of peak time transport flows above, the Transport Vision forecasts significant growth of the current transport road and rail networks. Analysis shows that most of the strategic links within the city region and beyond are predicted to be at or close to capacity by 2021, with the black arrows showing capacity at over 100%, representing severe road congestion and rail overcrowding.
- 5.5 Key Transport Vision proposed interventions include a flexible integrated package of investment measures in respect of bus, rail, highway, integration and air transport infrastructure, which aim to resolve key strategic congestion bottlenecks⁹. At the spatial level, these investment proposals have been developed to assist those areas in the city region which most need significant

⁹ See pp 23-25, [Long Term Vision for Transport in the Leeds City Region, 2006](#) for a detailed list of the proposed costed transport projects and interventions with the accompanying rationale for investment, and an outline Social and Environmental Assessment based on the Regional Spatial Strategy.

regeneration, employment and housing, and include some of our most excluded communities.

5.6 Our initial cost estimate of delivering the Transport Vision in full is £4.5bn (at 2006 prices). Our scenario forecasting suggests that without joint planning and shared priorities, the problems of congestion and overcrowding constraining economic growth will only be addressed by accident, not design. Moreover, the economic return on this proposed investment is an additional estimated £11bn of GVA, which factors in significant agglomeration economies (averaging 18% of additional benefit). The Transport Vision proposes the following categories of schemes for the city region:

- *Bus* – improved reliability, journey time, accessibility, quality
- *Rail* – electrification, capacity, better frequency, journey time, tram train
- *Road* – capacity improvements to improve strategic bottlenecks
- *Integration* – P&R, interchanges, ticketing and info to tie the whole strategy together
- *Air* – airports strategy for LBIA, Manchester and Robin Hood Airport Doncaster and Sheffield.

5.7 The Transport Vision is not a ‘shopping list’ of unrelated projects, nor a bidding document. The Transport Vision is necessarily very long term (25 years) in nature and has informed our view on the minimum scale of the overall transport funding envelope required to support the economic development of the city region. In order to support the creation of a city region *transport system*, where the component parts work together and are self-re-enforcing the Transport Vision is to be refreshed with a 10-15 year Transport Strategy in 2008.

Transport Strategy

5.8 The Transport Strategy will specifically seek to deliver the following:

- Facilitate co-development of a Transport Strategy with the active involvement of local, regional and national partners, including key agencies, to identify major programmes, and the levels and timing of investment required to deliver the agreed city region outcomes, including:
 - Support for individual LTPs and RFA/TIF schemes across the city region;
 - provision of sufficient transport infrastructure to support the sustainable delivery of more homes via any agreed New Growth Point and RSS modifications;
 - regeneration of our most deprived communities, including East Leeds, Wakefield District’s Five Towns, and central Bradford,

which will need to be supported by strong sustainable transport links to enable people to access the employment opportunities created, thereby maximising labour market catchments and agglomeration benefits;

- transport constraints along motorway networks, ring roads and overcrowding on trains to and from Leeds need to be addressed;
 - potential of Bus services are not being fully utilised; overall patronage is declining yet buses can be the primary mode of transport for certain journeys; and
 - to ensure balanced, joined-up, investment priorities linked to an appropriate outcomes framework, factoring in and aligning outcomes.
- Factor in the changing national policy emphases and the economic global picture, such as financial instability and long term rising fuel prices. Well connected cities with fast, high capacity, integrated public transport links to them will be well positioned for investment and growth, therefore a 10-15 year Transport Strategy presents an opportunity to review the appropriate demand management/smarter choices and major investment priorities to manage growth in Leeds city region.
 - Review the funding and that will be required deliver the Vision outcomes and priorities, and any gaps compared with forecast resources.
 - Evaluate progress made under the Transport Vision, including identifying outcomes achieved to date (eg GVA) and what remains to be delivered.

Investment planning

5.9 There are currently several transport investment streams available to the Region, set within individual delivery plans, these specific to mode, geographical location, revenue and capital finance, or the agency responsibility for funding allocation and include the following potential sources:

- Local Transport Plan (LTP) block investment
- Local Authority funding
- Regional Funding Allocation (RFA)
- Highways Agency spending
- Network Rail enhancements and renewals

5.10 We recently commissioned independent supplementary analysis of the funding streams available to the region and Leeds city region which can be seen in detail at Annex B. This assessment indicated an apparent headline position that the city region has a significant proportion of the

region's total planned transport investment, however this headline position is fragile and subject to the following key caveats:

- approximately 74% of the identified funding allocated to schemes in the Leeds city region originates from the Highways Agency, although this will be dependent on the outcome of the ongoing Agency cost review. Changes in the funding of Highways Agency schemes could have a significant impact on our calculations.
- for example, costs for the M1 and M62 widening prepared by the Highways Agency, have been included, and a spend profile has been estimated. However, the proposed costs for the £1.29bn widening scheme are still being reviewed, and the project scope could be revised. The Highways Agency investment accounts for around two-thirds of committed investment for the Leeds city region. If this cost review meant the project scope was reduced, leading to plans for motorway widening being superseded by smaller scale measures, this will significantly reduce the overall proportion of total investment available for our city region.
- there is currently only limited data publicly available for Network Rail enhancements with published data only to up to 2008. The current lack of information on Network Rail investment beyond 2008 is considered a barrier to aligning plans and funding.

5.11 There is a risk that insufficient alignment of the above key transport funding streams, with no clear strategic focus on the opportunities of the city region, will create a source of partnership uncertainty and potential allocative inefficiency. Because resources are relatively scarce, there is a risk of second best and delayed delivery against our shared city region transport priorities.

5.12 The funding in different packages is aimed at achieving different objectives, and the sum of the parts is not being fully realised to achieve a common set of objectives. At worst, some different streams of investment may be acting against shared-objectives. This dilutes the effectiveness of the overall transport spend in the city region.

Transport Governance

5.13 Existing local transport governance arrangements across the city region are currently relatively fragmented, creating a further challenge to a coherent approach to the delivery of the Transport Vision/Strategy. Complementary governance arrangements, building on the Local Transport Bill, to move towards an Integrated Transport Authority (ITA), are being investigated by Atkins on behalf of the city region partnership, this in tandem with our MAA development process. Addressing the above challenges would enable any new agreed ITA arrangements to hit the

ground running with maximum scope for early improvement of delivery of transport improvements, and we will seek government support for our emergent transport governance proposals in due course.

- 5.14 The ITA review process has also provided an independent challenge to MAA development and positively supported the development of our delivery related asks, outlined below.

Sustainable growth

- 5.15 The Tyndall Centre for Climate Change has identified transport as one of the largest sources of greenhouse gas emissions in the UK coming behind only the energy supply and business sectors¹⁰. Whereas emissions from the energy and business sectors have stabilised and are decreasing at present, emissions from the transport sector are growing at an alarming rate. Road transport was responsible for 22.8% of England's CO2 emissions in 2003, 7.5% higher than in 1990. Without attention, it is recognised that the transport sector will undermine efforts made elsewhere to mitigate climate change.

- 5.16 Reduction in Leeds city region CO2 emissions per commuter, and limiting overall growth of emissions through demand management, Smarter Choices aimed at moving more people out of cars and onto public transport, supported by integrated demand management (more trains, buses when needed), are central to our city region proposals for sustainable economic growth.

What government can do to help and why

- 5.17 We consider closer integration and joining-up of transportation planning and delivery at the level of the city region to be fundamental to developing solutions that help deliver the objectives of Government and deliver city region aspirations. This proposed approach is echoed the [State of the Nation report on capacity and skills](#)¹¹ which has found that uncoordinated planning of infrastructure projects discourages industry investment, and prevents schemes from progressing with minimal delay.

- 5.16 The following asks of the Department of Transport which are detailed in the tables below are sought as a basis for discussion with government and partners to seek to address the above issues and challenges. The specific outcomes which will be delivered are also articulated below, which sit within the outcomes framework set out in Section 3.

¹⁰ F. Ruth Wood et al, *Opportunities for Air Pollutant and Greenhouse Gas Emission Reduction through Local Transport Planning*, Local Economy, Vol. 22, No. 1, February 2007.

¹¹ *Institution of Civil Engineers, 2008*

<p>Transport Ask 1</p>	<p>DfT and its Agencies to participate in the development of a Leeds City Region cross model Transport Strategy that delivers aligned City Region and Government outcomes and priorities</p>
<p>What and why</p>	<p>We have identified the following as specific barriers to achieving aligned outcomes:</p> <ul style="list-style-type: none"> • City region partners have agreed to refresh their long term 25 year Transport Vision in autumn 2008 and to prepare a 10-15 year Transport Strategy. It is recognised that, to embrace the wider “place shaping” agenda, stronger overall strategic alignment is needed between government, national agencies and city region partners. Strengthened two-way dialogue is required between the city region and delivery partners including the Highways Agency and Network Rail in order to: <ul style="list-style-type: none"> ○ enable national agencies to contribute to our Transport Strategy development process; ○ assist the effective deployment of wider transport investment to meet locally agreed outcomes, in addition to regional and national objectives; and ○ provide the city region partnership with consultee status on draft national transport policy. • Whilst closer alignment is considered a constructive direction of travel, there is however currently very limited data publicly available with respect to the following: <ul style="list-style-type: none"> ○ Network Rail, a key player in supporting the delivery of DfT DSOs, has indicated that, beyond 2008, it does not have the capacity to provide information on national and regional rail investment plans which directly affect our city region. This is acting as a barrier to the alignment of plans and funding/outcomes for integrated transport across the city region, which is frustrating our efforts to support DfT in the delivery of its DSOs, particularly as rail capability and capacity has such a

	<p>significant impact on productivity in the city region.</p> <ul style="list-style-type: none"> ○ In contrast, national and non-national Highways Agency investment proposals are published, and these contribute to our Transport Strategy. However, these investments are currently brought forward on a scheme by scheme basis, without reference to the city region's desired strategic transport outcomes, and this is a barrier to the free flow of up to date investment information, which frustrates the integrated delivery of transport investment in the city region to support achieving agreed outcomes. <p>Outcome alignment</p> <p><i>Priorities are not currently sufficiently aligned, making transport integration problematic. Some of the most significant transport issues that impact on achieving the wider city region outcomes are those most impacted by the current misalignment of investment priorities:</i></p> <ul style="list-style-type: none"> • <i>park and ride is not currently a specific Highways Agency priority, creating a barrier to measures that would support these schemes and the wider benefits they deliver;</i> • <i>there is no current mechanism for rail capacity to respond to burgeoning demand, e.g. with additional rolling stock and associated scheduling/signalling/station platform changes, to accommodate additional passengers; and</i> • <i>simple 'add-ons' or minor reprogramming of planned investment could help significantly in achieving wider outcomes, but these opportunities are being missed.</i>
<p>How to be delivered (the help needed from government)</p>	<p>Transport Ask 1.1 DfT and its Agencies to participate in the development of a cross model Leeds city region Transport Strategy, on the basis of shared outcomes and priorities.</p> <p>Transport Ask 1.2 DfT to broker arrangements with Network Rail to encourage their participation by October 2008. In the context of the voluntary nature of MAAs and the private ownership of Network Rail, we would like to agree a workable mechanism with DfT.</p> <p>As part of this duty, we would wish to reach agreement with DfT about establishing capacity within national</p>

	<p>agencies, including Network Rail and the Highways Agency, to ensure provision of appropriate, regularly updated scheme level investment plan information over the medium term (5-8 years) in order to ensure better coordination and integration with city region transport investment/delivery.</p> <p>The value of open-book working</p> <p><i>York City Council has piloted regular meetings with the Highways Agency aimed at developing collaborative working, including information sharing on the A64 Hopgrove Roundabout Improvements both on the development of the scheme and also with shared funding and the management of the construction phase.</i></p> <p>Transport Ask 1.3 Dft will include LCR as a <i>named consultee</i> (in addition to individual Local Authorities), in order to influence national consultations undertaken by DfT, Highways Agency and Network Rail, on those proposals having a major impact beyond individual administrative boundaries on the wider city region, such as motorway and major rail proposals.</p>
<p>Measures of success/outcomes</p>	<ul style="list-style-type: none"> • A Transport Strategy to be developed by June 2009 which secures the participation and buy-in of key players, including Network Rail, and provides a platform for securing coordinated transport investment to secure the delivery of shared strategic outcomes, including the following: <ul style="list-style-type: none"> ○ local outcome of improved access to Yorkshire Forward and Local Authority priority urban and rural renaissance areas; ○ city region outcomes to support sustainable economic, employment and housing growth; ○ national TASTS outcomes of reliability, access to jobs, economic growth, and environmental sustainability (Sections 5.15 and 5.16 refer) ; and ○ Key time series attitudinal data collected at city region level eg to monitor changing perceptions about congestion impact on business performance, as a proxy for efficacy of Transport Strategy delivery. • Provision of key information by delivery agencies and bodies will enable better co-ordination and integration of transport interventions (such as park and ride),

	<p>making more efficient use of the available resources, and which is more likely to achieve agreed shared outcomes. Where any of this information is deemed commercial, we would like to discuss with DfT protocols for accessing this relevant information, with a view to be resolving by October 2008.</p> <ul style="list-style-type: none"> • City region influence over national priorities, investment plans and outcomes, including DfT economic growth and access to jobs DSOs. • Opportunities for capacity building, such as <ul style="list-style-type: none"> ○ recent HOV on M62 J25 where express bus routes could have been incorporated ○ strategic park & ride for motorways ○ promoting public transport alternatives on HA roadwork’s publicity or congestion signs
<p>Transport Ask 2:</p>	<p>Delegation to improve the allocative efficiency of agreed transport funding</p>
<p>What and why</p>	<p>Enhanced financial flexibility at city region level is needed to improve the efficient use of the range of resources available for transport investment, including RFA, LTP block funding and national agency funds, to accelerate the delivery of shared city region and national outcomes.</p> <p>This flexibility is needed to assist in the better alignment of existing funding to achieve ‘bigger hits’ through improved co-ordination. The true potential of the total transport investment being made by several bodies from several funding streams is not being realised because of misalignment of priorities and lack of flexibility.</p>
<p>How to be delivered (the help needed from government)</p>	<p>DfT and HM Treasury are requested to create the following financial flexibility.</p> <p>Transport Ask 2.1 Dft will work with LCR to develop a pilot programme to accelerate the delivery of major schemes in the city region such as a more robust performance management framework, a light touch appraisal process (between £5m and £25m) and financial incentives for more efficient delivery (retention of savings within LCR) by October 2008.</p> <p>Transport Ask 2.2 financial freedoms to use LTP resources on revenue activities that support agreed city region priorities, such as ‘Smarter Choices’:</p> <ul style="list-style-type: none"> • Job Seekers Travel Permit for Return to Work

	<p>(currently revenue funded by YF, we are unable to spend revenue).</p> <ul style="list-style-type: none"> • Community based engagement to deliver accessibility (one of DfT mandatory shared priorities) • Pump priming new bus services (currently we have to bid for DfT kick-start revenue findings or use developers S106 money from developers) • Effective area-wide marketing campaigns for sustainable travel/smarter choices across Leeds city region <p>Transport Ask 2.3 is for all LTP funding to be made available by DfT in cash grant to individual city region partners from 2011, to provide additional opportunities, by individual local authority agreement, to deploy resources collectively to deliver agreed Transport Vision outcomes, and without incurring debt charges, cross boundary initiatives / schemes into NYCC such as:</p> <ul style="list-style-type: none"> • bus/rail interchange at Skipton / Selby • Park and Ride at North Yorkshire rail stations • Quality Bus Corridors beyond West Yorkshire
<p>Measures of success/outcomes</p>	<ul style="list-style-type: none"> • Through proportionate city region access and prioritisation, a <i>sharper focus on the delivery of sustainable economic growth</i> through the RFA process, assisting delivery of the DfT economic growth DSO. • Unlocking potential in LTP funding to deliver strategic city region capital and revenue schemes which also contribute to DfT DSOs. • Retaining an agreed percentage of efficiency savings will <i>incentivise local partners to prioritise the efficient use of resources</i>, and reduce overall individual scheme costs, eg via speeded up delivery. <p>Accelerated delivery of investment will improve transport capacity faster than otherwise and unlock faster economic growth of, in line with the CRDP ‘policy on’ estimates (see Section 3.2) of of 4% GVA growth p.a.</p>

<p>Transport Ask 3</p>	<p>Enable the city region to remove operational barriers to the delivery of an integrated transport system</p>
<p>What and Why</p>	<p>The above asks are focused on setting the right policy and funding context for delivering agreed outcomes, including accelerated economic growth. Further to our current transport governance review (being undertaken by Atkins) the following delivery related Asks have been crystallised following extensive local consultation and which are considered appropriate for further discussion with DfT.</p> <p>The following Asks seek to ensure delivery is better coordinated, in particular to address the current differences between delivery in West Yorkshire and the remainder of the city region. The Asks also seek to ensure a better means of influencing rail services, with provision specification better aligned with agreed local priorities.</p> <p>Achieving these asks will help to ensure the integration of transport delivery across the functional city region in a consistent way, necessary to realise labour market benefits in particular.</p>
<p>How to be delivered (the help needed from government)</p>	<p>Transport Ask 3.1 Greater responsibility for the management of the Northern rail franchise beyond West Yorkshire to cover the wider on behalf of the DfT. This will help to ensure that provision of local rail services contributes as much as possible to local priorities in the city region.</p> <p>Transport Ask 3.2 Ability to implement integrated bus / rail ticketing schemes beyond the West Yorkshire boundary (extending the existing Metrocard scheme) to improve integration, this subject to exploring relevant legal issues further. This will ensure more efficient use of existing bus and rail networks by commuters (travelling to work and learn) by promoting the freer and more efficient movement of labour across the city region, and will support the benefits of a well-connected polycentric network of centres in the city region.</p>
<p>Measures of success/outcomes</p>	<ul style="list-style-type: none"> • Specific operational arrangements are currently a barrier to the delivery of city region economic growth outcomes - this ‘ask’ will enable Leeds city region partners to improve the alignment of policy (Transport Strategy) with delivery. • efficiencies and opportunities in the rail network beyond West Yorkshire and capture savings for other

	<p>transport schemes in the city region e.g. platform lengthening in North Yorkshire.</p> <ul style="list-style-type: none">• A Transport Act 2000 ticketing scheme across Leeds city region to improve city region labour market functioning (commuting).• More influence on Northern / Network Rail to meet the needs of the city region e.g. performance and quality of services.
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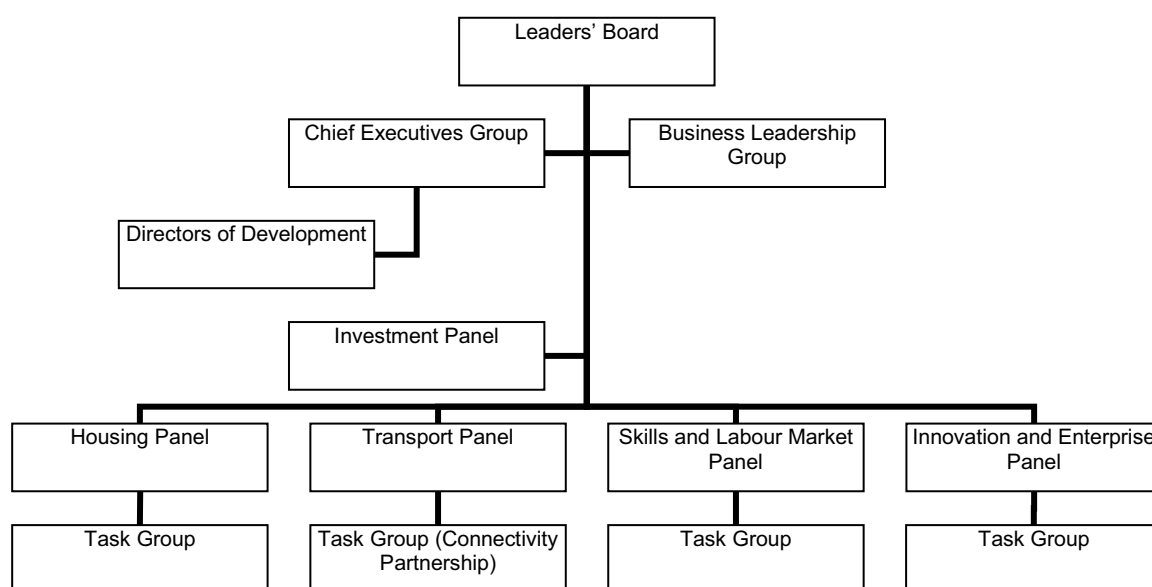
Summary value added

5.17 Delivery of the above key asks would provide a platform for the delivery of the following:

- Co-design with DfT and national agencies of a 10-15 year Transport Strategy for our city region that develop a robust integrated transport system capable of tackling congestion thereby unlocking economic growth.
- Addressing the causes of congestion which would otherwise only worsen. Without significant intervention Leeds will become the most overcrowded railway hub outside London by 2014.
- The continuing growth of congestion would otherwise act as a growing barrier to efficient matching of workers and employment opportunities, and therefore affect competitiveness of the city region, deterring new business formation and investment which are the stimulus to economic growth.
- More joined-up, and flexible long term transport planning and funding streams at the level of the city region.

6. MAA governance arrangements and delivery capacity

6.1 Movement on our “Asks” outlined above would further build the demonstrable capacity and performance of local government in the city region. As recently announced, all of the city region’s upper tier/unitary authorities are either rated 3 or 4 star. Delivery of our city region ambitions will be further underpinned by the following established and democratically accountable governance arrangements.



Leeds city region Governance Structures

6.2 As illustrated in the diagram above, the overall strategic direction of and democratic accountability for the city region (including for our proposed MAA) is provided by the Leeds city region Leaders’ Board. The Board has been legally constituted by the city region’s eleven Councils as a Joint Committee since April 2007. Under these legally constituted [governance arrangements](#), the Board is empowered to discharge, on behalf of the member Councils: *the promotion and improvement of the economic well being and competitiveness of the city region, this function discharged under Section 2 the Local Government Act 2000.*

- 6.3 Key agreed activities that the Leaders’ Board is engaged in include the following:
- Formulating and agreeing the shared city region economic development priorities contained within the CRDP;
 - Formulating and signing off an MAA with government, and ensuring oversight of delivery.
 - Responding to consultations on plans, strategies and programmes affecting the city region, achieving alignment with the CRDP
 - Commissioning of a transport governance review as part of the Local Transport Bill.
- 6.4 A Business Leadership Group has been established to provide a strong and coherent *private sector* and business input on key issues affecting the economic growth of the city region and to champion the priorities of the city region. The Business Leadership Group has played a strong role in testing the MAA propositions, including skills the proposals detailed in section 3 above, and, going forward, will seek to further support its development and delivery.
- 6.5 The Leaders’ Board is supported by the Chief Executives’ Group, Directors of Development Group, and two theme-based advisory Panels covering Transport, which aims to promote sustainable transport within the city region, and the Skills and Labour Market Panel, which seeks to promote more efficient working of the city region’s labour market. Both Panels are responsible for the following key tasks:
- promoting the alignment of strategy and delivery at a national, regional and local level to the aims and objectives of the City Region Development Programme;
 - preparing responses to consultations by Government and other bodies with a potential impact on the Leeds city region;
 - responsible for the progress of the transport governance review; and
 - providing advice and comment on Regional Funding Allocations, regional strategies and programmes, and the work of the Regional Boards, in relation to alignment with the City Region Development Programme.
- 6.6 Both Panels include senior member representation and wider partner representation (see Annex C). These Panels, and their supporting task groups, have been instrumental in shaping our detailed MAA propositions and, under the auspices of the democratically accountable Leaders’ Board, will provide the capacity for progressing the delivery of our “Asks” as set out in Sections 4 and 5 above. It is envisaged that delivery of our individual “Asks” will serve to further enhance the capacity and role of our partners.

- 6.7 Panels for Enterprise and Innovation, Housing and City Region Investment Planning are in the process of being established, with the Housing Panel to meet in April and the Investment Panel to be established following detailed discussions with Yorkshire Forward.
- 6.8 The work of the above Governance arrangements has been facilitated by the Leeds city region secretariat, specifically by providing the capacity for co-ordinating the development of the MAA proposal and acting as the key day to day contact with GOYH and CLG. It is envisaged that the secretariat will retain a role in supporting the above accountable structures with the delivery of the MAA, including with respect to the annual refresh (see below), and periodic evaluation.

7. Linkages

7.1 The individual MAA themes of skills and transport do not stand in isolation from each other. They are closely linked together and are considered to be mutually reinforcing. A key benefit of our proposed joined-up MAA model is to recognise the following added value:

- Securing specific areas of devolution to help unlock overall **productivity** by tackling the principal city region barriers to GVA growth.
- Dovetailing of city region focus within the MAA with local area interventions proposed within individual **LAAs**, respecting the principles of subsidiarity. They are demonstrably complementary, but not in a hierarchical way.
- Links with **Employer Skills Boards**. ESBs have been established in Leeds and Barnsley, and a board is in the process of being implemented in Bradford. With a focus on employer engagement and broad responsibilities across the range of workforce skills and employment issues within the districts, they provide a useful input into the skills element of the MAA, upon which the more focused (sectorally and on higher level skills) city region work can draw.
- Locally co-ordinated **spatial planning**, such that for example New Growth Points are delivered in tandem with the necessary transport infrastructure to connect residents to employment and learning opportunities within the city region.
- Tackling **exclusion** through accessibility to major city region employment sites, and to appropriate learning opportunities.
- Promoting **sustainable prosperity**, as envisaged by Stern, and a key driver for the Transport Vision such as by reducing congestion and emissions, including by encouraging more commuters to travel by public transport.

8. Milestones and risk mitigation

Milestones

8.1 The MAA would be subject to the following key milestones:

- 3 year delivery period, within 8 year horizon, securing the above economic growth outcomes by 2016 (see table below showing individual milestones);
- Annual MAA refresh in order to assess delivery performance (progress against asks and the related impacts), and opportunities for MAA development (themes and asks); and
- Evaluation every 3 years to consider lessons learnt, and factor in new policy eg the Regional Integrated Strategy and City Region Development Programme refresh.

8.2 It is proposed to prepare and maintain of a ‘Risk Register’ in order to ensure that MAA/CRDP delivery risks are mitigated. An outline risk register is shown in the table below.

LCR Risks	Likelihood	Impact	Mitigation
MAA proposal submitted in June 08 and not approved	Low- based on good comms with GOYH/CLG	Reputational	Iterative process, flexible timescale, to enable submission when ready
Capacity to oversee implementation/review of asks	Medium/low – LCR secretariat in place	Non delivery of asks	Ensure sufficient capacity in LCR secretariat to deliver
LCR partnership changes before 2016	Low risk in short term – partners have entered legal agreement	No basis for delivery of MAA	June sign off and early delivery of MAA will consolidate partner support for LCR governance arrangements.

MAA delivery Milestones	2008	2009	2010	2011	2012	2013	2014	2015	2016
High Level Skills:									
Agreement in place with government and key partners to agree shared Leeds city region skills priorities and for Leeds city region to become named consultee on national, regional and local skills policy/programmes									
Development and implementation of Leeds city region Skills Plan, with refresh every three years, based on alignment of mainstream funding and agreed city region outcome framework, in order eg to close high level skills gaps in key Leeds city region growth sectors									
Review undertaken with DIUS and others, eg QCA, SSC of the opportunity for Leeds city region SME employer engagement, establishing cohort of 200 sector SMEs as a representative sample.									
Pilot SME in-house accreditation/credit accumulation model in the key Leeds city region growth sectors – with evaluation and roll out/mainstreaming as appropriate.									
Transport:									
Dedicated capacity established by DfT within HA and NR to identify and review key existing Leeds city region investment plans and priorities									
Preparation and implementation of integrated Leeds city region Transport Strategy (road, rail, bus, integration) linking places within the city region and beyond, in order to maximise agglomeration benefits, based on an agreed city region funding and outcomes framework									
Funding flexibilities put in place (RFA reform, LTP discretion over revenue/capital split; all LTP funds to be allocated as grant, not borrowing approval to enable pooling; and formula for retaining efficiency savings)									

	2008	2009	2010	2011	2012	2013	2014	2015	2016
MAA delivery Milestones									
City region delivery flexibilities, including responsibility for Northern rail franchise, formal rail powers for increments/decrements, and lifting barriers to city region cross ticketing (Metrocard)									
Outcomes Framework:									
'Policy on' CRDP growth scenario, enabled through delivery of "asks": <ul style="list-style-type: none"> • 150,000 net additional jobs by 2016 • Increase of GVA by £21bn by 2016 • 4% growth p.a. • PSA and DSO delivery 									

9. Next steps

9.1 Subject to progress, the following outline next steps in MAA development have been identified in the table below:

Timescale	Proposed action
May 08	Negotiations with Whitehall departments (brokered by GOYH/CLG as appropriate)
End May 08	Formal submission to GOYH Regional Director
June 08	Final negotiations/mods to asks and outcomes Sign off by Leeds city region Leaders' Board and Secretary of State
July 08	MAA delivery begins, with next steps agreed with CLG on any pending 'asks'

9.2 We recognise that it may not be possible to finalise the agreement in relation to all of our 'asks' within the MAA within the timescale outlined above, given the need for alterations to be made to the operational practices of a number of Government Departments.

Annex A - Leeds City Region – a city region of places



A.1 We are bound by the shared success of the City of Leeds which has been the engine of growth as the core city in Yorkshire. This growth has been great for Leeds, a city transformed by investment, commerce and development, especially in financial and business services.

- A.2 Of our other 3 main cities (Bradford, York and Wakefield), York is the most internationally recognisable as a magnificent historic city and, increasingly, as a centre of excellence for science and innovation. Bradford is our most cosmopolitan city with a fast growing working age population and an industrial heritage in wool textiles that has the global traditions of ‘Made in Sheffield or Birmingham’. The City of Wakefield and its District is a major administrative and logistics location, advantageously served by its transportation networks.
- A.3 Each of our 4 main cities has major capital investments in commercial, retail, leisure, cultural and residential developments. Stimulated by Yorkshire Forward’s renaissance programme, leading developers and built environment professionals are backing new schemes and restorations of fine Victorian buildings, opening-up waterfronts and creating new townscapes.
- A.4 The Leeds city region’s individually distinctive medium sized towns:
- Barnsley is being repositioned as a 21st Century Market Town, remaking a new economic role as a location in the 2 city regions of Leeds and of Sheffield.
 - Halifax rediscovered its Victorian heritage as an asset in the 1980s in its Calderdale Inheritance decade with the Civic Trust. It is now pursuing urban renaissance and building on its strength in financial and business services.
 - Harrogate is a residential area of choice for professional and managerial workers in Leeds. The Harrogate International Conference Centre with its exhibition space is the UK’s 2nd largest while the Yorkshire Showground hosts the annual Great Yorkshire Show, one of the region’s major events.
 - Huddersfield is the largest of the city region’s towns and exemplifies the transition from a traditional manufacturing economy to one drawing on knowledge, creativity, innovation and media. The University of Huddersfield’s ‘Towns Like Us’ programme has exported the impact of HE experienced in Huddersfield to University Centres in Barnsley and in Oldham.
 - Across the city region, including in the Metropolitan Districts, are over a dozen smaller towns including historic places like Ripon City and Selby with their Cathedrals and Abbey, Skipton as the gateway to the Dales and the headquarters of the Skipton Building Society Group, urban centres like Keighley, Dewsbury and the 5 towns in Wakefield representing a ‘constellation of market towns’ and other centres like Ilkley, Otley, Wetherby.
 - Within our rural areas, amongst hills, dales and countryside are distinctive and vibrant places such as Settle, Hebden Bridge, Haworth, Holmfirth, and Penistone.

Annex B – Leeds City Region MAA Project Development Oct 2007/July 2008

Date	Task/Meeting	Outcome/Milestone
Oct-07		
8th	Leaders Board	Agreement to seek to develop LCR MAA
15th	Transport Workshop	Identify headline MAA priorities, outcomes and issues
18th	Engine Room (Project Team)	Agree outline timescales and development process including roles and responsibilities
24th	Connectivity Partnership	Update report
31st	MAA proposition	Headline skills and transport (and possibly housing) propositions worked up
Nov-07		
2nd	Engine Room	Agree headline propositions (benefits, scope, evidence, priorities, partners)
6th	Transport Panel	Update Panel on progress
8th	PAG	Update group on progress and seek support as appropriate
9th	Skills bilaterals and skills workshop scheduled	Schedule bilaterals (Nov/Dec) and Workshop (Dec)
12th	CX CR Group Paper	Paper drafted updating on progress
15th	MAA event, London	Engine Room/PAG representation?
16th	Directors of Dev	Update on progress for info and views/guidance
16th	Regional LAA Road show	Ensure alignment with LAA process - initial discussions with PAG and LAA Officers
16th	Skills and LM Panel Paper	Paper drafted seeking endorsement for outline skills proposition
19th	CXs Meeting	Confirm comfort with process
23rd	Skills and LM Panel	Approval for outline skills and LM proposition
23rd	NLGN MAA Event	National best practice/networking event and dialogue opportunity with DCLG
29th	Engine Room	Agree next steps re negotiation, filling gaps etc to include Nick Allan (CLG)
Dec-07		
3rd	Leaders Board	Progress to note
4th	Skills MAA Development Meeting	Development of Skills proposition
13th	LCR Business Leadership Group	Private sector input
17th	LAA Strategy Group	Alignment with LAA process
20th	Engine Room	Draft GOYH Status report for review
21st	GOYH Status Report	Submit to GOYH, including proposition, outline ask and linkages eg with LAAs
tbc	Consultation paper on Single Strategy	Identify any implications for MAA development
Jan-08		
8th	Interview with CLG (Hilary Russell)	To inform CLG MAA Network development
9th	Connectivity Partnership	Consultation on draft Transport proposition
10th	Policy Advisors Group	Status Report
10th	GOYH k.i.t.	Progress and next steps
11th	GOYH Transport k.i.t.	Focus on Transport Theme
10th	Connectivity Partnership	Consultation on draft Transport proposition
16th	GOYH k.i.t.	Progress and next steps
17th	Skills and LM Panel	Update group and seek guidance
18th	Directors of Development	Update group and seek guidance
21st	CXs Meeting	Seek endorsement of CXs for current proposals
22nd	GOYH Skills k.i.t.	Focus on Skills Theme
22nd	GOYH Transport k.i.t.	Focus on transport Theme

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24th	Transport Panel	Update group and seek guidance/endorsement as appropriate
29th	LAA Network meeting	Alignment with LAA process - Phase 2
30th	Engine Room (12.00-13.00)	LAA follow up, themes next steps
Feb-08		
5th	National CLG Networking event	Benchmarking/learning opportunity
7th	2nd Draft MAA	Circulate to ER and partners for comments
7th	Business Leadership Group	Private Sector consultation on skills proposition and transport governance
11th	Meetings with HA and DfT	Discussion of proposition with GOYH Transport, DfT and HA colleagues
12th	Municipal Journal MAA event, London	Round table with John Healey
15th	Skills Officer Group	Support MAA lead work of Skills and Labour Market Panel
19th	GOYH Transport k.i.t.	Focus on Transport Asks and DfT/GOYH Feedback to draft
21st	Leaders' Board	Endorsement of direction of travel
28th	GOYH Skills k.i.t	Focus on Skills Asks
Mar-08		
LA/Partner Consultation		
3rd	Session with Tees Valley	To discuss approaches on Transport
4th	GOYH Transport k.i.t.	
6th	Policy Advisors Group	To note progress
10th	Session with LCR Highways Officers	Workshop of senior officers to test asks and assumptions
13th	Engine Room (10.00-11.30)	Progress update and next steps
14h	Directors of Development	To look at revised draft MAA
17th	CXs Meeting	To endorse revised proposal
18th	Submission to GOYH/CLG	Whitehall consultation
17th	Connectivity Partnership	Asks review
19th	NLGN National Forum Launch	National benchmarking forum
28th	CLG/OPM Network event	National forum/update from CLG
Apr-08		
1st	Transport Panel	Review MAA progress and asks
2nd	Creative Skills Round Table	Develop potential skills proposals for the sector
7th	Leaders' Board	Options and proposals for endorsement
9th	Skills and LM Panel	Review of asks and further development
11th	FBS Skills Round Table	Test and refine skills proposals for the sector
16th	Transport k.i.t.	
22nd	Business Leadership Group	Test and refine skills proposals
25th	Engine Room (10.00-11.30)	Take stock and next steps re key issues arising
May-08		
1st	Transport 'mini-summit' Detailed draft asks and outcomes to GOYH/CLG	Partner workshop to refine detailed transport asks
2nd		Revised draft MAA for review/turnaround by relevant government depts
9th	Deadline for Directors of Dev papers	
12th	Deadline for CX papers	
14th	Transport k.i.t.	Follow up on summit
15th	Engine Room (10.00-11.30)	Final draft sign off
16th	Directors of Development	Briefing Directors of Development
19th	CXs Meeting, CLOG in attendance	Final draft for review
28th	Submission of final draft t to GOYH	Submission, subject to Leaders' Board approval on 12 th June
29th	Deadline for Leaders' Board paper	
Jun-08		
12th	Leaders' Board	Sign off and formal submission
end June	CLG Minister/Secretary of State	Government formal sign off

Annex C – LCR Transport Funding

The Transport Innovation Fund is a new funding source for schemes that include demand management. At this stage, there is no funding committed for schemes in the city region.

As part of the development of the city region Transport Vision, the availability of potential sources to fund the Vision have been reviewed. This highlighted the apparent disparity between the funding specifically allocated to schemes in the city region from the Regional Funding Allocation, compared with the proportion of residents, jobs and GDP. Prior to the announcement of the funding support for the Leeds New Generation Transport, this comparison highlighted only 20% of the RFA investment has been allocated to schemes in the Leeds city region, yet the city region attracts around 60% of the population and jobs, and generates a similar proportion of GDP per capita. If alternative funding sources are included, plus the funding allocated for Leeds NGT, this imbalance for the Leeds city region is less pronounced.

Table C-1 presents the committed funding sources for the region. The detailed funding profile is presented to 2015/16, although some funding sources have yet to be confirmed beyond 2010/11, and private sector funding, eg for new buses and Leeds Bradford Airport has not been factored in. Funding sources beyond 2016 are aggregated to a single total. Table C-2 presents a similar analysis for the city region only. There is relatively limited data available for Network Rail enhancements. The maintenance and renewals elements have been excluded from this analysis, and Network Rail has only published data to the end of Control Period 3 (up to 2008). Overall, the funding position for the Leeds city region, relatively to the overall Yorkshire and Humber Region is relatively positive, with around 76% of funding allocated to the city region. This overall conclusion masks a number of important trends:

- Authorities in the Leeds city region secure around 54% of LTP funding, which is not fully in line with the scale of the contribution made to the city region economy (See Section 1.3);
- The confirmation of £150m to fund the first phase of the NGT network in Leeds means a higher proportion of the Regional Funding Allocation will now be allocated to schemes in the city region, with around 75% allocated. A further £93m of headroom funding has been identified for the region, although the spend profile has been estimated. The proportion of the £93m allocated to the Leeds city region is unknown;
- About 74% of the identified funding allocated to schemes in the Leeds city region originates from the Highways Agency, although this will be dependent on the outcome of the ongoing cost review;
- Although 100% of Network Rail's enhancement funds are allocated to the Leeds city region, this outcome is a function of the limited information

available, and the current lack of information on investment in CP 4 is a barrier to aligning plans and funding.

Source	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016 +	Total (£m)
LTP	72.79	76.06	79.48	83.07	0.00	0.00	0.00	0.00	0.00	0.00	311.40
RFA	67.36	61.59	49.36	67.94	55.90	87.56	55.30	28.03	0.00	0.00	473.04
Network Rail	10.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.58
Highways Agency	46.20	39.20	41.37	107.93	133.80	207.30	257.50	257.50	183.20	334.00	1608.00
Others (TIF)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	196.93	176.85	170.22	258.95	189.70	294.86	312.80	285.53	183.20	334.00	2403.02

Table C-1 - Summary of Potential Funding Sources – Y&H Region (Source: Estimated by Arup)

Source	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016 +	Total (£m)
LTP	38.48	40.81	43.29	45.92	0.00	0.00	0.00	0.00	0.00	0.00	168.51
RFA	34.96	46.16	39.15	13.77	11.64	55.30	55.30	27.65	0.00	0.00	145.68
Network Rail	10.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.58
Highways Agency	38.70	38.70	38.70	103.20	129.00	193.50	193.50	193.50	103.20	258.00	1290.00
Others (TIF)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	122.72	125.68	121.14	162.89	140.64	248.80	248.80	221.15	103.20	258.00	1753.02

Table C-2 - Summary of Potential Funding Sources – Leeds City Region (Source: Estimated by Arup)

Source	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016 +	Total (£m)
LTP	53%	54%	54%	55%	0%	0%	0%	0%	0%	0%	54%
RFA	52%	75%	79%	20%	21%	63%	100%	99%	0%	0%	60%
Network Rail	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Highways Agency	84%	99%	94%	96%	96%	93%	75%	75%	56%	77%	80%
Others (TIF)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	62%	71%	71%	63%	74%	84%	80%	77%	56%	77%	73%

Table B-3 - Summary of Potential Funding Sources – % Allocated to Leeds City Region

The total proportion of funds allocated to schemes in the Leeds city region, as a proportion of the total for Yorkshire and Humber is shown in Table B-3 to be relatively high. However, this outcome is dependent on a number of factors. For example, costs for the M1 and M62 widening prepared by the Highways Agency has been included, and a spend profile has been estimated. However, the proposed costs for the £1.29bn widening scheme are still being reviewed, and the project scope could be revised. The Highways Agency investment accounts for around two-thirds of committed investment for the Leeds city region. If this cost review meant the project scope was reduced, leading to plans for motorway widening being superseded by smaller scale measures, this will significantly reduce the overall proportion of total investment available for our city region.

The additional £93m headroom funding available for Yorkshire and Humber under RFA represents another opportunity. Scheme promoters are currently developing proposals, and a proportion of this investment could be allocated to schemes in the Leeds city region. If authorities in the city region were successful securing a share of this RFA funding, this would further increase the proportion of revenue allocated.

Annex C – Leeds City Region governance arrangements

Transport Panel - Membership	
Chair	Member of the Leaders' Board
Deputy Chair	Member of the Leaders' Board
Council representatives	Member representatives of four constituent councils (councils not represented by the Chair or Deputy Chair)
Yorkshire Forward	Board Member/Executive Director
YH Assembly	Executive Board Member
Government Office	Director level officer
Business Representative	Business Leadership Group
WYPTEs' representative	Chair / Chief Executive
SYPTE representative	Chair / Chief Executive
Highways Agency	Director
Network Rail	Director

Skills and Labour Market Panel Membership	
Chair	Member of the Leaders' Board
Deputy Chair	Member of the Leaders' Board
Council representatives	Member representatives of four constituent councils (councils not represented by the Chair or Deputy Chair)
Yorkshire Forward	Board Member/Executive Director
Government Office	Director level officer
Business Representative	Business Leadership Group
YH Reg. Skills Partnership Board	Chair / Director
Universities	Knowledge Transfer Director
LSC	Regional Director
WY Employers Coalition	Director
Job Centre Plus	Director

