

GROWTH DEALS 3 FACTSHEET – LEEDS CITY REGION

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

	Growth Deal One (July 2014)	Growth Deal Two (Jan 2015)	Growth Deal Three (Nov 2016)
Local Growth Fund Award	£572.9m*	£54.6m	£67.5m
Total Award	£694.9m		

*Growth Deal One included up to £420m Gainshare funding for the West Yorkshire plus Transport Fund, in addition to the Local Growth Fund award.

2. What will this new funding deliver?

This new tranche of funding will deliver:

- Flood resilience packages in Bradford, Calderdale, Craven, Kirklees and Leeds to complement other government investment and further improve flood protection for communities and businesses. These measures will safeguard over 11,000 jobs and 1,300 businesses.
- Site infrastructure to unlock sites and accelerate development in Halifax town centre and City Fields, Wakefield which is expected to deliver 300 new homes.
- A new flexible business support fund which will help more companies to export, enable large businesses to make key investments in the city region, and provide flexible support to respond to economic opportunities and changes. The fund is expected to support at least 50 businesses, attract other investment of over £80m and create more than 700 jobs across the city region.
- An extended Business Growth Programme, enabling SMEs to continue to access grants to support business growth and job creation. This city region-wide programme is forecast to assist at least 160 businesses, create 500 jobs and secure over £50m of other investment.
- Land assembly and infrastructure investment to accelerate development in five M62 corridor Enterprise Zone sites in Bradford, Calderdale, Kirklees and Wakefield. When fully developed, these sites are expected to accommodate almost 6,000 jobs.
- A primary substation in the Leeds Aire Valley Enterprise Zone to secure the long term power supply which will meet all current and future business needs.

3. What has previous funding delivered?

Growth Deal Round 1

- **West Yorkshire Plus Transport Fund** – A £1 billion fund to deliver more than 30 key transport projects across the city region over its lifetime, improving connectivity, supporting jobs growth and helping local people to access jobs. Supported by £361 million from the Local Growth Fund plus up to £420 million Gainshare funding and local contributions.
- **Skills capital programme** – Investment in 11 further education college sites to improve learning environments for students and provide training which better meets the current and future needs of employers.
- **Business Growth Programme** – Capital grants for growing SMEs which are creating new jobs.
- **Energy Accelerator** - Specialist vehicle to develop a pipeline of new energy infrastructure projects (including energy efficiency, energy generation, supply chain and distribution and storage).
- **Resource Efficiency Fund:** Tailored support to small and medium sized enterprises to reduce resource costs and increase productivity and competitiveness.
- **One City Park, Bradford:** Transformation of Bradford city centre through site works to enable the development of a central business district.
- **East Leeds extension:** Strategic development for housing growth on Red Hall, Whinmoor and brownfield sites in Seacroft. Includes preparatory site works, land remediation and relocation of council facilities to provide land for the East Leeds Orbital road.
- **York Central:** For land purchase and remediation, site enabling and demolition costs at Station Regeneration site at rear of York Railway Station.
- **Halifax Town Centre:** Part of the wider Halifax Town Centre renaissance plan, this project for Northgate House will support site clearance and demolition to enable a new commercial development.

Growth Deal Round Two

- A **Housing and Regeneration programme** to develop key sites for housing and employment growth, helping the City Region move further towards its aim of doubling house building levels.
- An enhanced **business support programme** to help more companies start, grow, innovate and exploit supply chain opportunities.
- **University of Leeds Innovation and Enterprise Centre** to support nascent and existing companies to grow.
- **University of Huddersfield Incubation and Innovation Programme** to support new and emerging business in advanced manufacturing, digital and creative sectors.

New Projects introduced by the LEP to the Growth Deal Programme

- **Barnsley Town Centre** – Part of the wider programme to deliver a high quality town centre in Barnsley, this project will regenerate the old market site that sits at the heart of the town centre.
- **Kirklees Housing Sites** – To accelerate delivery and improve viability on three housing sites, Ashbrow, Soothill and Stile Common, through transport access and site infrastructure works.
- **Bath Road Remediation** - Remediation of land at Bath Road in the Holbeck Urban Village area of the city. The project will involve remediation, ground works and site preparation work to enable residential and employment development.

- **Tackling Fuel Poverty** - to address fuel poverty in the city region through a range of energy efficient improvements.
- **District Heat Network** – includes the construction of a new 6.4km District Heat Network to connect the Recycling and Energy Recovery Facility (RERF) to customers St. James' District, contributing a reduction in carbon emissions.

4. How will this benefit the local community?

The latest award of Local Growth Funding will help to protect more homes from flood risks; create more jobs and, through better transport, enable greater access to jobs; and improve employment outcomes.

5. How will this benefit local businesses?

It will help to protect more businesses from flood risks; accelerate development on priority Enterprise Zone sites; secure the long term power supply for businesses on the Aire Valley Enterprise zone; support more SMEs to grow and create more jobs: assist more companies to export and enable large businesses to make key investments in the city region.

6. How will this Deal help the Government work to deliver one million homes in this Parliament?

The Deal will deliver 300 new homes through site infrastructure investment in Halifax Town Centre (Beech Hill and Cripplegate) and City Fields, Wakefield.

7. How does this link to the Northern Powerhouse?

The Northern Powerhouse is a vehicle for addressing productivity gaps across the country and ensuring a stronger, more sustainable economy for all parts of the UK. Through the Local Growth Fund, central government has already agreed over £2.9 billion worth of Growth Deals in the North to help address these issues by supporting locally-led projects to boost economic growth. This additional funding round will provide an extra boost of **£556 million** to LEPs within the Northern Powerhouse. The funding will also build upon the innovation, improved business support, and major capital projects which have already led to economic growth in the North, acting as a catalyst for growth building towards the Prime Minister's vision of an economy that works for all up and down the country.

8. Other Sources of Funding for LEPs

This is currently the last round of Growth Deals that will take place in this Parliament. However, LEPs are eligible to bid for many other sources of funding, which they can use to make investments in significant economic projects in their local area.

Leeds City Region LEP has successfully secured additional Government investment which will help to fund a number of projects:

- **Gainshare funding** - Up to £420 million (2021–2035) for the West Yorkshire Plus Transport Fund, in addition to £361 million Local Growth Fund (2015 – 2021), to deliver over 30 transport projects across the city region.

- **European Structural and Investment Fund** - €389.5million (£303.8m at January 2016) European Structural and Investment Fund, to support a range of strategic priorities through this 2014 – 2020 programme.
- **Skills Service** - £8.7 million in 2016/17 to tackle skills shortages in key sectors in the city region by co-investment in employer-led workforce training.
- **Business Growth Hub** - £1.8 million for the city region Growth Service to provide SMEs with specialist support and access to the full range of national and local services to help them grow.
- **Apprenticeship Grant for Employers** - £6.4 million devolved to the Leeds City Region Enterprise Partnership.
- **University Enterprise Zone, Bradford** – £3.8 million to support this UEZ focused on digital health.
- **Growing Places Fund** - £36.2 million loan fund to help unlock sites for employment and housing, with a potential to deliver over 5,000 jobs.
- **City Deal** - £11 million secured towards a range of initiatives, including local Apprenticeship Hubs which created 2,300 new apprenticeships.
- **Regional Growth Fund** - £97.9 million, including £25.7 million to the LEP-managed Business Growth Programme through to 2015 and £17.6m to the Bradford City Centre Growth Zone.
- **Leeds Aire Valley Enterprise Zone** - £8.75 million Building Foundations for Growth grant awarded to help accelerate development. Fully developed the Enterprise Zone has the potential to create 7,000 new jobs and 2,000 indirect jobs by 2025.
- **Superfast Broadband** - £11.5 million to improve access and take up of superfast broadband in West Yorkshire.

Communities Secretary Sajid Javid said:

“As part of efforts to deliver an economy that works for everyone, the Government is equipping local people with the resources they need to drive forward local growth.

“That is why we’re giving £67.5 million of new money to Leeds City Region to give businesses the support and opportunities they need to achieve their potential – on top of the £627.5 million we have already awarded”.

Northern Powerhouse Minister Andrew Percy said:

“Across the Northern Powerhouse local people will benefit from £556 million of extra investment thanks to these Growth Deals.

“This is more government money directly invested into the Northern Powerhouse. It is further proof that we will back the people of the North with the resources they need to reach their full potential.”

Roger Marsh OBE, Chair of the Leeds City Region Enterprise Partnership, said:

“Through our Growth Deal investments so far, we’re already well on track to create 36,000 jobs here in the UK’s largest city region outside London. With this latest tranche of investment – on top of the £1bn-plus we have already secured – we will be able to move closer to our goal of realising the Leeds City Region’s full economic potential as a driver of UK growth and prosperity.

“I am particularly pleased to see the Government allocate additional investment to attract new businesses into our region and to help small and medium-sized firms (SMEs) grow and

innovate. This government commitment – matched by an estimated £10 billion-plus pipeline of commercial investment that has helped elevate Leeds City Region into the top three areas outside the capital for foreign investment – demonstrates the strength of confidence in this region.

“Companies including the world’s leading digital sports media group, Perform, which recently announced its intention to expand its presence in Leeds, Sky Bet, which is set to double its tech team’s presence in the region, and Legal and General Capital, which earlier this year agreed to locate a new high-tech precision engineering facility in Selby that will reinvent the house-building industry, are already seeing the benefits of locating here. With this additional Growth Deal support we look forward to welcoming yet more firms looking to take advantage of our region’s large, skilled workforce, outstanding quality of life and dynamic local supply chain that includes the largest number of SMEs outside the South East.”

Councillor Peter Box CBE, Chair of the West Yorkshire Combined Authority and Leader of Wakefield Council, said:

“Here in Leeds City Region we’re already having a real impact on our region’s economy as a result of our existing devolved Growth Deal investment. Through the schemes we already have underway or in the pipeline – including an overall £1bn package of transport improvements, world-class college and university facilities and new, affordable housing schemes – we’re beginning to see just what can be achieved through locally determined priorities and genuine partnerships working between councils and businesses.

“We will continue to work with the Government as the country begins its exit from the EU to ensure the full extent of our City Region’s ambition is matched by a sustainable package of investment and the ability to take even more decisions locally so that we can achieve the greatest possible impact for local people and businesses.”

Leader of Leeds City Council Councillor Judith Blake said:

“This further investment in the region is welcomed, especially in further flood prevention measures. A year on from the Boxing Day floods, which in our City Region caused devastation and resulted in more than half a billion pounds in lost economic output, this funding is pleasing and we will continue to work with Government on the development of plans for the further comprehensive flood alleviation measures that the city and region need.”