



Economy and Place Directorate

West Offices
Station Rise
York YO1 6GA

Our Ref: AD/NJF

3 December 2019

Leeds City Region Enterprise Partnership
Wellington House
40-50 Wellington St
Leeds
LS1 2DE

Dear Recipient,

I am writing on behalf of City of York Council to formally respond to Leeds City Region LEP's consultation on its Local Industrial Strategy draft priorities.

Given the central focus on boosting productivity and raising earning power, the Local Industrial Strategy (LIS) is an important document for the City of York. While York benefits from higher levels of productivity (measured by output per hour worked) and full-time workplace earnings than the rest of the region, these are still lower than the UK average. City of York Council is supportive of Leeds City Region's approach to boost productivity and transform the City Region, so that everyone can benefit from a strong economy.

The LIS priorities for the City Region strongly align with the City of York Council Plan 2019-2023, the Council's strategic framework which aims to ensure that all residents in York enjoy the best quality of life. We support the LEP's ambition to improve the opportunities and the quality of life for everyone in Leeds City Region and we believe that the five priorities outlined in the LEP's draft consultation document, if followed through, will enable the LEP to achieve its ambitions. One significant omission however, is the development of a fast and reliable rail network across the City Region. Given York's enviable position at the heart of the UK's rail network and the economic importance of the city's connections to West and North Yorkshire, we would suggest that ensuring that the City Region has a world-class transport system to enable people to access jobs, services and opportunities and businesses to prosper should be central to the LIS. Especially given the LEP's ambition to champion and unlock the potential of the region's diverse places and to tackle inequality. Although York benefits from fast rail connections to the UK's major cities,

connections to neighbouring towns such as Harrogate and Selby are slow and infrequent. Station facilities and public transport provision across the City Region need upgrading if residents are to be encouraged to travel sustainably.

Elsewhere, we welcome the focus on improving the quality, affordability and availability of business premises across the City Region. Ensuring the supply of high-quality workspace in York is a key concern. Especially in maintaining the critical mass of rail employment in the city, with York home to 5,000 jobs – 10% of the national rail industry and two-thirds of all rail jobs in Yorkshire and the Humber. York Central is key to this, and that development is rightly at the heart of the Council's economic strategy. Support for the development was included in the LEP's strategic economic plan, and must also be a priority in the LIS. It is also important that the LEP encourages and supports entrepreneurship and business start-ups, ensuring the provision of suitable premises for early stage businesses – a significant gap in the current business support ecosystem.

We are also supportive of the ambition to provide finance for businesses scaling-up and transitioning to low-carbon methods, the latter vital if the LEP is to drive clean growth across the City Region. However it is important to note that while providing business support through Growth Hub funding is necessary, it is not sufficient as the scale of funding available means that only a very small fraction of businesses are in receipt of this money. We welcome the LEP's alternative thinking around how it can use its business support programmes to more effectively incentivise the kinds of business behaviours it would like to see across the City Region, removing current barriers in funding accessibility which often favour certain sectors and types of transactions (e.g. B2B over B2C), as well as incentivising employers to pay staff the real living wage, address the gender pay gap and drive clean growth.

York benefits from both a diverse and rapidly growing economy. The city has witnessed the fastest productivity growth of any area in West and North Yorkshire since 2012. The city has distinct sector specialisms in high value sectors such as rail, digital and ICT, finance and professional services, bio-tech and life sciences. However, York's popularity as a great place to live, work and visit also means that the city has strong employment in low productivity sectors such as food and accommodation, retail and health and social care, with these sectors representing close to half (46.8%) of all employment. The Council's forthcoming Economic Strategy will aim to raise productivity whilst also ensuring that economic growth is inclusive. We suggest that any approach in the LIS that aims to raise productivity and achieve inclusive growth in York and across the City Region focuses on three key things:

- The creation of high-value jobs, including part-time roles;
- Supporting low productivity sectors to be more successful; and,
- Work with communities, local employers and anchor institutions to open up opportunities for residents.

We would emphasise here that broadening the range of part time roles available across the City Region is key to unlocking productivity, particular in female workers.

City of York Council also welcome the focus on promoting healthy, active lifestyles and ensuring that the region's environment is fit for future generations to enjoy. In March 2019, the Council declared a Climate Emergency and set a target to be Net Carbon Neutral by 2030 following evidence that globally we need to be well on the way to net zero emissions by 2030 in order to avoid the disastrous consequences of exceeding 1.5°C of warming. We therefore support the LEP's ambition to become a net zero carbon city region by 2038 at the latest, with significant progress by 2030. However, a greater focus on the skills needed around transitioning to modern methods of construction and sustainable construction is essential to delivering clean growth in housing, as well as ensuring that the City Region has the required infrastructure to enable the shift to electric vehicles. Furthermore, given the emphasis on active lifestyles, little is made of investing in, and encouraging, sustainable and active travel. City of York Council is prioritising the city's roads, footpaths and cycle network for improvement in an effort to increase the proportion of local journeys made by public transport/cycling/walking. We would like the LEP to also support this prioritisation.

The Council acknowledges that future mega-trends such as automation and digitisation will change the way that people work, both now and in the future. Supporting workers to adapt to technological change with better and creative skills is welcomed and will support workers to transition into well-paid jobs, and develop an inclusive economy. We support the LEP's focus on high quality careers and retraining services, for young people and adults alike, as well as ensuring that education and training provision meets the needs of local people and businesses. Ensuring that all funding for apprenticeships is spent locally, and that businesses across the City Region understand and benefit from the Apprenticeship Levy is key to building a skilled and strong City Region economy.

Finally, given the range of nationally-significant health assets that exists across Leeds City Region, the Council appreciates the City Region's ambition to be a world leader in healthcare technology. It is important to emphasise that York has notable strengths in life sciences, including both med-tech and biopharmaceuticals – the latter unique to York in comparison to the City Region. In addition, given the LEP's focus on the

healthcare sector as a source of jobs and growth, we would suggest that emphasis is also placed on addressing the challenge of skills shortages in the health and social care sector – a major issue locally, regionally and nationally.

City of York Council supports Leeds City Region LEP's LIS draft priorities which strongly align with Council priorities for York. We believe that these priorities, along with our suggested additions, will enable the LEP to achieve its ambitions, ensuring that everyone across the City Region can benefit from a strong economy. It is important that the LIS is underpinned by a series of robust performance indicators in order to measure outcomes and evidence results. We look forward to continuing to working with Leeds City Region LEP to realise the economic potential that exists in York, and the wider City Region.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Neil Ferris', with a stylized flourish at the end.

Neil Ferris
Corporate Director, Economy and Place