

Local Industrial Strategy Leeds City Region

June 2019

What is a Local Industrial Strategy?

- The Government has asked Local Enterprise Partnerships across the country to **create Local Industrial Strategies for their areas**.
- It's a **long-term plan for business, jobs and skills**, based on **facts and data about our local area**.
- It's about doing **more of what we're good at**, helping people get the **skills** they need to find **better jobs**, protecting the **environment**, and **helping businesses grow**.
- It's also about being **smart and efficient** in the way we use **resources**, making sure we can take advantage of new **technology like AI**, helping people **stay in work** as they get **older**, and looking at how we'll **get around** in the future.

Local Enterprise Partnerships (LEPs) are partnerships between local authorities and businesses to help determine local economic priorities and lead economic growth and job creation within the local area.



Things we're looking at



Place

Geography
Rural/Urban split & greenspace
Demographics
Migration
Health
Deprivation & poverty



Business Environment

Business performance, investment & growth
GVA
Productivity performance
Business base & growth
Employment & industrial structure



Ideas

Innovation
Research and development
Innovation investment
Exporting



People

Labour market context and the link to productivity
Skills demand
Employment status and pay
Skills supply
Skills mismatch



Infrastructure

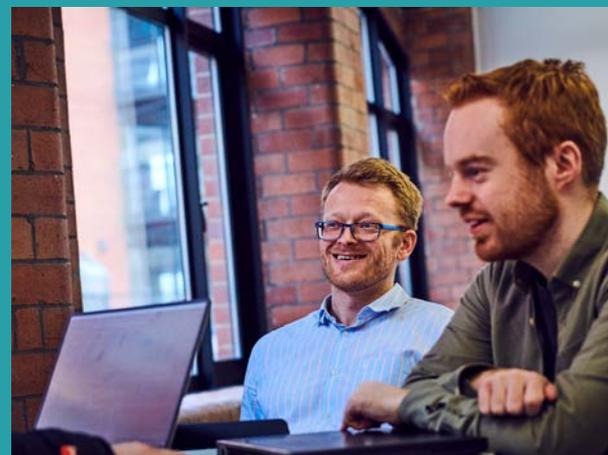
Bus use
Passenger rail use
Car use and congestion
Travel to work flows
Active travel
Aviation and freight
Housing (prices/rents/tenure & stock)
Air quality
Energy
Digital Connectivity

How we're developing the Local Industrial Strategy

- We've brought together **evidence and data** about our region, looking at our strengths and weaknesses, with an emphasis on **creating more better-paid jobs**. This will help us understand the scale of the task.
- We're **working with experts from across the UK**, including academics, business groups, public sector bodies, the community, voluntary and social enterprise sector, think tanks and education and training providers.

Our timetable:

- Complete evidence gathering by the end of June
- Engagement – June to October
- Submit the strategy for sign-off with Government late 2019
- Publication in spring 2020



What makes Leeds City Region special?

£69.6bn
economy

3.1 million
people

126,000
businesses

9
universities

130,000
students,
40,000
graduates

Largest centre
for legal and
financial services
after London

UK's highest
number of
manufacturing
jobs

Broad industry
strengths, making
the region a
microcosm of the
UK as a whole

Culturally,
socially and
geographically
diverse

Affordable
housing and
excellent
quality of life

Easy access to
green space, with
over 300,000
hectares of
national parks



Sectors and scale

- Leeds City Region has a strong presence in **manufacturing, food and drink, textiles, digital technology, healthcare, and financial, professional and legal services**, with a growing strength in **broadcasting and production** services.
- The area's size makes it **nationally and internationally significant** – our economy is **larger than many European countries**.
- Leeds City Region's economy also is a **microcosm of the UK** as a whole, so policies that work here may be applicable to other areas.
- But on key measures like skills, education and jobs, **Leeds City Region is below national levels**.



Trade

- The number of businesses in our area that export products abroad is not particularly low, but **the value and volume of this trade is less than other areas.**
- We do a relatively low amount of trade with key non-EU markets such as the US and China – there may be **an opportunity to encourage new and existing exporters into markets further afield.**
- The City Region's manufacturing sector isn't dominated by a single company, like a car manufacturer. Instead, it has **specialist strengths** in areas such as advanced engineering, textiles, and food and drinks.



Innovation and R&D

- Leeds City Region is a leader in education with an internationally significant concentration of **universities producing high quality research**.
- This helps the area perform well in terms of attracting funding for **higher education innovation and research and development (R&D)**.
- However, the region's **businesses** are among the **UK's lowest investors in R&D**.
- Even businesses that do engage in R&D, do so at generally **lower levels than in other regions**.
- There is **potential to increase both the level of innovation and the number of businesses innovating**.



Jobs market

- The region has seen a strong **recent improvement** in its labour market performance.
- Higher level occupations in areas like **legal, financial and professional services** have been the main source of job growth.
- There are **skills shortages** in science, technology, engineering and maths (STEM) occupations and management capabilities.
- The region's universities produce around **40,000 graduates** a year.
- But not enough **graduates stay in the region** to build their careers, and university courses don't always meet the needs of employers.



Skills and development

- The region faces a **'skills double whammy'** of both a **low supply** and **low demand** for skills.
- A **quarter of jobs pay less than the Real Living Wage** (£9 p/h).
- Employers continue to **under-invest in training and development**, making it hard for many to find a route out of low-paid, low-skilled jobs.
- A significant number of people are **excluded from the labour market**, with disadvantaged groups most at risk.
- The region's strengths in the **manufacturing and food and drink** sectors mean many people employed in these sectors are at risk from the effects of **Brexit and automation**.



Travel

- **Decades of underinvestment in infrastructure** is holding the region back.
- Cars are the most popular mode of transport – **68% travel to work by car**.
- The amount of traffic on our roads is increasing, causing **congestion** and **environmental issues**.
- **Bus passenger journeys** have **fallen by 13%** since 2009/10.
- Just **2% of journeys are by rail** – and **Leeds station accounts for a third** of all separate station entries and exits in the region.
- The amount of **cycling and walking** is **lower** than the average for the rest of England.



Housing and energy

- The house market is still **recovering** from the 2008/09 recession.
- Lower house prices and house price growth means the City Region is **more affordable than the UK average**.
- The average house price in **London** is equivalent to **13 times earnings**, compared to **six times in Yorkshire**.
- The region is leading the way in tackling the housing crisis, with a growing **modular housing** and **low-carbon/ sustainable housing sector**.
- The City Region is also a nationally **significant centre for energy generation** – it produces 19% of renewable energy and more than 10% of the total energy generated from power stations in England.





**Leeds City Region
Enterprise
Partnership**