Contents

1. Introduction

1.1 Study Background

The Yorkshire and Humber Assembly (Y&HA), in association with the Government Office for Yorkshire and the Humber, Yorkshire Forward, Barnsley MBC and the local planning authorities in North and West Yorkshire commissioned Llewelyn-Davies, Steer Davies Gleave (SDG), Jones Lang LaSalle and the University of Leeds, to undertake a scoping study for the development of a sub-regional spatial strategy for Leeds and its environs.

The context and impetus for the study comes from regional planning guidance. The current Regional Planning Guidance for Yorkshire and Humber (RPG12) was published in October 2001. An early review of this was required with one of the key issues to be addressed being the spatial implications arising from the relative buoyancy of the Leeds economy. RPG12 Policy P1(h) specifically states that:

"The potential for the West Yorkshire/ Barnsley area to accommodate plan-led growth should be examined as an integral part of the next review of RPG."

1.2 Study Objective and Key Issues

The key objective of this scoping study is:

"To identify the parameters for a future spatial strategy which sustains the economic success of Leeds, yet promotes development in a sustainable way, spreading the benefits to the socially excluded living within Leeds, and to other such areas within the Leeds economic sphere of influence - namely North, West and South Yorkshire - and particularly the regeneration priority areas in the former coalfields."

The brief sets out six key outputs from the study and these are repeated at the start of each relevant chapter, as context to the following analysis. Annex 1 details the key study issues, again as outlined in the brief.

1.3 Summary of Conclusions

The conclusions from this Stage 1 scoping study are set out below in relation to the key study outputs as required in the study brief. These correspond to the main chapters in this final report.

(A) **The Leeds Phenomenon** (Chapter 2):

The study has confirmed the existence of a trend of recent economic growth in Leeds that is extraordinary in terms of the rest of the sub region, and also significant in comparison with other major British cities. This justifies the use of the term the "Leeds phenomenon". In trying to explain the reasons for this, the study has identified further research that would assist in drawing firm conclusions. Meanwhile it is considered that the Leeds phenomenon is connected to the growth of the financial services "cluster", but at least as strongly associated with successful exploitation of agglomeration economies. Other factors may include a pro-active attitude towards development prospects, the size and diversity of the city (compared to neighbouring towns and cities), and the growth or at least maintenance of a reasonable balance of other sectors in the Leeds economy.

At the same time, the growth phenomenon has had impacts that are less welcome, including considerable stresses in the housing market and the transport system sub-regionally. In addition, while it might have been expected, or at least hoped, that the growth that has occurred would have benefited the less well off and deprived areas of the city, this has not occurred to a major extent.

(B) '**Do-Nothing Different'** (Chapter 3)

The study has given consideration to what will happen in future if current trends and policies are continued, and the following are the main conclusions:

- The benefits of success in some sectors are no guarantee that benefits will result in other sectors. Benefits are not easy to spread, and it may be unreasonable to expect that this will happen without specific interventions. Consequently, while the present growth trends in Leeds may continue in future, this is no more likely to confer benefits on deprived areas and communities than it has done to date.

- The effects of continued growth focused in Leeds has a number of difficulties. There may be land use constraints within the city, increased stress in housing markets, labour shortages and problems in terms of regional equity with increasingly uneven development spatially.

- The sub-region could run into transport constraints in terms of continuing growth trends. The growth within Leeds is likely to be heavily reliant on commuting, and much of this will be relatively long distance travel from outside Leeds. This could place further strains on the radial transport system, both roads and public transport. At the moment, much of the traffic using the region's motorways can be attributed to commuters travelling to dispersed locations with little potential to be served by public transport. There are potential advantages to Leeds-focused growth in that radial peak hour commuting is much more susceptible to being catered for by non-car travel modes than would be an increasingly dispersed and diverse pattern of employment growth, unless this was particularly focused around an improved public transport network.

(C) **Spreading the Benefits** (Chapter 4)

In order to spread the benefits and lessen the negative impacts of continued growth in Leeds, new or modified mechanisms are envisaged. These will include an integrated package of the following:

- Planning mechanisms, e.g. public transport orientated development, investment in town centre renaissance packages and support for likely town niche markets or growth poles.

- Housing mechanisms, e.g. mixed income housing projects and strategies for tackling dwellings at risk.

- Employment mechanisms, e.g. re-training initiatives, labour market linkage schemes and joint working between providers.

- Transport mechanisms, e.g. agreed regional priorities for investment, public transport accessibility criteria, area-wide parking strategies and traffic demand management measures.

- Financial and institutional mechanisms, e.g. housing regeneration companies, urban priority areas, joint-venture working, lower business rates or holidays and business planning zones.

Different kinds of intervention can be identified at the regional and local level, and the appropriateness of any particular intervention must be determined with reference to the specific problem or objective being addressed. This can be taken forward in the second stage of the study.

An initial assessment of the advantages and disadvantages of different interventions suggests that their impact is likely to be considerably greater if they are coordinated and applied across the region. In some cases coordination between different regions will also be needed, for example with regard to mobility demand management. If mechanisms are applied only by local authorities acting independently, then investors and businesses will continue to focus their attention on the “safer bets”, and the disparity between Leeds and other parts of the sub region will continue. It is also suggested that greater success could be achieved if local authorities pursue a particular “niche” rather than all authorities trying to achieve everything. Apart from being wasteful, certain aspects of economic growth (such as the growth of financial services in Leeds) cannot be repeated across the sub region.

(D) **Brief for Stage 2** (Chapter 5)

Stage 2 of the Study must ultimately provide an agreed spatial strategy for the Leeds sub-region, which can be incorporated into the review of RPG/RSS. This final section develops an initial brief for this more detailed second study. It covers two broad areas:

Firstly, an indication of further research that would assist in the development of appropriate regional frameworks and strategies. This includes a number of broad research topics – covering the economy, housing, transport and planning and policy integration - which would assist in devising and refining appropriate interventions for the future.

And second, an outline of the proposed method for Stage 2, including six basic steps, as outlined below:

- 1. Inception - confirmation of study approach, programme and outputs.

- 2. Vision and Objectives - future vision and objectives for the sub-region, based upon the Regional Sustainable Development Framework, against which the potential future development scenarios can be tested and appraised.

- 3. Problems and Opportunities - a thorough understanding of economic growth, labour and housing demand, accessibility and the relationships with planning, housing and transport interventions and mechanisms,

- 4. Scenario Development - including a range of alternative spatial options for the sub-region:

    - Scenario 1: Business as usual - development allocated to the existing settlement pattern in line with the existing “do nothing different” policy.

    - Scenario 2: Regeneration – development focused on regeneration and social inclusion objectives.

    - Scenario 3: Growth pole - development focused in areas with greatest economic growth potential.

    - Scenario 4: Urban niche - development focused in particular areas, each identified as having a particular niche role to play within the wider sub-region.

NB. A possible further scenario would be “public transport orientation” – with development focused in areas with good public transport accessibility, i.e. within the pedestrian catchments of the main public transport nodes. An alternative approach would be to treat this as a basis for all the preceding four scenarios. Each spatial scenario will also be tested for its sensitivity to different levels of growth.

- 5. Appraisal and Packaging – testing of each scenario against the agreed vision and objectives, together with a full sustainability appraisal, to produce an agreed package of interventions, forming a preferred sub-regional strategy.

- 6. Implementation – an outline of implementation issues for the preferred scenario, such as technical feasibility, institutional responsibilities, funding sources and costing.

2. The Leeds Phenomenon

2.1 Introduction

This section specifically addresses output 1 of the scoping study brief, which requires the following:

"An analysis of Leeds' growth and development over the last 10/15 years, which describes and explains the factors which have led to the economic growth and success of the city. The analysis includes the mapping of the functional sub-regional markets to which the Leeds economy relates, including labour market and related commuting patterns, together with the pattern of home moves linked to the Leeds labour market. The analysis reviews the economic linkages between businesses in Leeds and the surrounding area and assesses whether there is a Leeds business 'cluster' or 'clusters' and, if so, what type of businesses are linked with this".

We address these issues by considering the following areas:

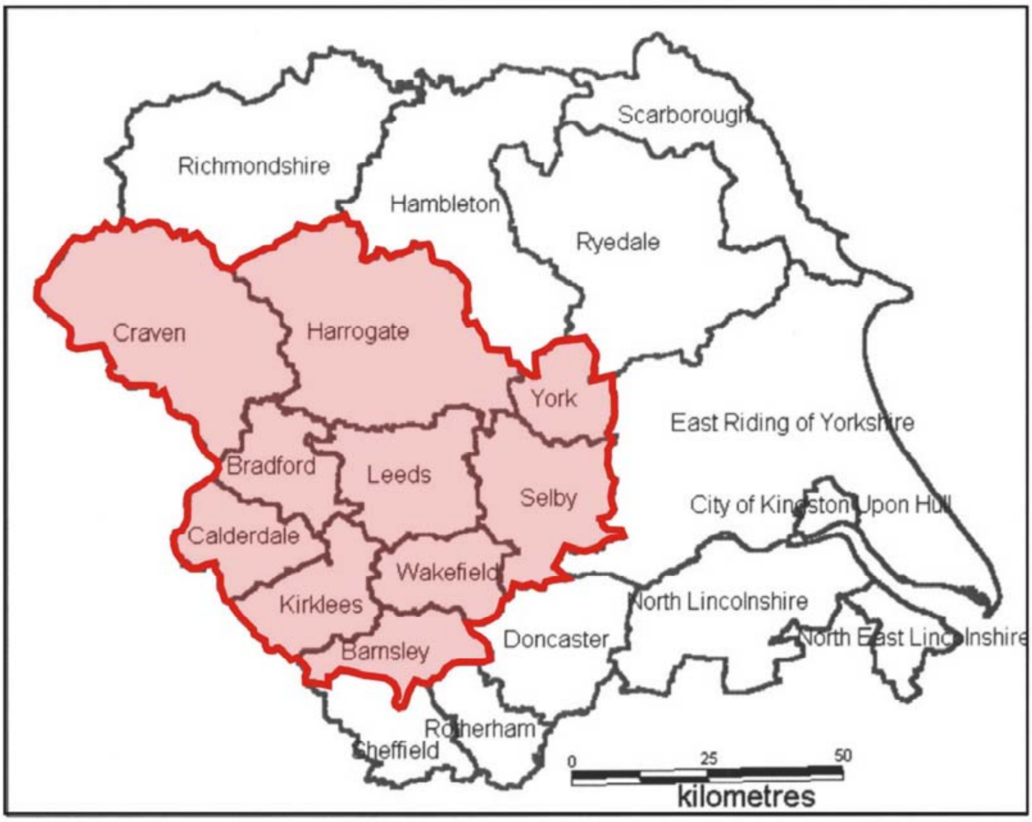
- The Leeds and environs sub-region
- The Leeds phenomenon
- Drivers of economic growth
- Why is the Leeds economy so successful?
- Spreading the benefits

2.2 The Leeds and Environs Sub-Region

2.2.1 The sub-region on an administrative basis

Leeds City District and the surrounding districts, which make up the sub-region, are illustrated in Figure 2.1 below and are shown in the context of the wider Yorkshire and Humber region.

Figure 2.1: *The Districts in the Sub-Region*



2.2.2 The sub-region as a set of interlocking labour markets

Leeds is clearly the strongest centre in the sub-region economically, as a shopping centre and for the location of higher order services and administration. This is most strongly reflected in the pattern of journeys to work. Table 2.1 shows (from the 1991 Census) where the resident workforce of the sub-regions districts lived and worked[1]. Notable features may be summarised as:

- Leeds, Bradford and York are net importers of labour daily; all the other towns are exporters.
- The Leeds daily inflow was by far the greatest at above 71,000 (with Bradford at 35,000 and York at 24,500).
- The net balance was however much narrower: 36,500 Leeds residents worked in other districts, giving a balance of plus 34,500; 28,000 of Bradford's working population travelled out of the city, giving a balance of plus 7,000; and notably the cross-border 'trade' between Leeds and Bradford was not heavily out of balance, with some 15,000 Bradford residents commuting to Leeds, but 12,400 Leeds residents going in the opposite direction.

[1] The 1991 Census figures are now 10 years out of date, but still provide the most reliable estimate of transport flows in the sub-region. The Peter Davidson Consultancy completed a partial census update in 1997. This and later anecdotal evidence suggests estimates are still relevant, but with some changes for particular locations.

- The most dominant single pattern, however, was the fact that in every district those who both live and work within the boundary are a majority and generally – except for York and Selby – a great majority. This is so even for Craven, a rural and commuter district, whose biggest town is Skipton, the proportion of local jobs being 66%, and for Bradford it was 82%.

- We thus have (though this will have changed somewhat since 1991) a sub-region characterised by a three-level labour market: strongly local catchments based on the traditional urban centres onto which is superimposed the pull of the three cities which are the strongest employment centres; and within and over the latter, the region-wide draw of Leeds – importing over 1,500 workers every morning from all the districts, except Craven.

- The district which was least linked to the rest of the sub-region was York, where there was a high level of self containment, little movement to and from homes and jobs elsewhere in the sub-region and where the only destination districts attracting more than a few hundred workers were neighbouring Selby and Leeds. Barnsley, perhaps surprisingly, had more sub-regional inter-relationship than the York/Selby area, with over 8,000 residents travelling north to work in Wakefield, Leeds and Kirklees and around 4,000 in the opposite direction.

Table 2.1: *Journey to Work Flows for the Sub-Region in 1991 (10% Sample)*

Origin	Destination												
	Barnsley	Bradford	Calderdale	Kirklees	Leeds	Wakefield	Craven	Harrogate	Selby	York	Sub-region	Other	Total
Barnsley	5,029	22	16	145	155	509	2	3	58	1	5,940	1353	7,293
Bradford	5	13,068	366	317	1,558	100	204	44	7	5	15,674	202	15,876
Calderdale	5	617	5,549	495	276	51	2	1	3	0	6,999	335	7,334
Kirklees	136	785	694	9,978	1,171	483	9	8	17	8	13,289	393	13,682
Leeds	23	1,243	99	393	21,953	815	21	328	181	75	25,131	475	25,606
Wakefield	243	105	36	452	1,563	8,242	2	14	410	12	11,079	330	11,409
Craven	0	316	4	5	63	5	1,131	9	0	1	1,534	191	1,725
Harrogate	2	108	5	18	707	25	11	3962	37	158	5,033	266	5,299
Selby	10	25	2	13	534	233	0	43	1,686	581	3,217	329	3,456
York	0	12	2	4	152	9	0	85	264	2,734	3,262	487	3,749
Sub-region	5,453	16,301	6,773	11,820	28,132	10,472	1,382	4,497	2,663	3,575	91,068	4,361	95,429

	Other	672	308	211	250	959	401	179	314	504	1,612	5,410		
	Total	6,125	16,609	6,984	12,070	29,091	10,873	1,561	4,811	3,167	5,187	96,478		

Source: The 1991 Census, ESDC/ JISC

2.2.3 The sub-region as a city-region

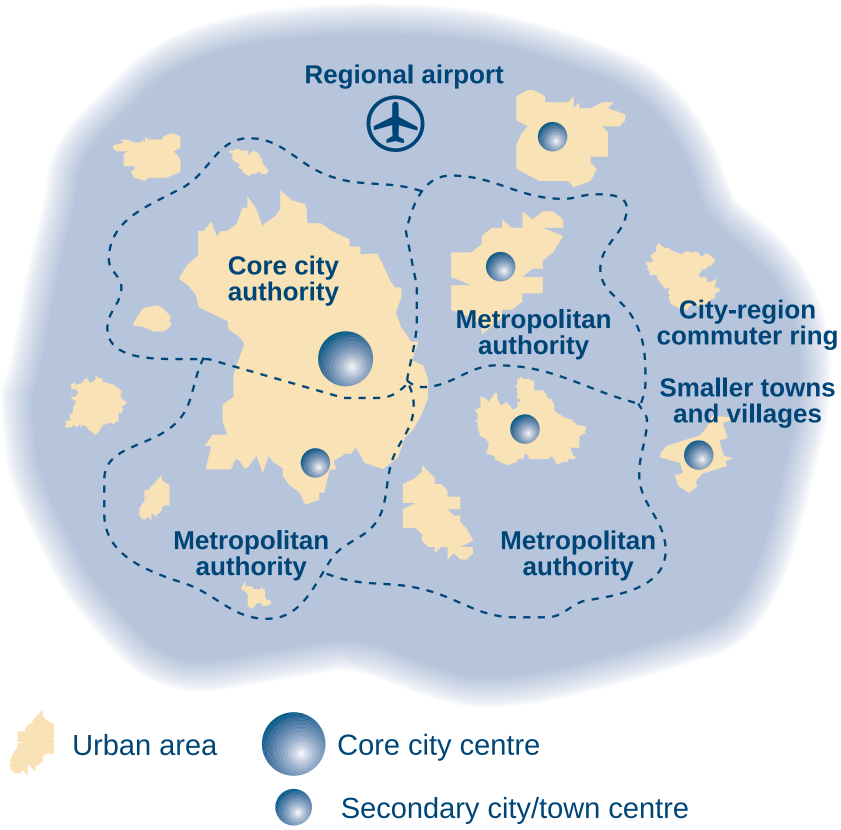
Labour market and commuter flows are of course not the only indicators of the key relationships within a sub-region. Later sections of this chapter illustrate the relative positions of West Yorkshire's urban centres in terms of retail strength, employment in key sectors and property values, for example. The picture that builds up is of a "city-region", or a "functional urban region" which can legitimately be seen as some sort of entity despite the complexity of the patterns, which have evolved.

The concepts of the city-region and functional urban region (drawing mainly on work from Peter Hall and the Centre of Urban and Regional Development Studies, University of Newcastle, and expanded upon in Annex 4) are based on the observation that different forms of urban development are emerging, which are taking urban structure beyond the monocentric or compact city forms of the past. The modern concept of a city-region is a functionally inter-related geographical region comprising a central or core city, with a hinterland of smaller urban centres.

A key characteristic of city regions is that they are socially and economically interdependent. City regions comprise a variety of interconnections between core cities and their hinterlands; social, economic and environmental.

The key linkages within city regions include commuter patterns, common language use, and natural features such as watersheds. City-region definitions potentially have considerable advantages over local authority boundaries when it comes to understanding the dynamics of a city and its surrounding environment. Local authorities or municipality boundaries on the other hand are often shaped by historical factors, which limit their scale and use. Core cities are only a small part of their wider city-regions; a model of a typical city region is shown in Figure 2.2.

Figure 2.2: *The City Region Concept*



In the case of the North and West Yorkshire "City-Region", the core city (Leeds) is not as dominant as say Newcastle in Tyne and Wear or Glasgow in Strathclyde – not only is there another major city (Bradford) very close to the dominant core, but also the other towns and cities are less highly interlinked or dependent than are say, the second order towns of Greater Manchester. Nonetheless, it is clear that Leeds is the dominant core city of a recognisable city-region, and that the administrative boundary adopted for this study (see Figure 2.1 above) is a reasonable, though still arguable, definition of that sub-region.

2.3 Phenomenal Growth

2.3.1 Outline of the success

The study brief refers to the "Leeds phenomenon", and there is no doubt that, at the core of the city-region, the success of the Leeds economy over the last 10-15 years has been impressive. Comparison cities of similar 'phenomenal' success have been London, Edinburgh and Cambridge in the U.K., and cities such as Dublin, Tokyo, Frankfurt, San Francisco and New York further afield. Each city has sought to manage a booming economy.

Economic growth, GDP levels, unemployment and share of business in key growth areas, such as finance and business services, in Leeds have also all out-performed other parts of the region. The reasons behind this success - the socalled “Leeds phenomenon” - are, however, unclear. Some attribute the success to the City’s accessibility, but accessibility to Leeds is possibly no stronger than to other similar towns or cities in the wider sub-region. In addition, talk of the Leeds phenomenon may oversimplify the picture. Many parts of the city such as Harehills and Gipton have not benefited from the growth and success of the city and remain as vulnerable and deprived areas.

Beyond Leeds the impact of the “phenomenon” is patchy. Outside the city centre, but still within the sub-region, areas such as Harrogate and York have benefited greatly and experienced high housing demand. Other areas, such as Bradford, Wakefield and Barnsley, have not been affected greatly and have lower property prices and a higher proportion of dwellings that are considered to be at risk.

2.3.2 Measuring the phenomenon: employment growth

Between 1981 and 2000, the Metropolitan District of Leeds has been the fastest growing city in the UK in employment terms, outstripping other boom cities, such as Bristol and Aberdeen, as well as traditional rivals like Birmingham and Manchester. In 2000, a total of 387,000 workers were in employment within the district, with a further 55,000 self-employed (Annual Business Inquiry, 2001).

Leeds has also been the fastest growing city since 1991, and has added 37,800 new jobs since 1996 alone (Annual Business Inquiry, 2001). The Leeds economy has tended to expand at approximately twice the rate of the Yorkshire and Humber region as a whole.

The employment growth since 1991 (plus 19.8% to 2000) is notable by its consistency over the whole decade; even in the period 1991-95 employment grew by 10.7%, and the steady growth has continued, in contrast to the more erratic picture in some other parts of Yorkshire.

2.3.3 Comparing the phenomenon: nationally and internationally

A comparison to other UK cities shows that Leeds has experienced some of the fastest growth over the last two decades, within this group. It is worthy of note, that whilst this growth has been driven most strongly within particular sectors, such as finance and business services, as well as retail and construction, the economy nevertheless remains well-balanced. For example, the *concentration* of finance and business services jobs (i.e. the proportion of total jobs) is lower than in London, Bristol, Edinburgh and Manchester, while the concentration of public sector employment is lower than in any other UK city, with the exception of Aberdeen. Employment in the distribution and manufacturing sectors is around the average for a major UK city.

Table 2.2: *Employees - Change 1991-2000*

Area (by Local Authority)	Number 2000	Change 1991-2000	% Change
Leeds	**386,800**	**60,000**	**18%**
Edinburgh	293,400	33,900	13%
Kirklees	151,800	14,100	10%
Cardiff	168,000	13,600	9%
Glasgow	366,400	27,000	8%
Bristol	232,600	14,700	7%
Leicester	165,600	8,800	6%
Bradford	194,900	7,200	4%
Sheffield	227,000	8,300	4%
Nottingham	174,700	6,300	4%
Newcastle	163,500	4,700	3%
Manchester	283,400	7,400	3%
Birmingham	475,800	-4,100	-1%
Liverpool	196,700	-4,200	-2%

Source: Annual Business Inquiry, 2001

Looking at Leeds' economic growth from an international perspective, we draw on data contained in Jones Lang LaSalle's European Regional Economic Growth Index (E-REGI). This index identifies cities across Europe with the greatest economic growth potential in the short-to-medium term. The model is based on a weighed average of 15 sets of data, reflecting economic growth factors, the overall level of wealth and measures of the relative attraction of the business environment.

In 2002, Paris ranked first with Helsinki second and London third. Only four UK cities make it into the top 50, and Leeds finds itself in 53rd place, behind London, Manchester, Birmingham and Bristol. This suggests that Leeds can be regarded as a significant European city, with good, but not outstanding growth prospects by international standards.

Table 2.3: *The 2002/01 Rankings for UK Cities*

City	Rank 2002*	Rank 2001	Change in Rank
London	3	4	+1
Manchester	33	47	+14
Birmingham	39	52	+13
Bristol	42	44	+2
Leeds	**53**	**66**	**+13**
Cardiff	55	71	+16
Glasgow	56	65	+9
Edinburgh	59	56	-3

Source: JLL, E-REGI, 2002.

2.4 The Drivers of Economic Growth

2.4.1 Key sectors in the Leeds economy

Employment growth in Leeds District has been strongly driven by the financial services sector. This has been the strongest growth sector, with a 24% expansion over the last five years alone. Financial and business services in the sub-region are concentrated in Leeds, with over 30% of such jobs in the entire Yorkshire and Humber region. Leeds is now the largest employer for financial and business services in the UK, after Birmingham and London, with over 113,000 jobs in the banking/ finance/ insurance categories (in 2000)

The public sector is still the largest single employment category, where jobs are relatively well distributed across the region, and this sector has grown moderately since 1996. Other drivers include the media industries (such as BBC, Yorkshire TV and regional radio), the medical industry (with regional specialisms at Leeds General Infirmary and St James Hospital) and the legal industry (County Court and various headquarters of leading law firms). Other influential sectors include the printing and publishing sector, which is the largest outside London, although this has been in decline in employment terms. Manufacturing as a whole has experienced a 15% decline in employment over the last five years, but again remains a major employer, with nearly 50,000 jobs. .

Figures 2.3 and 2.4 show Leeds' share of West Yorkshire's employment in 2000 and growth from 1996-2000. The average for all industries is marked with a horizontal line.

Figure 2.3: *Leeds' Share of West Yorkshire Employment, 2000*

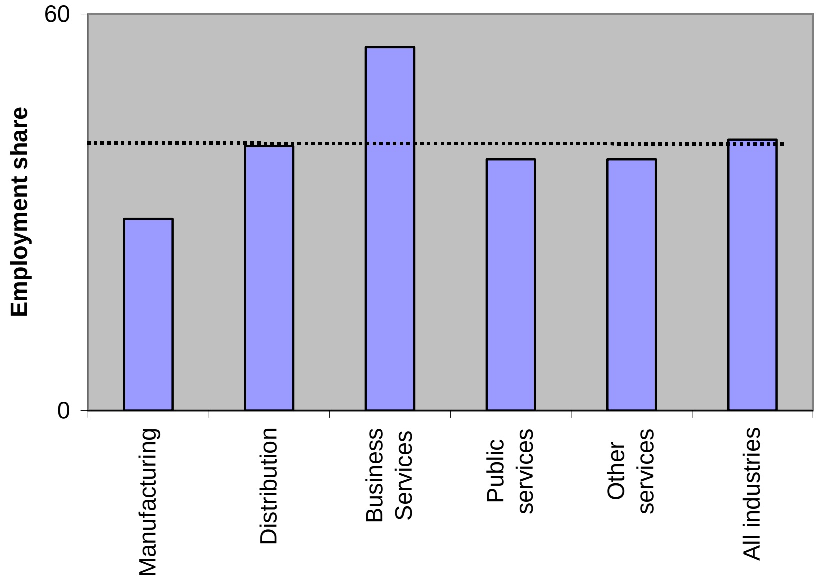
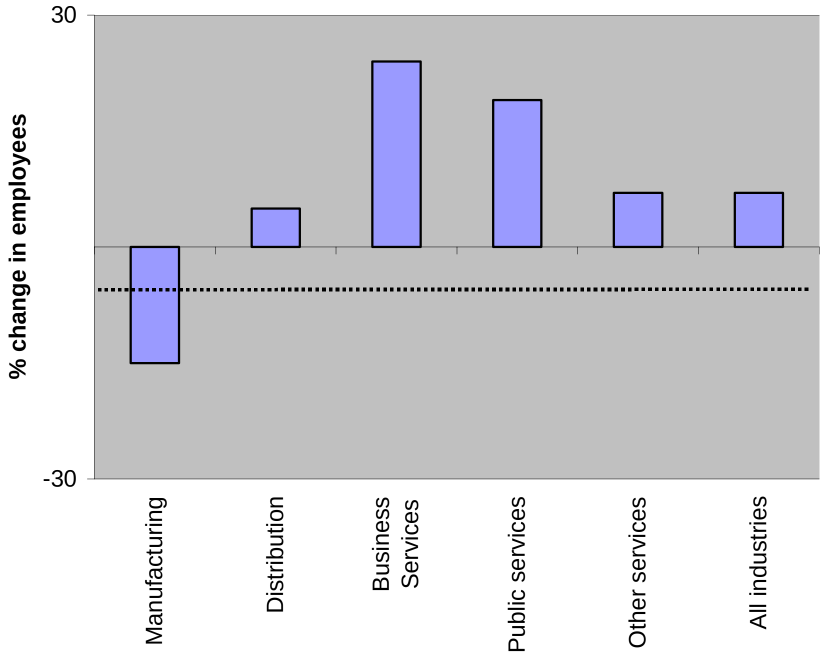


Figure 2.4*: Growth in West Yorkshire Employment, 1996-2000*



Within Leeds, financial services jobs are strongly concentrated in the city centre, with around half of all jobs in the City & Holbeck ward. Two specific drivers of local economic growth have been the development of Call Centres, and employment associated with the Department of Health. Since the first Call Centre was built in 1989, over 20,000 new jobs have been provided in Leeds. Foreign direct investment has introduced 27 new companies to the city since

1990, as well as providing for growth via expansion, acquisition and joint ventures.

2.4.2 Employment and growth in the wider sub-region

With about a third of the total jobs, and 28% of all the businesses, (see Table 2.4), Leeds dominates in terms of total employment and total number of businesses in the sub-region.

Other areas with strong recent growth – usually associated with a high proportion of jobs in the expanding financial and personal service sectors – include the "outer north" districts of Harrogate, Selby and Craven. The fact that it is the bigger (more industrial) towns that are growing more slowly, means that Leeds, with its combination of both greater weight and fast growth, is becoming more predominant in its sub-region. This is particularly noticeable in relation to Bradford, which shows recent slow growth, office rental levels not much over half the Leeds rate, and a difference in total job levels which widened over the decade from around 120,000 to over 190,000.

Table 2.4: *Employment and Business in the Sub-Region*

	Leeds	Bradford	Wakefield	Kirklees	Calderdale	York	Barnsley	Harrogate	Selby	Craven
Total Employment (2000)	386,784*	194,929	118,910	151,796	83,906	64,155	72,314	61,392	36,009	23,341
Total Unemployment (2000)	3.1%	4.6%	4%	3.6%	4%	1.9%	4.9%*	1.2%	3.8%	2.7%
Employment Change 1998-2000	5.8%	0.7%	2.6%	2.3%	2.7%	-5.0%	1.4%	6.3%	5.4%	8.3%*
Manufacturing Employment	12.8%	20.2%	17.6%	26.4%*	23.2%	9.3%	21.4%	7.5%	14.6%	18.5%
Banking, Finance and Insurance	29.3%	21.8%	19.9%	20.6%	8.3%	24.5%	19.4%	29.5%*	26.3%	20.2%
Employment in Growth Industries **	52.5%*	50.11%	47.3%	42.8%	39.7%	52.4%	48%	55.5%	36.7%	46.1%
Employment in Firms Employing more than 1000	12.3%	12.2%	5.9%	13.4%	16.2%	22.1%*	6.6%	2.3%	8%	0%
Total Number of Businesses	25,512*	14,478	9,604	12,766	7,374	3,891	5,511	7,114	3,403	2,692
Labour Cost Index	7.6	7.9	8.7	8	8.1	8.3	7.9	7.7	5.5	9.8*
Skills Index (out of 10)	2.9	2.4	2.1	2.4	2.5	4.6	0.7	4.8	4.2	5.7*
Office Rentals (prime)	£22.50	£12.50	£13.50	£10.00	-	£12.50	-	£13.50	-	-
Industrial Rents	£5.75	£4.50	£5.00	£4.00	-	£4.50	£4 - £4.25	-	-	-

Source: ONS (Census of Employment 2000, NOMIS), BSL Forecasts Autumn 2001, The Henley Centre 1998

* Ranked highest
** Growth Industries are those, which are forecast to outperform growth in the U.K over the period 2001-2005. These are Chemicals, Electrical & Optical Equipment Engineering, Construction, Retailing, Communications, Banking & Insurance, Business Services, Other (largely private) services.
- No information given

2.4.3 The development and retail drivers

The dominance of Leeds is again marked – and again increasing – in property, retail and investment terms.

- Leeds District attracts by far the highest office rentals in the sub-region. Currently the supply of Grade A accommodation is low and therefore rentals of £23 psf/month may be achieved.

- This level of rental is not repeated elsewhere within the sub-region and the next tier of office centres have prime rentals at, or around, £12-£14 psf.

- This level of rental in Leeds enables developers to build accommodation speculatively and of a specification that is difficult to find elsewhere in the sub-region.

- Most secondary centres (such as Huddersfield and Wakefield) are characterised by indigenous demand in terms of occupiers. Often schemes require grant assistance in order to be viable, due to costs of development exceeding the value of the building once completed and let. In these secondary markets, occupiers often drive development, through having to procure buildings themselves. Example of this include Yorkshire Building Society (Bradford), Abbey National (Bradford) and Jarvis plc (York).

Out of town offices with particular locational characteristics can attract occupiers and demand: for instance Wakefield 41, located just off the M1, has been a relatively successful office location. Further examples are found in the Dearne Valley where financial incentives arising from Enterprise Zone status and improved transport links (e.g. the Dearne Towns Link Road and rail station) have helped to secure significant office and industrial occupiers. Rentals in the out-of-town office sector tend to operate within a broad range and are influenced by location – for example proximity to the motorways as at Stourton in Leeds – and quality of the accommodation and environment. Skelton Grange, which like Thorpe Park is to the east of Leeds and on the M1, is yet to be built, but this again will provide a major out of town location with over 50,000 sq/m of office accommodation. Outside Leeds, therefore, it appears that the best prospects for commercial development are in locations which run counter to current planning and transport policy, as expressed in PPG13 and PPG6.

In the industrial and warehousing sector, the highest rentals are being achieved along the M62 corridor, especially where close to the junction with the M1. Warehousing and distribution has been particularly active, driven by food and drink related companies. With the manufacturing sector demand has been limited, but where new developments and investments have taken place, occupiers' criteria are weighted towards accessibility in terms of moving freight and to a slightly lesser extent for employees.

This picture of a predominant Leeds is also repeated in the field of retail demand and investment. Table 3.4 gives comparative data for the sub-region as considered by operators and investors in the retail and leisure market when they identify locations for future expansion.

- Clearly, Leeds has the largest district catchment and a relatively high proportion of residents who fall into the "affluent household" category. A loose correlation can also be evidenced in terms of catchment size (population), spend per capita and the amount of retail and leisure accommodation provided.

- Cultural, conference and tourist facilities also contributes to the demand from leisure operators for accommodation as can perhaps be evidenced in Leeds, York and Harrogate.

- Agglomeration is often an important aspect of the commercial leisure business and operators like to be part of a recognised destination or "pitch". In a wider sense, too, the "success, breeding success" as part of agglomeration effects, seems to be an important explanation of the Leeds phenomenon.

In terms of comparison retailing floorspace and shopping centre space, the centres with the lowest levels are those with the smallest catchments. Some of these could be suffering from leakage of spending to other centres (Wakefield to Leeds, Selby to York). Indeed, most of the centres will have an element of leakage to Leeds, given its superior offer in terms of the range of goods and services available to the consumer. Table 2.5 provides the retail rankings of the comparison centres as at April 2002.

- Leeds again plays a leading role in the sub-region.

- With the exception of York, the remaining centres have relatively comparable Zone A rental levels, which reflects the level of trade that a retailer expects to achieve from the floorspace.

- The number of retailer requirements (in April 2002) indicates healthy demand from national and regional multiples, with the exception of the smallest centres.

The existence of out-of-town retailing has some impact on city and town centre retail health in the sub-region, but the nearest regional shopping centre (Sheffield's Meadowhall) is outside West Yorkshire, and the more local ones such as the White Rose Centre in Leeds, Freeport near Castleford and Macarthur Glen near York, are smaller and more targeted at specific market segments.

Institutional investment in the property market tends to follow the market movers, and again success breeds success, the core areas attract funding interest, so reinforcing agglomeration efforts. The UK property market largely has been driven by the financial institutions, which fund development and hold property assets. The greatest level of involvement is generally found in the most prime locations, for example city centres and motorway locations. Basically these are the locations where demand is anticipated to remain strong and therefore rental and capital value growth will occur.

Activity by institutional investors is generally focused on the larger towns and cities with good prospect of rental growth, which is itself driven by occupier demand. It is difficult to generalise as to where institutional investors do and do not invest, however, outside of the main centres such as Leeds, Bradford and York, investment tends to be dependent upon specific circumstances relating to the nature of the property and location.

Table 2.5: *Sub-Regional Performance Indicators for the Retail Sector*

	Leeds	Bradford	Wakefield	Kirklees	Calderdale	Barnsley	York	Harrogate	Selby***	Craven
District Population (2001)	725,830	494,713	311,456	390,904	191,341	232,022	107,173	162,920	94,716	48,662
Affluent Households (Acorn Classification)	30%	17.7%	22.8%	24%	19%	12.6%	38.7%	59%	37%	33.9%
Low Income Households	32.5%	41.4%	31.2%	29.6%	33%	29.6%	12.6%	6.4%	20.8%	10.8%
Retail Floorspace Sq. ft "Goad" (comparison)*	1.36m	1.02m	0.62m	0.52m	0.48m	0.58m	0.87m	0.62m	0.23m	0.25m
Shopping Centre Floorspace Sq Ft **	2.14m	0.33m	0.34m	0.20m	0.18m	0.36m	0.15m	0.09m	-	-
Number of 3 Star and above Hotel Rooms (within the retail footprint catchment)	1,116	593	343	222	81	124	819	1,072	22	75
Prime Retail Zone A Rents "Goad" (April 2002)	£225	£95	£80	£110	£65	£80	£160	£100	-	-
Ranking/Requirements "Focus" (April 2002)	3/198	74/71	162/40	95/63	129/51	162/40	26/125	83/67	349/15	330/16

Source: ONS (1991 Census of Population, mid – 1997 forecasts) CACI Projections, Acorn Classification, Goad (April 2002), Goad Census Database (June 2000), Focus (April 2002), AA Hotales & Restaurants Guide, JLL – 50 centres – office, industrial & retail rents (June 2000), Going Shopping 1998/99 – The UK Shopping Centre Review by Trevor Wood
* Retail floorspace per sq/ft: indication of retail floorspace area at ground floor level, measured in square metres for comparison shops only. Taken from Goad Centres Database (June 2000)
** Shopping centres including factory outlets and shopping parks
*** 1991 population base for Selby, i.e. pre-1996 boundary change

2.5 Why is the Leeds Economy so Successful?

A range of reasons has been suggested in the literature, in discussion, and in analysing the data for this study, which might help to explain the "Leeds phenomenon". Some are inevitably qualitative and judgement-based, and will remain so; others might be capable of quantitative substantiation, but are not at present supported by much data. Possible explanations can be put into different categories:

Nature of the economy

- The balanced nature of the city's economy, which as we have seen combines strong (but not dominant) representation in the growing finance sector, a broad base of regional services, and retention of a substantial though much-reduced manufacturing base. This breadth and robustness may help explain the consistent – as well as rapid – 1991/2000 growth record that we remarked on earlier.

- The business structure: again, varied and robust, with a mix of home-grown businesses like ASDA, the headquarters of 30 UK PLCs – so less dependency on out-of-region decisions - and at least 11 foreign-owned (allowing for further inward investment / development), and with over 50 businesses having over 500 employees.

- The sizeable presence of regional administration based on its de facto role as the regional capital (Government Office, Yorkshire Forward, plus other regional divisions).

- Key specific relocation decisions – notably national government (DH, DSS) but also the early move by First Direct; all of which underpinned development demand and established credibility.

Other factors of production

- Proximity to and access from a very large (million-plus) labour pool, with a good level and choice of skills.

- Good transport: excellent connections to the motorway network (M1, M62), Intercity rail (half-hourly trains to London, a journey of just over 2 hours), and reasonable access to air services (with Leeds-Bradford airport offering interchange via the Heathrow and Schiphol hubs, and Manchester Ringway - 70km away- offering a far wider choice of direct links, given its completely different level of activity: 17.4m passengers p.a. compared to Leeds-Bradford' s 1.5 mppa, 1999).

- Availability of development land.

Social Infrastructure

- A strong higher-education base, with two Universities and other colleges, some with nationally-significant specialisms, acting both as a driver of innovation and a source of skilled employees for businesses.

- Culture and night-life which is a regional draw.

- Retail strength, dominant in the region and attracting prestige national groups.

- Regional hospital / health services.

- The wide range of business and professional services that Leeds can offer.

Political / institutional / perceptual

- A culture of co-operation between organisations, as in the Leeds Initiative, which has helped support and reinforce local economic buoyancy.

- Political stability: a consistency of aspiration and vision for the City.

- Successful planning policy and implementation, including both the physical regeneration of the City Centre and the management of suburban corridors.

- A perception of success and a thriving economy.

Why Leeds became successful, why it remains so, and what it can do in the future to ensure continued success are not all the same thing. Leeds has been a great city since Victorian times, so quite a lot of the explanation lies in the “inertia” or “momentum” effects of established size and diversity. But this does not explain why its performance has diverged so sharply from Bradford’s – which, a generation ago, was much more Leeds’s twin and less its junior; nor how it has managed to shed tens of thousands of jobs in once-key industries like engineering and the garment trade, yet stay growing. However that original “inertia”, turning into what now seems to be an ever-more-powerful agglomeration effect, is in our view a powerful explanation of the process by which Leeds is becoming steadily more dominant as the core-city of its city-region.

The availability of a large and skilled labour market, with good access generally in well under an hour by car, train or bus, is also a important asset: Leeds is clearly the hub of the networks, and has more people in the catchment for any given job than any provincial city other than Birmingham and Manchester. This is self-reinforcing; employers know they have a big pool to fish in, and employees are confident that they and their partners will have a reasonable choice of jobs. This is a national phenomenon; similarly, Manchester is becoming stronger and stronger as a core city.

The switch into financial services is obviously at the core of much of the success, and the roots of that are partly in the traditional city role as business service provider (but Bradford and Huddersfield had that too), partly in perhaps-fortuitous decisions like the early First Direct investment, and partly it would appear in the readiness to respond to development interest.

The specific aspect that is intriguing, and which could be the objective of some specific research in Stage 2, is to explore business decisions about moving and staying, in terms of what the factors are that make Leeds businesses choose a location which has, as we have seen, easily the highest rents in the region: what are they paying for, do they need face-to-face interaction, is it mainly a labour market logic, what attracts them, what would threaten their commitment? Current explanations fall well short of that degree of analysis, and do not provide that much of a basis for thinking about the future.

2.6 Spreading the Benefits

2.6.1 Labour markets and commuting

One of the most obvious mechanisms by which the effects of the “Leeds phenomenon” are spread into the wider sub-region is via the labour market. We outlined in section 2.2 the main travel-to-work flows, and showed how Leeds provides employment for well over 70,000 residents of other districts. This is a growing phenomenon, in two ways: first, district-to-district commuting has been increasing over time, with for example 11,840 Wakefield District residents commuting to Leeds daily in 1981, 15,630 in 1991, and, on the basis of transport growth figures presented later in this chapter, substantially more again by 2001. Secondly, Leeds’ own growth performance has been both proportionately great and also numerically very great, compared with the other districts, as Table 2.6 suggests. Over the decade to 2000, only Craven showed a faster growth rate (38%) than the 19.8% recorded for Leeds, so even the quite buoyant percentage rates of Calderdale (10%) and Harrogate (8%) represent a shift in the numerical centre of gravity towards the conurbation core. So Leeds is increasingly the place where the sub-region earns its living.

Table 2.6: *Sub-Regional Employment Change*

Town/ District	Employment Change %			
	1991-1995	1995-1998	1998-2000	1991-2000
Leeds	10.7	2.3	5.8	19.8
Bradford	-0.7	2.8	0.7	2.8
Wakefield	-1.6	2.6	2.6	3.6
Kirklees (Huddersfield)	4.6	2.4	2.3	9.6
Calderdale (Halifax)	5.2	2.1	2.7	10.3
Barnsley	-3.1	7.1	1.4	5.2
York	2.7	2.1	-5.0	-0.4
Harrogate	6.9	4.2	6.3	8.4
Selby	-15.8	20.6	5.4	7.0
Craven	13.4	12.5	8.3	38.1

The data can be further examined in relation to net flows. Table 2.7 summarises the number of residents working in their home district, working outside their home district and those coming in to work from outside, hence providing a net flow in and out of each district. It shows that Leeds is by far the largest net importer, with York and Bradford also being net importers, but all other districts being net exporters. York has the largest % net in-flow (in relation to its relatively small workforce).

Kirklees is the largest exporter of workers in absolute numbers, though Barnsley exports most in percentage terms. Craven and Harrogate also export more than 10%.

Table 2.7: *Net Flows into and out of Districts in the Sub-Region*

District	Residents working in own district	Residents working out of own district	Non residents working in district	Net flow	% net flow (net flow divided by total no. of jobs in district)
Leeds	21,383	3,653	7,138	3,485	12.2%
Bradford	12,708	2,808	3,541	733	4.5%
Calderdale	5,378	1,785	1,435	-350	-5.1%
Kirklees	9,765	3,704	2,092	-1,612	-13.6%
Wakefield	8,047	3,167	2,631	-536	-5.0%
Barnsley	4,864	2,264	1,096	-1,168	-19.6%
Craven	1,080	594	430	-164	-10.9%
Harrogate	3,854	1,337	849	-488	-10.4%
Selby	1,640	1,770	1,481	-289	-9.3%
York	2,670	1,015	2,453	1,438	28.1%

(1991 Census, Special Workplace Statistics 10% sample)

In Table 2.8, the journey to work data is analysed in relation to the wards within Leeds district. It shows the dominance of City & Holbeck ward for bringing people in to work. But University ward and Hunslet are also major importers. The majority of wards are net exporters, some almost exclusively dormitory suburbs with the vast majority of residents travelling outside the ward and few coming in. The North, Middleton, Roundhay, Moortown, Cookridge, Barwick and Kippax, Rothwell, Garforth and Swillington and Harehills wards are extremely high exporters.

On average just under a fifth of workers work within their own ward, though in some of the above named wards this is below 10%. Other than City & Holbeck, Wetherby, Aireborough and Otley and Wharfedale have the largest proportions of residents working within the ward. Just over a quarter of Leeds district residents work in the city centre. The most self-contained wards tend to show the least levels of reliance on the city centre, whilst central wards show the largest (e.g. Beeston, Hunslet, Wortley, Armley, University, all over 30%).

Table 2.8: Commuting Flows in and out of Wards in Leeds

WARD	RESIDENTS WORKING IN WARD	TRIPS INTO WARD FROM		TRIPS OUT OF WARD TO		NET FLOW	% OF RESIDENTS WORKING		% NET FLOW
		Other Leeds districts	Elsewhere	Other Leeds districts	Elsewhere		In own ward	In city centre	In/out of the district
Aireborough	357	262	223	411	242	-168	35%	9%	-20%
Armley	121	394	101	627	75	-207	15%	33%	-34%
Barwick & Kippax	111	119	140	600	234	-575	12%	21%	-155%
Beeston	91	450	198	486	34	128	15%	42%	17%
Bramley	77	251	64	561	89	-335	11%	24%	-85%
Burmantofts	114	522	118	473	39	128	18%	23%	17%
Chapel Allerton	86	329	68	526	67	-196	13%	27%	-41%
City & Holbeck	314	5934	2341	272	46	7957	50%		93%
Cookridge	100	154	47	596	99	-494	13%	24%	-164%
Garforth & Swillington	202	175	92	614	185	-532	20%	24%	-113%
Halton	113	326	85	717	108	-414	12%	28%	-79%
Harehills	39	185	23	417	48	-257	8%	26%	-104%
Headingley	51	338	141	396	50	33	10%	29%	6%
Horsforth	175	384	182	552	135	-121	20%	19%	-16%
Hunslet	95	631	268	352	24	523	20%	38%	53%
Kirkstall	85	317	75	490	62	-160	13%	29%	-34%
Middleton	72	87	49	465	110	-439	11%	30%	-211%
Moortown	62	175	28	580	72	-449	9%	30%	-169%
Morley North	173	388	337	577	211	-63	18%	24%	-7%
Morley South	272	344	349	532	215	-54	27%	20%	-6%
North	73	103	21	625	105	-606	9%	28%	-308%
Otley & Wharfedale	321	285	224	424	204	-119	34%	11%	-14%
Pudsey North	186	366	219	549	249	-213	19%	18%	-28%
Pudsey South	157	273	88	489	160	-288	19%	19%	-56%
Richmond Hill	132	557	167	435	40	249	22%	27%	29%
Rothwell	166	90	100	554	128	-492	20%	25%	-138%
Roundhay	63	187	25	648	105	-541	8%	26%	-197%
Seacroft	52	210	38	414	33	-199	10%	21%	-66%

University	130	1,875	635	283	29	2,198	29%	33%	83%
Weetwood	68	315	70	474	77	-166	11%	21%	-37%
Wetherby	389	130	434	336	226	2	41%	14%	0%
Whinmoor	94	289	70	576	77	-294	13%	25%	-65%
Wortley	123	274	118	668	75	-351	14%	35%	-68%
TOTAL	4,664	16,719	7,138	16,719	3,653	3,485	19%	26%	

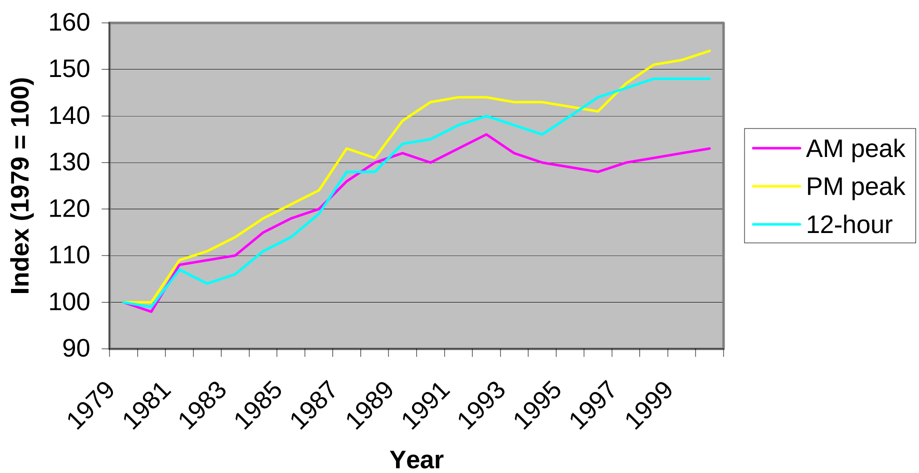
(1991 Census, Special Workplace Statistics, 10% sample)

2.6.2 The evidence from transport data

In the absence of 2001 census journey-to-work data to update the 1991 figures on a consistent basis, analysis of the more recent trends in how commuting is spreading the effects of the "Leeds phenomenon" can be drawn from information on road and rail movements.

Daily traffic flows into Leeds have risen steadily over the last 20 years. Morning peak flows crossing the central cordon have been relatively constant since the early 1990s, whereas evening peak flows remained steady during the early 1990s with growth occurring in more recent years. The growth profile is provided in Figure 2.5.

Figure 2.5: *Index of Traffic Growth – Leeds Central Cordon*



Data from Leeds City Council shows how movements into Leeds city centre have evolved since 1996. There has been overall daily growth across the cordon between 1996 and 2002 of 5%, though significant variation between corridors in association with changes to the network – see Table 2.9.

Table 2.9: *Traffic Corridors 1996-2002*

Corridor	1996	1998	2000	2002	1996-02
1	44,600	40,600	40,300	41,900	-6%
2	153,300	150,100	149,100	139,300	-9%
3	102,500	94,900	89,000	84,400	-18%
4	72,400	85,400	91,600	103,000	+42%
5	159,100	157,800	157,500	159,200	0%
6	60,900	61,900	63,300	64,500	+6%
7	117,800	136,300	137,300	152,100	+29%
Total Cordon	710,700	727,000	728,000	744,300	+5%

Corridor 1 – A660 Headingley corridor

Corridor 2 – A61/A58 Sheepscar corridor

Corridor 3 – A64 York Road corridor

Corridor 4 – A653 Dewsbury Road corridor

Corridor 5 – A62/A58 western corridor

Corridor 6 – A65 Kirkstall Road corridor

Corridor 7 – A61/M621 southern corridor)

Figure 2.6 shows these corridor routes on a map and highlights the boundaries of the “central cordon”.

The phenomenon of ‘peak spreading’ is observable, as traffic growth increases significantly before and after the peak hour, because of congestion. Peak-hour (but not peak 3 hour) traffic levels in 2000 remained the same as 1993, though overall traffic levels across the 24-hour period had increased by 7%[2].

Average car occupancy (morning peak inbound to Leeds) has decreased over recent years, in line with national trends, from 1.28 in 1992 to 1.23 in 2002, although the Stanningley High Occupancy Vehicle lane (HOV) did demonstrate local increases in car occupancy.

Rail demand has grown significantly over the last decade, with a doubling of peak use between 1991 and 2000, leading to considerable capacity problems. In Figure 2.7, the number of rail passengers coming into central Leeds from surrounding districts is illustrated.

For Bradford, York, Harrogate, Selby and ‘the West’, it shows that more than half of arrivals are by train. It would seem that the significance of rail commuting from

[2] Steer Davies Gleave, Leeds Supertram Employment and Travel Trends Working Note, 2002

external districts is particularly great in relation to the growth in centrally located jobs in Leeds which have occurred as part of the Leeds phenomenon.

Bus patronage data is difficult to acquire at the local /sub-regional level, though headline figures for bus patronage across West Yorkshire are maintained. These figures show that total patronage has decreased by 16% from 1992/3 to a total of 204 million trips in 1999/2000[3]. Despite this decline, this figure remains 12.5 times as high as the total number of rail trips (16.2m in 1999/2000). There is evidence that following this decline, the number of bus trips has increased more recently.

In summary, the patterns of travel to and from Leeds, strongly correlated with the significant increase in economic activity show the following growth trends:

- Road traffic increased by 46.4% from 1979-1999[4].
- Rail passenger trips for the am peak into Leeds city centre increased 100% from 1992 to 1999 and total journeys within West Yorkshire grew by 47% in the same time period[5].
- The net inflow into Leeds is estimated by Cambridge Econometrics to be around 64,000 – up from 38,000 in 1991.
- In 2000, the mode share of users crossing the central cordon (which roughly corresponds with the inner-ring road) during the am peak was as follows:

Table 2.10: *Transport Mode Share*[6]

Mode	Total Trips (0730-0930 am peak, inbound)	Mode Share
Rail	10,500	9.5%
Bus	28,800	26.1%
Car	67,500	61.2%
Other	3,640	3.3%
Total	110,000	

Figure 2.6 provides an illustration of the volumes and mode splits of car passengers and rail passengers commuting into Leeds city centre during the morning peak (0800-0900). The city centre is defined more tightly in this case and shows the much greater role of rail for passengers travelling from outside Leeds district to destinations close to the city railway station.

[3] Leeds City Council, Leeds Monitoring Report, 2000
[4] Leeds Economy Handbook, 2002
[5] Steer Davies Gleave Leeds Supertram Employment and Travel Trends Working Note, 2002
[6] Leeds City Council, Leeds Monitoring Report 2000

2.6.3 Spreading the effects: housing markets

The other mechanism, which spreads the economic effects of the Leeds phenomenon, is of course the housing market. Coupled with job search patterns and the transport network's accessibility, residential choice channels the incomes made in Leeds and the other core towns/cities, particularly Bradford, into the wider hinterland.

In its broadest terms, the Leeds' sub-region appears to be polarised, between the affluent northern parts of the city and the surrounding hinterland, including the districts of Harrogate, Craven and York, and a southern belt characterised by areas of housing stress, such as in the south of Leeds district and within Wakefield, Kirklees, Calderdale and Barnsley. Leeds itself has something of a "dual" housing market, which, in general, has a split between the north, which has high residential values and the south, which has lower property values. The southern core extends into Bradford, Wakefield and parts of Kirklees. There are variations to the general pattern, and each of the districts has its own local housing market pattern.

The CURS report on the region's housing issues is a recent and authoritative study of the trends and pressures. Its single most concerning conclusion relates to the scale and condition of the housing stock which it analyses as being "at risk" – from a mixture of low demand, poor physical state, competing new supply and external socio-environmental influences. The combination of these factors is seen as having the potential to lead beyond simply housing stock problems to more general area collapse at a neighbourhood level.

For Leeds itself, the success of the city centre economy and measures to regenerate it, coupled with the buoyancy of the housing market in the north of the city, tend to reduce the overall impact of housing stock at risk in the district, especially when compared to other cities in Yorkshire, such as Sheffield and Hull. The stock at risk in Leeds is 20%. Table 2.11 below shows the districts and their levels of housing stock at risk, with the area with the highest levels of dwellings at risk (Barnsley) at the top[7].

Table 2.11: *Dwellings at Risk in the Sub-Region*

Area	Total Dwellings	% Dwellings at risk
Barnsley	90,880	41.2%
Bradford	184,881	26.6%
Leeds	295,675	20.7%

[7] Risk is measured by CURS using an index of factors including: predominance of rented housing or low quality stock in owner occupation, a prevalence of obsolescent housing, demographic characteristics likely to weaken demand or a concentration of economically inactive or unemployed persons. For further information, see CURS, 2002.

Kirklees	155,966	18.2%
Wakefield	127,833	17.3%
Calderdale	81,418	16.3%
Selby	28,753	2.9%
York	71,558	0%
Harrogate	59,669	0%
Craven	22,513	0%
Yorkshire and Humberside	2,039,022	23.4%

Source: Centre for Urban and Regional Studies, University of Birmingham (2002) – *Yorkshire and Humberside: Changing Housing Markets and Urban Regeneration*

Areas of housing at risk in the Yorkshire and Humber region include wards to the north of Leeds City Centre, and also parts of Bradford, Calderdale, Wakefield and Kirklees. All suffer from low values and social-rented sector problems. These areas have around 165,000 dwellings at risk, with problems of low and changing demand. Barnsley, Wakefield and several other districts in a belt across the northern part of South Yorkshire have extremely low house prices within a generally low price zone.

At the opposite end of the scale, the north of the sub-region, in the areas that are commutable to the cities of Leeds, Bradford and York, has generally seen the demand from commuters and retirees drive prices upwards, putting pressure on local authorities to identify sites for new housing development.

Tenure

In several districts, the low demand problem is particularly acute in the social tenures. The districts in the north of the sub-region, in general, have the highest percentage of private houses and the lowest proportion of local authority housing, whilst the areas with the lowest proportion of private housing are generally to the south. The amount of housing with a Registered Social Landlord (Housing Association or similar) is between 2-5% throughout the area.

Table 2.12: *Housing Tenure in the Sub-Region*

District	Local Authority (%)	Registered Social Landlord (%)	Other Public (%)	Private (%)	Total Stock
Leeds	23%	4%	0%	72%	307,700
Bradford	13%	5%	0%	82%	199,710
Calderdale	16%	4%	0%	81%	85,095
Kirklees	18%	3%	0%	79%	156,757
Wakefield	27%	2%	0%	70%	135,826
Barnsley	26%	2%	0%	72%	95,913
Selby	12%	3%	0%	85%	31,789
York	11%	5%	1%	83%	79,226
Harrogate	7%	3%	1%	89%	65,075
Craven	7%	2%	0%	90%	23,408
By Region	19%	4%	0%	77%	2,150,000
UK Average	14%	6%	-	-	-

Source: ODPM

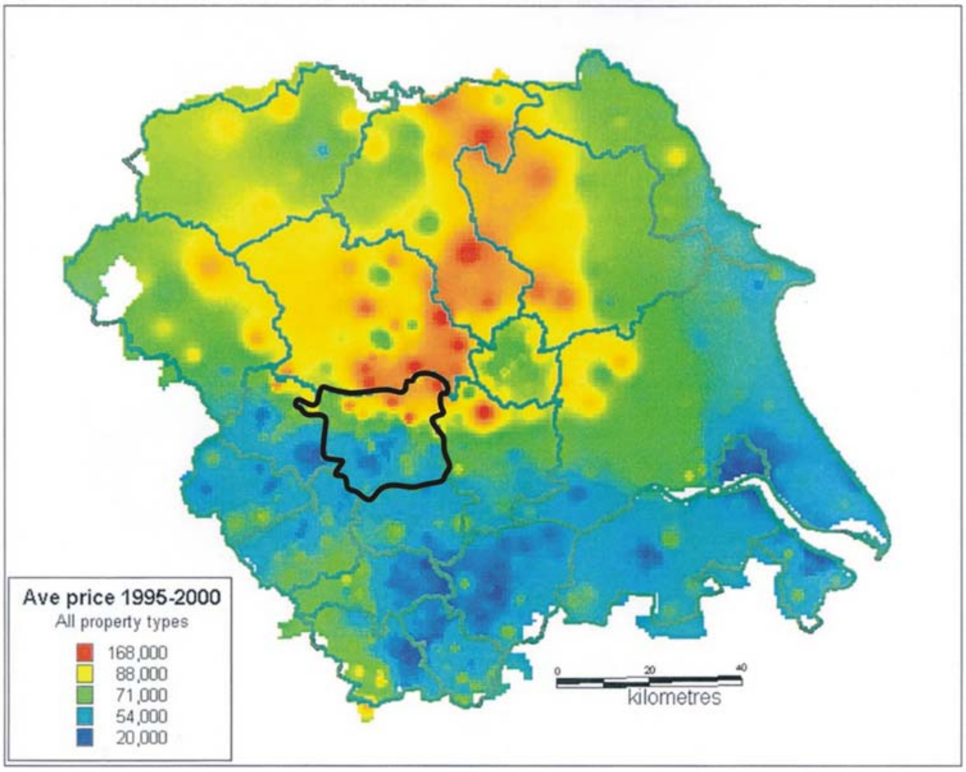
New Completions

The CURS report remarks that, as in the rest of northern England, new supply is continuing at a sizeable scale. Overall, completions in the region averaged 13,450 per annum between 1999-2001, of which 92% were in the private sector. In the study area, Leeds completed by far the largest amount of dwellings and this trend is set to continue. Wakefield and Bradford were also high.

Property Values

The pattern is at its most noticeable in the property values in the private housing market. Figure 2.6 shows the outline of the local authority boundary of Leeds highlighted in black, with areas of low value found within Leeds district and in the districts to the south, whilst the areas of higher housing values are to the north in the areas of Harrogate and Craven, as well as north Leeds. This is prime commuter country.

Figure 2.6: *Average House Prices in Yorkshire and Humber, 1995-2000*

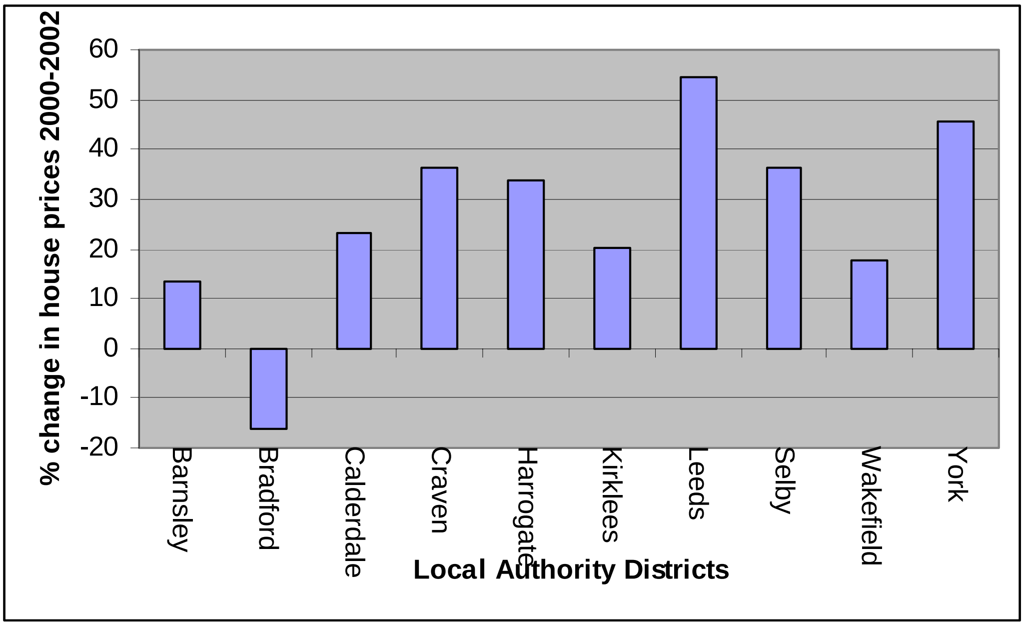


Source: HM Land Registry (2000) – postcode sectors

The average dwelling price in the sub-region area in 2000 was just over £64,313. (HM Land Registry) The authorities within the sub-regional area, which had the highest average prices, were Harrogate, Craven and York: all of which averaged house prices of over £74,000. Barnsley averaged the lowest prices of just above £43,000.

HM Land Registry have since produced the percentage increase figures for house prices since 2000. These are illustrated in Figure 2.7.

Figure 2.7: *Change in House Prices 2000-2002 (%)*



House prices have risen in the region in all but one district, Bradford, which has actually seen a fall in house prices since 2000. House prices in Bradford, averaging £49,446, are now only marginally higher than those in Barnsley. Three authorities now have average house prices of over £100,000. Again these are the authorities of Harrogate, Craven and York. The most notable increase in prices has taken place in the district of Leeds itself, with an average increase of over 54% in the last 2 years.

Despite this, prices in the city of Leeds itself are relatively affordable compared to many other core cities in the country, though still above the national average. Table 2.13 below shows that Leeds is ranked approximately halfway in terms of affordability of houses in the core cities of England and Wales

Table 2.13: *House Prices Relative to Earnings*

Area	Average House Prices 2001 Q4	Average Earnings (Gross Estimate)	House prices to Income Ratio
London	£282,923	£30,872	9.2
Bristol	£116,649	£22,537	5.2
Cardiff	£97,217	£21,622	4.5
Newcastle	£84,192	£20,680	4.1
Leeds	**£85,104**	**£21,481**	**4.0**

Birmingham	£88,912	£23,889	3.7
Sheffield	£76,312	£20,717	3.7
Nottingham	£67,183	£21,206	3.2
Liverpool	£61,605	£21,434	2.9
Manchester	£66,678	£23,384	2.9
Yorkshire and Humber	£74,678	£20,389	3.7
England and Wales	£118,827	£23,306	5.1

Source: HM Land Registry NES, 2001

The two housing markets – the price based private sector and the allocated social housing “market” - both give clear signals about where the locations of choice are and where the places that are tending to be rejected are. The housing market thus operates to “spread the benefits” as very much a one-way street.

Both the affluent areas to the north of Leeds and less affluent areas to the south show different forms of stress as a result. The “commuter” areas serving Leeds, Bradford and York, to the north of the city, such as Harrogate and Craven are suffering from an extremely limited supply of social rented and other affordable accommodation. The continuation of high prices and small public sector stocks means problems in meeting affordable housing needs so that lower paid locals are poorly placed to cope with the backwash of the “Leeds Phenomenon”.

In the south of the sub-region, Wakefield, Barnsley and parts of Leeds have sufficient and indeed excess social rented stock at levels higher than the regional average. However, this makes them extremely vulnerable and highly exposed to a fall in demand.

An overall reduction in the level of demand for local authority and RSL accommodation from groups traditionally housed in this sector, sometimes coupled with an increase in re-housing of non-traditional groups (especially younger people) can accelerate the rate at which estates become unpopular due to anti-social behaviour.

Low average house prices, voids in the Council stock, and weakness/ disrepair in the private rented stock all act as indicators of the inability of the housing sector to act as an efficient transmission mechanism for the benefits of prosperity in the Leeds economy; these three aspects are, notably, all combined in Bradford, which perhaps displays most sharply how the housing processes reinforce rather than mitigate the spiral of rejection and under-achievement.

2.6.4 Targets for spreading benefits: areas of deprivation

The most obviously indicated areas within the sub-region that need to connect to the benefits of Leeds's economic success are those defined as deprived.

The main concentrations of deprivation within the region, as nationally, are found in the older parts of the conurbations. Most of the conurbations with high ILD (Index of Local Deprivation) scores at enumeration district (ED) level are generally those in the districts south of Leeds. North of Leeds there are only a few isolated areas of notable deprivation. The IMD (Index of Multiple Deprivation), which is a revised index of deprivation, produced by the ODPM, measures both the extent and the concentration of deprivation. The "extent" measure of deprivation shows the proportion of a District's population living in wards, which rank within the most deprived 10% of all wards in England. Several districts within the region fall into this category. Although not the highest in the region, Barnsley and Bradford are considered as deprived areas as they have around one third of their population living within the 10% most deprived wards in the country.

The second measure of IMD is the concentration of deprivation. This is the population-weighted average of the rankings of a district's most deprived wards that contain exactly 10% of District's population. Bradford again is ranked highly on this measure of deprivation. Leeds has a moderate ranking on the IMD scale, compared to other regional centres in the north such as Liverpool and Manchester.

The deprivation indicators also identify significant parts of the declining industrial towns that have undergone significant restructuring and socio-economic problems due to the collapse of traditional manufacturing industries and coal-mining: this group obviously includes Barnsley and parts of Wakefield district.

In Leeds itself and despite low average unemployment, there still remain severe pockets of urban deprivation in terms of unemployment and other indicators. The rate of unemployment in the inner wards is twice the city average (as well as being under 1% in outlying areas such as Aireborough and Wetherby). It is ironic to note that the two wards which provide most employment in the city (the City & Holbeck and University) also have the most unemployment in the city (Leeds Economic Bulletin). Against a basket of deprivation indicators, ONS rates University as the eleventh most deprived ward (out of more than eight thousand) in the whole of England and Wales, while a further five inner city wards are ranked in the bottom thousand. University ward is also a notorious hotspot for crime, even identified by the Guardian as '*the most burgled postcode in the UK'*.

2.7 Summary

Leeds is the dominant city in its sub-region and it is becoming increasingly more so. Its economic success is sustained and quite broadly based and has its roots both in the historic "agglomeration" effect of being a great city, and more recently as a business location and focus for investment decisions, the latter of which are only partially understood.

The benefits of the economic success are being spread by the mechanisms of the labour market, commuting and the housing market. But they are being spread in a very uneven way, and in patterns which tend to reinforce rather than mitigate the problems of rejection, underachievement and deprivation which the sub-region exhibits.

The remaining chapters explore how planning policy and other mechanisms could seek to act on these realities.

3. "Do Nothing Different"

3.1 Introduction

This section addresses outputs 2 and 3 of the brief which require:

The development of a "do nothing different" policy scenario which forecasts the future growth and development of Leeds and surrounding areas based on existing and predicted national and regional trends and recognised planned interventions in the Leeds economy, through the planning system, and planned/ programmed projects and initiatives. The net change in commuter patterns is a critical descriptive element in the scenario, together with the assumed changes in labour supply and demand. This scenario assesses the extent to which the continued success of the Leeds economy is dependent on increased in-commuting or inward migration, and the extent to which Leeds can draw on unexploited local labour pools.

And

An assessment of the spatial implications of the continued economic success of Leeds and how this can realistically benefit other areas within the region, taking account of the different existing and potential roles and functions of the various urban areas in adjoining parts of North, South and West Yorkshire.

We address these issues by considering three areas, as outlined below:

- Forecasts trends – population, economy and transport;
- Current policy thrust at regional, inter-regional and local levels, plus significant transport proposals;
- Finally, by sketching out the do nothing different scenario and possible effects.

3.2 Forecast Trends

3.2.1 Population and Migration[8]

The Yorkshire and Humberside region is, according to the ONS Statbase, predicted to have a slowly increasing level of population over the next two decades, with an increase of 3.3% between 1996 and 2021. This is lower than the forecast average increase in the whole of England, which is 6.9%. The current population of Yorkshire and Humberside in 1996 stood at 5,036,000. By 2021 it is predicted to have risen to 5,200,000.

[8] This section draws mainly from a report produced by the Centre for Urban and Regional Studies at the University of Birmingham (CURS, 2002, *Yorkshire and Humberside: Changing Housing Markets and Urban Regeneration: A Tale of Two Markets*)

Figures from the Office for the Deputy Prime Minister (ODPM) show that despite the slower growth rate of the region in population terms, compared to the national average, it is predicted that household numbers will rise by 11% over the next two decades, requiring approximately a further 12,000 dwellings per annum.

There are also a number of variations in population forecasts between the different local authority districts, with some districts predicted to increase in population over the next two decades, whilst others are set to decline. The Metropolitan District of Leeds itself is predicted to rise from 727,000 to 753,000 between 1996 and 2021, a rise of 4%. Districts in the affluent north and west of the city are predicted to have a larger increase, with, York and Harrogate set to increase by as much as 13%. However, Barnsley and Calderdale, to the south and west side of the city, are predicted to either have only small increases, remain the same or actually decline.

Table 3.1: *Population Change by District 1996 - 2021*

Area	Population 1996	Population 2021	% Change
Leeds	727,000	753,000	4%
Bradford	483,000	517,000	7%
Calderdale	193,000	189,000	-2%
Kirklees	389,000	418,000	7%
Wakefield	317,000	304,000	-4%
Barnsley	227,000	226,000	0%
Selby	72,000	80,000	11%
York	176,000	196,000	12%
Harrogate	147,000	166,000	13%
Craven	51,000	55,000	7%

(Source: ONS Statbase table projections based on 1990's population trends, scaled by rate of change 1996-2021. Wakefield has recently recovered somewhat and is no longer losing population)

Net changes in population arising from migration into and out of Yorkshire and Humberside have, in recent years, been quite small. Notably, the age profile of those who do leave the region tends to be in the 25-34 range. The region has gained a large amount of international in-migrants, especially from the New Commonwealth, and these are primarily made up of minority ethnic groups. Such in-migration has a greater effect on certain areas; Bradford is a prime example, adding to its large existing ethnic minority population.

Harrogate is a popular destination for those moving out of Leeds, whilst Craven is an area to which people typically move to from Bradford. Leeds has a net inflow of 1,000 people p.a. from outside the region and this partially offsets losses within the region itself. For example, Bradford, which loses 1,500 people p.a. to destinations outside the region. Wakefield is the only metropolitan district gaining population through migration. This is due to the high level of housing construction in the area, which attracts people from Leeds and Bradford. The main gainers in the region include Harrogate and York. York tends to attract people from outside the region, especially from London and the South-East (CURS, 2002).

Nearly all the districts in the area lose young people (16-24) as a result of moves to higher education or to larger cities for employment. However, two of the cities within the sub-region are net recipients in this area: Leeds and York, with their universities, both have large student populations in this age group.

3.2.2 Economy

Economic forecasts for the Leeds Metropolitan District are outlined below[9]:

- Leeds is expected to provide 37% of the region's additional jobs between 2002 and 2012.
- The population of working age is expected to rise by 8,000 over the next decade to 468,000.
- Leeds' labour force will rise by 4,000 over the next decade to 374,000.
- 36,000 jobs (males: 16,000 and females: 20,000) will be created in the next decade compared to a 47,000 increase 1992-2002.
- Finance and business services are projected to account for 75% of the net employment growth.
- Key employment sectors in 2002-2012 are likely to be professional services (around 10,000 extra jobs), business services (plus 9,000 jobs) and retailing (plus 7,000 jobs).
- Of 50,000 manufacturing jobs in Leeds in 2002, only 5,000 are projected to be lost within the next decade.
- From 1992-2002 employment growth was dominated by managerial/ professional occupations. Forecasts are similar for 2002-2012. Skilled, operative and elementary (low skilled) will continue to decline.
- The number of self-employed in Leeds is set to rise to 64,300 by 2012.

[9] Projections mainly drawn from the Leeds Economy Handbook (August 2002), which are originally based on Cambridge Econometrics forecasts.

- There is likely to be significant improvement in the South Yorkshire economy through the ERDF Objective 1 programme. This should help regional competitiveness, but may also increase competition within the region for investment, say between Leeds and Sheffield. The new international airport at Finningley may benefit the surrounding areas of Doncaster, Rotherham and Sheffield, but is likely to have less of an economic impact on the Leeds sub-region due to longer travel times to the airport.

Five factors may restrain future growth in the sub-region:

- The relatively low rate of new business formation: between 1994 and 2001 Leeds experienced a decrease of 11% in its stock of VAT-registered businesses. This was not only behind the average for UK core cities, but way behind competitors like Bristol, which gained 10%. Specific sectors such as hotels, manufacturing and construction have been worst affected. This may reflect two additional factors: (1) small firms trading below the VAT threshold, and (2) business globalisation, with branch firms paying their VAT through HQs outside Leeds.

- Educational attainment: in 2001, Leeds pupils achieved a 37% success rate at GCSE, grades A*-C, compared to a national benchmark of 50%. Workforce Skills Attainment in the Yorkshire and Humber region lies 5% below the national benchmark (Yorkshire Forward). In contrast, the major growth occupations in the local economy will be those requiring high educational attainment (i.e. professional and managerial).

- Availability of new housing to support expansion in the labour market: although the house price to income ratio remains low in Leeds, this might to some extent reflect the relative lack of property in the city of a sufficient quality to attract and support a professionally-oriented workforce.

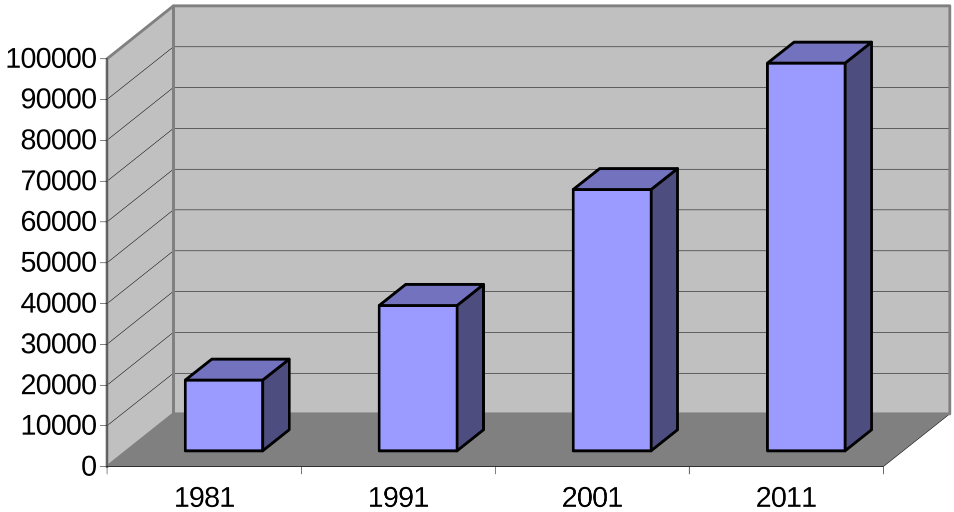
- Limited access to Leeds and the wider sub-region by air: Leeds-Bradford airport ranks ahead of Southampton in the number of passengers it handles, but lags behind the major London airports, as well as regional airports such as Manchester, Birmingham, Newcastle and Glasgow. The airport suffers from poor connections, short operating hours and low capacity. Few low cost airlines actually fly to Leeds-Bradford.

- Finally, some have questioned the sustainability of the call centre boom in the face of stiff competition from other regions, particularly Scotland (and in future further afield, e.g. South East Asia and India).

3.2.3 Transport

Commuting into Leeds had increased from 52,000 in 1981 to 74,000 in 1991, a rise of 40%. The net inflow in 1991 was 36,000 and has been estimated to be around 64,000 today (Leeds Economy Handbook, 2002). It is anticipated that the net inflow will rise to 95,000 by 2012. Leeds is thus a major net exporter of jobs to the regional economy; and this is likely to increase over the next twenty years. Figure 3.1 summarises these trends.

Figure 3.1: *Net Commuting into Leeds Metropolitan District*



Road

As a result of these trends, it seems likely that road traffic will continue to grow. However, the sub-region's strategic network is close to capacity in some places. The M62 from west of Huddersfield to the A1 is subject to regular peak congestion, as are the M1 from south of Wakefield to the M621 junction, and parts of the M621 and the M1 from the M62 to the A63 junction. Within Leeds, the inner ring road is susceptible to long delays during the peak or if an incident occurs. The outer ring road is prone to congestion, particularly on the sections of single carriageway to the north west and north east. Some junctions are particularly problematic, specifically the Armley gyratory, Sheepscar (the junction of Meanwood, Harrogate and Wetherby Roads) and the A62 junction adjacent to junction 1 of the M621. Given these capacity difficulties, some of the congestion hotspots around busy junctions and links are likely to worsen and the phenomenon of peak spreading is likely to continue.

It is also likely that the demand for orbital and cross-city movements will increase, as radial routes become more congested and more employment is drawn from the city centre. The traffic levels on the inner and outer ring road and many of the key routes between suburbs are be expected to increase significantly. Major developments such as Thorpe Park and, in the longer term, the Aire Valley Employment Area are likely to have a significant impact on the volume and nature of local road traffic.

Rail

Rail forecasts suggest that demand will continue to rise rapidly where extra capacity exists or is developed. In most cases, demand is going to be limited by capacity. For example, on the Airedale / Wharfedale line, it is predicted that peak patronage could increase by 67% over 8 years, on top of a 41% increase in the last 9 years (Metro, August 2001 RPP Bid). On the Wakefield line, passenger levels are likely to remain stable, though could be expanded by 20% if additional capacity is found (i.e. longer trains or higher frequency services).

Air

Leeds Bradford International Airport handled 1.6m passengers in 1999/2000 and passenger levels are predicted to rise to 2m by 2004, 3.5m by 2011 and 4.5m by 2016.

3.3 Current Policy Thrust

This section summarises development agency and development plan policy in the Leeds sub-region, considers current transport investment proposals, and forms a ‘do nothing different’ policy scenario for the sub-region. This essentially forecasts future growth and development based on existing and predicted national and regional trends and recognised planned interventions. The review is based on a series of interviews with key stakeholders, development agencies, a workshop with the local authorities and further desk-top studies, the individual summaries of which are found in Annex 5.

3.3.1 Summary of current regional and local planning policy

RPG12: the strategic policies within RPG12 seek to apply sustainable development principles, the regeneration of priority areas, an urban and rural renaissance, good quality urban and rural design and use of non-renewable resources. Spatially, the RPG splits the region up into different four areas: West Yorkshire, South Yorkshire, North Yorkshire and The Humber. Some of the key issues relevant to the study area are highlighted below

West Yorkshire

- Focus economic and housing development in the main urban areas of Leeds, Bradford, Huddersfield, Halifax and Wakefield.
- The parts of Leeds and Wakefield that fall within the coalfield areas (the first priority regeneration area) are not eligible for Objective 1 funding. There is a particular need for Wakefield to work with South Yorkshire to ensure a comprehensive and co-ordinated approach.
- In terms of employment land, the region had, in 1999, around 17 years supply. However, a large proportion of this was on greenfield sites and

thus estimates of supply need reviewing. Future employment land development should be focussed on the main urban areas, market towns and coalfield areas. Business parks and offices should be located in central locations and discouraged from peripheral locations such as motorway junctions.

- The average annual rate of housing provision in West Yorkshire should be around 6,030 dwellings and the location of the majority of this figure should assist in urban renaissance and help reduce the need to travel to work.

- The target of housing development on previously developed sites and through conversions in West Yorkshire should be 63%, ranging from 57% in Bradford up to 74% in Calderdale.

South Yorkshire

- The main urban areas, including Barnsley, should be the focus of economic and housing development.

- The whole of South Yorkshire is within the first priority regeneration area. The Objective 1 Single Programming Document states that resources will be targeted to several areas to create job creation, including Barnsley.

- The Dearne Valley is identifies as a Development Zone and as a focus for an integrated approach to investment in infrastructure. This area is partially within Barnsley.

- The annual rate of housebuilding in South Yorkshire should be 3,115 dwellings. Barnsley city centre is one of the targeted areas for house building.

- South Yorkshire's overall brownfield housing target is 67%. Barnsley is lower, at approximately 49%. This lower target is due to the high level of housing proposed in the borough, the initial estimates of urban potential and existing greenfield allocations. A higher target will possibly be set for Barnsley following the completion of an urban capacity study.

In North Yorkshire

- The areas of Harrogate and York should be the focus for economic and housing development.

- Parts of Selby fall within the first priority regeneration area, and the town is well placed adjacent to the surrounding conurbations of Leeds, Wakefield, Doncaster and York. Future development should develop on both the urbanised economy and rural character.

- Future employment sites should be focussed in the main urban areas. One premium employment site will be required. This should be well located in respect of York.

- Targets for brownfield housing in North Yorkshire are set at around 53%, which is below the regional average, due to the limited availability of sites in the area.

Structure/Local Plans: Annex 5 contains a brief summary of each individual local planning authorities policies and summarises problems, opportunities and future challenges. The policy context, which emerges from this, is one of strong local variation, but some general incoherence and direction at the sub-regional level. The overall impression might be summarised as:

- Everyone is trying to do everything, there is little in the way of consistent and coordinated regional planning.

- The need to attract economic development, on the development industry's terms, means that the same basic product is being offered and sought almost everywhere.

- Some differentiation and identification of "niches" is being considered, but it is not widespread.

- There is some consideration of cross-border development potential, and inter-authority working, but it is very patchy and limited.

- Transport policies all stress the objective of securing modal shift towards public transport, but this is not matched by land-use policies which follow that logic. In addition, the low investment flow to public transport suggests that the means to achieve this shift are anyway difficult to identify.

- Town centres are not the focus of policy in a way that might be expected given the quality of fabric and historic capital that they represent. Policies are essentially defensive in seeking to protect town centre activities via the sequential approach. There is not really a sense of coherent vision for these places as the focus for every aspect of living, working, recreation and – in particular – new investment (private and public). Yorkshire Forward's Renaissance Towns programme could go some way towards making urban centres attractive to live, work and invest in. However, the quality of urban frameworks and implementation programmes will be critical to future success.

- Housing is approaching a low-demand crisis in the southern parts of the region, and stuck in an acute high-demand spiral in the northern parts, but policies do not really reflect the gravity of these problems.

- In particular, there is little coherent attempt to use or market the sub-region's pattern of smaller towns as an alternative basis for housing development (as competition to the high-demand areas on the northern fringes).

3.3.2 Major transport proposals

Road investment: a range of proposals for improving the road network have been made under the Highways Agency's Plan, Local Transport Plans and the South and West Yorkshire Multi Modal Study (SWYMMS). All are in various states of development, as outlined below:

- Junction improvements and selected widening of the M62, M621 and M1 throughout the sub-region.
- East Leeds link road: linking the Aire Valley Employment Area to Leeds city centre and the A1/M1 link. Construction due to commence in October 2002.
- Leeds inner ring road stage 7: final link in the completion of the inner ring road. Construction to begin in 2004 and end in 2007/08.
- Leeds outer ring road: a mini multi-modal study is being commissioned by Leeds City Council to develop a strategy for this route.
- Highway network changes associated with Supertram proposals are being developed, including new park and ride facilities at Boddington, Stourton, Tingley and Grimes Dyke (Seacroft), with over 5,000 spaces planned.
- Road user charging: a pilot scheme targeting journeys to Leeds city centre is being piloted in 2003 and, if introduced in the longer term, would presumably have a significant impact on demand for peak journeys into Leeds centre. Area-wide road user charging has been recommended in association with capacity increases in the longer term by SWYMMS.
- It is noticeable that all this quite substantial spending implication would all be *outside* the existing urban centres.

Rail: proposals for improving the rail network include:

- Capacity improvements on Trans-Pennine routes via passing loops, and signal alterations in the longer term.
- Upgrade of the East Coast Mainline, reducing journey times to London from Leeds, Wakefield and York.
- Upgrades south of Sheffield will reduce journey times to Birmingham and the South West for Cross Country and Midland Mainline. It is proposed

that Midland Mainline will run hourly services from Leeds to London St Pancras.

- Improvements to infrastructure and services across the local network, including enhanced frequencies and seating capacities on many commuter lines.
- New local stations are proposed at Kirkstall Bridge (on the Airedale/Wharfedale line), Horsforth Woodside (Harrogate line), Glasshoughton (Pontefract line), Low Moor and Apperley Bridge (Airedale/Wharfedale line) and many further sites have been listed for future consideration.

Bus: further bus priorities are proposed on the Kirkstall Road and Burley Road corridors. A real-time information system is proposed for the 'Elite' service along the A64 and A63.

Light Rail: approval was given for Leeds Supertram in December 2000. £487m has been provided for three Supertram routes; from Boddington via Headingley, from Tingley via Hunslet (with a spur to Stourton) and from Seacroft via St James' Hospital, to Leeds city centre. Investigations are already underway to assess the feasibility for extending the system to other parts of West Yorkshire including the Aire Valley, Bradford, Wakefield and Leeds-Bradford airport.

Air Services: the Leeds-Bradford International Airport Transport Forum was formed in January 2000 to examine options for improving surface access to the airport. In October 2002, a new budget airline, Jet 2, has announced it will service Leeds-Bradford with 4 aircraft running from February 2002.

For the above projects, there are, of course, a number of issues concerning prioritisation and implementation. Not all projects have official status or have been given the go ahead. Many, especially the rail projects, have no funding agreements yet. Some policies appear important on paper, but are not really pursued, e.g. traffic reduction and modal shift, whereas some are given real emphasis in implementation, e.g. job creation. This makes the do nothing different scenario quite difficult to assess in real life terms.

3.4 The "Do Nothing Different" Policy Base

3.4.1 A possible scenario

Given the above caveats, the scenario for future development based on "doing nothing different" might be painted in the following terms. First, high profile and prestigious regeneration in Leeds city centre succeeds in attracting economic activity that requires a skilled workforce, such as specialist financial services. This localised growth brings sufficient spending power into the city centre to enable expansion of a range of other facilities, of which the most visible are bars, restaurants and clubs populated by the new "breed" of city centre office workers.

In Leeds (as indeed in other university cities), this pattern of revival is supported by a large student population, and creates a sufficient critical mass of well-educated, young and motivated people to generate a substantial arts and cultural sector. In addition the city centre, buoyed by the vibrancy of economic activity and greatly improved public realm, becomes the location for new apartments within a fairly tightly defined niche of the housing market.

There is therefore considerable, though uneven, progress towards improved employment opportunities for all, economic growth and enhanced leisure and recreational opportunities. However this scenario has other aspects that are less inspiring. The great majority of the city centre workforce commutes in from suburbs of the city and from beyond the city. To the extent that this is provided by public transport, there is no particular transport disadvantage; but a high and stable proportion commute by car, creating pressures on the radial roads, and imposing environmental damage on the communities through which these radial roads pass. We develop this further below. Progress towards meeting local needs locally, efficient land use patterns, reducing the need to travel, etc. are thus neutral or even negative.

An aspect of this commuter pattern is that the new jobs can be taken by people with the economic power to choose their home, and hence to avoid living in areas with poor housing, high unemployment, and the attendant social and environmental problems. Such areas therefore remain, and there is no automatic link between the growth sectors of the city's economy and the economic improvement of the impoverished sectors. For example, there remains a gap between the skills available and the skills required; and low incomes and unemployment lead to a poor quality environment due to low investment. The currently policy thrust, at times, seems to be losing the battle, not winning it. We examine this further in the following sections.

3.4.2 Social and distributional implications

Within Leeds

Despite the fact that the current local policy thrust shows that the city council and other agencies have sought, or are seeking to address the situation of deprivation in inner city Leeds, the continuation of the existing policies would see certain parts of inner Leeds improve, especially the business district, whilst other areas would be left even further behind than at present. The main problems are:

- Housing development would continue in the “fashionable” parts of the city and the types of units built would be in the higher price bracket at the top end of the market. The deprived parts of the city would not be as attractive for new housing development/ housing stock improvement, and would continue to decline.

- More areas of the city would therefore become unaffordable for a large percentage of the City's population, yet properties in the socially excluded areas would decline in value.

- Companies may continue to locate in, and bring some new jobs to, the central business areas; but residents of the poorer areas would not be well placed to complete for them.

- There would be an ever-increasing gap in skill levels required by companies in the city and those that the local labour supply actually have. This would result in companies seeking to "import" more employees with the necessary skills from further afield.

- This would also be true of much of the outer area new employment (e.g. Aire Valley). Residents in the centrally located deprived areas would also have difficulties in accessing the new opportunities in the urban fringe. Deprived areas would continue to suffer in terms of public transport access to jobs (in the absence of specific policies to improve this).

Further Afield in the Sub-Region

As for inner Leeds, continuation with the current policy thrust would mean that it would be unlikely that the deprived areas, such as the former coalfields and less affluent towns such as Barnsley, would improve dramatically. The situation would almost certainly remain similar to that at present. The coalfield towns in particular - Barnsley and its satellites, and the Wakefield district communities - would continue to suffer from a lack of investment. With growth continuing in the Leeds Central Business District, in other growth centres in the region including the science park developments in the York area, and around the motorway junctions, some of the potential problems of continuing along the same policy thrust would be:

- There would still be little incentive to invest in certain areas. It would still remain unattractive to locate, say, office development in Bradford or Barnsley.

- Development on the outskirts of Leeds could be at the expense of towns in the surrounding districts: e.g. Leeds may develop its eastern side, despite Bradford and its infrastructure already existing close by to the west.

- Similarly, market-driven development near motorway junctions may be at the expense of re-using brownfield sites closer to traditional industrial and residential communities in the former coalfields, and the river valleys in Kirklees.

- Residents in the outlying communities may need to travel long distances, yet only be offered low paid jobs. The costs of travel may outweigh the financial benefits of entering the job market.

- The combination of high demand and continual restraint will increasingly squeeze the stock of affordable housing in the high demand areas, tending to drive local people out of the northern commuter villages.

- Already low-demand residential areas will attract little or no new investment and the spiral of deprivation and social exclusion will continue.

- Areas would still be competing with Leeds for regeneration funding;

3.4.3 "Do Nothing Different": Likely Impact on Commuter Patterns

The "Do Nothing Different" scenario would have a number of effects on transport and commuter patterns. Some of these are highlighted below:

- People in highly paid jobs in Leeds City centre will continue to move to the more desirable areas, such as Harrogate and York, therefore increasing pressure on the capacity of particular links in the transport system (although there is some evidence that the higher paid Leeds city centre workers perceive city centre living as desirable too).

- Poor rail/ bus services from such areas may force commuters to use their cars to commute into the city centre, accentuating road congestion and spreading the peak hours.

- A variant of this is connected with the lack of employment opportunities in the less desirable areas; with people having to commute further to work to low paid jobs, the high cost, coupled with the poor orientation of services and over capacity of public transport from these areas may again force people to drive, creating further congestion.

- The development of out of town business parks adjacent to motorway and other strategic highway junctions, such as the M1 and M62, which are not served by public transport, instead of town centres such as Bradford and Barnsley, will tend to generate more car-based travel, further road congestion and car dependent lifestyles. Despite a policy presumption against this development form, unexpired permissions will ensure its continued impact.

- Poor public transport linkages across the Leeds area (e.g. Bradford to Selby, Barnsley to York or Bradford) reduces employment choice from and to the outlying deprived areas. A lack of cheap public transport adds to this social exclusion in the deprived areas.

4. Spreading the Benefits

4.1 Introduction

Outputs 4 and 5 of the scoping study brief are covered in this section, requiring:

An assessment of the practical and realistic mechanisms available to the public sector to influence development processes that would contribute towards the study aims of spreading the benefits (including planning policies, housing policy, employment land provision, the provision of financial and other support and transport interventions, etc).

And

A descriptive assessment of the costs and benefits associated with implementing the mechanisms for spreading the benefits of Leeds growth to communities within its economic sphere of influence. The assessment of costs and benefits takes place from both a Leeds city perspective and a regional perspective.

In order to provide the above, we review a selection of the practical and realistic mechanisms available to the public sector in influencing development processes. The definition of mechanisms depends on the aims they are expected to serve; and the RSDF aims provide the general principles here. In turn we consider planning, housing, economic, transport, and financial/institutional interventions[10].

The second stage of the study, in setting out strategic options, will need to consider the extent of any risk to the Leeds economy posed by interventions which are aimed at spreading benefits to other towns and cities. The issue to be examined is whether the "trickle down" effect (from Leeds to other places) is relevant, or whether an alternative or mixed approach should be pursued, including trying to grow the economy of other towns in a more autonomous fashion.

For selected mechanisms we provide an initial descriptive assessment of the costs and benefits associated with implementation. The mechanisms are assessed against the objectives of the brief, which are, in essence, the objectives of sustainability, i.e. "equitable spread", "continued economic growth" and "enhanced environment". Further, more rigorous appraisal will be required in Stage 2.

[10] Many of the suggested interventions are drawn from ideas developed by the Urban Task Force, and are supported in the Urban White Paper. They are not comprehensive or indeed a package of interventions, but instead form a shopping list of possibilities. The Stage 2 study will need to develop these potential mechanisms into an agreed and workable package.

In outline, this very simple assessment suggests the following main themes:

- Planning policy mechanisms are likely to be strongly focused on the planning/transport/urban renaissance relationships, seeking integrated development.
- Housing mechanisms are going to be very costly, but unavoidable, and will need very strong integration with planning choices.
- Transport investment needs to be tested more critically for its economic, social and environmental benefits, and less in terms of solving perceived transport problems.
- Employment actions need to focus on the “access to work” issue more than on new job creation, as the benefits of much of the new employment do not appear to be spreading and they are sometimes procured at a considerable cost in terms of environmental intrusion.
- Financial and institutional interventions can help achieve greater coordination, consistency, and effectiveness, but are not, in the main, the main drivers of direct benefit in the way that changed planning, economic and housing policies might be. They can however play an important role.

4.2 Planning Policy Mechanisms

- Encourage a public transport orientated development pattern through regional policy, and local development plans. One of the most important issues to be addressed through regional mechanisms is the location and character of new development in relation to accessibility. Highly dependent on the provision of high quality public transport networks around the region.
- Within the existing policy designations, review the timing of release of employment and housing sites, taking into account economic and social needs. This should be aimed towards, and help generate, pressure for the development of brownfield sites. There will need to be strong intra- and inter-regional co-operation.
- LPAs to work with Yorkshire Forward to accelerate investment in town centre renaissance packages. Rejuvenated local town centres should reduce economic and social stress, and work towards strengthening the region as a whole. Towns and local surburban centres not in the selected few may suffer from shifting problems and should be the focus of future investment.
- Planning frameworks for regeneration areas to guide the re-shaping of large public sector estates. Could be adopted as SPG by individual planning authorities.

- Identifying and supporting the likely possible "niche markets" for each settlement - see Table 4.1. This should help to improve the focus for investment and reduce unnecessary competition between centres. Strong intra-regional cooperation will be required, with the benefits of city-region planning clearly demonstrated to all stakeholders.

- "Forcing" the housing market away from the northern corridors towards nodes of activity south of Leeds and in the older towns – with a concomitant set of interventions to ensure a continuing supply of some affordable housing in the pressured areas.

- A Leeds-centred growth emphasis based on the premise that what is good for Leeds is good for its sub-region, i.e. a 'trickle-down' strategy. Growth to be encouraged to the hilt and then other mechanisms deployed to extend the benefits vis commuting and job access measures.

Table 4.1: *Possible Urban Niches*

Possible Urban Niches
Within the sub-region, "market niches" could be emphasised to benefit some of the surrounding towns and districts. Such niches could help these areas to create successful economies, without having to compete so directly with Leeds or each other. Each individual town or city economy should work in a complementary manner regionally, to help encourage a thriving and successful sub-region. Examples might be:
▪ Leeds - top-end, high-value-added, high cost activities, even at cost of squeezing out less competitive activities.
▪ Bradford - "seamless" back-up / marketing of commercial supply as cheaper version of Leeds offer, but with strong and differentiated activity in support. Strong cultural centre building on the existing strengths of the city.
▪ Barnsley – distribution, manufacturing, competing on lower cost and high site availability combined with M1/A629 node. More traffic generating activities, such as office development, located at sites with greater public transport accessibility and within the urban area. Renaissance Barnsley initiative should provide in-depth regeneration focus and urban development framework, including Tuscan village and Halo in the sky.
▪ Kirklees – sustainable upland towns with growing residential attractiveness. Huddersfield as a centre of knowledge based activity/ creative/ media/IT. Also tourism in rural areas. Renaissance Huddersfield initiative should provide in-depth regeneration focus and urban development framework, including market re-design and more creative use of public space.
▪ Calderdale – as Kirklees, plus strong heritage tourism dimension in Halifax and

upper Calder Valley.
▪ Wakefield – town centre developed further as regional administrative centre; outlying towns, as Barnsley, focus on manufacturing / distribution building on land and road access advantages. Renaissance Wakefield initiative should provide in-depth regeneration focus and urban development framework.
▪ York – continued growth as "Science City" and other knowledge based industries, capitalising on quality image associated with heritage and university.
▪ Harrogate – regional and national conference tourism – but care on associated business development demand.
▪ Selby – overlap from/synergy with York, Leeds, Wakefield, Doncaster as backup/satellite location. Potential for growth as freight transhipment centre, using rail, river and road infrastructure.
▪ Craven – continued specialism for tourism, upland agriculture / countryside.

4.3 Housing Mechanisms[11]

There are a number of housing policy areas where action could be taken. They cover either areas of low and changing housing demand, or those with high values and are outlined below:

- Establish a common approach to assessing housing need. Again, dependent on strong intra-regional cooperation.
- Reduce the stock of obsolete and sub-standard housing in line with demand, but also as part of a sub-regional renewal strategy.
- The problems in the south of Leeds, parts of Bradford, Calderdale, Kirklees and northern Wakefield - with approximately 165,000 dwellings at risk and low and changing demand - need to be addressed through concerted and large scale action rather than existing tenure and housing based mechanisms. This will mean a reduction of social rented provision and action to deal with obsolete pre-1919 private stock. Consideration should be given to the housing needs and aspirations of minority ethnic groups as these are a significant component of the population which are potentially at risk (CURS, 2002).[12]
- Encourage 'inner urban' redevelopment for middle or higher income groups, as part of mixed income communities, rather than 'gated' areas.

[11] A number of these issues are taken from and develop the ideas in the Regional Housing Statement (2002)
[12] CURS (2002) A Tale of Two Markets

- In areas of high housing value to the north of Leeds, in the short term, ameliorate the impact of sharply rising prices for those on low incomes. The longer-term solution is to revive demand in the conurbations.

- In parts of northern South Yorkshire, including some of Wakefield and Barnsley, the local authorities and other parties need to develop a realistic strategy for a sustainable housing market, involving a reduced level of social rented provision, demolition or upgrading of some pre-1919 private stock and increased provision of some owner-occupied housing. In Barnsley and Wakefield any action should be co-ordinated to ensure that investment in one area does not undermine another.

- Social housing to be allocated by a more open system than just a strict ‘need to be accommodated’. In unpopular areas, available housing should be marketed to other groups, including low to middle income working households and students. An example of such a measure is the Bradford “Home Hunter” which has abolished the traditional list approach and gone more towards an “estate agent” style. Such measures encourage a greater mix of people in perceived ‘unpopular’ areas.

- More mixed income housing projects to be encouraged, by using more challenging planning briefs and discounted equity stakes for low to middle income households in areas where property values are high. These should be targeted at reducing the perceived poor images of unpopular estates.

- Joint working between housing, social services and health on a sub-regional basis to be developed. This should aim to improve the provision of suitably adapted homes for people with physical disabilities. Housing providers to ensure that existing property suitable for people with disabilities will be allocated, wherever practicable, to meet these needs.

- Housing policies and programmes, across the tenures, to adequately tackle the needs of black and minority ethnic (B&ME) communities.

- All local authorities to have a well defined assessment of their needs for affordable housing. The Bradford Study can be used as an example of good practice. The key needs should be: additional and specific needs for B&ME communities, additional and specific needs for older people and access to affordable housing in higher demand/value areas. These needs should be addressed between the housing and planning departments in each local authority.

4.4 Economic Mechanisms

- Identifying and supporting the most likely possible “growth poles” for economic development: Leeds and York. This should help to improve the focus for investment and help the region to continue to ‘back the winners’.

- Schemes such as the Job Guarantee Scheme at Seacroft are useful re-skilling measures, and the intention to replicate this elsewhere should also be successful. However, there needs to be more emphasis on training people in the higher skilled areas e.g. the IT training programme in East Leeds which is linked to the businesses at Thorpe Park. Such approaches help to reduce the barriers to employment entrance. However, potential company reluctance in training the local workforce, relative to bringing in trained people from further afield, will need to be overcome.

- Labour market linkage schemes: By concentrating on sub-areas, such as deprived inner city wards, such schemes seek to "match" people to specific local jobs, with either small local employers or several larger employers in nearby areas. One good example of this approach is the Minneapolis NET approach which helps to spread the benefits of growth by creating local access to local jobs – see Table 4.2. A large number of schemes would be required to benefit the sub-region as a whole.

- Establish joint working between professional institutions, education providers and employers to develop a plan of action for improving the skills-base in urban areas – perhaps using a regional centre of excellence.

- Continue to attract funding sources such as the European Regional Development Fund (ERDF), regional development funds, SRB, national lottery funding, etc. to assist and promote economic development initiatives.

- Further assist with site assembly, remediation, promoting and marketing of sites within urban areas.

Table 4.2: *Minneapolis: Spreading the Benefits via Access to Jobs*

Minneapolis NET
The Minneapolis (USA) Neighbourhood Employment Network initiative offers an interesting but very different case. It is different because it is not about spreading jobs and activity - whether by "growth-pole" or "development zone" approaches - but focuses tightly on spreading the benefits via access to jobs. The Network seeks to "match" sub-areas of deprived inner city (the labour supply) to specific groups of employers, wherever possible locally-located (the demand side). So for ten geographical units of the city, residents marginalised from the labour market are so far as possible matched with either small local employers or several large employers – if necessary in a nearby sub-area. The project offers a one-stop-shop for both sides, targeting specific places, enterprises and groups in a proactive way; with the emphasis being on creating specific links, not just area wide training /job preparation / labour exchange information roles. NET now has over 15 years experience in helping Minneapolis residents find available jobs, near home

wherever possible; and in overcoming barriers whether illiteracy, unreliable transport, limited skills, low self-esteem, or lack of child care. Lessons for the British setting are mainly to do with the focus and specificity of this initiative, which seeks to break away from a top-down model so as to build direct links, which are otherwise lacking in the labour market.

4.5 Transport Mechanisms

- Establish regional priorities for transport investment and management. Will also require strong intra- and inter-regional cooperation, overlap and consistency with the findings of SWYMMS, and should seek to provide a transport network integrated with regional spatial development.

- Develop regionally agreed public transport accessibility criteria. These can help to integrate land use and transport planning decisions, whilst also providing more certainty for developers and a greater possibility for developer contributions towards transport projects.

- Prioritise low-income housing estates for connections to employment areas including the town and district centre, by frequent, affordable and accessible public transport. Give priority to the public transport needs of Regeneration Areas within local transport plans and public funding decisions.

- Switch emphasis of transport expenditure (Urban Task Force suggest 65%) to projects, which prioritise walking, cycling and public transport. An interesting comparison is the spending balance implied in paragraph 3.3.2.

- Develop a sub-regional parking strategy, incorporating on and off-street parking standards and agreed levels of parking charges (including out-of-town locations). There will be difficulties in co-ordinating investor action and persuading developers to participate, but strong advantages of such a regional approach include less land required for development, a revenue source via charging hypothecation and avoidance of wasteful competition between towns.

- Agree areas suitable for traffic demand management/mobility management measures, including motorway tolling and congestion charging in major cities/towns. Again, need for strong intra- and inter-regional cooperation in order to secure the benefits of city and town centre renaissance.

4.6 Financial and Institutional Mechanisms

- Establish housing regeneration companies to undertake regeneration in areas where there is badly deteriorated and vacant stock, providing a greater focus on deprivation.

- Create designated urban priority areas, enabling local authorities and their partners in regeneration, including local people, to apply for special packages of powers and incentives to assist in neighbourhood renewal. Again, greater focus on deprivation.

- Establish single points of contact within LPAs which have decision making authority for the whole range of environmental services devolved to designated estates, neighbourhoods or town centres. On social housing estates this could include the appointment of super-caretakers or wardens.

- Joint venture working (bi-lateral): a Leeds-Bradford contract may be a potential future option for the two main cities and wider region. For example, a contract could be drawn up between the two authorities to ensure that any inquiries made to Leeds City Council for certain types of development, say, back office financial services (with good public transport connections to Leeds HQs), are referred to Bradford, instead of a motorway junction on edge of Leeds. This would have the effect of keeping the investment in the region, but allowing Bradford to benefit. Such a scheme may help establish Bradford as a specialist location for such development, up to the point where the district itself becomes the first port of call. There is already an existing example of such a contract: in 2001, a concordat was signed between Liverpool and Manchester helping to bring about closer links between the two major north-western cities and also to benefit the region too. In this case, a study was initially commissioned by the Northwest Development Agency and the two city councils to investigate the links between the two cities. It identified areas of complementary activity where Manchester's role as the regional capital could be married with Liverpool's unique attributes and economic strengths. The findings led to the signing of a joint concordat.

- Joint-venture working (multi-lateral): alternatively or additionally, a structured agreement could be sought to implement joint working and common policy purposes between all the authorities and agencies in the sub-region. The arrangements in the Lille sub-region in Northern France's offer a possible model (see Table 4.3).

- Lower Business Rates/UBR holiday: introducing lower business rates for certain areas could help attract companies to areas such as Barnsley, Castleford, Normanton or Inner Bradford. Such incentives could help these areas to provide an alternative to Leeds or other more successful locations, as a cheaper business location. To avoid the already underfinanced local authorities carrying the burden of this initiative, this would have to be an RDA or other externally-funded scheme.

- Zoning/Enterprise Zones: the Planning Green Paper and the DPM's summer statement revive the idea of Business Planning Zones, akin in some ways to earlier Simplified Planning Zones and Enterprise Zones. These can enable areas to start the regeneration process by introducing a flexible planning regime. This could help encourage hi-tec companies, that tend to start up and expand quickly, to move to such areas.

Table 4.3: *Grand Lille Business Hub*

Grand Lille
Comparable in scale and setting with Leeds / West Yorkshire is the series of initiatives in Nord-Pas de Calais focussed on Lille, the industrial capital of Northern France. The elements include the big commercial (retail/office/hotels) development at Lille-Europe, less than a kilometre from the city centre, co-located with the TGV station on the Eurostar and Brussels-Amsterdam lines, the VAL urban rail system, and joint planning/promotion initiatives with Roubaix, Tourcoing and Valenciennes under the "Grand-Lille" banner. The essential aim is to relaunch a textile and engineering city as the business hub of a whole region (extending into Belgium as well), and trying to take the rest of the conurbation along with it. The impression so far, after less than a decade, is of success for Lille but with less clear benefits to the surrounding conurbation. Given its closer parallels to the Yorkshire region, this initiative could be worth a further look as part of a later period of the study.

5. Brief for Stage Two

5.1 Introduction

The final output required by the scoping study brief is to provide:

"A brief for a second stage study that defines the further work that needs to be done in order to develop options and then set out a clear sub-regional spatial strategy to be incorporated into the review of RPG/RSS".

This final section therefore develops an initial brief for a more detailed second stage study. It covers the following areas:

- What further work needs to be done to provide the data and analytical understanding needed.
- How options should be developed, covering what range, and how they should be assessed.

5.2 Further Research Work

There are a number of areas that require a better understanding. The principal ones are:

- Economy: the fundamental reasons behind why businesses choose Leeds as a business location (principal purpose: to better understand the extent to which planning and related policies can either support the core city economy or might put it at risk).
- Housing: using recent research / understanding (CURS) of the reasons behind why people choose to live in certain locations to inform realistic strategies for shifting demand within the sub-region (principal purpose: to explore the rate and scale at which planning induced changes in this distribution might realistically occur).
- Transport and planning: an assessment of the most applicable integrated transport and planning best practice for the Leeds sub-region, including an assessment of impacts of potential projects on city/town competitiveness, social inclusion and wider sustainability issues. To incorporate existing or newly collected data, including Census 2001 output, on the Leeds labour market and commuting patterns (principal purpose: to provide and use a database for testing the interactions and transport pressures associated with varying spatial strategies).
- An integrated package: assessing, scaling and packaging the component factors, which are required to spread the benefits. For example, transport, skills, child-care, stigma, etc, which may act as barriers to labour market entry, leading to social exclusion and employment

dislocation in Leeds and the sub-region (principal purpose: to give a basis for choosing policy packages which tend to support the spread of economic benefit).

A more detailed and prioritised list of possible research topics is found in Annex 6.

5.3 Developing and Assessing Strategy Options

We suggest the following six basic steps for the Stage 2 study:

1. **Inception**: inception meeting to discuss and confirm approach, programme and outputs.

OUTPUT 1: Inception paper

2. **Vision and Objectives**: develop future vision for the sub-region and define strategy objectives, against which the potential future development scenarios can be tested and appraised. The Regional Sustainable Development Framework provides the basis for this. This could include a VISIONING WORKSHOP: a half or full-day process for invited stakeholders, focused on creating a shared vision and objectives for the future of the sub-region.

OUTPUT 2: Vision and Objectives working paper

3. **Problems and Opportunities**: research the five key areas as suggested above, building on the work carried out in the scoping study. This should provide a greater understanding of the key relationships between:

   - Economic growth and planning policy mechanisms.
   - Housing demand and planning/housing policy mechanisms.
   - Transport interventions, transport-related landuse policy, and sustainability considerations.
   - Accessibility, growth in labour demand and patterns of labour supply, and
   - Labour demand and barriers to labour market access.

This could include a BASELINE WORKSHOP: a half or full-day process for invited stakeholders, and possibly including a wider public focus group/representatives, developing key problems and opportunities for the sub-region.

OUTPUT 3: Problems and Opportunities working paper

4. **Scenario Development**: development of a range of alternative spatial options for the sub-region. Potential scenarios, as identified during the

scoping study, and which need to be agreed during Stage 2, are outlined below.

- Spatial:

    - Scenario 1: Business as usual - development allocated to the existing settlement pattern in line with the existing “do nothing different” policy.

    - Scenario 2: Regeneration – development focused on regeneration and social inclusion objectives, i.e. on priority areas for economic renewal and areas with ‘high’ deprivation scores.

    - Scenario 3: Growth pole - development focused in areas with greatest economic growth potential, driven primarily by the logic of supporting further growth.

    - Scenario 4: Urban niche - development focused in particular areas, each identified as having a particular niche role to play within the wider sub-region.

NB. A possible further scenario would be “public transport orientation” – with development focused in areas with good public transport accessibility, i.e. within the pedestrian catchments of the main public transport nodes. An alternative approach would be to treat this as a basis for all the preceding four scenarios.

- Economic Growth: each spatial scenario will also be tested for its sensitivity to different levels of growth. For example (in terms of ability to cope with/likelihood of leading to):

    - Test A: High growth - in which the economic potential assumed for the sub-region is as per the RES aspiration and levels of housing provision are raised to meet the full labour demand of this growth.

    - Test B: Low growth – economic growth assumed for the sub-region is limited by constraining the GDP growth rate and housing provision (to the 20-year trend 1981-2001).

Each scenario will use existing and new data (including 2001 census output) to produce forecast ranges for possible change in housing, employment, transport network, commuting pattern, labour market access and deprivation, in order to explore questions such as:

- Where will pressure for new housing and/or business development arise, and when?

- Which other locations will act as either sources of labour or competition for labour and/or business?

- What are the potential risks of undesirable outcomes or side-effects, and how can they be minimised?

The key mechanisms for achieving each scenario have been identified in general terms in the scoping study. These should be developed further and consideration be given to how these may be applied.

Each scenario will be encapsulated into a key diagram (which will be conceptual rather than map-based). This stage could include an ACTION PLANNING WORKSHOP: a full-day process for invited stakeholders, and possibly including a wider public focus group/representatives, developing possible future development scenarios for the sub-region.

OUTPUT 4: Scenarios working paper

5. **Appraisal and Packaging**: testing of each scenario against the agreed vision and objectives, together with a full sustainability appraisal, to produce an agreed package of interventions, which will be used to form a preferred sub-regional strategy.

   - Checklist appraisal against agreed vision and objectives.

   - Full sustainability appraisal, identifying environmental, economic and social impacts of each scenario.

The appraisal should help to develop the optimum combination of policies (including land-use, economy, housing and transport interventions) which is most likely to lead to a sustainable period of growth, meeting agreed regional objectives.

The agreed sub-regional strategy will highlight how the Leeds sub-region can develop, and provide core policies for all LPAs. The strategy forms one section of the RPG/RSS, alongside other sub-regional strategies and region-wide policies. The RPG/RSS will not need to be highly detailed, but will need to be specific about spatial choice, priorities, essential elements and inter-area linkages. A key diagram (again conceptual rather than map-based) will show the preferred strategy.

6. **Implementation**: outline of implementation issues for the preferred scenario, such as technical feasibility, institutional responsibilities, funding sources and costing. Based on the mechanisms as identified in Stage 4, and to include consideration of:

   - Urban capacity, physical, environmental constraints.

   - Transport network capacity.

   - Scale, timing and cost of necessary transport and community infrastructure.

- Deliverability – who does what, funding and funding gaps.

OUTPUT 5: Appraisal and implementation working paper

OUTPUT 6: Consultation working paper

OUTPUT 7: Draft final report

OUTPUT 8: Final report

Annexes