



<b>Report to:</b>	West Yorkshire Combined Authority
<b>Date:</b>	14 March 2024
<b>Subject:</b>	<b>Economic Strategy</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills and Culture
<b>Author:</b>	Jo Barham, Policy Manager

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## 1. Purpose of this Report

- 1.1 To update members of the Combined Authority on the development of a new Economic Strategy for West Yorkshire.

## 2. Information

### Background

- 2.1 West Yorkshire needs a new Economic Strategy to deliver on the vision and missions of the West Yorkshire Plan. This is a regional strategy and is being developed in partnership with the five West Yorkshire local authorities and several other partners. It provides a regional framework that aligns to district plans and strategies as well as northern, national, and international opportunities.
- 2.2 Producing the Economic Strategy has involved a wide-ranging programme of evidence collection and engagement. Work has included an external research commission on West Yorkshire sector strengths, a public consultation, and engagement with the academic evidence base of West Yorkshire Universities. A comprehensive economic assessment considering the key drivers of productivity in West Yorkshire has been undertaken and will be published on the Combined Authority webpage before the pre-

election period. Appendix 1 to this report provides a summary of the evidence collection that has taken place, and the emerging priorities.

### Productivity

- 2.3 The analysis considers the overall performance of the West Yorkshire economy over the past 20 years, exploring the economic geography and local specialisms of the region. The evidence shows a **resilient, diversified, and polycentric economy that nevertheless has struggled to keep pace with national growth and productivity**. This has had an adverse effect on living standards.
- 2.4 West Yorkshire's diverse economy has deep pockets of specialisation. There are positive examples of manufacturing specialisms with above average productivity alongside knowledge-based specialisms where productivity improvements are needed. These specialised clusters provide an opportunity for productivity growth. West Yorkshire can be said to be a largely self-contained labour market with around 90% of people working in the region also living in the region.
- 2.5 Major drivers of West Yorkshire's poor productivity performance are levels of skills and investment and also connectivity. Higher-level skills and employer reported skill shortages are holding back economic growth.

### Poverty

- 2.6 More than one in five people in West Yorkshire live in areas within the 10% most deprived in England, according to the Index of Multiple Deprivation (IMD), many of these areas are in towns and cities that despite having high levels of productivity do not translate to benefits for residents.
- 2.7 Poor health plays a role in the underperformance of the West Yorkshire economy with healthy life expectancy below the national average for both males and females. Around 350,000 people are economically inactive in West Yorkshire (160,000 of this is due to sickness or caring responsibilities) driving an employment gap with the national average particularly for women and ethnic minority groups.

### Opportunity

- 2.8 School performance is especially weak for learners who qualify for Free School Meals (FSM) and progression into Higher Education is below the national average. Young people not in education, employment or training (NEET) face an increased likelihood of unemployment, low wages, or low-quality work later on in life. The proportion of young people who are NEET in West Yorkshire increased between 2021/22 and 2022/23 and is above the national average.

## **Next steps**

- 2.9 The next stage of this work is focused on the development of a framework and set of priorities for action. Draft priorities are being discussed with Combined Authority committees and will be refined into a summary for consultation after the local elections. A panel of independent experts is providing impartial advice on the evidence base and emerging priorities and a webpage with reporting and evidence will be available. The final Economic Strategy document will be published in the late summer / early Autumn.

### **3. Tackling the Climate Emergency Implications**

- 3.1 Tackling the Climate Emergency is a driving theme for the Economic Strategy and a core principle reflected in the emerging conceptual framework.

### **4. Inclusive Growth Implications**

- 4.1 Inclusive Growth is a driving theme for the Economic Strategy and a core principle reflected in the emerging conceptual framework.

### **5. Equality and Diversity Implications**

- 5.1 Equality and Diversity is a driving theme for the Economic Strategy and a core principle reflected in the emerging conceptual framework.

### **6. Financial Implications**

- 6.1 There are no financial implications directly arising from this report.

### **7. Legal Implications**

- 7.1 There are no legal implications directly arising from this report.
- 7.2 In accordance with the voting arrangements of the Combined Authority, all Combined Authority members may vote on this item with the exception of the Non-Constituent Council Combined Authority Member.

### **8. Staffing Implications**

- 8.1 There are no staffing implications directly arising from this report.
- 8.2 In accordance with the voting arrangements of the Combined Authority, all Combined Authority members may vote on this item with the exception of the Non-Constituent Council Combined Authority Member.

## **9. External Consultees**

- 9.1 A questionnaire distributed via the Your Voice tool has been analysed with feedback helping to shape the emerging areas for action set out in Appendix 1.

## **10. Recommendations**

- 10.1 That members of the Combined Authority note the progress update and provide any comments on the approach and content.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

[Appendix 1 – Economic Strategy Summary Pack](#)