

LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD

**MEETING TO BE HELD AT 2.00 PM ON TUESDAY, 30 NOVEMBER
2021
IN NEXUS, DISCOVERY WAY, UNIVERSITY OF LEEDS, LEEDS, LS2
3AA**

A G E N D A

Note: This meeting will be held in the Seminar Rooms at Nexus, Leeds. There will be very limited capacity for observers of the meeting. If you would like to attend to observe the meeting in person, please email: governanceservices@westyorks-ca.gov.uk to request a place, clearly stating the name, date and start time of the committee and include your full name and contact details, no later than 24 hours before the meeting begins.

Please note that the pre-booked places will be allocated on a 'first come, first served' basis and once pre-booked capacity has been reached there will be no further public admittance to the meeting. On receipt of your request, colleagues will provide a response to you. A recording of this meeting will be uploaded to our YouTube channel following the meeting.

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

In accordance with the requirements of the LEP Board Members' Code of Conduct, members have an obligation to review their register of interests before each meeting and to declare any interests.

If an interest has not been entered onto the LEP's register, then members must disclose the interest at any meeting at which they are present and where they have a disclosable interest in any matter being considered and where the matter is not a sensitive interest.

3. EXCLUSION OF THE PRESS AND PUBLIC

1. To highlight Agenda Item 5, Appendix 1 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.
2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out Agenda Item 5, Appendix 1.
3. If the recommendation is accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Agenda Item 5, Appendix 1 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. MINUTES OF THE MEETING HELD ON 15 SEPTEMBER 2021

(Pages 1 - 6)

For Decision

5. WEST YORKSHIRE BUSINESS ACCELERATOR FUND

(Led by: Brian Archer, Author: Brian Archer)

(Pages 7 - 26)

6. WEST YORKSHIRE TRADE STRATEGY

(Led by: Brian Archer/Liz Hunter, Author: Alex Clarke)

(Pages 27 - 68)

7. HEALTHTECH STRATEGY

(Lead by: Liz Hunter, Author: Sarah Bowes)

(Pages 69 - 102)

For Discussion

8. INTEGRATED RAIL PLAN

(Led by: Ben Still)

(Verbal update to be given at meeting)

9. COP 26 - NEXT STEPS

(Led by: Liz Hunter, Author: Daniel Barrett)
(Pages 103 - 106)

10. BUSINESS PRODUCTIVITY PROGRAMME

(Led by: Brian Archer, Author: Brian Archer)
(Pages 107 - 114)

11. HGV AND PSV DRIVER SHORTAGES

(Led by: Brian Archer, Author: Michelle Burton)
(Pages 115 - 118)

12. STATE OF THE REGION

(Led by: Alan Reiss, Author: Peter Glover)
(Pages 119 - 136)

13. COMMITTEES UPDATE REPORT

(Led by: Angela Taylor, Author: James Young)
(Pages 137 - 144)

14. GOVERNANCE ARRANGEMENTS

(Led by: Angela Taylor, Author: Julie Haigh)
(Pages 145 - 154)

15. CORPORATE PERFORMANCE

(Led by: Angela Taylor, Author: Louise Porter)
(Pages 155 - 172)

16. ANY OTHER BUSINESS

For Information

17. ECONOMIC UPDATE

(Led by: Alan Reiss, Author: Peter Glover)
(Pages 173 - 204)

**18. DRAFT MINUTES OF THE WEST YORKSHIRE COMBINED
AUTHORITY HELD 22 OCTOBER 2021**

(Pages 205 - 216)

19. DATE OF NEXT MEETING

The next meeting will be held on 26 January 2022.

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Agenda Item 4

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 30 November 2021

Subject: **West Yorkshire Business Accelerator Fund**

Director: Brian Archer, Director Economic Services

Author: Brian Archer, Director Economic Services

Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	3

1. Purpose of this report

- 1.1 To seek support from LEP Board for the establishment of a new commercial investment fund recycling recovered Growing Places Funding, to be named the West Yorkshire Business Accelerator Limited Partnership (WYBALP).
- 1.2 To endorse £21,650,000 of the anticipated £26,000,000 of recovered Growing Places Funding (which represents 83.3% of the total anticipated returned funding) to be invested in the WYBALP.

2. Information

Background

- 2.1 At the LEP Board meetings of 20 September 2018 and 26 March 2019, discussions were held on the creation of a Flexible Growth Fund that has as its primary objective the addressing of market failures in the business finance market making investments that deliver productivity and inclusive growth in the City Region.
- 2.2 The primary source for this investment pot would be the returned capital from the current Growing Places Fund (GPF) with the capability to increase in size as wider funds become available.
- 2.3 It was proposed that a flexible fund pot be established in line with the recommendations agreed by the LEP Board in September 2018. In particular, in line with the guiding principles, 80% of the GPF returned funds would be used to continue providing investment capital on a returnable basis. The

Leeds City Region Enterprise Partnership (the LEP) received £35.5 million of GPF capital funding in 2011/12. It is anticipated that £26 million will be recovered from current loans by 2027.

- 2.4 LEP Board is asked to endorse £21,650,000 of the anticipated £26,000,000 of recovered GPF funding (which represents 83.3% of the total anticipated returned funding) to be invested in the WYBALP.
- 2.5 The proposed fund has progressed to Full Business Case and has been through the internal Assurance Framework, where it was recommended to progress to LEP Board and Combined Authority for approval subject to conditions being met.

Options for use of the returned Growing Places Funding

- 2.6 The project has not followed a traditional options appraisal route. A policy decision was taken by LEP Board in 2018 to explore the creation of an investment vehicle and the demand in the market for products. External consultants were commissioned to undertake the analysis associated with this decision to explore access to finance investment products which would meet the needs of the local business community and recycle the GPF funding with the potential to create an investment fund. This culminated in the Commercial Investment Fund Draft Business Case in February 2021.
- 2.7 The specialist skills required for equity investment make it impractical for the Combined Authority to establish a business-based debt and equity fund and to evaluate and manage investments in-house due to the high-risk nature of the planned investments. Consequently, this is not a viable option.
- 2.8 Soft market testing along with the Business Case informed the process and nature of the WYBALP Limited Partnership Agreement (LPA) and the Investment Managers Agreement (IMA) which have been prepared by the Combined Authorities external legal advisors.
- 2.9 The WYBALP is a new investment vehicle intervention utilising £20 million of the recycled GPF funding which will provide a new Access to Finance product to be delivered alongside grants and loans by the Combined Authority's Economic Services team to benefit West Yorkshire. The Fund will target high growth SMEs, generating strong commercial returns, supporting growth in high value employment, and promoting a low carbon economy.
- 2.10 It is proposed that £21,650,000 of the GPF funding is invested into WYBALP, which will create a fund of £20 million (the remainder to cover delivery costs). A smaller sum is unlikely to attract the interest of experienced fund managers working with public sector funds. This sum is sufficiently large to be managed independently and to have sufficient scale to attract 1:1 co-investment to lever additional investment into West Yorkshire and assist more companies than £20 million could. It is hoped that the fund will become evergreen and will

have a life beyond year 10 increasing in value to assist West Yorkshire businesses into the future. The Fund will have both environmental and social value credentials to boost the growth of local businesses meeting the objectives of the Strategic Economic Framework (SEF).

2.11 The rationale for development of the Fund has been strengthened by the market failures identified in Leeds City Region's finance and investment market. British Business Bank market research has revealed there is a gap in equity finance offered by the private sector, with regional markets receiving a disproportionately low amount of equity investment compared to those in the South of England or London. Equity finance is a way of raising funds for business by selling partial or complete ownership of the company's equity for money. The experiences and lessons learnt from similar investment products, successfully established by other Combined Authorities, have supported development of the West Yorkshire Fund.

2.12 Other options:

- A lesser investment in a fund is not deemed to be viable as soft market testing indicated that £20 million is required to establish an investment fund if it is to attract a good quality experienced fund manager. A smaller capital sum is also likely to attract a high fee structure due to the scale of management required for a reduced investment pot which is likely to make such a proposition unviable.
- An alternative use for the GPF may be to purchase an investment asset or to fund capital or regeneration projects promoted by the Combined Authority. This may involve a lower capital contribution from the Combined Authority and may lever co-investment from other public sector or private sector organisations. This would mean a lower return for the Combined Authority but potentially also a lower risk. However, if the investment failed and there were priority investors ahead of the Combined Authority, it may not see the investment returned.
- Other investment opportunities do not achieve the leverage of co-investment to be achieved by the creation of an investment fund multiplying the scale of investment in SMEs across the region and are unlikely to achieve the same level of job creation and social outputs anticipated from the Fund.

Growing Places Funding

2.13 The Combined Authority currently has £20.395 million of recovered funding. It is anticipated that by 2027 circa £26 million will have been returned to the Combined Authority from the original loans which will be available for reinvestment.

- 2.14 The amount of funding required to set up and operate the Fund is £21.65 million over a ten-year period. This is made up of £20.05 million to set up, operate and invest in the Fund via an external Fund Manager and £1.6 million of internal Combined Authority costs.
- 2.15 The £21.65 million is 83.3% of the £26 million anticipated funds to be recovered to the Combined Authority, slightly above the 80% of the GPF proposed at LEP Board on 20 September 2018 to be used for the creation of a new Fund.
- 2.16 Funding will be drawn down for the purpose of investment and operational costs over the 10-year life of the Fund commencing 2022 and the cashflow compliments the anticipated GPF recovery of existing loans to 2027.
- 2.17 Further information on costs can be found in Section 6 Financial Implications.

Structure of the Fund

- 2.18 The Fund will be managed and operated on behalf of the Combined Authority by a Financial Conduct Authority (FCA) regulated external Fund Manager who will have delegated decision-making powers for investments. The Fund Manager will create a deal pipeline in accordance with the Fund's objectives, the investment criteria outlined by the Combined Authority and its proposed investment strategy, and will carry out full due diligence process in respect of potential investments.
- 2.19 The Fund will be structured as a Private Fund Limited Partnership (PFLP) which is the industry norm for this type of investment fund. West Yorkshire Combined Authority will comprise the sole Limited Partner (LP) and sole investor of the Fund whose liability will be limited to the total amount invested. The other party of the partnership will be the General Partner (GP), a Special Purpose Vehicle (SPV) to be set up by the appointed Fund Manager, that will have unlimited liability for the debts and obligations of the partnership.
- 2.20 The GP will be a wholly owned subsidiary of the Fund Manager and will have unlimited liability for the debts and obligations of the partnership. The GP will delegate its full power and authority to the Fund Manager, as the key decision entity held responsible for the day-to-day management and operation of the Fund in accordance with the Investment Management Agreement. The role of the GP will be limited to holding title to investments and entering into investment contracts with investees (businesses to receive funding) on behalf of the Partnership.
- 2.21 The Fund will be established as a 10-year fund with a 5-year investment period, followed by a 5-year realisation period. The Combined Authority will have the power to require up to two one-year extension periods to allow remaining investments to be managed-out. At the end of the term of the Fund, the Combined Authority will also have discretion to continue the Fund, to roll-

over the Fund into a continuation vehicle and to replace the General Partner and Manager to take over management itself.

- 2.22 The Fund documents contain the ability for the Combined Authority to remove the General Partner and Manager at any point for "Cause" with no right to compensation and to remove on a no-fault basis subject to an initial 12-month lock-in period plus compensation.

Procurement of a Fund Manager

- 2.23 An Official Journal of the European Union (OJEU) compliant open tender procurement exercise took place to identify a suitable Fund Manager based upon a £20m investment fund.
- 2.24 A company with extensive experience in public sector fund management has been identified as the preferred supplier subject to approval by the Combined Authority. Due diligence is underway prior to contract award anticipated in December 2021.
- 2.25 The WYBALP will comprise a debt and equity investment product that will be funded from money previously invested and recycled through GPF. The Fund will provide access to finance to small and medium-sized enterprises (SMEs) and start-up businesses operating within West Yorkshire supporting entrepreneurial growth across a wide range of sectors. The aspiration is to become a recyclable product whose financial returns could be reinvested in the future to support more and more businesses in the region or contribute to social value projects within West Yorkshire.
- 2.26 The Fund will be established as an Environmental Social and Governance (ESG) Fund. Investment decisions will be based not only on anticipated financial returns, but equally informed by environmental, societal, and corporate criteria and behaviour implications. The product aims to support low carbon, sustainable activity and businesses, create and safeguard jobs, enhance training and skills and encourage inclusive governance and leadership.
- 2.27 The Fund is aligned with the SEF priorities and Mayoral Pledges. It will not only drive productivity in the Region but will also help businesses to realise and achieve their carbon net zero goals and make a positive contribution to the communities they operate focusing on diversity and inclusion and encouraging investee companies to incorporate training and social performance improvements into their working practices.

Investment Strategy

- 2.28 The Fund is a Special Purpose Investment Vehicle – a Partnership between the WYBALP and a Service Provider (the Fund Manager) and the Combined Authority. It is not a grant or a loan to an individual organisation. It will be

established as an opportunity to create a portfolio of diverse investments providing debt, equity and mezzanine finance to high growth SMEs. The aspiration is to achieve an evergreen fund which recycles the money which will increase in value enabling the Combined Authority to assist many more companies than would be achieved by grant or loan finance.

2.29 As part of the Tender exercise, bidders were asked to develop their bespoke Investment Strategy and supporting Financial Model based upon their knowledge and experience of managing regional public sector funds targeting SMEs and informed by the Combined Authority Specification of Requirements in the Invitation to Tender (ITT).

2.30 The ITT provided the following guidance for bidders:

Criteria	Description
Geography	<p>Financing will be restricted to projects that will grow the economy in relation to job creation and increased GVA within West Yorkshire.</p> <p>In exceptional circumstances investments will be considered in projects outside the geographical area if the economic benefits to the region warrant their inclusion. The Fund Manager must present such prospective investments to the Combined Authority for its consideration and prior consent.</p>
Objectives	<p>Be established as an Environmental, Social and Corporate Governance (ESG) Fund seeking to invest in organisations with low carbon credentials and targeting net zero.</p> <p>The ambition is to create an evergreen investment fund that returns more than invested.</p> <p>Target an internal rate of return (IRR) of 12% over the length of the fund.</p> <p>Create significant growth in West Yorkshire SMEs in terms of robust profit growth potential, profitability and job creation/job protection.</p>
Environmental, social and governance credentials	<p>The Fund will have strong Environmental, Social and Governance credentials working towards Net Zero 2038 and maximising the benefits to the West Yorkshire region.</p>
Target sectors	<p>The portfolio should have a diverse sector approach to create a blended balanced portfolio.</p> <p>The Fund will target sectors identified in both the Local Industrial Strategy and West Yorkshire Economic Recovery Plan but not exclusively. These include Healthcare and Innovation, Manufacturing, Financial and Professional Services and Digital Technologies.</p>

	<p>Opportunities will generally be non-asset-based applications with knowledge-based collateral and guarantees which may deliver significant growth to the West Yorkshire economy in relation to job creation and increased gross added value (GVA) to be determined on a project-by-project basis.</p> <p>Exclusions: nuclear; fossil fuels; property-based retail; property development; any activity which might bring the Combined Authority into disrepute.</p>
Business criteria	<p>The Fund will target businesses with robust turnover potential.</p> <p>The target sectors should primarily but not exclusively be determined based on those identified in the Strategic Economic Plan and future Industrial Strategy. These may vary due to wider economic events and so a process of reflection upon market failures in specific sectors should be undertaken regularly.</p> <p>A fundamental principle underpinning decision making and strategy across the future funding programme is ensuring that the products and support available are seen as being accessible to a diverse society. It is widely understood that applications for start-up and growth funding are more readily presented by male entrepreneurs and it is important that any programme established by the Combined Authority not only appeals across gender but also supports different cultural and economic backgrounds. Consideration of these issues will inform the application and appraisal process for any new investments; particularly where key parts of society may not currently have access to finance from traditional sources.</p>
Composition of the Fund	<p>The investment type will need to be flexible dependent upon individual company circumstance. It is expected that investment will be significantly weighted towards equity.</p> <p><u>Non-asset backed equity</u></p> <ul style="list-style-type: none"> • More traditional equity, investment is in intellectual property and people. • Based on capital required to implement business growth plan and become revenue generating to the extent that traditional finance can then be sought. • Target sector types, potential timescale for exit and minimum expected return on equity based on business projections over 5 years. • Mentoring support or regular business updates should be embedded within the investment strategy. • Strong business plan for growth required. <p><u>Debt Investment Product</u></p>

	<ul style="list-style-type: none"> • Secured or non-secured loan finance. • Supported by evidenced ability to service debt. • Business would be revenue generating or have robust cashflow projections that demonstrate an ability to commence repayments quickly. • Strong business plan for growth required.
Size of investments & co-investment	<p>£20 million will be spread across a range of investment sizes depending on risk. The portfolio will aim to have a mix of sizes and risk profiles to mitigate failure. The recyclable nature of the fund will allow for the finance to be repaid and invested resulting in the initial fund investments representing a greater value of investment across the region.</p> <p>Anticipated Investment value range - £50,000 - £2 million (equity) & £150,000- £2 million (debt).</p> <p>The management of the Fund should be targeted with attracting a similar level of co-investment from other sources. Opportunity to partner with other funds to share risk on a pari passu basis.</p>
Investment product	<p>The investment product will reflect the specific nature and requirements of each project. The Fund will provide but not be limited to:</p> <ul style="list-style-type: none"> • Debt finance on senior and mezzanine terms • Equity investment finance <p>Investment strategy will reflect need for further rounds of funding. Where investment is made a portion of capital should be retained to support follow-on funding.</p>
Target return	<p>A target financial return of a minimum of 12% Internal Rate of Return has been identified for the fund.</p> <p>Individual investments will be determined on a project specific basis to be consistent with commercially available rates in compliance with applicable state aid and/or subsidy control requirements.</p> <p>The financing terms associated with the loans should be commensurate with the risk profile of the investment (including credit worthiness, form of collateral, risks to cashflows and sensitivity analysis) and in consideration of applicable state aid and/or subsidy control requirements.</p>
Recycling principles	<p>The Fund is proposed as an evergreen fund where returns from investments are used to further re-invest in the region. Any re-investment of cash needs to be approved in advance by the Combined Authority.</p>
Anticipated failure rates	<p>It is prudent to assume a level of investment failure that reflects the investment type.</p>

	It is recognised that the post - Covid-19 environment could be more unsettled.
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- 2.31 The preferred supplier has prepared a hypothetical commercial model based upon their experience to demonstrate the potential level of returns which may be achieved from a fund of this size. Investments will respond to business opportunities which present themselves throughout the life of the fund.
- 2.32 The Fund Manager will manage the day-to-day operation of the Fund on behalf of the General Partner. All investment decisions will be delegated to the Fund Manager which will be based upon a business plan to be developed by the Fund Manager and which will be signed off by the Combined Authority.
- 2.33 Further information is set out in Section One of Appendix One.

Governance

- 2.34 Reporting at intervals will be required to demonstrate that the Fund Manager is carrying out due diligence processes in accordance with the agreed methodology and captured within the contract and terms of reference.
- 2.35 Formal and informal engagement with the Combined Authority and Fund Manager including monthly reporting milestones and investment meetings, risk profile updates, as well as quarterly, half year and annual reporting requirements.
- 2.36 Half-yearly presentations to the Combined Authority on the Fund's portfolio and the performance of investments.
- 2.37 Quarterly written report to the Combined Authority on the Fund's portfolio and the performance of investments.
- 2.38 Annual audited report and accounts for the Fund to be prepared and delivered to the Combined Authority.
- 2.39 The Fund Manager shall produce an annual business plan, to be approved by the Combined Authority which will set out plans for the year for the delivery of the Fund. This will include, but not be limited to, investment activity, marketing plans, project pipeline development, status of investments, budgetary position and projections, risk profile, delivery of KPIs and other relevant undertakings.
- 2.40 Following approval of the Fund by the Combined Authority, the legal documentation will be finalised which will include jointly drafting a communication strategy, and the Fund Manager developing the first business plan for consideration by the Combined Authority.
- 2.41 In the interim, the vehicle will be established and the Fund Manager will begin its search for opportunities which will feed into the business plan and which may form early investments.

Operational Summary

2.42 The key operational responsibilities of the Fund Manager will be to:

- Assist with the formulation of the Fund's Investment Strategy.
- Create and maintain the financial model for the Fund.
- Implement a comprehensive strategy for identifying pipeline investment opportunities, which should set out target sectors and businesses in line with the Fund's objectives.
- Work with LEP's, Local Authorities and other regional stakeholders to ensure that stakeholders are engaged and aware of the opportunities that the Fund provides businesses. Relationships should be maintained with business and knowledge networks, including business support services provided by the Combined Authority and the LEP, to maximise pipeline opportunities.
- Maintain a robust pipeline that matches its clearly defined investment strategy and impact objectives and report on potential opportunities with updates to the Combined Authority.
- Undertake qualitative and quantitative due diligence and risk analysis of each investment, before making investment decisions.
- Undertake the structuring of funding agreements and other documentation, having regard to market pricing and applicable state aid and/or subsidy control requirements.
- Manage the acquisition, transfer, holding and management of, exit from and/or realisation of investments in accordance with Fund documents.
- Follow the agreed communications strategy which will specify how the Combined Authority and the LEP will be kept aware of potential issues through the agreed reporting process in order to identify any potential reputational risks associated with investments.
- Refer SMEs back to the Combined Authority for further support where appropriate.
- Produce an annual business plan setting out plans for the year for the delivery of the Fund, to include, but not be limited to, investment activity, marketing plans, project pipeline development, status of investments, budgetary position and projections, risk profile, delivery of KPIs and other relevant undertakings.

2.43 The key responsibilities for the internal delivery team will be to:

- Design, oversee and implement the governance arrangements of the WYBALP, and ensure that it is delivered in a robust, transparent manner that is compliant with the Combined Authority's Assurance Framework.
- Ensure expenditure and contractual targets are met and that funding is allocated and awarded in accordance with the Combined Authority's Assurance Framework, UK Subsidy Control regulations and external funding agreements.
- Track performance of the Fund Manager, and the loan portfolio.
- Manage issues and risks relating to WYBALP and ensure that these are escalated as required.
- Report progress on the performance of the WYBALP to the BEIC, Business Investment Panel (BIP), LEP Board and Combined Authority.

2.44 Monthly updates will be provided to BIP by the Fund Manager / Programme Lead (Access to Finance).

2.45 Quarterly updates will be provided to BEIC by the Fund Manager / Programme Lead (Access to Finance).

2.46 Half-yearly updates will be provided to LEP Board and the Combined Authority by the Fund Manager / Programme Lead (Access to Finance).

Timeframe for Delivery

2.47 Key timescales:

Decision to Award Contract	Combined Authority 09 December 2021
Appointment of Fund Manager	By 30 January 2021
Investment Period	January 2022 to January 2027
Realisation Period	January 2022 to January 2032

2.48 The Limited Partnership Agreement (LPA) allows for the Combined Authority to review performance during the life of the Fund and to extend its life if appropriate. It is usual for a fund of this nature to run over its 10-year life by up to two years to obtain best value in divesting itself of investments.

Appraisal Summary

2.49 Following recommendations from the Combined Authority's Senior Leadership Team at its meeting on 10 September 2021, an informal review of the preferred supplier's commercial model has been undertaken. Although this does not include an assurance opinion or valuation, it does provide more confidence that the investment model proposed by the preferred supplier is relatively typical of what would be seen in the marketplace for a carried

interest fund model, in terms of transaction types, success rates, projected outcomes, measured Key Performance Indicators (KPIs) and co-investment structure. A yearly funding profile has also been provided showing expenditure and income throughout the 10-year life of the Fund. A Project Execution Plan is in place that outlines governance structures, roles, and responsibilities of the internal delivery team, planned engagement with the Fund Manager and reporting mechanisms.

- 2.50 Remaining outstanding deliverables include the development of a robust Monitoring and Evaluation Plan, an effective Communications Strategy, and the review of environmental and social KPIs and targets (including Equality, Diversity and Inclusivity targets) that need to be discussed and agreed with the Fund Manager prior to entering into a contractual agreement.
- 2.51 Overall, the Fund has multiple, significant risks of a reputational and financial nature for the Combined Authority as the investor. The Combined Authority's lack of experience and expertise in fund management and not having delivered a finance product like the Fund before adding further risks and uncertainties. The informal review of the proposed investment model adds some confidence, however the pertinent financial risks of such an investment product remain.
- 2.52 There is however an opportunity for an additional and longer-term source of income and thus, funding to be generated that could be re-invested to widely support more and more businesses within the region and potentially other projects or aspirations of the Combined Authority. Lessons learned from a review of the Growing Places Fund suggest that several lenders are willing to explore the opportunity of lending alongside the Combined Authority. This could potentially result in increased co-investment from other public sector lenders towards individual investments, enabling the Fund to expand its capital base and impact.

3. Tackling the Climate Emergency Implications

- 3.1 The climate emergency implications have been considered as part of the business case development.
- 3.2 The WYBALP will be an ESG Fund, which will seek to incorporate strong environmental, social and governance criteria throughout the investment evaluation, due diligence and decision-making process. Prior to any investment decision being made, the Fund Manager will undertake analysis of the environmental policy, impact, and performance of each investee.
- 3.3 The Fund will invest in organisations with low carbon credentials supporting all businesses to achieve zero carbon by 2038.
- 3.4 Overall, the Fund will raise environmental awareness that is currently lacking amongst many start-ups and SMEs in the Region whilst also providing them

with access to finance that will enable them to realise and achieve their net zero goals.

- 3.5 Investees may also be able to access further support from the Combined Authority, with a number of other existing programmes supporting businesses to reduce their environmental impact.

4. Inclusive Growth Implications

- 4.1 The inclusive growth implications have been considered as part of the business case development.
- 4.2 The outputs, benefits and inclusive growth implications are set out in Section Two of Appendix One.

5. Equality and Diversity Implications

- 5.1 An Equality Impact Assessments (EQIA) has been undertaken as part of the business case development.
- 5.2 The equality and diversity implications are set out in Section Three of Appendix One.

6. Financial Implications

- 6.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.
- 6.2 Approvals to date total £265,000. £100,000 of development funding from the GPF was approved on 9 March 2021 by the Combined Authority. The remaining £165,000 has been approved in phases by SLT through Requests for Decisions and has been funded from reserves. Of this, £238,000 has been spent to date.
- 6.3 Drawdown of £21,650,000 of recycled GBF funding will be required in phases throughout the 10-year fund life according to the Fund Manager's investment decisions and as required to cover staff costs, overheads, Fund Manager's management fees, legal professional fees and operational costs.
- 6.4 A reasonableness test (an informal review) of the preferred suppliers Commercial Model has been undertaken by KPMG.
- 6.5 The scheme costs are set out in Section Four of Appendix One.

7. Risks

- 7.1 The scheme risks include:
- £20,395,000 of GPF returns are currently available for investment and the anticipated return profile will be sufficient to cover the WYBALP cashflow requirements.

- Reputational risks for the Combined Authority related to loss of fund capital and potential adverse social and environmental outcomes and impacts of investment. Mitigation includes:
 - Investment criteria and restrictions clearly set out in the Invitation to Tender document and to be included in the Limited Partnership Agreement with the appointed Fund Manager.
 - Robust due diligence process, assessment and monitoring of the ESG credentials of investees to be undertaken by the Fund Manager throughout the life of the Fund to inform investment selection and evaluation process.
 - Robust communications strategy and effective risk management plan to be jointly developed by the Fund Manager and the Combined Authority. Assurance will be provided by external legal, financial experts and auditors where required.
 - Regular assessment and review of the Fund Manager's performance against agreed KPIs to be undertaken by the Combined Authority.

7.2 Further risks are set out in Section Five of Appendix One.

8. Legal Implications

8.1 The Combined Authority will need to set up a Special Purpose Vehicle and enter into legal agreements for the Limited Partnership Agreement (LPA) and the Investment Manager Agreement (IMA). Drafts of these documents have been prepared as part of the procurement process by Pinsent Mason.

8.2 The investment strategy, inclusive growth implications, equality and diversity implications, scheme costs and risks are set out in Appendix One. These sections are exempt as they contain confidential information relating to financial or business affairs which are still subject to a public procurement process that has not yet completed

9. Staffing Implications

9.1 There will be little impact on staff across the Combined Authority. Two FTEs will be involved in delivering and promoting the new Fund:

- Programme Lead - Access to Finance (in post)
- Service Manager – Access to Finance (to be recruited on launch of the Fund)

9.2 A Project Execution Plan has been provided, that outlines the proposed governance structure, roles and responsibilities of the internal delivery team and all governance bodies involved whilst setting out reporting mechanisms, a

high-level risk management and monitoring strategy and lessons learnt from GPF.

10. External Consultees

- 10.1 Extensive consultation has been undertaken both across the Combined Authority at Officer and Director level and externally to inform the shape of the Fund. External consultees included a number of regional comparator funds, British Business Bank and Finance Yorkshire.

11. Recommendations

- 11.1 That the LEP Board supports the establishment of the West Yorkshire Business Accelerator Limited Partnership.
- 11.2 That the LEP Board supports £21,650,000 of the anticipated £26,000,000 of recovered Growing Places Funding (which represents 83.3% of the total anticipated returned funding) to be invested in the West Yorkshire Business Accelerator Limited Partnership.

12. Background Documents

- 12.1 None.

13. Appendices

- 13.1 **Exempt Appendix One** - investment strategy, inclusive growth implications, equality and diversity implications, scheme costs and risks.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 30 November 2021

Subject: **West Yorkshire Trade Strategy**

Director: Brian Archer, Director of Economic Services

Author(s): Alex Clarke, Business Growth & Resilience Policy Manager

1. Purpose of this report

- 1.1 This report sets out the purpose and scope of a Trade Strategy for the Combined Authority and Leeds City Region Enterprise Partnership (the LEP), and seeks endorsement from the LEP Board.

2. Information

- 2.1 This item follows discussion with the LEP's former Business, Innovation and Growth (BIG) Panel on the development of a regional Trade Strategy, most recently at their meeting in May 2021 and of the Business, Economic and Innovation Committee on 18 October 2021.

Purpose of a Trade Strategy

- 2.2 Unprecedented changes to the international trading environment faced by businesses over the last two years offers an opportunity to consider what the region's priorities should be to support businesses to maximise the benefits of trading internationally. This coincides with the end of the LEP's current International Trade Plan (2016-21).
- 2.3 International trade is a key source of economic growth for the UK and West Yorkshire. It can attract inward investment, be a catalyst for business growth, and provide access to new markets to trade goods and services with. Trading internationally is also a recognised behaviour that supports businesses to be more productive, resilient & innovative, as highlighted in the recently adopted West Yorkshire Business Productivity and Resilience Plan¹.

¹ As approved at the Combined Authority meeting on 9 September 2021:
<https://westyorkshire.moderngov.co.uk/documents/s21945/Item%206%20-%20Appendix%201%20-%20Draft%20Business%20Productivity%20and%20Resilience%20Plan.pdf>

- 2.4 The UK Government has in November published its Export Strategy² that has outlined a 12-point plan for exports, with an overall target of increasing annual exports to £1trillion. As part of this strategy, the Government recognises the role of mayoral combined authorities and LEPs in particular in joining up activity to the wider ecosystem of business support.
- 2.5 To complement national policy and to provide the practical routes to join up activity on exports, the LEP and Combined Authority is developing a regional strategy to outline the role of international trade in our wider strategic priorities, building on our strengths and seizing new opportunities for businesses in the region, and setting a clear West Yorkshire narrative for trade that focusses on our diversity and international offer.

Our Approach

- 2.6 The Trade Strategy will cover the period of 2022 to 2025 and seeks to inspire, empower and provide access to international markets for small and medium size businesses (SMEs), for the benefit of workers and businesses across West Yorkshire.
- 2.7 Recognising that the Combined Authority and LEP play only a limited direct role in delivery on international trade, the importance of working in partnership and collaboration with both public and private sector organisations such as the Chambers of Commerce, universities, Innovate UK EDGE and the Department for International Trade both locally and nationally is central. To this end partners from those organisations have been regularly consulted on the strategy's development through the regional Trade Partner forum.
- 2.8 The strategy focuses specifically on SMEs – recognising that the larger businesses in the region tend to have strong international trade credentials and experience already in place. SMEs face a multitude of longstanding and new challenges which this strategy will seek to address such as: a limited or lack of knowledge about international trade, contacts and customer bases as well as facing financial and cost barriers, and the recent impacts of global COVID-19 restrictions and EU Exit. The strategy focuses particularly on the role that public support can play in encouraging a diverse range of businesses from across all communities to explore and benefit from international trade.
- 2.9 International trade will help us build and grow a resilient and inclusive economy for West Yorkshire by boosting business productivity and innovation. Businesses that trade internationally can also create high-quality direct and indirect jobs and act as ambassadors who promote our region, our strengths and forge partnerships across the globe.
- 2.10 To achieve our mission, the Trade Strategy identifies three areas of collective action with partners that will support SMEs on their journey to trading internationally, outlined in the table below.

² UK Export Strategy (2021) <https://www.gov.uk/government/publications/export-strategy-made-in-the-uk-sold-to-the-world>

Influence	Inform & Inspire	Impact
Building international regional economic relationships for trade.	Help businesses across the region to understand free trade agreements and grasp opportunities.	Deliver trade support to businesses in partnership with partners and expert agencies.
Be the voice of sectoral priorities for the region in future and existing trade deals and discussions.	Signpost businesses to the right support to trade international and simplify the landscape.	Promote the region and businesses based here on the international stage.
Work together across the Northern Powerhouse to promote trade for the North.	Inspire businesses in the region to think internationally as part of business planning	Coordinate across trade delivery partners in the region to join up activity around key sectors and markets.
Maximise the devolution deal commitments with the DIT.	Continue to collate key on the ground intelligence of trade impact to inform decision-making.	Ensure trade opportunities are considered across regional policy areas (productivity, inclusive growth, tackling the climate emergency).

- 2.11 In addition to these key areas of action, the strategy outlines the distinct offer in West Yorkshire. It identifies key sectoral strengths from the manufacturing of textiles, chemical and aerospace technologies, to service sector capabilities in financial services, digital and our creative and cultural industries. It also recognises of our strong academic ecosystem and outturn of graduates, the diversity and youth of our workforce, and links to national institutions based in the region, such as the newly created UK Infrastructure Bank.

Next steps

- 2.12 Subject to views of the LEP Board and the approval of the Combined Authority, the Strategy will be adopted as part of the West Yorkshire Strategic Economic Framework.
- 2.13 The strategy will then provide the framework for the development of annual delivery plans for International Trade overseen by the Combined Authority's Trade and Inward Investment team. Separate but connected delivery plans for Inward Investment are also developed by that team, and the LEP Board is asked to note in connection to the 2021-22 plan that the region no longer anticipates attending the MIPIM conference in March 2022.

3 Tackling the Climate Emergency Implications

- 3.1 Tackling the climate emergency is covered as a chapter in the Trade Strategy and recognises our ambitions to be a net-zero carbon economy by 2038. The strategy recognises that the transition to net zero is an export market opportunity for the region, but also that international trade currently makes a significant contribution to global emissions. Positively responding to the opportunities whilst minimising the potential negative impacts of trade on the environment is seen as an important priority in future trade support.

4 Inclusive Growth Implications

- 4.1 The Trade Strategy covers the West Yorkshire Inclusive Growth Framework and outlines our approach to ensure that international trade contributes positively to inclusive growth, in particular through maximising high-quality employment opportunities as a result of increased trade activity.
- 4.2 Traditional economic theories point to the overall positive correlations between trade and wages and real income ([IMF](#), 2021). This is supported by evidence that trade is associated with generating high-quality employment opportunities, with median wages on average higher for both direct and indirect jobs ([FAI](#), 2021). The Strategy sets out how trade can support such opportunities particularly for individuals that face barriers to securing good work, including those with protected characteristics.
- 4.3 It is also understood that whilst there are overall benefits of trading internationally, there are also potential 'losers' to increased international trade, which can include diverting trade away from some areas. When implementing the Trade Strategy we will look to understand potential negative impacts - including how Free Trade Agreements might 'divert trade' ([Department for International Development](#), 2015) away from businesses in the region, potentially making them less resilient or viable.

5 Equality and Diversity Implications

- 5.1 As part of the Trade Strategy's priorities, it is recognised that there is a role for trade partners including the Combined Authority and LEP in supporting all businesses across West Yorkshire to realise their productivity potential through international trade. This includes proactively supporting localities and business owners who may not otherwise consider international trade.
- 5.2 Although only a small sample size, findings from the KADA research utilised in developing the Trade Strategy indicate that female led businesses are the businesses most likely to consider trading with existing non-EU partner countries, and that BAME-led businesses are most likely to consider new international markets. The strategy therefore outlines how consideration will be given to how to increase opportunities for female and BAME-led businesses to access these markets and to ensure they have the relevant support, and how we can maximise the potential of connected programmes such as entrepreneurship in increasing the diversity of our export base.

6 Financial Implications

- 6.1 There are no financial implications directly arising from this report. However, in delivering the priorities of the Trade Strategy this may require further financial resources to support the activities, which will be subject to further approvals.

7 Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8 Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9 External Consultees

- 9.1 In developing the Trade Strategy, officers of the Combined Authority have engaged with a number of key stakeholder groups, including the LEP Business Communications Group, regional Trade Partners and with Universities in the region. Further consultation will take place before the Strategy is brought to the Combined Authority for endorsement.

10 Recommendations

- 10.1 That the LEP Board endorses the West Yorkshire Trade Strategy (2022-2025), providing any comments on the draft document and priorities.

11 Background Documents

Department for International Trade, UK Export Strategy: Made in the UK, Sold to the World:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033912/made-in-the-uk-sold-to-the-world.pdf

12 Appendices

Appendix 1 – Draft West Yorkshire Trade Strategy: 2022-2025

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DRAFT West Yorkshire Trade Strategy: 2022 – 2025

November 2021

DRAFT

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Foreword

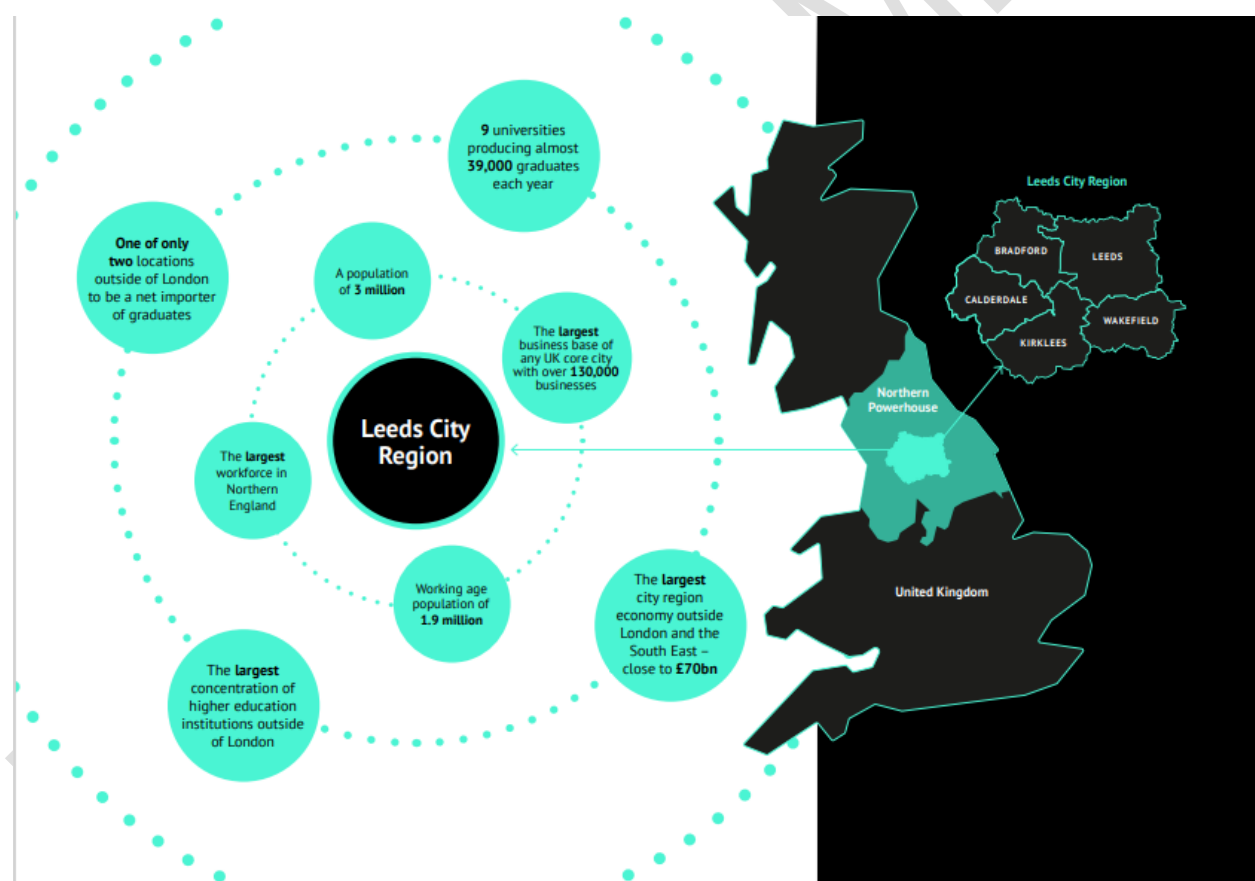
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IN DEVELOPMENT

1. Introduction

This Trade Strategy for West Yorkshire is about supporting businesses in the region to explore international opportunities and realise the business benefits of those opportunities through improved productivity, resilience and innovation in a way that maximises the value for their business, the wider economy and ultimately the people living in this region. It has been developed in collaboration with trade partners across the region who play a critical role in delivering trade support and will therefore be key stakeholders in the delivery of this strategy.

This strategy has been produced by Leeds City Region LEP in partnership with the west Yorkshire Combined Authority and covers the West Yorkshire authority areas of Bradford, Calderdale, Kirklees, Leeds and Wakefield. In this strategy we also refer to this geographical area as Leeds City Region.



Leeds City Region is a place with global reach and global ambition.

Whilst the changes to our international trading landscape arising from the UK's exit from the EU have created challenges for many, the Leeds City Region has a lot to offer to inter-regional partners across the globe. Our economy is worth £55.4 billion – larger than 9 EU countries.

The nature of our polycentric economy means there is plentiful supply of international trade opportunities available to businesses in this region. We have a strong concentration of manufacturing businesses, more than anywhere else in the north, an unrivalled health ecosystem, the UK's fastest growing digital sector and the largest financial and professional services cluster outside of central London. We undoubtedly have the business assets - for Leeds City Region to be a UK leader on international trade.

In addition to this, we also have a strong university network with 9 universities attracting over 91,000 students and producing 39,000 graduates that come here from across the world, creating both knowledge-based innovation but also a platform for international market opportunities.

Our Approach: Influencing, Inspiring and Impacting

International trade is fundamentally about exchanging goods and services across borders or territories. On the whole, it is businesses that do the trading, and our strategy is focussed on how we can support them. To that end our approach is based on three intersecting action areas that can facilitate trade: influencing, inspiring and impacting.

Scope: Inward and Outbound Trade in the Strategy

For the purposes of this Trade Strategy, we consider elements of both inward trade (**imports**) and outbound trade (**exports**) of goods and services in West Yorkshire. The focus in terms of action however is framed around exports, recognising the role that public and private partners across West Yorkshire can play in supporting businesses to explore new market opportunities, although much of this support can also be utilised to explore opportunities for better quality imports. The Strategy does not seek to enter into a debate around import substitution and the value or otherwise of re-shoring supply chains, recognising that supply chain resilience often involves diversification that is specific to individual products or services.

Inward investment is clearly related to international trade, but is considered outside of the scope of this work, having specific drivers, regulations and impact on the economy.

Influencing recognises that decisions taken, particularly by UK Government, have a significant impact on businesses trading. Whilst the process of agreeing trade deals, developing subsidy regimes and building trade infrastructure sits with the UK Government, our role is to ensure the voice of Leeds City Region is heard in influencing those decisions,

and utilising our profile as a Mayoral region to build economic relationships that support trade with other regions of the world.

Inspiring focuses on the role that knowledge and information can play in breaking down barriers to international trade. We can support businesses by **inspiring** them to think internationally and to explore the markets and opportunities that are best suited to them. We can help with information on new trade arrangements, on finding advice and funding, and on collating key data, as well as demonstrating our successes.

Impacting builds on the evidence that direct delivery of support can add value beyond the current trade activity of our businesses. Together with partners across the business support ecosystem in Leeds City Region we can further impact by promoting the region on the international stage, providing expert advice and guidance and joining up provision. In the period from now to 2025 we see this as particularly valuable as businesses adjust to the changes brought following the UK's exit from the EU, new free trade agreements and shifting global value chains.

Trade as a Policy Lever

As we detail in section two, our Trade Strategy is rooted in the wider economic and social ambitions we have for our region. Despite having many high performing businesses, Leeds City Region has a growing **productivity gap** compared to the UK average, which affects business resilience. As we know that businesses that trade internationally tend to have higher productivity performance, this strategy will seek to encourage a greater number of our nearly 90,000 small to medium enterprises (SMEs) to think globally to achieve higher productivity.

As a region, we also place strong emphasis on **inclusive growth** – ensuring everyone benefits from our economic performance – and we want trade to facilitate high quality and better paid jobs for our communities. We also want entrepreneurs and business owners from diverse backgrounds to have the right support to begin trading internationally or to trade more, recognising too that our region's own diversity is a great asset for building international trade.

Trade must also be a lever in realising our ambitions for a **Net Zero Carbon neutral economy by 2038**. This means working with importers and exporters to understand how to reduce emissions, as well as exploring the market opportunities for zero emission innovations and services developed in the region.

The following sections of the Strategy outline the main Leeds City Region challenges and opportunities for international trade, and how through this strategy we aim to influence, inspire and impact trade policy, promotion and performance over the next four years.

1.1. Strategy on a Page

Mission: to inspire, empower, and provide access for small and medium size businesses to international markets, for the benefit of workers and businesses across Leeds City Region

Influence	Inform & Inspire	Impact
Building international regional economic relationships for trade.	Help businesses across the region to understand free trade agreements and grasp opportunities.	Deliver trade support to businesses in partnership with partners and expert agencies.
Be the voice of sectoral priorities for the region in future and existing trade deals and discussions.	Signpost businesses to the right support to trade international and simplify the landscape.	Promote the region and businesses based here on the international stage.
Work together across the Northern Powerhouse to promote trade for the North.	Inspire businesses in the region to think internationally as part of business planning	Coordinate across trade delivery partners in the region to join up activity around key sectors and markets.
Maximise the devolution deal commitments with the DIT.	Continue to collate key on the ground intelligence of trade impact to inform decision-making.	Ensure trade opportunities are considered across regional policy areas (productivity, inclusive growth, tackling the climate emergency).

1.2. National and International Context

The development of this strategy for Leeds City Region comes at a moment where our international trade environment is caught in the dynamics of two significant seismic events – the short-term **impacts of the global COVID-19 pandemic**, with unclear longer-term implications, and **EU Exit**, the transition of the UK economy to being a wholly independent trading nation outside of the European Union.

COVID-19 and World Trade Conditions

Prior to the impact of the COVID-19 pandemic, global trade was on the rise since the early 1980s following the liberalisation of trade across many western nations. Global goods exports since 1983 have increased by more than tenfold from \$1.8 trillion to \$18.4 trillion in 2019¹. In addition to this, global trade in services is also estimated to be around \$5.9 trillion, and is now accelerating to take a much greater percentage of global trade.

The impact of the pandemic on trade between the UK and the world has been significant in its scale, and it is unclear at this stage whether this effect will be temporary or lasting. For instance, the table below shows how UK trade in goods in 2020 was weakened compared to 2017 across a number of commodities. Much of this will be due to the global restrictions in place, but may also be partly attributed to changing global value chains in some cases connected to the end of the transition period in the UK's withdrawal from the EU. Critically, data from the CPB World Trade Monitor² suggests the UK is an exception among advanced economies in its gap to returning to or above pre-pandemic export volume levels by mid-2021, suggesting a more difficult recovery for UK international trade than other nations.

UK Exports of Goods by the Top 10 Commodities	2017³ (£bn)	2018⁴ (£bn)	2019⁵ (£bn)	2020⁶ (£bn)	Change (%)
Mechanical Appliances	50.8	54.3	57.4	47.5	-6.5
Precious Metals	25.0	35.6	33.1	34.1	36.4
Motor Vehicles	41.7	41.3	39.6	28.5	-31.7
Mineral Fuels	27.4	33.1	31.7	20.9	-23.7
Electronic Equipment	22.1	22.0	22.3	19.7	-10.9
Pharmaceutical Products	25.4	22.5	21.1	19.4	-23.6
Measuring Devices and Gauges	14.0	14.4	15.6	13.9	-0.7
Aircraft	16.3	14.7	14.4	10.3	-36.8
Organic Chemicals	8.2	9.2	9.9	9.9	20.7
Arts & Antiques	-	-	9.7	-	n/a
Plastics & Plastic Products	-	9.6	-	-	n/a
Other Products	-	-	-	9.2	n/a
Other	102.3	-	112.0	100.6	-1.7
Total Exports	342.3	362.4	366.8	314.0	-8.3

¹ Washington International Trade Association (WITA) Factsheet: see [here](#).

² The CPB World Trade Monitor releases a monthly monitor, two months behind real-time: see [here](#).

³ Source: [UK Overseas Trade in Goods Statistics December 2018 \(uktradeinfo.com\)](#)

⁴ Ibid

⁵ [UK Overseas Trade in Goods Statistics Summary of 2019 Trade in Goods \(publishing.service.gov.uk\)](#)

⁶ [UK Overseas Trade in Goods Statistics Summary of 2020 Trade in Goods \(publishing.service.gov.uk\)](#)

Table 1: Export of Goods by the top 10 Commodities

Although not always visible, trade plays a major part in the everyday lives of everyone in Leeds City Region, whether that be in their jobs, the things they buy or how they access information, and this has been brought into much sharper perspective during the COVID-19 pandemic. From supplies of Personal Protective Equipment (PPE) and vaccinations, to delays and shortages of food, microchips and the movement of migrant labour. The FSB's COVID Recovery Survey 2020 indicated that 54% of SME exporters saw a decrease in the value or volume of exports with 39% of SME exporters experiencing a decrease in the breadth of export markets and customer base⁷.

EU Exit

As the end of the Transition Period for the UK to formally leave the European Union as a member state was completed during the COVID-19 pandemic at the end of 2020, its immediate impacts on Leeds City Region in terms of international trade are difficult to separate explicitly from the impacts of the pandemic.

However, in terms of context to our strategy development, the UK's exit from the European Union brings forward a number of clear changes to the environment for international trade in Leeds City Region, to which this plan will seek to respond:

1. The UK has the ability to set its own independent Trade Policy
2. The UK is outside of the single market for trading with European Union nations, and therefore the movement of goods, services and people between the UK and EU (and NI) will involve additional steps and restrictions
3. The relationship for trade with Leeds City Region's biggest single trading partner, will be governed by the Trade and Cooperation Agreement and related treaties

This context is important for our strategy, as it sets out how trade decisions are going to be different. But in addition to the way the governance and rules of trade are going to be different, we also need to understand the implications this has, particularly for businesses in Leeds City Region. To that end, the Leeds City Region Enterprise Partnership has worked with KADA to explore business preparedness in the region for EU exit, their main concerns, and to understand the subsequent impacts since January 2021. [INSERT graphics from KADA work].

UK Export Strategy

The UK Government published the new [UK Export Strategy](#) in November 2021⁸. The overarching goal of this strategy is to reach £1 trillion in annual exports by 2030. This objective will be achieved by delivery of a new 12-point plan which will be "led by business and supported by government". Some of those actions include expanding the Export Support Service, extending the reach and range of the pilot Export Academy, simplify the

⁷ Source: FSB (2021) report: [Ready to Launch](#)

⁸ <https://www.gov.uk/government/publications/export-strategy-made-in-the-uk-sold-to-the-world/made-in-the-uk-sold-to-the-world-web-version>

exporting landscape and making it easier for businesses to trade, and progress work on securing new trade deals. Our West Yorkshire strategy will set the framework for how we will engage with this 12 point plan and support businesses to access the available national support for exporters, and where we will look to add value beyond it.

The strategy gives recognition to the need to work with Mayoral Combined Authorities and Local Enterprise Partnerships. In particular it is outlined that:

- The Department for International Trade will work with MCAs and LEPs to “capitalise on their networks and regional insight”
- The Export Strategy will align with the wider business support offer, including growth hubs, as part of the wider Enterprise Strategy expected in 2022
- The Department for International Trade will engage businesses in trade policy and market access issues that reflect local priorities and the competitive advantage of sectors and specialisms around the UK
- Local trade teams and LEPs will articulate and amplify the export offer.

2. The Importance of International Trade for Leeds City Region

2.1. Leeds City Region International Trade Factsheet

To insert data factsheet graphic.

2.2. Role & Contribution of Trade to Wider Regional Policy

International trade is a key enabler of many policy priorities for Leeds City Region. There is a strong link between international trade and business productivity, innovation and resilience. Businesses who trade internationally also create higher quality direct and indirect jobs. Businesses who trade internationally are also important ambassadors for our region, often creating a better understanding of different cultures and building valuable partnerships and alliances.

This section outlines the contribution we expect trade to play in addressing priorities of productivity, inclusive growth, tackling the climate emergency and championing our great places and businesses.

Productivity, Innovation and Business Resilience

The West Yorkshire [Business Productivity and Resilience Plan](#) recognises exporting as one of the key business behaviours positively influencing **productivity**. There is significant evidence both internationally and from the UK that firms which export have systematically higher levels of productivity than domestically-oriented firms, on average by around a third ([Haldane, 2017](#)). In Leeds City Region, despite relatively strong export performance in terms of numbers of businesses exporting prior to leaving the EU, the volume and value of those exports were lower than in other areas of the UK. Although not the only factor influencing productivity performance, this room for growth suggests exporting could be one key tool to reduce the £8.5bn gap in productivity between the region and the UK average. Supporting more SMEs in particular to consider international trade as a route to improved productivity is a priority for our strategy.

International Trade is also a key way to unlock **innovation** in business, and numerous studies highlight the positive correlations between exporting and innovation, R&D and, in turn, higher productivity (see for example [Ganotakis, 2011](#)). The relationship with imports depends on different factors, including the geographical origin and the intensity of the product ([van den Berg & van Marrewijk, 2016](#)), but importing of technology intensive components or products is likely to have positive results for businesses.

As a region we also see business **resilience** as a key objective, and international trade has a particularly important role to play. As we have seen during the COVID-19 pandemic, the ability to call upon diverse international supply chains has been vital to continue the flow of goods and services, but that also Leeds City Region firms have been able to access new opportunities by diversifying their outputs for both domestic and overseas markets. Those

firms more exposed to international trade, have been found to be more resilient to the shocks of COVID-19 ([Borino et al.](#), 2021), and those economies that are integrated in trade face less volatility to shocks in any particular country or producer ([Tenreyro](#), 2021).

Inclusive Growth

Our [Inclusive Growth Framework](#) sets out a range of priorities for ensuring that everyone can benefit from and contribute to our economic growth. Our approach to trade in this strategy is to maximise the overall positive correlations with wages and real income ([IMF](#), 2021) of increased international trade. From our regional perspective, we are focussed on how trade generates high-quality employment opportunities ([FAI](#), 2021) as part of economic recovery, and how we can support those opportunities for individuals who currently face particular barriers to work. We are also focussed on ensuring all communities have the opportunity to benefit from the positive results from trade, and will be looking over the course of the period to 2025 particularly at ensuring engagement on trade matches our region's ambitions around Equality, Diversity and Inclusion.

Whilst we anticipate our trade strategy will realise positive benefits for inclusive growth, it is also important to recognise the potential negative impacts that can result from international trade on individuals and on communities. Both establishing the UK outside of the European Union and developing new Free Trade Agreements bring with them potential impacts to 'divert trade' ([Department for International Development](#), 2015) or to alter the conditions that businesses found previously. In supporting businesses in particular to adjust to these new conditions, we hope to minimise the negative impacts that might result from increased barriers to access or additional costs, particularly with the European Union. We outline more on this in the section on markets and sectors.

Tackling the Climate Emergency

The carbon impacts of trade are at the very forefront of the international debate on climate change. We cannot escape that Trade has a carbon footprint – in production and in transportation – e.g. freight accounts for 30% of transport related CO2 ([International Transport Forum](#), 2016). Our emerging [Climate and Environment Plan](#) for West Yorkshire sets out what we all need to do achieve a Net Zero economy by 2038, and this strategy sets out how our approach to trade will contribute to this, recognising that international rules set by the World Trade Organisation (WTO) and others will play a significant role.

The transition to net zero is also an export market opportunity for Leeds City Region. The UK's green sector is estimated to be worth up to £170 billion a year by 2030 ([UK Board of Trade](#) 2021), and as part of our sectoral approach we will seek to maximise the opportunities for Leeds City Region businesses.

Championing our Great Places and Businesses

International trade is a fantastic way to showcase the great places of Leeds City Region, to live, work and visit. We want trade to contribute to the continued growing international success of our core city of Leeds, but also to ensure that each of our local authority urban areas as well as rural and suburban places across Bradford, Calderdale, Kirklees, Leeds

and Wakefield are promoted for their assets, strengths and opportunities. The next section sets out in headline terms the distinct offer that there is in Leeds City Region.

2.3. The Distinct Offer of the Region for International Trade

Leeds City Region has a distinct offer to share with the world. We believe these offers can support our efforts to build good international relations with trading partners and attract inward investment to support the growth and resilience of our region.

The Mayor of West Yorkshire

West Yorkshire elected Tracy Brabin as its first ever Mayor in May 2021 – becoming the figurehead of a region with a population of over 2.3 million residents. The Mayor's role includes specific powers covering transportation, housing and planning and the co-ordination of transformational programmes across the region including tackling climate change and economic development. This unique offer coupled with the Mayor's pledge to support local businesses and be a champion for our regional economy, will be invaluable in forging new inter-regional economic relationships across the globe on a region-region level.

A Broad-Based Economy with Distinct Sectoral Strengths

While our regional economy is polycentric in nature, it also contains sector strengths and capabilities that are world leading, opening the region to greater international trade opportunities.

Manufacturing in its broadest sense is one of the most significant international trading sectors in Leeds City Region – supporting 112,000 jobs, more than anywhere else in the North of England. Within manufacturing, we have a range of sub-sector strengths, including:

- **Health-Tech** is a growing opportunity in Leeds City Region with 250 health-tech related businesses – the largest cluster of health-tech companies in the UK. These businesses are pioneering world-leading work in medical-technologies, tissue regeneration, wound-care, drug discovery and pharmaceuticals.
- Over 10,000 people are employed in our **Textiles** sector which stretches all the way back to the industrial revolution of the Victorian era. These days, our textile businesses are driving innovation in their design and development of materials and include globally recognised names such as Burberry. The sector is strengthened by a supportive ecosystem with organisations such as the Textiles Centre of Excellence, the Technical Textiles Research Centre and the Society of Dyers and Colourists.
- **Food and Drink** businesses in Leeds City Region have strong potential on the international market – strengthened by the location of a major logistics hub reaching all parts of the UK. We are home to some of the leading national and international food and drink retailers and producers such as Arla and Coca-Cola European Partners. We also host two of the big four national retail chains – Morrisons and Asda.

Leeds City Region also has significant clusters of the tradeable service economy that make it stand out as a region to foreign investor markets and trade partners alike, including:

- Our concentration of **Professional Services** makes us the second centre of banking in the UK with over 30 banks and financial institutions and four of the world's largest payment processing companies here in Leeds City Region. In addition to this, we have access to over 14,000 legal professionals in our region including offices from key legal players such as Squire Patton Boggs and Womble Bond Dickinson.
- Our region has seen accelerated growth in **Creative Industries** over the last few years, further strengthened by the location of Channel 4's new national headquarters. We also host Production Park, Europe's largest live rehearsal complex, and have a strong foot in the gaming industry – proudly hosting Rockstar Leeds who have produced leading video game series including Grand Theft Auto and Red Dead Redemption.

Section 3 of this strategy will outline some of the challenges and opportunities across our key sectors.

The Scale of University and Research Capabilities

Leeds City Region is home to 9 universities, which in 2018/19 enrolled over 92,000 students and generate over 39,000 graduates – this is the largest higher education cluster outside of London. It is estimated that for international students alone, they make a £38m net economic contribution to the Yorkshire & Humber region.⁹

We have high concentrations of students undertaking courses in medicine, biological sciences, engineering, technology and business and administration studies than the England average. Many of our universities also have internationally based educational and research provision which themselves provide a valuable contribution to exports from the region.

Our universities themselves have a suite of high-calibre research and development capabilities including the University of Leeds's Centre for Financial Technology and Innovation and Institute of Clinical Trials Research, and the University of Huddersfield's Centre for Precision Technologies and 3M Buckley Innovation Centre which hosts facilities for the UK National Physical Laboratory. Many cities across the world such as Amsterdam and Gothenburg have relied on the University of Bradford's expertise and knowledge base on big data and the internet of things (IoT).

The calibre of staff, facilities, students and international networks of our universities makes for a compelling and strong offer which can provide valuable benefit to businesses and the region looking to enhance their international profile.

Our universities are known for their collaboration and partnership working, coordinated by Yorkshire Universities which ensures that local and regional administrations and the universities work together to deliver impact and maximise the potential of new opportunities.

⁹ Higher Education Policy Institute and Universities UK International
The costs & benefits of international higher education students to the UK economy. September 2021

A Young and Diverse Population

Leeds City Region has a young and diverse workforce – with the average age of our population being around 38.7 years old. This makes us one of the youngest regions in the UK. Bradford is also the youngest city in Europe – with around one quarter of its population under the age of 20. This means that there is an existing and future supply of young and ambitious talent seeking good work opportunities in a number of sectors.

We are home to one of the most diverse populations of the UK – with 18.2% of our residents identifying as Black, Asian, Minority Ethnic (BAME)¹⁰ – with one in nine of our business owners and directors coming from a minority background. Our diversity is one of our key assets, promoting a greater awareness and understanding of the value, benefits and interests of different cultures and backgrounds, and supporting a region that is global in its outlook. Our international trade objectives and actions look to build on this strength, whilst recognising that more can be done to support this diversity to flourish when it comes to engaging with international markets.

Our Connection to National Decision-Making and Influence

Our region proudly hosts key influential players across the UK's policy and governmental sphere of influence. In the 2020 Budget, the UK Government announced that the newly established UK Infrastructure Bank (UKIB) would be located in Leeds. The UKIB will help regions across the UK level-up and tackle the climate and environment emergency by providing access to financing for major infrastructural projects. Leeds City Region has been chosen as a reflection of the region's strengths in financial services.

We are also the hosts of two new cultural institutions of national importance, with £25 million being invested in housing the British Library North and securing investment in our region by opening the new hub of Channel 4 – bringing broadcasting and media jobs and opportunities into the centre of Leeds. This builds on the region's existing key influence on the UK's cultural economy, adding to existing key assets such as Bradford UNESCO City of Film, Halifax Piece Hall, the UNESCO World Heritage Site of Saltaire and Yorkshire Sculpture Park.

In addition to this, we house the national headquarters for NHS England as well as regional hubs for UK Government departments including the Department for Transport and Department for Work and Pensions.

¹⁰ Source: ONS – 2011 Census

3. Opportunities and Challenges 2022-25

Our assessment of the Opportunities and Challenges is based upon evidence collated across a number of sources – including work commissioned with KADA on EU exit business engagement, the Leeds City Region 2021 business survey, data on existing trade flows from MDS Transmodal and from delivery and reports from across trade partners in Leeds City Region, including the Leeds City Region Enterprise Partnership Trade and Investment team, Chambers of Commerce, local DIT partners, universities, Innovate UK EDGE, West Yorkshire Colleges and private providers.

3.1. SME Support

The mission of this trade strategy is specifically focussed on supporting Leeds City Region's SMEs. While larger businesses are very important, we know they tend already to have strong international trade credentials and are able to access external support when required.

Where we see the value in our strategy is working in partnership across organisations in the region to support SMEs to trade more and trade better. It is critical that engagement is with organisations across the region who work with businesses in all communities, geographies, sectors and groups to ensure that the benefit of the support available is realised by SMEs in the region who have the capacity and desire to explore international opportunities. As has been highlighted by recent work from the Federation for Small Businesses ([FSB](#), 2021), the majority of small business exporters are reactive exporters based on an approach from an overseas buyer, rather than proactive in finding opportunities.

Our work with KADA outlines some of the key opportunities and challenges being reported by businesses, including what are the characteristics of businesses more likely to consider international trade, and what are the top barriers to exporting to new markets. In supporting SMEs therefore, we must help address the key barriers of:

- COVID-19 restrictions
- Limited international customer base
- Lack of knowledge and contacts
- Financial and cost barriers
- Limited demand and awareness

EU Exit Business Surveys: Headlines prior to the EU-UK T&CA and now*

---- Implications for international activity ----

Barriers to working with EU businesses

PRIOR

Increased costs of exporting/importing goods and services (**75%**), keeping abreast of changes to rules and regulations (**62%**), loss of frictionless trade (**62%**)

NOW

Increased costs of exporting/importing goods and services (**56%**), loss of frictionless trade (**46%**), keeping abreast of changes to rules and regulations (**43%**)

Top 5 barriers for exporting to new international markets

- Covid-19 restrictions
- Limited international customer base
- Lack of knowledge and contacts
- Financial and cost barriers
- Limited demand and awareness

Change in EU trade over the next year

14% think EU trade will increase significantly or 'a little'. **36%** think EU trade will remain the same. **25%** think trade will decrease 'a little' and **14%** think EU trade will decrease 'a lot'.

Free Trade Agreements

44% unaware of benefits of FTAs, **28%** think FTAs may have a negative affect on business. **9%** confident FTAs will have positive affect, **16%** see potential.

Exploration of new international markets

PRIOR

22% exploring new international markets as a result of the EU Exit (North America, Asia, Africa)

NOW

57% already or considering exploring new international markets (North America, South America, Australia/New Zealand)



Characteristics of businesses most likely to consider trading outside EU

Female-led
with existing
non-EU
partners

BAME-led
with new
international
markets

Smaller firms
(<100k p.a.) with
new international
markets

* Data from two business surveys conducted by Kada Research, the first in Dec 2020 (151 exporting SMEs in Leeds City Region and York and North Yorkshire), the second in Feb-March 2021 (80 exporting SMEs in LCR only).

Figure 1: EU Exit Business Surveys (KADA Research) - Implications

3.2. Markets

Global trade is projected to grow broadly in line with global GDP over the next 30 years, doubling in real terms and quadrupling in dollar terms to reach \$100 trillion by 2050. Four regions, Europe, North America, China, and the Asia Pacific, dominate global trade and in 2019, these four regions accounted for 78% of global imports and GDP

By 2050, those four regions will continue to dominate global import demand, but South Asia will also play a growing role. Europe is still likely to be the world's largest import market in 2050 but its share of global trade is expected to fall due to its slow pace of GDP growth. Rapid economic growth however in the Indo Pacific, including in South Asia (led by India), should see Asia's share of global trade rise.

Global trade is however concentrated and the top 30 markets accounted for over 80% of global import demand in 2019. Growth in global imports is expected to be similarly concentrated in the coming decades. More than three-quarters of the growth in global import demand to 2030 and 2050 is expected to come from the current 30 largest markets. This includes the US and China, whose import markets are expected to grow by well over a trillion

dollars this decade.¹¹In terms of market challenges and opportunities, we have assessed three key criteria in selecting areas of focus as part of this strategy:

1. Existing trading flows by value and volume
2. Strength of trade flow growth over recent years
3. Support of national free trade agreements

European Union

Whilst the UK's departure from the European Union adds additional barriers and expense to trade than as a member of the Single Market, the European Union will continue to be a critical market for Leeds City Region businesses – accounting currently for 58% of good exports and 65% of good imports to the region¹², and 43% of services exports and 47% of services imports¹³. EU markets remain our closest and most easily accessible markets, particularly for those businesses in the early stages of developing their international business, and are particularly integrated into global value chains which spread out then to the rest of the world.

However, with the changes brought about through the EU-UK Free Trade and Cooperation Agreement, it will be important to support SMEs to effectively navigate the new conditions that will be placed on trading with EU nations, in both importing and exporting, and to assess whether they are effective markets for a business' products. Our Leeds City Region Business Survey found that businesses identified the following as key potential future issues for EU trade:

- increase in the cost of imports from the EU (36%),
- impact of tariffs on products (36%),
- regulatory changes (32%, perhaps reflecting the introduction of UK import controls),
- customs procedures (20%),
- products standards (19%, perhaps reflecting the different standards required for the export of goods to the EU if UK standards diverge),
- decrease in investment/greater difficulty in raising capital (14%), and
- increase in costs of exports to the EU (14%).

Our KADA research also provides some key insights of what areas of support are likely to continue to be required by SMEs in trading with the European Union.

¹¹ Global Trade Outlook September 2021

¹² Sources: HMRC disaggregated trade data 2019; gov.uk detail on trade deals signed (<https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries#contents>)

¹³ Source: UK Trade; International Trade in Services; UK Trade in services by industry, country and service type: 2016 to 2018 (ONS April 2020)

EU Exit Business Surveys: Headlines prior to the EU-UK T&CA and now*

---- Preparations, Support and Concerns ----



* Data from two business surveys conducted by Kada Research, the first in Dec 2020 (151 exporting SMEs in Leeds City Region and York and North Yorkshire), the second in Feb-March 2021 (80 exporting SMEs in LCR only).

Figure 2: EU Exist Business Surveys (KADA Research) – Preparations, Support and Concerns

Support for SMEs needing to navigate the technical, regulatory and logistical requirements of trading with markets, including the EU is available within the region. We do however need to ensure that this is well communicated and easily accessible to businesses, particularly those less familiar with the business support environment.

China and USA

China and the USA are the two largest single country markets for goods exports from Leeds City Region, accounting for almost 15% of our regions' exports and a significant proportion of imports. More widely the two nations alone account for almost one quarter of all global imports ([Global Trade Outlook](#), 2021).

	Largest Market	2	3	4	5
33 - Petroleum, petroleum products & related materials	China	USA	South Korea	Japan	Netherlands
77 - Electric machinery, app & appliances & ele pt thereof n.e.s.	China	Hong Kong	USA	Germany	South Korea
74 - General industrial machinery & eqp. & machine pt.n.e.s.	USA	Germany	China	France	Canada

67 - Iron & steel	USA	Germany	Italy	China	France
51 - Organic chemicals	China	USA	Germany	Belgium	Netherlands
71 - Power generating machinery & equipment	USA	Germany	China	Mexico	France
65 - Textile yarn, fabrics, made up articles etc	USA	Vietnam	China	Germany	Japan
54 - Medicinal & pharmaceutical products	USA	Germany	Netherlands	Belgium	Switzerland
69 - Manufactures of metal n.e.s.	USA	Germany	France	China	Netherlands
84 - Articles of apparel & clothing accessories	USA	Germany	Japan	France	Spain

Table 2: Largest Markets (based on MDS Transmodal analysis of HMRC data 2018)

Key:
EU
Indo-Pacific
North America
Rest of the World

Both China and the USA should be seen as key markets for Leeds City Region businesses to explore, particularly China as an export market, as it continues to grow in terms of middle and higher income earners, opening up additional possibilities in high value goods and services.

China is the second largest global economy with a GDP of £11,469 billion, with an average growth rate of almost 9.5% over the last 30 years. It is the UK's third largest trading market, with bilateral trade worth £100 billion in 2019, the UK's second largest non-EU trading partner (after the US), or fifth by country (after the US, Germany, France, and the Netherlands). More than 10,000 UK businesses currently sell goods and services to China and as home to the largest global population of 1.4 billion people, it presents a vast marketplace for goods and services from the UK.

UK products and services are both in demand in the US and have a strong reputation for quality. In the year ending Quarter 1 2019, exports of UK goods to the US increased 8.7% (ONS, 2019), whilst UK companies exported £65.2bn worth of services to the US (ONS, 2019). Sectors presenting opportunities of particular relevance to Leeds City Region include food & drink and health & life sciences.

The US is the UK's second largest market for food and drink exports, totalling £2.2 billion in 2018 (UK Food & Drink Federation, 2018). The US is an attractive market due to its large, affluent and diverse population and offers great opportunities for high-value, differentiated, niche, and on-trend products.

The US is also the world's largest market for healthcare, medical products, and health research and development (OECD, 2019). In 2017, the US spent \$3.5 trillion on healthcare, and spending is projected to almost double in the next decade (Centers for Medicare and Medicaid Services, 2019). The US is home to a large number of biotech and pharma

companies that offer many opportunities for UK companies to sell into their supply chains. US hospitals and healthcare organisations are also keen to deliver healthcare more efficiently using innovative technologies.

CPTPP Nations

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is a trade agreement between 11 countries, (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam) which the UK Government has formally launched its application to join. Based on HMRC data the value of exports with the group is around £524m in total, which equates to 9% of Leeds City Region exports, with Canada accounting for a third of this.

The majority of these countries are already covered by bilateral UK Free Trade Agreements, meaning that Leeds City Region businesses already have most of the preferential access opportunities to these nations that it would get as part of the CPTPP. However, increased confidence in the stability of trading rules between the countries could well make UK businesses more attractive in these markets, and with a prospective consumer market of more than 500m residents there is significant scale to explore what opportunities there might be to increase the levels of exports in goods and services over the next 5 years. The UK's accession is certainly considered to be an important step in strengthening the existing bilateral economic relations seen in the new Japan-UK Comprehensive Economic Agreement (CEPA) and the six continuity agreements with Canada, Vietnam, Singapore, Mexico, Chile and Peru.

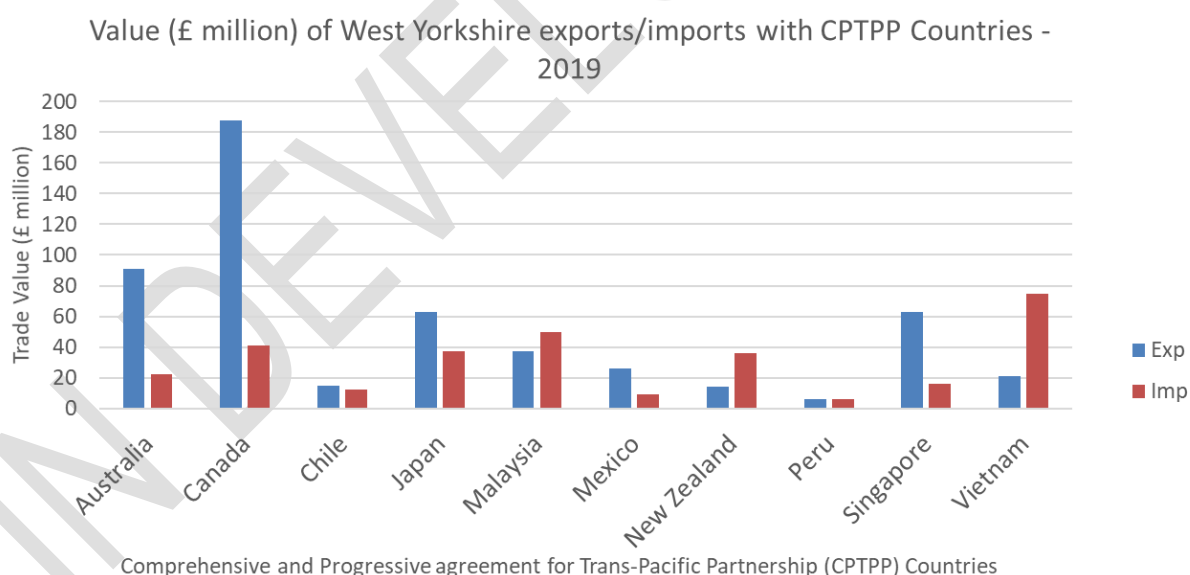


Figure 3: HMRC Disaggregated Trade Data (2019)

Other Developing Nation Opportunities

Whilst the above markets will certainly dominate the overall levels of trade with Leeds City Region businesses, it is also important to consider how in some cases there may be other smaller markets that have a particular growing interest for Leeds City Region products. The following table outlines the fastest growing markets for exports across goods:

	Fastest Growing Market	2	3	4	5
33 - Petroleum, petroleum products & related materials	Mexico	UAE	China	Belarus	
77 - Ele machinery, app & appliances & ele pt thereof n.e.s.	Vietnam	India	Romania	Philippines	Hong Kong
74 - General industrial machinery & eqp. & machine pt.n.e.s.	Philippines	Romania	Poland	Spain	USA
67 - Iron & steel	Philippines	Oman	Sweden	Poland	Belgium
51 - Organic chemicals	Germany	Russia	Irish Republic	Japan	Belgium
71 - Power generating machinery & equipment	Taiwan	Norway	Japan	Slovakia	Romania
65 - Textile yarn, fabrics, made up articles etc	Nigeria	Philippines	Cambodia	Bangladesh	Indonesia
54 - Medicinal & pharmaceutical products	Irish Republic	USA	China	Taiwan	Hungary
69 - Manufactures of metal n.e.s.	Philippines	Romania	Algeria	USA	Portugal
84 - Articles of apparel & clothing accessories	Poland	Czech Republic	China	South Korea	Switzerland

Table 3: Fastest Growing Markets (based on MDS Transmodal analysis of HMRC data 2018)

Key:
EU
Indo-Pacific
North America
Rest of the World

Among this groups are important alternative markets that are expected to grow over the next decades, including India, the Middle East, northern Africa and in the Indo-Pacific region outside of CPTPP.

India is a market of particular interest in this group and is now the fifth largest economy in the world, with a GDP of US\$ 2.94 trillion, overtaking France and the UK in 2019, with a GDP growth amongst one of the highest in the world. (World Economic Forum). In 2019, bilateral trade between India and the UK was worth £24 billion, with exports increasing by 3% from £8.2 billion to £8.5 billion from 2011 to 2019. There is already a significant scale of activity

between Leeds City Region and India but there is an opportunity for that to grow further.

The GCC (Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates (UAE), and Saudi Arabia) markets are of particular interest especially in terms of health & life sciences opportunities, as spending on healthcare in the GCC markets remains significant. In their report at the end of 2020 KPMG reported that healthcare is one of the fastest-growing sectors in the UAE in particular, with the latest Medical Tourism Index ranking Dubai and Abu Dhabi in sixth and eighth place respectively for medical tourism. They also report that healthcare-related expenditure in the GCC states grew from \$60 billion in 2013 to \$76 billion in 2019 and is expected to grow to a further \$89 billion by 2022, an overall increase of nearly 50 percent from 2013 to 2022.

The pandemic did however have a significant impact and most of GCC hospitals' profits were significantly impacted by a reduction in the number of outpatients and elective surgery. It was also a healthcare sector very reliant on treating patients face to face and providing care in a hospital environment. Covid-19 therefore precipitated the need to upgrade existing infrastructure and adopt remote patient management technologies on a larger scale, thereby pushing for new innovations in patient care.

The GCC has therefore seen a significant increase in the integration of digital healthcare solutions in hospitals. In the UAE, the Ministry of Health and Prevention recorded nearly 50,000 virtual hospital visits as of the end of Q3 2020. Other markets of interest include those where there are strong diaspora communities in West Yorkshire, particularly the markets within the African continent and Caribbean. In particular, the UK exported £1.2 billion to the Caribbean Community (CARICOM) in the four quarters to the end of Q1 2019, an increase of 76.1% from the previous year, with the export of services alone accounting for 83.6% of this total.

3.3. Sectors

Alongside the market opportunities for Leeds City Region, it is also important to understand our sectoral strengths as a region, how those sectors are influenced by existing and upcoming challenges and opportunities for international trade, and how we might go about supporting additional export growth and success of these sectors. As a starting point, the table below highlights the broad categories of existing sectoral strengths.

Goods	
Chemicals	Existing Export Strengths
Electrical & Industrial Machinery	
Textiles	
Health-Tech	
Food and Drink	
Low Carbon Technology	Emerging Opportunities

Space-Enabled Technology & Products

Services	
Financial	Existing Export Strengths
Legal	
Other Business Services	
Digital	Emerging Opportunities
Culture & Creative Industries	

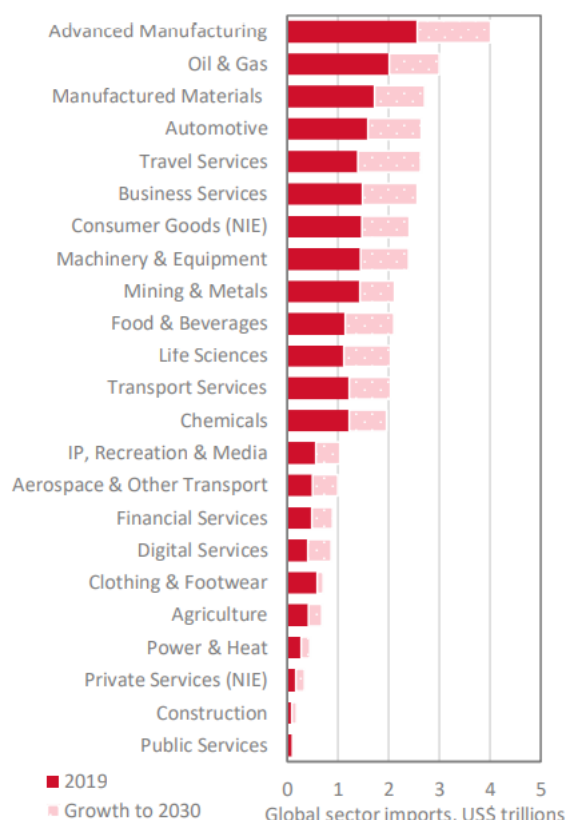
Trade in Goods

Trade in goods (sometimes referred to as merchandise trade) is defined as physically produced items “over which ownership rights can be established” ([Organisation for Economic Cooperation & Development](#), 2021). Globally, trade in goods accounted for over USD\$19.051 trillion in 2019 – with the majority of this largely coming from the manufacturing of goods which totalled USD\$13.3 trillion ([World Trade Organisation](#), 2020). Future growth of trade until 2030 is expected to continue in all sectors but due to new consumer demands and technological change, growth will be varied across sectors, with growth predominantly focused in manufactured goods as outlined in Figure 4 below ([Department for International Trade](#), 2021).

On the Leeds City Region footprint, research by MDS Transmodal shows that our region exported £9,745 million worth of goods in 2018. Of this, the top 10 exports (based on SITC 2 commodity groups) are as follows:

SITC	Top 10 Exports in Leeds City Region	£ Thousand	% of Total Exports
33	Petroleum, Petroleum Products & Related Materials	1,934	20
77	Electric Machinery, App & Appliances	607	6
74	General Industrial Machinery, Equipment and Machines	585	6
67	Iron & Steel	460	5
51	Organic Chemicals	438	4
89	Miscellaneous Manufacturing Articles	414	4
71	Power Generation Machinery & Equipment	402	4
65	Textile Yarn, Fabrics, Made-Up Articles	370	4
54	Medicinal & Pharmaceutical Products	356	4
69	Manufactures of Metal	325	3
	TOTAL	5,891	

Table 4: Leeds City Region - Top 10 Exports (MDS Transmodal Data, 2018)



Sources: IMF World Economic Outlook April 2021, UNCTAD, Oxford Economics and DIT calculations

Figure 4: Global Trade Expansion (2019-30)

Outlook for Trade in Goods

The future of trade in goods is complex and is subject to shifting political and economic factors. Nevertheless, there are a number of factors to consider.

Trade in goods is not growing faster than trade in services – McKinsey & Co have shown that trade in services has been growing 60% faster than trade in goods ([McKinsey & Co, 2019](#)). As the Department for International Trade has outlined in a recent publication, “rising income should see global trade become more service-oriented, with the service sector’s share of trade rising from 25% to 28% by 2030” ([Department for International Trade, 2021](#)).

That doesn’t mean however that trade in goods will not continue to be a significant opportunity for Leeds City Region businesses, that could be further supported through deeper or additional Free Trade Agreements. For instance, accession to the CPTPP would provide access to growing pacific nation-states due to a rising demand for consumer goods. This is largely due to the rising population of the global middle class in developing Asia/Pacific countries. Linked to the global middle class is a shift and

demand for personalised and customised products that can tailor to an individual’s needs.

Efforts to tackle the climate emergency will continue to grow across all areas of trade in goods. Research undertaken by the Grantham Institute of the London School of Economic and Political Sciences (LSE) has suggested that global trade of low carbon goods and (and services) could increase dramatically from £150 billion in 2015 to £1.0-1.5 trillion. This accelerating growth is already happening in the automotive sector. Just alone in 2019, export of battery electric vehicles (BEVs) grew by 60% compared to 2018 ([World Trade Organisation, 2020](#)). This trend will continue to grow as the world moves away from reliance on fossil-fuels and car manufacturers bring forward replacement BEV fleets.

Ernst & Young have implied that the next decade will see digital health technologies become commonplace ([Ernst & Young, 2019](#)). The experience of the COVID-19 pandemic has increased attention and focus on health care across many countries and there is likely to be a growing focus on improving the delivery of healthcare with the likes of precision machinery, robotics and hard-ware technology to support AI and big data systems that can improve the efficiency and care patients receive ([McKinsey & Co, 2019](#)).

Advanced machinery will also be a key catalyst for future trade opportunities – supporting sectors from aerospace and aviation to help develop solutions for mass telecommunications and satellite demands of a growing digital economy. It will also support the fabrics and textiles sectors, who will be exploring sustainable options for products and embracing

circular economy practices. There is also machinery to support construction and infrastructure particularly as a growing trend in modern methods of construction and modular building continue to grow.

Our Trade in Goods Offer

Leeds City Region has a strong record in trade in goods given the strong ties and history to manufacturing. Manufacturing in the region employs a large percentage of our workforce which equates to around 112,000 people, more than anywhere in the north of England.

The wider Yorkshire & Humber region exports goods worth £17.1 billion ([Department for International Trade](#), 2021). This equates to around 5.4% of total UK exports. This strategy will seek to increase these figures as we move to encourage more SMEs to consider international trade and exporting products across the globe.

We have many strengths within our manufacturing sector – many with high-growth and value potential. There are already many businesses in the region showcasing promising capabilities such as in our aerospace industries with businesses such as Produmax in Bradford developing high quality flight control components and who worked with the Sharing in Growth aerospace programme to increase sales by 40%, increase business productivity and secure contracts of £17.5 million. We have ambitions as a region to support the UK Space Strategy by delivering the Space Hub Yorkshire Strategy to coordinate and grow activity in aerospace, satellite-imagery and research spheres.

In addition, as the world intensifies its response to the climate emergency, our clean growth industries are also taking leading steps to support efforts to decarbonise the economy. Switch Mobility is building the urban mobility of tomorrow – building new intelligent electric buses for customers at home and abroad.

Another key area of strength with growing potential is HealthTech. As the home to four NHS body national headquarters, we have a cluster of businesses and incubation and research gateways working together to develop, test and deploy new technological solutions for the health and care sector. Together, they are unravelling solutions, processing 17,000 blood samples daily, undertaking over 12,000 clinical trials each year and progressing revolutionary research and product/service development in diagnostics, digital health, and the discovery of new drugs and pharmaceuticals.

In addition to our high-growth and value manufacturing sectors, we have plentiful supply of existing export strengths in a number of sectors such as textiles, pump-valve manufacturing, chemical manufacturing and food and drink. These specialisms have a particular strength in Leeds City Region and have a higher location quotient than the UK average.

Trade in Services

Trade in Services is a loosely defined term that refers to the production and provision of intangible and non-storable activities. It tends to be the largest sector in developed nations and is a key component for innovation and growth. It is different to trade in goods because consumers must purchase a service before they know its quality ([UK Trade Policy Observatory](#), 2021).

Trade in services has grown since the 1980s with the privatisation and deregulation of sectors such as banking and finance and telecommunications. Services also includes IT, hospitality, food and beverage and tourism and accommodation.

International trade in services is mostly governed by the **General Agreement on Trade in Services** which was introduced in 1995. Recently however many nations such as the United States and China are managing trading relations outside these rules.

Trade in services is traditionally not covered in **Free Trade Agreements** or **Trade and Cooperation Agreements** due to the complexities of managing multiple regulatory and governmental actors.

Outlook for Trade in Services

Most high-income countries have strong trade in services growth, and it is a major component of their economies – contributing to over 55% of all global trade flows ([Western Union & Oxford Economics](#), 2020). This includes the UK.

On the international scale, global trade in services was estimated to be worth over \$13.3 trillion in 2017 ([World Trade Organisation](#), 2019). This has largely been dominated by distribution services (equating to 19.9% of all trade in services) and financial services (equating to 18.6%).

Trade in services is anticipated to grow even further by 2030. As Oxford Economics and HSBC¹⁴ have outlined in their report on '*The Growth Potential of Services Trade*':

- Technological change and the growth of the digital economy will enable trade in services across middle to low-income countries.
- Greater liberalisation of trade in services has the potential to lower barriers to trade across the globe.
- The rise of the global middle class will foresee increased consumer spending and thus demand – this will be particularly felt from developing countries in Asia and Central/South America. For instance, in China, the middle class accounted for only 3% of the population. By 2018 it grew to over half of the population – over 707 million people ([Centre for Strategic & International Studies](#), 2017).
- Outsourcing of support services to low-cost providers will continue and boost productivity levels.
- Merchandise trade is anticipated to grow and will mean increases in trade in goods which will support trade in services.

At a national level, trade in services accounts for over 80% of the UK economy and we exported over £267.1 billion worth of trade in services in 2020 – this equates to around 46.2% of total UK exports ([Department for International Trade](#), 2021). The table below outlines the top three growth areas in service exports between 2015-2018.

¹⁴ Source: [Unlocking the Growth Potential of Services Trade \(oxfordeconomics.com\)](#)

UK Top 3 Growth Areas in Service Exports ¹⁵	2015 (£bn)	2018 (£bn)	Growth (£bn)
Financial	14.9	21.7	+6.8
Business – Business	12.0	21.4	+9.4
Business Management (and Management Consulting)	7.2	16.6	+9.4

Table 5: Top Growth Areas in Service Exports

On a regional level, Yorkshire and Humber accounted for £12.1 billion of service export in 2018 ([Department for International Trade](#), 2021), around 5% of UK service exports. Although data at a subregional level on service trade is limited, research undertaken by KADA for West Yorkshire suggests that the region has a positive trade surplus when it comes to services, totalling £2.9bn. The region also exports more services outside of the European Union than into that market¹⁶.

Our Trade in Services Offer

Our region is home to great service-oriented businesses within the financial, legal, management consultancy and creative industries sectors. As the service industry will continue in its growth as a share of international trade, the Leeds City Region is well placed to build on a number of opportunities.

The financial and professional services sector is the most prominent industry in the Leeds City Region, contributing 38% of the total output. As the second centre of banking in the UK with over 30 banks and financial institutions and four of the world's largest payment processing companies here in Leeds City Region, the region is also forging ahead in new areas around **Fintech**, a growth market that has seen record investment despite the effects of the pandemic. The sector is seeing a digital revolution with innovations in FinTech, LegalTech, RegTech and InsureTech being embraced by traditional firms and providing new solutions.

There is estimated to be around 8,745 creative industries registered in Leeds City Region but only about 1,225 export.¹⁷ As such, the global growth of incomes and demand for digital content is also likely to offer significant potential for the Leeds City Region's **Creative Industries**. With broader digital services growing faster than any other digital sector in the UK, the region has significant future potential to increase its international reputation. As part of the sector that has been particular hard hit by the restrictions of the pandemic and the increased barriers to export, at a region level we have committed to delivering a Creative New Deal that will support productivity, skills and innovation in the sector, with specific funding through our Creative Catalyst programme going towards supporting businesses to explore exporting.

¹⁵ Source: [International trade in services, UK - Office for National Statistics \(ons.gov.uk\)](#)

¹⁶ KADA research based on Regional Trade in Goods Statistics, HMRC (Nov 2019, UK Trade in Services (Sept 2020)

¹⁷ Creative Industries in Leeds City Region – Review of international trade activity and potential opportunities – Kada Research June 2019

4. Our Priorities: Influence, Inspire, Impact

4.1. Outline of Our Approach

Our approach to international trade focuses on three core and interconnected areas: Influence, Inspire & Inform, and Impact. Each of these focuses will allow us to place our regional businesses and services on the global stage and generate awareness of the opportunities available from Leeds City Region. Further details are outlined in each sub-section below.

4.2. Influence

We will work to influence opportunities for our businesses to access and secure trade links and challenge national Government decision makers to consider the impact of decisions on Leeds City Region as needed. We seek to deliver this area through a number of means such as the West Yorkshire Devolution Deal, the Northern Powerhouse 11 (11 Local Enterprise Partnerships) and through forging new and lasting relations with regions across the globe.

Building International Regional Economic Relationships for Trade

Forging strong and lasting inter-regional relationships with partners across the globe will support our ambitions to secure a seat at the table in important international trade discussions and ensure that Leeds City Region businesses can secure the best possible benefits from existing and future Free Trade Agreements.

We will do this by:

- Building international economic links through our West Yorkshire Mayor – tapping into the important roles of Mayors across major trading nations.
- Working in partnership with our universities to explore how alumni networks and research collaborations can facilitate trade relationships for the region

Be the Voice of Sectoral Priorities for the Region in Future and Existing Trade Deals and Discussions.

While our region is predominantly a polycentric economy, we are home to a number of sectors with particular expertise such as manufacturing, financial services, health-tech and digital services. Each of these areas has the potential to grow in value and volume whether it be from emerging manufacturing capabilities which can help countries reach the agreements in the Paris Accords, cutting-edge innovations in health-technology to better detect and treat illnesses, or from global digitalisation of the economy as we move towards a society driven by big-data and automation

We will do this by:

- Engaging with sectoral networks in the region to understand trade priorities and challenges, including through the West Yorkshire Manufacturing Taskforce and with the Professional Perspectives Network on services.
- Making the case for our region and its key sectoral strengths by communicating with Government policy proposals, engaging with Ministers and utilising key strategic forums such as the M10 group of city-region mayors to bring about the best outcomes for businesses in our region.

Work Together Across the Northern Powerhouse to Facilitate Trade for the North.

As part of the Northern Powerhouse 11 (NP11), we recognise that many businesses do not operate or work on the basis of political boundaries across the north. The north has many strengths and capabilities, some of which we share collectively, and some of which are distinct to certain locations.

We will do this by:

- Capitalising on the proximity and access to the Humber freeport to ensure positive benefits for Leeds City Region and to avoid displacement of activity from one part of Yorkshire to another.
- Strengthening collaboration with Trade leads across the North, promoting our collective trade opportunities, and speaking with a single voice to DIT about what Global Britain means to us.

Maximise the Devolution Deal Commitments with the Department for International Trade.

Our [Devolution Deal](#) which was signed in March 2020 establishes collaborative working between the Combined Authority/LEP and the Department for International Trade, the first devolution deal to include such provisions. Through these means we will work to ensure that we secure our voice for Leeds City Region on important matters of trade and investment.

We will secure this by:

- Establishing an ambitious joint plan for international trade and to join up activity around key sector and market priorities across Leeds City Region.
- Deliver more collaborative work on specific areas outlined in the deal around national trade initiatives and regional trade partners through DIT contracts in the region.
- Working together on the DIT trade advisor services as delivered in Leeds City Region.
- Develop coherent proposals for additional support required by businesses in the region to realise the UK's target for £1trillion annual exports.

4.3. Inspire & Inform

We will work with regional partners to inspire businesses to trade internationally and to provide information on how they can start or do more. To do that effectively we need to know our businesses and to have their trust. That includes understanding that, based on national research, less than 20% of SMEs become exporters as a result of taking deliberate steps to target international customers ([British Business Bank](#), 2020). Most either have been active exporters from the outset of trading or become exporters as a reaction to an approach from an overseas customer. It also means that we need to understand the changes that have happened to affect the markets that businesses are currently trading with or might not look to explore, particularly as the UK transitions from the Single Market of the EU. According to HMRC data 5,440 Leeds City Region businesses exported goods to the EU in 2019, while 7,280 businesses imported goods.

Help Businesses Across the Region to Understand Free Trade Agreements and Grasp Opportunities.

As the UK's trading relationship changes with many parts of the world, SMEs in particular need support to navigate what that means for their own products and services, whether they currently trade internationally or not.

We will secure this by:

- Working closely with DIT, regional trade partners and intermediaries to ensure information on trade deals as they impact businesses is easily available and accessible, including maximising the benefits of the Export Support Service.
- Producing a suite of new guides and content on international markets and trade deal content to support businesses in taking the right decisions for them on international trade.

Signpost Businesses to the Right Support to Trade Internationally and Simplify the Landscape.

Business support is often highlighted as fragmented and difficult to navigate for small businesses. By working collectively across trade partners in the region on the principle of "no wrong door", we will help businesses to get the trade support they need. In this way, we can support the aim for greater joining up between export focussed and wider business support activity, particularly through the region's growth hub, as highlighted in the UK Export Strategy.

We will secure this by:

- Convening the regional trade forum of delivery partners to share information and facilitate signposting and cross-referrals, recognising the various specific strengths of partners around documentation, innovation, market intelligence and wider business support.
- Proactively target support and signposting to businesses who have the potential for exporting or to export more than they do currently, with a particular focus on increasing the diversity of businesses that currently engage with overseas markets.
- Utilise the wider business support ecosystem, including the Leeds City Region Growth Hub, to provide better signposting on international trade related queries, particularly

where businesses are utilising support for innovation, business planning and access to finance for example.

- Working through the region's dedicated SME Growth Managers to provide businesses wrap around support as they engage with initiatives like DIT's Export Academy

Inspire Businesses in the Region to Think Internationally as Part of Business Planning.

As outlined in our Business Productivity and Resilience Plan, we need to support businesses around strategic decision making and planning to consider international trade as a fundamental part of their forward thinking.

We will secure this by:

- Creating new case study content of businesses in the region who have successfully internationalised their business.
- Running workshops, events and short courses that focus particularly on developing an international business model, linked to the delivery of Entrepreneurship support across the city region.
- Learn lessons from the Compete In Interregional Cooperation Project, an EU funded knowledge exchange project that Leeds Beckett University is a regional partner on, looking particularly at what works in the support to business looking to internationalise.

Continue to Collate Key on the Ground Intelligence of Trade Impact to Inform Decision-Making.

Whilst national and international trade statistics often come with a multi-year delay, on the ground intelligence from businesses, intermediaries and partners allows us to develop a rich picture international trade in real-time. This was particularly essential at the beginning of 2021 as we sought to understand the immediate impacts of the UK leaving the EU at the end of the transition period and will continue to be key to guiding future decisions on trade support requirements.

We will secure this by:

- Continuing to collate regional intelligence on international trade, through the regional trade forum, the Key Account Manager function working with key foreign owned businesses, through the regional trade advisor posts funded by DIT and through the network of SME Growth Managers working in each district of Leeds City Region.
- Feeding this information into discussions with DIT on national programmes, to Northern Powerhouse collaborations and into regional activity.
- Use this intelligence as the base line to support our annual trade delivery plans, so our efforts respond to business needs.

4.4. Impact

The aim of this strategy is to have a positive impact on the economy of Leeds City Region through supporting businesses on international trade. Whilst some of that can be achieved through the influencing and inspiring work outlined above, in some cases there is more that can be done through direct delivery at a regional level, particularly to ensure join up between delivery that is direct with businesses or directly with particular market opportunities. As well as this, we also need to ensure that trade opportunities are considered in wider policy development.

Deliver Trade Support to Businesses in Partnership with Partners and Expert Agencies.

Impacting the willingness of SMEs to trade internationally and supporting them to realise the potential opportunities requires a partnership approach across agencies that have regular interactions with businesses and their decision makers. Whilst the UK Export Strategy 12 point plan provides practical steps for this at a national level, it needs more local connections to networks and trusted intermediaries.

We will secure this by:

- Working through the trade forum, with DIT, with local authority economic development teams and with universities to ensure businesses have access to local expertise and knowledge to support them on international trade.
- Analysing gaps in existing provision, particularly in relation to SMEs that currently do not trade internationally (or previously only traded with EU nations under the Single Market), and bringing forward new support programmes for funding at a regional level.
- Working to internationalise the mainstream business support offer in the region, building the awareness and capability for non-trade related business support to consider international trade opportunities of their delivery.
- Utilising programmes such as the Leeds City Region Supply Chain Programme to help businesses assess their existing resilience and to consider how international trade might support their future import requirements.

Promote the Region and Businesses Based Here on the International Stage.

The Leeds City Region Trade and Inward Investment Team already play a role in promoting the region at international events, including leading on sector specific showcases such as a textiles showcase with Hong Kong or participation at Arab Health. We want to build on that activity, and to work in partnership with our universities, businesses and others to maximise all opportunities to promote Leeds City Region as a place to do trade with and to foster relationships.

We will secure this by:

- Identifying opportunities to enhance the region and the businesses located here by developing relationships with key international contacts and working with partners on targeted events, campaigns and communications activities.

- Utilising the strong relationships across our individual Leeds City Region districts and diverse population to explore links on trade with other countries.
- Work with our universities to build on the strengths of research and alumni across the world to open up trade opportunities.

Coordinate Across Trade Delivery Partners in the Region to Join Up Activity Around Key Sectors and Markets.

Supporting the international trade opportunities of key sectors and markets, as outlined in the previous sections, are an important part of maximising the distinct offer of Leeds City Region to potential investors and trade partners.

We will do this by:

- Working with businesses to build a coherent picture of the region's offer for trade, that can then be marketed as part of showcases, promotion materials and on international visits
- Capitalising on our Devolution Deal commitments and working with DIT to align our sectoral strengths to market opportunities that are being considered on a national scale, as outlined in the UK Export Strategy vision for sectors.
- Coordinate support to reach out proactively to SME businesses in our strength sectors about the opportunities for international trade, particularly where these strengths sit outside or are distinct sub-sectors to those covered in the UK Export Strategy e.g. on textiles and advanced machinery.
- Continue to collaborate on support to businesses to help adjust to the impact of the Trade and Cooperation Agreement with the EU as a key market

Ensure Trade Opportunities are Considered Across Regional Policy Areas

We will work to ensure our suite of regional policies reflect the importance and opportunities available from trading internationally. These actions will help ensure that trade remains a key component of regional economic growth.

We will do this by:

- Capturing the opportunities for trade and investment in future regional policies established by the Combined Authority and LEP across a number of policy areas such as productivity, clean growth, inclusive growth and innovation.
- Encouraging our constituent local authorities to also address the opportunities available to them in any future policy and strategy work they develop.
- Influencing and supporting regional partner strategies and plans to consider how trade and investment can support the ambitions of their work.

5. Measuring Success

The success of this strategy will be measured by the contribution it makes to the West Yorkshire economy, through the increase in the number of exporters in West Yorkshire and the benefit that brings to individual businesses through increased international orders. The exact nature of that measure and the metrics used will be defined as part of the initial stages of the delivery of this strategy, to ensure that a robust measurement is in place that can be accurately and reliably assessed throughout the lifetime of this strategy.

The strategy will be supported by annual delivery plans which will set out specific activities which will contribute to the delivery of each of the priorities within this strategy.

[tender spec in development to develop metrics and measures prior to publication]

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 30 November 2021

Subject: **Healthtech Strategy**

Director: Liz Hunter, Director, Policy and Development

Author: Stephanie Oliver-Beech, Regional Healthtech Lead

1. Purpose of this report

- 1.1 To update the Board on work to develop the region's Health Innovation agenda and seek views and endorsement of the partnership Healthtech Strategy.

2. Information

Health Innovation – Background

- 2.1 The COVID-19 crisis has laid bare the need and desire for a step change in tackling entrenched health and economic inequalities. Health innovation supports both economic growth and health outcomes, and Leeds City Region has the raw ingredients to be an engine of health ideas and innovation that can drive levelling up, not just for the region's economy, but the nation.
- 2.2 The West Yorkshire and Harrogate (WYH) ICS 5 year plan has already identified this critical opportunity. 'Better health and wellbeing for everyone' highlights the transformative opportunities that healthtech and innovation can bring to deliver a healthier economy.
- 2.3 As the strategy sets out, Leeds City Region is well placed to unlock that potential meaningfully and sustainably because of the strengths and uniqueness of our industry assets, university assets and health assets.

Strategy Development

- 2.4 To exploit and capitalise on both the assets within the region and the immediate opportunity, a Healthtech Strategy has been developed to convene partners under a shared narrative and direction of travel. The former Business Innovation and Growth Panel received presentations during the earlier stages of development and the Board are now asked to comment on and endorse the draft included at Appendix 1, prior to it being presented to the Combined Authority for approval.

- 2.5 The Healthtech Strategy builds directly from the recently adopted Innovation Framework Priority 2: Health Innovation and develops the narrative and the detailed action plan for the region.

Other activity

- 2.6 The Combined Authority recently allocated £200,000 of funding to recruit a Regional Healthtech Lead to deliver the shared ambitions of the Healthtech Strategy. The postholder, who started in October, will work across the partnership to convene partners and ensure a joined-up approach to discovery, development and adoption of opportunities.
- 2.7 In May 2021, the WYH ICS agreed a partnership with the Yorkshire and Humber Academic Health Science Network to deliver a system wide programme for innovation for health & care partners. The WYH Innovation Hub will be a central resource for all WYH partners and has four specific aims: Matching innovation to un-met need; Promoting a culture of continuous improvement; Targeted single point of contact; Signposting. A Director lead for the hub is currently being recruited and the intention is that both this resource and the Combined Authority Lead will work closely across the ecosystem to support and match innovation with health system needs.
- 2.8 In September 2021, the Leeds Academic Health Partnership on behalf of the regional Healthtech Leadership Group launched the regional Healthtech Catalyst, a networking programme aimed at providing support across the system and brokering connections across and between the ecosystem.

3 Equality and Diversity Implications

- 3.1 As set out in the Innovation Framework 'Innovation For Everyone', there is a focus across both strategies to ensure greater diversity across innovation – both in developing new healthtech products and involving a diverse range of stakeholders in prioritising those innovations. The new Innovation and Improvement Hub at the centre of the strategy will be key to achieving this.

4. Tackling the Climate Emergency Implications

- 4.1 Supporting the development of new innovations and adoption into the health system has well evidenced benefits in support of cleaner greener outcomes. The new strategy will prioritise investment and activity to support the climate emergency.

5. Inclusive Growth Implications

- 5.1 Supporting the deployment of new to world innovations into the health and care system is critical to achieving our post covid economic and health ambitions and reducing inequalities. The strategy has a clear focus on using health innovation to address health inequalities.

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.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 Consultation has taken place via the original Innovation Framework YourVoice consultation exercise, Leeds City Region Healthtech Leadership Group, and Business Communications Group.

10. Recommendations

10.1 That the Board provides feedback on the draft strategy.

10.2 That the Board endorses the Healthtech Strategy, subject to the Board's comments being incorporated.

11. Background Documents

None.

12. Appendices

Appendix 1 – DRAFT Healthtech Strategy

Appendix 2 – Healthtech Strategy Plan on a Page

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Healthtech Strategy

2022–2027



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Foreword



Tracy Brabin

Mayor of West Yorkshire



Sir Roger Marsh OBE DL,

Chair of the Leeds City Region
Enterprise Partnership

Foreword

Healthtech runs deep and wide across West Yorkshire. Our clinical, academic and business innovators have a remarkable track record in developing world-class healthtech that makes a difference to treatment and care – building highly successful businesses in the process.

Years of research document the cluster of strengths we have in healthtech, around both medtech and digital health. We also know there is more we can do in partnership to create the best environment for success for our innovators, and to ensure we are finally recognised fully as a leading player in this field. We have a truly unique opportunity to capitalise on our assets, and one which must be acted upon with pace and determination. I welcome this strategy as the next step towards realising our healthtech ambitions and delivering long-term economic growth across our region.

Introduction

This strategy aims to capitalise on the exceptional regional Healthtech strengths across West Yorkshire and the Leeds City Region to drive both future economic prosperity and improve health outcomes. Ultimately improving population health and wealth through healthtech innovation.

The Covid-19 crisis has laid bare the need and desire for a step change in tackling entrenched health and economic inequalities. Tackling this with new health innovations – accelerated into the health system – will support both economic (business) growth and the health outcomes of patients.



Introduction

West Yorkshire has the raw ingredients to be an engine of health ideas and innovation that can drive levelling up; not just for the region's economy, but for the nation's health. It is able to contribute significantly to the post COVID economic and health recovery.

The West Yorkshire Health and Care Partnership 5 year plan has already identified this critical opportunity. 'Better health and wellbeing for everyone' highlights the transformative opportunities that healthtech and innovation can bring across health provision to deliver a healthier economy.

Our region has a unique healthtech innovation ecosystem with its strengths across medtech, digital and data – and connectivity across and between these strengths – and is leading the way with the translation of research into commercialisation.

The region has been recognised by central government as a high potential opportunity area for woundcare, regenerative tissue, AI and data analytics. However we are not currently seen as the leading Healthtech cluster nationally, due to the fragmented nature of the system and the lack of adoption of products and services into practice. This means our region does not currently reach its full potential for residents and businesses.

There are other well-known health and innovation clusters across the country. However, **none boast the level of assets that we possess in West Yorkshire and Leeds City Region** – assets across industry and academia, plus unique strengths within our public sector infrastructure. The Opportunity section of this strategy focuses on these assets, demonstrating the **prime opportunity** for West Yorkshire and the City Region to become *the leading healthtech cluster* nationally and to partner, where appropriate, with other healthtech clusters across the UK and globally.

We must act now to capitalise on these strengths, the market opportunity and to deliver the health and wellbeing outcomes needed post COVID.

In 2019, the global healthtech market was worth an estimated \$175 (US bn), expected to rise to \$660 billion by 2025. Even before COVID, which sharply increased the need for digital health tools to be used, adoption has been steadily increasing.

The healthtech sector faces significant challenges post COVID and the City Region with its dominance of micro businesses and SMEs is no exception. To achieve the full potential of this market, collaboration between the NHS, industry, universities, the third sector and government requires a unified approach. Only through collaboration and connection will we overcome barriers to healthtech innovation, translation and adoption.

Driving excellence in science and innovation will play a key part in addressing the Leeds City Region productivity gap, and the challenges that underpin this.

Introduction

This strategy provides the framework for that unified approach. It sets out a common language, a shared vision and priorities, and a framework for activity and investment in healthtech, which all partners can work towards.

It is not intended to displace or disrupt all the existing initiatives and programmes underway, but to add value by setting out an agreed roadmap to reach our ambitions.

This is a regional partnership strategy and therefore engagement across partners has been critical throughout the development of this strategy and agreement of the vision and approach.

Our region is not coming to this from a standing start. This strategy builds on the Science and Innovation Audit in 2017, and the subsequent regional healthtech Memorandum of Understanding developed in 2019. This underpinned the region's first cross-sector healthtech partnership, comprising senior representation from the healthtech industry, the health and care system, five universities and the LEP. The MoU functions as a call to action for the range of stakeholders in the region involved in supporting and growing the healthtech ecosystem.

The Healthtech Cluster

The Region's first cross-sector Healthtech Leadership Group (now titled the Healthtech Cluster), which evolved from the MoU, continues to grow and thrive. Facilitated by Leeds Academic Health Partnership, the Healthtech Cluster involves numerous regional partners, supports shared healthtech programmes, events, promotion and partnerships with other regions, and reduces duplication of work.

This strategy outlines **how** we (the whole partnership/ecosystem) will align our strategic and collaborative approaches. This will begin to reduce fragmentation and bring together the region's universities, health and care system, LEP, Combined Authority and healthtech industry to develop an integrated healthtech innovation system in West Yorkshire.

It will position the region as a locus of healthtech expertise, that will deliver **both high quality patient outcomes, alongside economic and productivity gains**. The strategy sets out high-level ambitions, which will be underpinned by a detailed accompanying 'live' and dynamic action plan owned by the partnership.

Defining Healthtech

The 2018 Digital Health and Healthtech study agreed definitions of healthtech, medtech and digital health based on a review of existing definitions. A working definition was agreed as:

Healthtech the broadest possible definition of new products and/or services relating to the health sector and/or the health and wellbeing of individuals.

Within the umbrella of healthtech are the following:

Med-tech

A subset of healthtech that involves the design and manufacture of physical products or technologies used primarily in medical settings, encompassing medical devices, and medical equipment as defined by the World Health Organisation.

Digital health

A subset of health technology that involves the use of electronic or mobile digital technologies via applications, software and / or online platforms.

Put simply, it is about innovation in healthcare **through the improved use and application of technology to better support patient outcomes.**



West Yorkshire Driving NHS Innovation

Below are examples of innovations driven nationally by NHS England and the Academic Health Science Network (AHSN) which have been adopted across the region, showing how effective adoption and deployment can be achieved with the right conditions in place.

Medtech

Minimally-invasive approach: Urolift

Leeds City Region was one of the early adopting sites of this new innovation (requiring pathway redesign) to convert a three day urology intervention into minimally-invasive day case surgeries. £33k was secured from the Pathway Transformation fund for this innovation to support the pathway re-design.

Non-invasive approach: GammaCore and SecurAcath

GammaCore and SecurAcath are also in use in the region. These are all examples of innovations endorsed nationally by NHS England and driven into the system by the AHSN, with West Yorkshire and Harrogate being particularly receptive.

Digital Health

Transfer of Care Around Medicines (TCAM)

TCAM has been adopted in Leeds City Region for some time now, creating an IT bridge between acute and community care. This ensures patients being transferred out of hospitals into the community have their medication reviewed by a community pharmacist – preventing medicines errors and unplanned re-admissions.



The Impact of COVID

The COVID-19 crisis has laid bare the need and desire for a step change in tackling health and economic inequalities. Health outcomes and economic performance are intrinsically linked, and this forms a central part of our wider regional economic recovery plan. There needs to be a focus across the UK in tackling these issues and, within this, West Yorkshire can play a significant role through our unique strengths in health innovation.

We have the raw ingredients to be an engine of health ideas and innovation that can drive levelling up, not just for our region's economy, but the nation; and contribute significantly to the post COVID economic and health recovery.

This strategy will provide a focus for making these ambitions a reality.



The Opportunity

The opportunity for our region is clearly set out in the following reports:

[Science and Innovation Audit \(2017\)](#)

[Digital Health Sector Report \(2019\)](#)

The region has a high concentration of knowledge-based, innovative health sciences organisations, alongside broader healthcare industries. It has recognised strengths and pedigree in digital health innovation and the manufacture of medical and dental instruments.



Industrial Strengths



Academic Strengths



Public Sector Assets

ECONOMY **OPEN** **NHS**
CORPORATES **SCALABLE**
HOSPITALS **INFRASTRUCTURE**
UNIVERSITIES **COLLABORATIVE**
LEADERS **HERITAGE** **SME'S**
INDUSTRY **PASSIONATE**
CO-LOCATION

Workshop findings strengths and assets

In December 2020, a workshop was convened to support the development of this strategy. The following sets out the strengths and assets as previously identified by the group.

Joined up approach,

collaboration across sectors

- Co-location
- Aligned strategic intent
- Strong leaders
- Culture of openness
- Willing to partner
- Passion across sectors to become world leading region

Known areas of excellence across healthtech

- Niche areas/specialisms
- Digital
- Orthopaedics, robotics, surgery & many others...

Size & scale

- Real world, whole system evidence
- Manageable
- Scalable
- Big but self contained

History & heritage

- Hospitals
- Industry – corporates, SME's
- Inventions

Rich in healthtech assets

- Research infrastructure
- Academia/universities
- NHS Industry

“ This is the place where **innovation** happens, where the relationships are established and where attitudes **enable** rather than block.

“ Big enough to matter, small enough to care.

Industrial strengths

The region is a nationally regarded leader in med-tech research and development, and med-tech firms in the region have enjoyed steady growth in recent years. The Office for Life Sciences has published data showing there are substantially more value-adding med-tech firms in the region than in any other UK Local Enterprise Partnership (LEP) area – over 20% more.

Traditional industry strengths in the region include implants, surgical instruments, and devices, e.g. DePuy Synthes, Surgical Innovations, Xiros and Brandon Medical.

More recent start-ups and high growth companies are based on emerging technology areas, including biological materials and digital health, e.g. Tissue Regenix, Neotherix and Avacta; TPP and EMIS.

The Yorkshire and the Humber Region, and particularly Leeds City Region, is **one of the foremost UK locations for digital health business.** The combination of a solid digital health business base, and associated leadership and cross-sectoral strengths, mean that the area has a vital role to play in the development of the UK’s digital health industry.

Over three-quarters of the region’s digital health firms deliver either healthcare provider communication solutions (internally oriented), or data collection, management and interoperability products and services.

Known firm revenues in the healthcare provider and data collection categories amount to just under £500m, with employment of just under 5,000 (almost 90% of total revenues and just over 90% of employment).

These businesses proactively chose Leeds City Region because of the broader strengths of the region set out in this strategy:

- ✓

Data
- ✓

Fintech
- ✓

Environmental tech
- ✓

Agritech
- ✓

Talent and job opportunities
- ✓

NHS Digital, EMIS & TPP
- ✓

YHCR
- ✓

Data-CAN
- ✓

NPIC

Digital health businesses in particular have seen considerable growth in the last two financial years (pre pandemic), of which almost half is within data services businesses (£55m), one third are among businesses that deliver healthcare provider products and services, and one fifth are among more client facing products and services.

The two categories of interoperability and healthcare provider solutions include some of the region’s most significant businesses, such as:

- Egton Medical Information Systems (EMIS)
- The Phoenix Partnership (TPP).

They clearly represent strengths in the region and **provide a critical advantage because they are also the foundation for advancing other sub-sectors.** The world leading Yorkshire and Humber Care Record for example has interoperability as a core aspect.

The region is home to some of the most innovative patient-facing digital health businesses, including **‘Advanced Digital Innovation’**, which offers a broad portfolio of patient facing solutions such as:

- ‘Mypathway’ A secure patient/clinician/service provider digital communication channel
- ‘Painsense’ A persistent pain self-management application
- ‘Medsminder’ A medication self-management application
- ‘Stepup’ co-produced digital service for supporting young people’s mental health
- ‘LMSU’ A digital platform supporting transition of young people with disabilities from child to adult services

Similarly, the region has several examples of **innovative health system management solutions**, including:

- Smartgate Solutions (now Radar Healthcare) quality and compliance focussed software,
- Lablogic detection and measurement of radioactivity,
- DocAbode clinician resource management software
- RX Systems (now part of EMIS) pharmacy prescription and supply chain management software.

Investment data suggests that these two digital health categories (patient facing solutions and health system management solutions) represent major future growth areas, and have the potential to advance the UK’s position as a world-leading digital health economy. (Healthtech and Digital Health report, 2020)

Academic strengths

Regional universities, and a broad base of wider research and business incubation actors, have played and will continue to play a major role in advancing the region's healthtech sector in areas such as remote patient monitoring, patient engagement, AI, data etc.

West Yorkshire universities have been responsible for securing nationally significant levels of academic and health research funding. They hold the knowledge and expertise required to maintain the region's position nationally, and the UK's position on the international stage. Since 2009, universities within Leeds City Region have attracted c.£675m in academic research funding for innovation from UKRI bodies relevant to the healthtech ecosystem, including:

- Engineering and Physical Sciences Research Council (EPSRC)
- Innovate UK (IUK)
- Medical Research Council (MRC)
- Directly from UKRI

Since 2006, Yorkshire and the Humber has attracted a total of 447 NIHR research projects to the value of £278m, spanning every aspect of NIHR funding. The region has delivered more Health Technology Assessment (HTA) projects; hosted more NIHR fellowships; delivered more Health Service and Delivery Research (HS&DR) projects; and delivered more Public Health Research (PHR) projects than any other region outside London. Per head of population, the region has received the highest proportion of NIHR funding outside of London (£163php compared to the next highest proportion £140php in the West Midlands).

Our region has been recognised by central government as a high potential opportunity area for woundcare and regenerative tissue. Regenerative tissue technologies were pioneered by University of Leeds.

Underpinning everything is the move to digital and remote care. **Leeds City Region is well placed to lead the way here, with significant assets and a long history of academic excellence** in AI, machine learning and data analytics.

We also have **significant strengths in longitudinal data studies** such as Born in Bradford – helping to unravel the reasons for the high level of childhood illness in the UK and bring new scientific discovery to the world – now rolling out to Leeds, Wakefield and Doncaster.



The University of Huddersfield welcomed Tracy Brabin, Mayor of West Yorkshire, to share their vision and plans for the forthcoming National Health Innovation Campus.

November 2021

Public sector assets

The region is uniquely positioned as home to a cluster of national health organisations. Our public sector assets – hospitals and universities - double up as assets for the private sector; **Leeds City Region is home to no fewer than seven significant government health headquarters**, including NHS England, NHS Digital, Public Health England, NHS Leadership Academy, Health Education England, NIHR Clinical Research Network, and NHSX.

As such it is the decision-making centre for national policy and c.£130bn in funding for NHS commissioning, leadership and digital advancement (via major initiatives such as NHS Spine), as well as education and training of England's health and public health workforce and the protection of public health and wellbeing. There is a significant opportunity around increased collaboration to drive the region's health innovation ambitions.

West Yorkshire Health and Care Partnership

In May 2021, the West Yorkshire Health and Care Partnership (WYHCP) formally signed a partnership with the Yorkshire and Humber Academic Health Science Network (AHSN) to **deliver a system-wide program for innovation and improvement for its health & care partners**. The Health and Care Bill puts this on a more statutory footing. The new **Innovation and Improvement Hub** formed between the WYHCP and AHSN will

provide strategic direction, leadership and guidance around the innovation agenda.

The Hub will consolidate existing work across key players in the region to better understand and coordinate health care need, and match these to innovative technologies and improvement methodologies.

The partnership works on a subsidiarity model, performing activities at a regional level where most appropriate with area-specific work driven locally. In this way, areas within the partnership will be supported to articulate the needs of the local area and, where needs align, will work via the Hub to achieve economies of scale.

It is the region's ambition for the WYHCP to be the leading ICS on innovation and improvement. **Developing, implementing and adopting innovation, and striving for continuous improvement, leads to improved care;** and to better health and wellbeing, greater service efficiency and improved workforce capability and capacity.

West Yorkshire is ideally placed to realise this ambition, with a vibrant life sciences industry in the footprint and a wealth of expertise and enthusiasm that is not only within the WYHCP but across our partners, including the voluntary and community sector.

The commitment to collaborate across all these assets is a significant strength for the region. Via the Healthtech Cluster and its expansion, there is real commitment and drive to further develop and deepen collaborative relationships - to drive activity as a collective, rather than operating in isolation.



The Challenge

There is no doubt that West Yorkshire boasts the assets and the opportunity to lead in the healthtech space – particularly in the whole-system approach to discover, develop and deploy.

However, the nature of the system, with the array of organisations and bodies involved has historically at times resulted in fragmentation and lack of coherence.



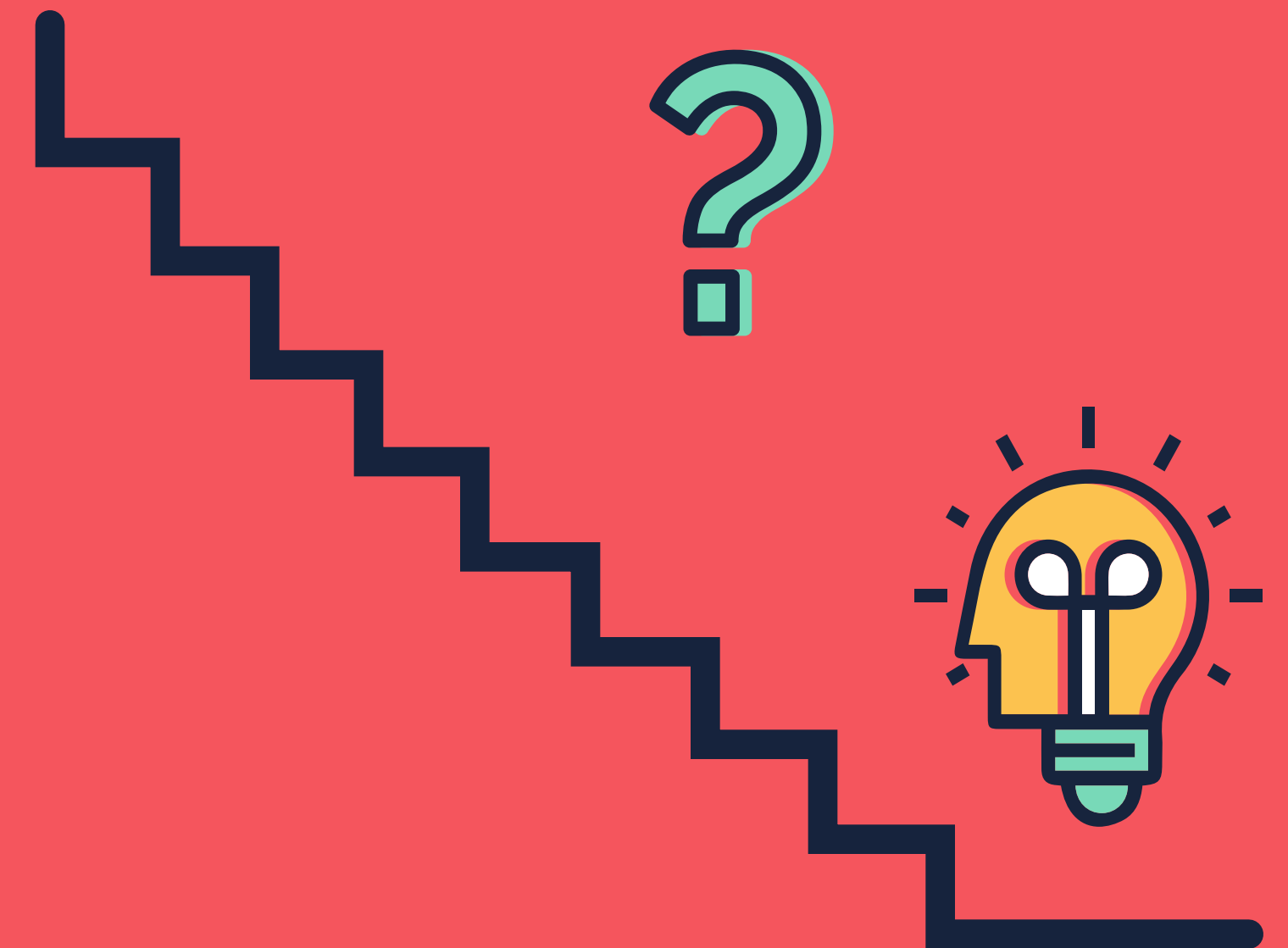
Despite significant health sector leadership and a very strong base of health sector assets in the region, efficiently and effectively navigating the health and care system presents a significant challenge, particularly to start-up and smaller scale businesses (note that this has been identified as both a regional and national issue). This assertion is borne out in the survey data (Digital Health report) collected from regional businesses, in which none of the micro businesses (1-9 employees) identified public procurement as a route to market. As one micro business respondent put it: “selling into the NHS is too hard for start-ups”.

Numerous consultees highlighted the need for an agreed and obvious way of accessing the NHS health system, or a ‘front door’ that would support smaller firms to develop and test new and / or alternative digital health and care solutions.

Consultees also suggested that **finding an effective solution to this challenge was more likely within this region** than in other parts of England because of the well-connected and significant influence of the regional ecosystem. **Regionally, the challenge to date has been in co-ordinating and effectively positioning the region’s assets so that they are widely known among innovators and businesses.**



“ Selling into the NHS is too hard for start-ups



Healthtech Leadership Group

To begin to tackle this, and building on the recommendations of the Science and Innovation Audit, a Healthtech Leadership Group was established in 2019, bringing together the key stakeholders in the region to reduce fragmentation and maximise the opportunities identified above.

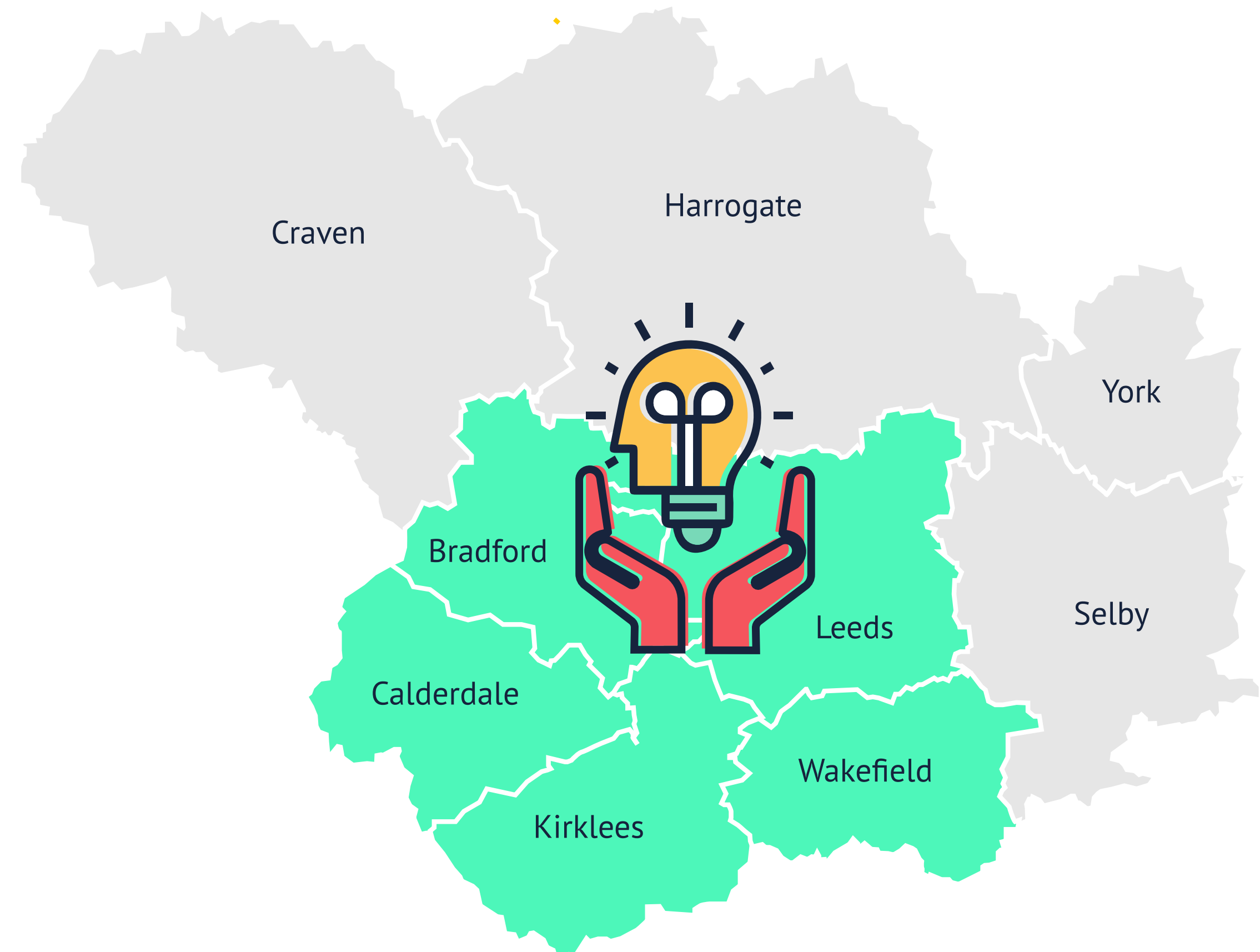
The group identified the following problem statement:

The region has a strong history of innovation in healthtech, however it is not systematic or at scale. There is an opportunity as a partnership to learn from successes and build on these as a region to create spin outs, support existing SME; trade internationally and secure investment – whilst also adopting our home grown innovations.

There is also more to be done to create and support a more diverse pool of healthtech innovation-driven enterprises in the region.

Misaligned objectives and resources are the major issues preventing the initiation and success of programs, as is a focus on piloting rather than deploying at scale, all hindering potential partnerships.

Collectively this means the innovation culture required needs support to strengthen. The ecosystem misses out on opportunities as industry does not always see the region as a magnet for healthtech innovation, regarding other global systems as potentially being easier to navigate.



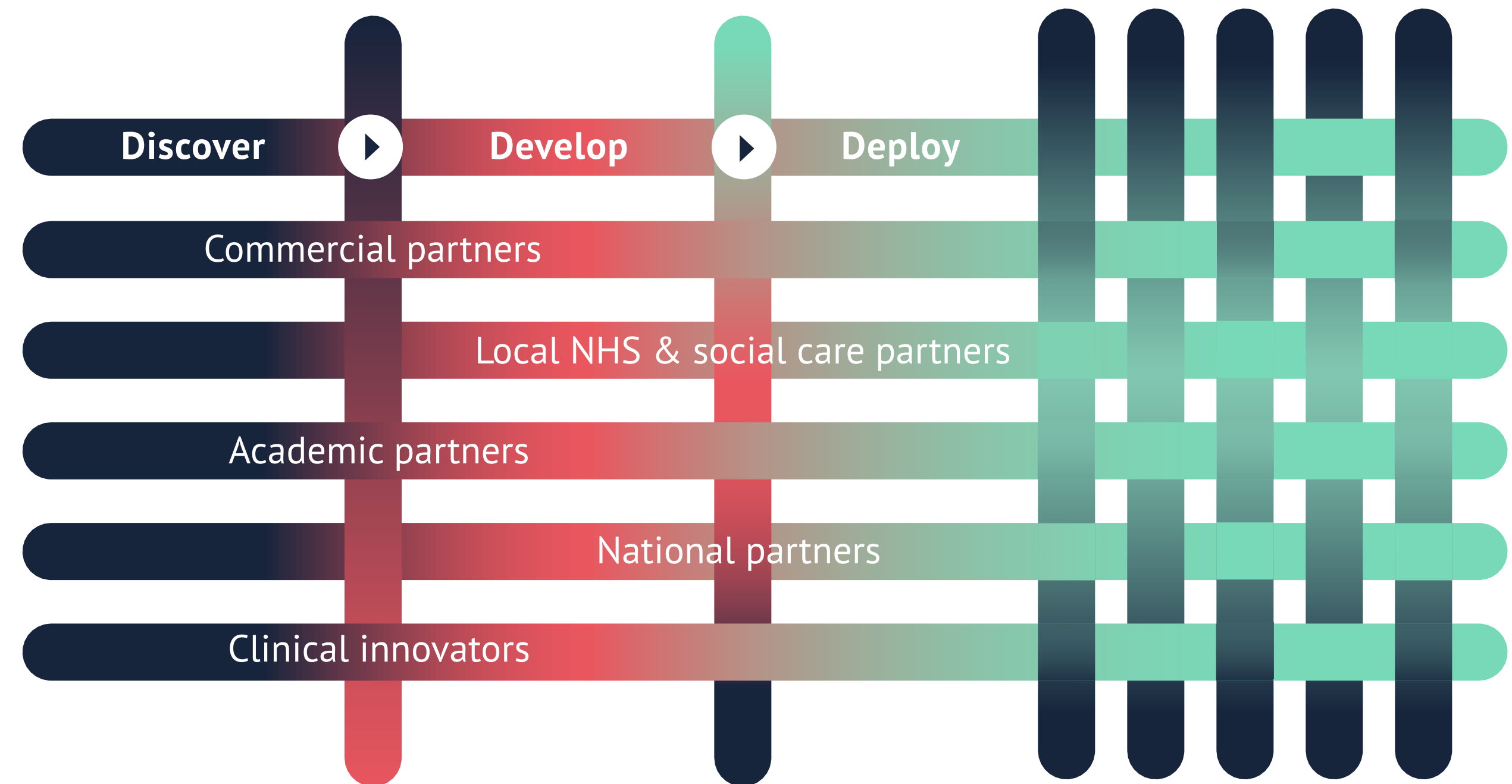
The Ecosystem

It is important to clearly articulate the range of partners involved in delivering against our regional healthtech ambitions. Each partner has a different role to play in each of the stages and in creating an effective journey through from discovery to deployment.

Connectivity and the creation of a shared purpose and knowing ‘who does what’ across our assets is essential. Good connectivity drives innovators to the right place at the right time – and partners need to have effective referral routes to ‘hand on’ where appropriate.

Central to this is the new West Yorkshire Innovation Hub. The West Yorkshire Health and Care Partnership, working with the AHSN through the new Hub, will clearly set out the innovation needs and challenges of the health system in the region. In doing so, **the clear articulation of unmet needs will drive discovery and development in the region**, supporting local SMEs and start-ups and attracting inward investment. This clear **system pull** will drive the adoption of innovation and help with strengthening the system wide culture.

The West Yorkshire Health and Care Partnership operates on a principle of subsidiarity where each of the five places in the region will articulate the specific health and care needs of their area. **Organisations such as Leeds Academic Health Partnership will support health and care businesses in this needs-driven approach** and more broadly support the discovery of new and novel ideas across academia and the business base, which may be globally scalable or of global relevance.



A Collaborative Model for the Whole System

Our HealthTech USP

Capitalising on the opportunity

No other country is as well placed as the UK to foster innovative product development in both medical technology and digital health solutions (Healthtech) at scale, largely because of the potential within the NHS.

No other region is as well placed to unlock that potential meaningfully and sustainably because of **the strengths and uniqueness of our cluster of industry assets, university assets and public health assets.**

The Leeds City Region offer

Discovery, development, evaluation and adoption of proven innovation that delivers improved health outcomes and reduces inequalities



Vision for Healthtech in West Yorkshire

We will be the number one place for Healthtech entrepreneurs, innovators and industry.

Our Healthtech ecosystem will be the best-connected and most innovation-driven in the country, providing unrivalled prospects to partner, locate and grow.

We will be the national engine of ideation, development and adoption of proven healthtech innovation. Through connectivity and synergy in our systems, we will drive levelling up – in economic and health terms.

The positive impact of our Healthtech ecosystem will be felt by citizens and communities across the region, the country and the world.



High Level Priorities

To achieve this vision, our focus needs to be twofold;

Business Enablement:

We must focus on developing and supporting connectivity across our regional Healthtech cluster to focus on start-ups, SMEs and inward investment opportunities for economic growth.

Improved Health Outcomes:

Given the assets we have in the region, we must focus on the opportunity for translation and diffusion into the health system across the region (and beyond) to support patient and end user health benefits and reduce health inequalities.

To deliver against these priorities we will commit, as a regional partnership, to driving activity in the following areas. Details will be set out in the linked action plan.



14 Point Plan

- 01 We will utilise the new West Yorkshire Health and Care Partnership Innovation and Improvement Hub as the **mechanism to signal the needs of the health system** and drive a cultural shift. The I&I hub will articulate regional NHS system need, support innovative interventions to meet these needs including developing an understanding of existing routes to market, barriers to entry and opportunities to develop evidence of effectiveness to support business grow and secure further investment.
- 02 We will work collaboratively across the partnership (ensuring we have the breadth of representation) to ensure **support conditions are appropriate** across discover, develop and deploy and put in place dedicated resource to facilitate this (Regional Healthtech Lead post and Leadership Group).
- 03 Addressing and **tackling health inequalities** will feature as a central focus and commitment of all health innovation activity in the region across the partnership, with strong alignment to Mayoral priorities for a just and fair recovery.
- 04 In partnership, focus on delivering a cultural shift across organisations to support **adoption at scale**, not limited to those developed in the region.
- 05 The partnership will agree **clear roles across the ecosystem** to ensure the access points for businesses are effective and easy to navigate, and duplication and fragmentation are reduced, working through the I&I Hub.
- 06 The partnership will support the **establishment of the Healthtech Catalyst** to support both health innovation and health outcome objectives, linking in with the West Yorkshire Innovation Network as vertical focused network. The Catalyst will support businesses, innovators, entrepreneurs, healthcare providers and commissioners, and researchers to accelerate economic growth through the development and adoption of healthtech.
- 07 Through the West Yorkshire Innovation Network, we will work collaboratively to **align existing** activity to better meet business requirements in the healthtech space across discovery and development.

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14 Point Plan

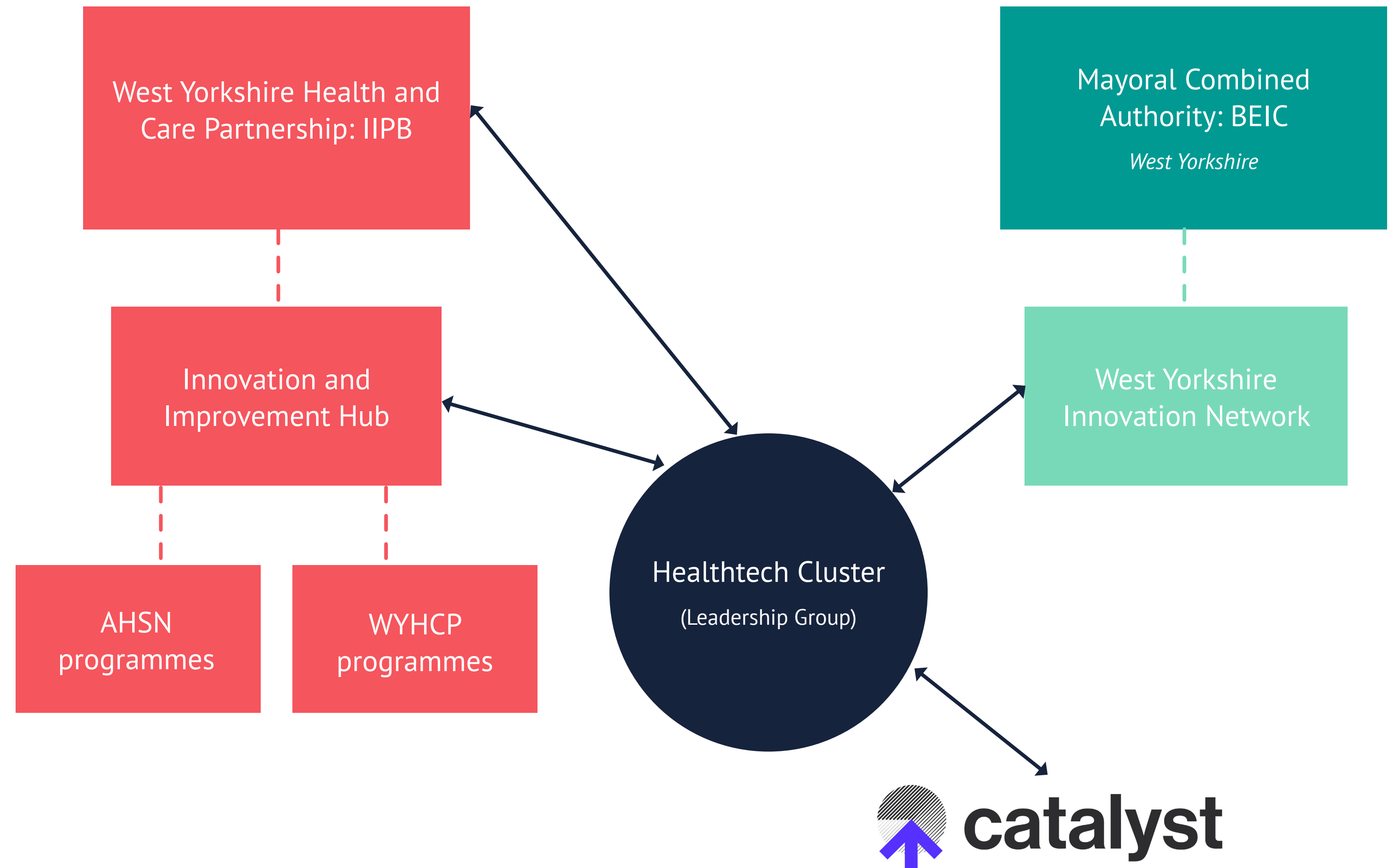
- 08 Collectively we will ensure that **gaps** in support for businesses and academics are **mapped out and resources identified** to address these, particularly focusing on scaling up interventions with a strong track record of impact.
- 09 To support ideas development we will identify **funding gaps**, particularly venture capital, equity, and explore opportunities to establish an early stage **proof of concept funding pot**.
- 10 We will develop a cohesive **pipeline of projects** across our collaborative partnership to support our vision e.g. ActEARLY, and the National Health Innovation Campus, and explore joint funding opportunities to better support business innovation.
- 11 We will continue efforts to attract the best **inward investment opportunities**, focusing activity around three core sub sectors;
 - Woundcare and Regenerative Tissue
 - Diagnostics and Personalised Medicine
 - Digital Health.
- 12 We will put resources into **better articulating impact and opportunity** in the region, by showcasing exemplar activity and developing a suite of case study/demonstrator projects to support further investment. This will raise the national and international profile of the region as a leader in healthtech.
- 13 We will work collaboratively across West and South Yorkshire to develop the concept of a **Healthtech Innovation Corridor**, building on health and innovation strengths across a Yorkshire footprint.
- 14 We will work with related partnerships and organisations to ensure that there is a **focus on the skills** needed to support successful Healthtech innovation, enabling a diverse workforce, and ensuring accessibility and inclusion for citizens.

Governance

The Mayoral Combined Authority's Business, Innovation and Economy Committee will have a particular interest in overseeing discovery and development (innovation) activities aligned to this strategy, ensuring that business support needs and gaps are addressed.

The West Yorkshire Health and Care Partnership Innovation and Improvement Programme Board will set the direction of travel to support needs-based innovation in the region, focusing particularly on the adoption agenda to improve health outcomes.

§ The **Healthtech Cluster** will bring together stakeholder across discovery, development and deployment and be the ultimate owner of this regional strategy. This group will also function as expert advisory group for healthtech in the region.



Action Plan

The action plan will be a live document and will be used to track and monitor progress. It will be owned and maintained by the Regional Healthtech Lead working with partners within the Healthtech Cluster.

A live version can be found here:

www.westyorks-ca.gov.uk/healthtech-cluster



Indicators

The below indicators will be owned by the partnership and support bids for future investment.

- Number of new healthtech start ups
- Number and value of regional healthtech inward investment wins
- Number of HT SMEs supported through the various programmes
- Number of new products developed
- Number of new products deployed into the system
- Clinical outcomes, such as improved health through healthtech interventions
- Number of case studies produced and socialised
- Number and impact of regional marketing and comms opportunities realised
- Value of funding bids / investments secured to support regional activity
- Number of jobs created/ safeguarded
- Quantification of health and care service implementations that improve health outcomes over the long term



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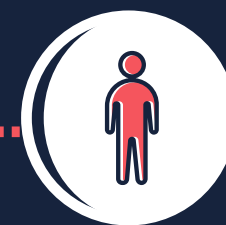
enquiries@westyorks-ca.gov.uk

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Healthtech Strategy:

Building health & wealth through innovation



Our Vision

Priorities

¹
We will be the **number one place** for **Healthtech entrepreneurs, innovators and industry.**

Our Healthtech ecosystem will be the best-connected and most innovation-driven in the country, providing unrivalled prospects to partner, locate and grow.

We will be the national engine of ideation, development and adoption of proven healthtech innovation. Through connectivity and synergy in our systems, we will drive levelling up – in economic and health terms.

The positive impact of our Healthtech ecosystem will be felt by citizens and communities across the region, the country and the world.

- 01

Needs-led innovation
We will utilise the new West Yorkshire Health and Care Partnership ‘Innovation and Improvement Hub’ as the mechanism to signal the needs of the health system and drive a cultural shift.
- 02

Collaborative approach to support
We will work collaboratively across the partnership to ensure support conditions are appropriate across discover, develop and deploy stages.
- 03

A focus on health inequalities
Addressing and tackling health inequalities will feature as a central focus and commitment of all health innovation activity.
- 04

Adoption at scale
In partnership, focus on delivering a cultural shift across organisations to support adoption at scale.
- 05

Clear access to support
The partnership will agree clear roles across the ecosystem to ensure that access and support for business is easy to navigate.
- 06

Champion the Healthtech Catalyst
The partnership will champion the establishment of the Healthtech Catalyst to support both health innovation and health outcomes objectives,
- 07

Align activity with business requirements
Through the West Yorkshire Innovation Network, we will work collaboratively to align existing activity to better meet business requirements in the healthtech space.
- 08

Addressing gaps in support
Collectively we will ensure that gaps in support for businesses and academics are mapped out and resources identified to address these, particularly focusing on scaling up interventions with a strong track record of impact.
- 09

Develop funding opportunities
We will identify funding gaps, particularly venture capital, equity, and explore opportunities to establish an early stage proof of concept funding pot to support ideas development.
- 10

Partnership pipeline
We will develop a cohesive pipeline of projects across our collaborative partnership to support our vision and explore joint funding opportunities to better support innovation.
- 11

Attracting inward investment
We will continue efforts to attract the best inward investment opportunities, focusing activity around three core sub sectors; Woundcare and Regenerative Tissue, Diagnostics and Personalised Medicine and Digital Health.
- 12

Raising our profile as a region
We will put resources into better articulating impact and opportunity in the region, to raise our national and international as a leader in healthtech.
- 13

Healthtech innovation corridor
We will work collaboratively across West and South Yorkshire to develop the concept of a Healthtech Innovation Corridor, building on health and innovation strengths across a Yorkshire footprint
- 14

Inclusion and skills
We will maintain a focus on the skills needed to support successful Healthtech innovation: enabling a diverse workforce, and ensuring accessibility and inclusion for citizens

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 30 November 2021

Subject: **COP26 – Next Steps**

Director: Liz Hunter, Director of Policy & Development

Author: Daniel Barrett, Head of Energy & Environment

1. Purpose of this report

- 1.1 To inform the Board of the outcomes, implications and next steps following the conclusion of the UN Framework Convention on Climate Change, 26th Conference of the Parties (COP26), Glasgow, UK.

2. Information

Outcomes

- 2.1 The UK Government wanted COP26 to keep the 1.5C trajectory of the Paris Agreement "alive" and the verdict is that it has, but just barely.
- 2.2 On an international scale, the reception to the [‘Glasgow Climate Pact’](#) has been mixed. Without doubt it has reinforced the need for action, and there have been new agreements (by 30 countries comprising 85% of the world’s forests) to stop deforestation by 2030, an agreement to cut methane by 30% by 2030, 40 countries to “shift away” from coal, and the Glasgow Financial Alliance for Net-Zero (GFANZ) represents over \$130trn in assets under management. On transport there have been pledges by companies to move to zero-emission vehicles, and on aviation to develop a decarbonisation target that is pre-2050, to which 18 nations have signed up, including the USA.
- 2.3 However, the results of COP26 and the Glasgow Climate Pact are divisive. The deal stretches nations on topics like coal and finance more than they have been before – despite the last-minute intervention from India to weaken the text on coal from ‘phase-out’ to ‘phase-down’. Yet many highlight that the mechanisms agreed are not sufficient to combat the most severe climate-related risks. The Glasgow Climate Pact is historic in that it marks a truly uncomfortable transition for those lagging behind, and yet research suggests that the 1.5C ambition of the Paris Agreement is alive, but just barely.

Implications

- 2.4 In the national coverage of COP26, the role of local Government has been underplayed. There have been estimates that local government is directly responsible for delivering 32% of the emissions reductions needed in the UK and is able to influence 82% of the whole UK total¹. However, there was little focus at COP26 on how actually the reductions get delivered at the local level. And perhaps an over-focus on technology solutions over behavioural measures. Local government needs the resources and powers to deliver its part of the net zero challenge, starting with the development of net zero proofed policies and a pipeline of investment ready programmes and projects.
- 2.5 With the Glasgow Climate Pact agreed, 1.5C is under threat and many are looking to the private sector to intervene. Trillions are needed to combat the climate crisis and to support low-income nations. Developed nations failed to meet the \$100bn finance target, which has now been renegotiated to be delivered through to 2025, and there is no guarantee that this target won't be missed again. It is clear that policymakers and negotiators are looking to the private sector to transform the net-zero movement.
- 2.6 GFANZ members are required to transition their portfolios in line with the Paris Agreement and are being pushed to work towards 1.5C rather than 2C pathways. The Alliance now accounts for 40% of the world's financial assets, up from \$90trn at the start of October. These assets are managed by 450 firms across 45 nations, from all parts of the financial industry.
- 2.7 The Alliance isn't without its issues. Reclaim Finance is highlighting that only one-third of the Alliance's collective assets are being aligned with a net-zero by 2050 roadmap, and that this roadmap came from the Alliance itself. But with the finance sector moving trillions into low-carbon projects and portfolios it is here that businesses can have the biggest influence.
- 2.8 Net-zero pledges are driving markets in the private sector. For example, almost two-thirds of FTSE100 companies have signed up to the UN's Race to Zero campaign to accelerate the adoption of credible net-zero targets. Participating large UK firms having a combined market capitalisation of £1trn and annual turnover of £700bn. This is before smaller businesses, non-listed firms and businesses covered by industry collaborations, like Water UK's net zero by 2030 roadmap, are accounted for. These collective pledges from the private sector can help make notable dents in the mission to reach 1.5C.

Next Steps

- 2.9 With some nations set to renege on mechanisms included in the Glasgow Climate Pact, businesses need to become a unified driver of the net-zero movement. In his COP26 speech, the Chancellor indicated that the UK is moving towards making it mandatory for firms to publish a clear, deliverable decarbonisation and transition plans. Through their actions, businesses can be the driving force to unleash innovation across low-carbon markets.

¹ Net Zero Strategy: Build Back Greener, HM Government, October 2021

- 2.10 At COP26, Boeing, Amazon and Volvo Group were named among the members of a new coalition of businesses pledging to support the development of low-carbon technologies for hard-to-abate sectors like aviation and heavy industry. Called the First Movers Coalition, the initiative is being led by the World Economic Forum (WEF). The Coalition has garnered the support of 29 founding member corporates across sectors including aviation, shipping, trucking, steel, cement, chemicals and aluminium.
- 2.11 All founding members of the new Coalition have made a specific commitment regarding cleantech in at least one sector. The ambition is to create a rapidly-scaling market for specific technologies by 2030 – and a market that will continue expanding through to 2050.
- 2.12 Companies in the aviation sector are committing to using electric and hydrogen aircraft by 2030, as well as finding lower-carbon options for sustainable aviation fuels. Shipping carrier sector members have committed to using zero-emission fuels in new and retrofitted vessels by 2030, with these fuels accounting for at least 5% of their distance travelled.
- 2.13 In the trucking sector, companies have committed to ensuring that at least 30% of their heavy-duty and 100% of their medium-duty truck purchases will be zero-emission by 2030. Only zero-emission vehicles should be contracted or purchased going forward. Retailers and manufacturers will also set these requirements for trucking service providers.
- 2.14 Steel is the final sector for which the first phase of shared commitments has been launched. Steel users commit to ensuring that at least 10% of their annual steel procurement volumes by 2030 is met with net-zero or near-zero materials. Purchasers are already putting pressure on manufacturers through forums such as The Climate Group's SteelZero.
- 2.15 COP26 is over but the trajectory the Glasgow Climate Pact has created is only just beginning. The role of the private sector is to come together around a clear and unified message: "Net-zero needs to be inevitable".

3. Tackling the Climate Emergency Implications

- 3.1 The West Yorkshire approach to tackle the climate the emergency is set out in the West Yorkshire Climate and Environment Plan. The Glasgow Climate Pact positively supports the objectives and proposals for action in the plan, with direct read across to the Glasgow Climate Pact priorities for: science and urgency; adaptation; mitigation; finance; technology; capacity-building; loss and damage reverse; implementation.

4. Inclusive Growth Implications

- 4.1 The Glasgow Climate Pact talks of a "just transition". Businesses need to gain access to clear roadmaps for decarbonisation, and take forward their own decarbonisation plans, that help sectors upskill their workforce to ensure all members of society and brought on this journey. The Mayor's pledge to create

good green jobs for young people, with a Green Skills Taskforce, is a key intervention to a just, fair and lasting transition to net zero West Yorkshire

5. Equality and Diversity Implications

- 5.1 The need for all people living, working and studying in West Yorkshire to be involved in the responses to tackling the climate emergency is clear. When, for example, women and girls are actively involved in climate decision making the outcomes meet equality, diversity, and climate needs. Tackling the climate emergency, inequality and lack of diversity are equal sides of the same coin.
- 5.2 COP26 energised the need for peoples, local communities and civil society, including youth and children, in addressing and responding to climate change, and highlighting the urgent need for multilevel and cooperative action. We have an opportunity to build on this moment, engaging with and supporting local communities to act.

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.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the LEP Board notes the contents of the report
- 10.2 That the LEP Board endorses the roles and actions that business will need to play and take forward to tackle the climate emergency.

11. Background Documents

Glasgow Climate Pact, Draft Decision, United Nations Framework Convention on Climate Change

https://unfccc.int/sites/default/files/resource/cma2021_L16_adv.pdf

12. Appendices

None.



Report to: LEP Board

Date: 30 November 2021

Subject: **Business Productivity Programme**

Director: Brian Archer, Director of Economic Services

Author: Henry Rigg, Head of Business Support

1. Purpose of this report

- 1.1 To note the continued development of a new Business Productivity Programme (BPP), following the endorsement of the Business, Economy and Innovation Committee at its inaugural meeting on 18 October 2021.
- 1.2 To provide feedback on the work undertaken to date in order to inform the ongoing development of the programme.

2. Information

Strategic Fit and Policy Drivers

- 2.1 At their meeting in September 2021, the Combined Authority considered the refresh of the West Yorkshire Economic Recovery Plan¹ and endorsed the interlinked Business Productivity and Resilience Plan², which had been led by the former Business Innovation and Growth Panel of the Leeds City Region Enterprise Partnership.
- 2.2 Across these strategic documents, the importance of business productivity to the recovery and future strong economic performance of West Yorkshire was a central theme, recognising that even before COVID-19 there was an £8.5 billion productivity gap between West Yorkshire and the UK average, impacting on living standards and widening inequalities. This is a challenge that exists at the firm level across sectors and geographies within the region.

¹ <https://westyorkshire.moderngov.co.uk/documents/s21942/Item%205%20-%20Appendix%201%20-%20Draft%20West%20Yorkshire%20Economic%20Recovery%20Plan.pdf>

² <https://westyorkshire.moderngov.co.uk/documents/s21945/Item%206%20-%20Appendix%201%20-%20Draft%20Business%20Productivity%20and%20Resilience%20Plan.pdf>

- 2.3 Improving business productivity has therefore been highlighted as a key objective of Investment Priority 1 of the West Yorkshire (WY) Strategic Investment Framework is 'Good Jobs and Resilient Businesses'. To achieve this, our future investments into business support will need to respond to the key business behaviours that are recognised to improve productivity as identified in the evidence of the Business Productivity and Resilience Plan, namely:
- Improving strategic decision making and planning
 - Increasing the number of highly skilled managers and staff
 - Increasing adoption of new innovative practices
 - Increasing the value and volume of exports
 - Increasing the prevalence of Good Work
- 2.4 In addition to focussing on those key business behaviours, our future investments in business support will also need to respond to the operating principles of the Strategic Investment Framework, principally: support inclusive growth, our climate emergency ambitions, drive social value, tackle market failure, maximise value for money and provide different kinds of return to the SIF.

Designing a new Business Productivity Programme

- 2.5 In response to the policy drivers outlined above, and using the intelligence gathered across the Growth Service and with partners on the current conditions for business as we emerge from the dual impacts of COVID-19 restrictions and EU Exit implications, detailed development work on a new Business Productivity Programme (BPP) to be delivered from April 2022 is now underway. This has been informed by ongoing consultation with the West Yorkshire Made Smarter Board (private, public and academic sector representation), with the manufacturing alliances active in the sub-region, and with the Economic Development teams of the West Yorkshire Local Authorities.
- 2.6 The development of the BPP to date also builds on the lessons learned from the most impactful aspects of current and previous investment and advisory support for SMEs, particularly the Business Growth Programme (BGP), #Grow & #Welcome, the Productivity Pilots, Investment Readiness, Strategic Business Growth and Manufacturing Champions (see footer below for brief descriptions), as evidenced by external evaluations including on the Local Growth Deal³. For example, the need to support SMEs with advice on how to

³ The BGP provides capital investment grants to businesses linked to job creation, #Grow & #Welcome provide capital investment grants to existing & inward-investing creative & digital businesses, Productivity Pilots 1 & 2 provided capital investment grants to businesses that could demonstrate productivity improvements, Investment Readiness provides businesses with advice & support on how to secure external commercial investment, Strategic Business Growth provides

measure and track productivity improvements, the importance and effectiveness of building partnerships with public and private sector organisations, the importance of securing more additionality and less deadweight on grant awards through robust testing of whether investments would progress with or without funding, and the need for a broader set of outcomes, including on Inclusive Growth and Equality and Diversity, to justify public investment (particularly if supported businesses are not intending to create new jobs).

- 2.7 Although it is recognised that the proposed programme needs to encompass a significant number of new elements to meet the current needs and priorities of the region, the most recent independent evaluation of the BGP does provide some good evidence of potential impacts of the new programme. The study, undertaken by Warwick Economics, found that from 2014-2021, 6,225 jobs were created and 1,697 were safeguarded. Furthermore, £41.5m was invested in grants to over 800 businesses, which leveraged over £300m of private sector investment. In terms of outcomes, the evaluation presented strong additionality for the BGP, with 24% of the individual projects not progressing at all without the programme, 33% progressing but on a smaller scale and 36% progressing but over a longer period. The evaluation also stated that the programme resulted in a Net Gross Value Added (GVA) increase of £238 million, and that 82% of businesses reported improvements in productivity and turnover.
- 2.8 The BGP formed a major part of Priority 1 of the Growth Deal for Leeds City Region. A recent independent evaluation of the Growth Deal concluded that for Priority 1, the £60.4 million investment leveraged a further public investment of around £28 million and private investment of around £357 million, meaning the overall value of delivering assets and support to businesses was in the order of £445 million. In addition, it concluded that over the lifetime of the programme, Priority 1 investments will create 4,800 net additional jobs and generate almost £2.5b in net additional GVA. Furthermore, Priority 1 projects are forecast to deliver a benefit cost ratio of 25:1 based on the full public sector cost.
- 2.9 In terms of the impact of programmes that focus primarily on advice for businesses and not just investment, the most recent evaluation of the Strategic Business Growth Programme by RSM provides a good example for comparison to the above. It reported the following outcomes and impact: - 85% of businesses experienced an increase in sales turnover; 95% of the businesses on-boarded in 2017 have experienced increased turnover and headcount. Furthermore, GVA and exports impacts based on data collected from a random sample of 75 businesses on the programme indicated an increase in GVA of £16,439,730 and an increase in exporting activity valued at

strategic planning advice and investment to high-growth SMEs, Manufacturing Champions provides an intensive package of advisory support, tech-adoption and investment to SME manufacturers with high growth potential

£18,454,781. When extrapolated to cover full programme collection, GVA benefits increased to £72,334,811 and exporting benefits increased to £81,201,036. It is important to stress that these outcomes may not be wholly attributable to the programme.

2.10 Some of the main considerations that have informed the development of the programme to date are set out below, and feedback on these from Board Members is welcomed:

- How can public investment best support improved productivity performance of businesses in economic recovery?
- What gaps are there in delivery of support for the business productivity behaviours?
- What does the intelligence from businesses tell us support is most needed for? e.g. advice and guidance, capital investment, revenue-based grant investment.
- How do we measure the impact of a scheme supporting productivity and what conditions would we place on support?
- What conditions of support deliver best value for money and address market failure?
- How does support incorporate equality, diversity and inclusion targets, and ensure that those targets can be met?
- How do we target businesses across our geography that would most benefit from the support, rather than attract those most aware of the public offer?
- How do we best utilise existing infrastructure – including the SME Growth Managers in the Local Authorities, business networks and key influencers – to deliver support?

Progress to date on the BPP

2.11 The following points set out the development work undertaken to date on the potential key features of the new programme. Board Members are requested to consider these and to provide any feedback, accepting that the conditions associated with any future funding sources may further influence the programme's future design and delivery:

- A framework to maximise the numbers of businesses that can be supported across West Yorkshire, and one that only supports repeat-business that correlates to the different stages of growth for businesses, and/or, the need and opportunity to effect positive behaviour change;
- A focus on engaging with businesses that have been underrepresented in programmes to date. For example, those led by women or people from minority backgrounds, and/or, in sectors that have not been supported previously due to funding criteria e.g. Business-to-Consumer;
- An integrated package of advisory and financial support for SMEs across West Yorkshire to help them improve productivity;
- Focussed on searching out SMEs across all sectors with up to 100 staff based in West Yorkshire, with tiered intervention rates linked to the size

of business and potential for positive impact on growth, climate and inclusion;

- Financial support with SME grant or loan investment (between £2,500 and £100,000) that supports strategic productivity growth plans primarily for the innovation & adoption of new technologies and introduction of enhanced business processes, reduce carbon emissions and the securing of Inclusive Growth contributions;
- Businesses in receipt of investment supported to join the 'Fair Work Charter', pay the Real Living Wage and attain quality / industry accreditations. Measures to support inclusive growth to be a part of every award and to be reflected in the programme's targets;
- Provide direct access to advice and funding on resource/energy efficiency, recycling & reuse, sustainable & active travel, exporting (new, novice and more experienced) and strategic business planning for growth;
- Active engagement with networks, intermediaries in the private, academic and third sectors and key influencers to raise awareness and take-up of the programme from equality groups, particularly ethnic minority and female-led SMEs, and
- Utilise a mixed delivery model with CA staff undertaking grant-appraisal, service & contract management and quality assurance, with SME Growth Managers employed by the Local Authorities providing client-engagement, account-management and referral routes into the programme, and with the private and/or academic sectors providing procured technical expertise on benchmarking and measuring productivity, and on implementing new processes.

Feedback from the Business, Economy & Innovation Committee

- 2.12 The BEIC considered a report on the BPP at its inaugural meeting on 18 October 2021. There was unanimous support for the programme to be further developed and to be delivered from April 2022 onwards as a key part of the SME support offer in West Yorkshire. Committee members made the following specific points that have informed the ongoing development and design of the programme: -
- I. Supporting SMEs to improve productivity is critical in terms of economic recovery and growth. Therefore, the programme is very much needed.
 - II. Grants as opposed to loans are most suited to this type of programme and its associated interventions, particularly because the resource requirements of delivering a loan fund with such small amounts would be prohibitively high and because other commercial loan funds (with private and public backing) already operate in this market.
 - III. The Business Growth Programme (BGP) was very successful in unlocking SME investment and creating new jobs, but job creation is not as much of a priority in the current climate. Therefore, it is important to have other clear and measurable outcomes from grant-awards, such as upskilling the lowest paid and lowest qualified staff, contributing to Net Zero and to wider Inclusive Growth priorities.

- IV. Measuring and reporting productivity improvements is difficult, particularly for smaller businesses, therefore, hands-on expert support will be needed.
- V. Support for SME-manufacturers to adopt new technology and build internal production capacity is needed in the current climate i.e. challenges related to supply chain fragility and rising transport and utilities costs, and in relation to setting out their plans for reaching Net Zero.
- VI. The programme will be important in terms of contributing to the Mayoral pledges on Supporting Local Businesses and the Manufacturing Task Force, and could be a vehicle for taking forward the Made Smarter programme in the region, following the recent announcement in the Spending Review of an additional £24m nationally.
- VII. As with the current BGP, the new programme will be a vital tool for the 20 SME Growth Managers to engage with businesses, build trusted relationships with them and then be in stronger positions to effect positive behaviour change and growth in such areas as Net Zero, Inclusive Growth, International Trade and Innovation.
- VIII. There is strong support for the programme from Local Authorities in the region as it has potential to support SMEs across all districts in proportion to, or above, the overall SME stock per district e.g. Calderdale has circa 9% of SMEs and has accessed circa 14% of BGP funding, whilst the respective figures in Kirklees are 14% and 19%
- IX. In response to a question related to demand, it was confirmed that there is a healthy pipeline of SMEs (circa 100) across all districts of the region with expansion projects requesting grant investment, and this level of high demand is expected to continue into 2022/23.
- X. As above, it was confirmed that there is delivery infrastructure in place now across the Local Authorities and the CA to move forward on the programme, if funding can be identified.
- XI. In response to a question related to the amount of funding required to deliver a meaningful programme, it was confirmed that the optimum amount would be between £4m and £6m per year.

Next Steps

- 2.13 The Board's views on the features of the new programme and its proposed delivery are welcome. The received comments will support the ongoing development of the strategic outline and full business cases that will be used to secure funding for delivery from April 2022 onwards.
- 3. **Tackling the Climate Emergency Implications**
 - 3.1 The BPP will support SMEs to invest in new digital technology that will improve efficiency and reduce carbon emissions and waste. It will provide SMEs with direct access to expert advice and guidance on recycling and reuse, energy efficiency and sustainable / active travel. In addition, the BPP will support SMEs to look at the sustainability and diversity of their supply chains (which could reduce carbon emissions and improve footprints) and, where appropriate, implement circular economy principles.

4. Inclusive Growth Implications

- 4.1 It is proposed that SMEs awarded grants of over £25k would be required as a condition of their funding agreements to commit to at least one Inclusive Growth (IG) contribution, and those that are awarded grants of below £25k would be encouraged and supported to do so. Examples of IG contributions could include, upskilling lowest paid employees, providing work placements for people disadvantaged in the labour market, working actively with a local school to inspire the future generation of employees, and implementing sustainable / active travel projects for staff. In addition, all SMEs supported by the BPP could be encouraged to attain the Fair Work Charter and pay staff at least the Real Living Wage.
- 4.2 Active engagement with networks, intermediaries from the private and third sectors and key influencers will be undertaken to raise awareness and take-up of the programme from a more diverse range of businesses, including those led by equality groups and those not previously supported by the CA / LEP. For example, ongoing work with the Yorkshire Asian Business Association (YABA) and the Asian Standard, and engagement with the BAME Committee of the West & North Yorkshire Chamber of Commerce and the Women in Business initiative.

5. Equality and Diversity Implications

- 5.1 The programme will be promoted to all businesses in West Yorkshire, particularly those that have not previously engaged with business support available from the CA / LEP and the wider public sector. This would be aided by ongoing engagement with key business networks and initiatives, such as the Women in Enterprise initiative, the Yorkshire Asian Business Association and the BAME Committee of the West & North Yorkshire Chamber of Commerce. The support would also be proactively promoted via such vehicles as the Asian Standard publication and several radio stations with good reach into equality groups. It would also continue to build strong and trusted working relationships with key influencers who have access to businesses from certain ethnic minority backgrounds. This has been successful on the Business Growth Programme, in particular, which saw take-up of circa 12% from BAME-led businesses in 2020/21.

6. Financial Implications

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

7. Legal Implications

- 7.1 There are no current legal implications directly arising from this report, although legal advice would be required in relation to the new UK Subsidy Controls framework.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report, although delivery of the BPP does impact on several staff members in the CA's Business Support team.

9. External Consultees

- 9.1 Previous consultation with the former Business Innovation and Growth Panel and the Business Investment Panel have influenced early-stage work on a potential BPP.

10. Recommendations

- 10.1 That the Committee provides input to the potential for a new Business Productivity Programme (BPP), in particular providing views on the points and questions outlined at 2.7 and 2.8.

11. Background Documents

None.

12. Appendices

None

Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 30 November 2021

Subject: **HGV and PSV driver shortages**

Director: Brian Archer, Director of Economic Services

Author: Michelle Burton, Head of Employment and Skills

HG1. Purpose of this report

- 1.1 To update the Board on activity to explore issues around driver shortages and actions being taken at a West Yorkshire level.

2. Information

HGV and bus driver shortages

- 2.1 An acute shortage of active HGV drivers in the UK has attracted widespread attention with impacts on the wider economy becoming more evident. A combination of factors has contributed to the current situation, many are long standing issues that have been compounded by recent events.
- 2.2 It has been estimated that 230,000 HGV licence holders under the age of 45 in the UK are choosing to not currently work in the sector and the Road Haulage Association estimates that there is currently a shortage of around 100,000 drivers in the UK. There is a lack of diversity in the sector with very few female (2%) or BAME (2%) drivers.
- 2.3 In addition to this national picture, local intelligence has also highlighted a shortage of bus drivers (Passenger Carrying Vehicles – PSV) which is impacting on the delivery of services.

Round table with industry

- 2.4 Mayor Brabin and Sir Roger Marsh held a roundtable on 12 Oct with the HGV and PSV sectors to better understand the impact on West Yorkshire, vacancy issues, barriers to recruitment and links to training and employment.
- 2.5 For HGV drivers, feedback largely focused on issues beyond training. This included poor facilities across the UK, and European haulage rates that UK firms cannot compete with. Ownership of the issue of lack of parking was unclear. This was highlighted as a contributing factor to the shortage of

women in the HGV workforce. Slightly different challenges were faced by large vs small hauliers.

- 2.6 The roundtable feedback confirmed that there are multiple issues which have resulted in the shortage and recruitment challenges, with the industry focussing predominantly on significant wait times for provisional licences, examinations, and a hiatus in training more examiners. For PSV, employers reported that they weren't experiencing a significant shortage of people attracted to the role, but there are significant wait times for provisional licences, examinations, and a hiatus in training more examiners. An estimate of 95 people are reportedly awaiting licence, which is close to 40% of the c250 PSV driver shortage figures recently reported. Applicants tend to find other jobs while waiting through this process, which is lasting c.6-8 weeks rather than the usual c.7-10 days. This is compounded by a buoyant jobs market doubling the usual turnover rate of 5- 15% leading to a local scarcity of PSV drivers.
- 2.7 Driver shortages have not been caused by barriers to training, and support for training will not address the underlying issues. However, there was support for modest interventions that may have an impact on recruitment in the longer term and contribute to increasing the diversity of the sector/s.

Action being taken in West Yorkshire

- 2.8 The West Yorkshire Combined Authority will amend its Adult Education Budget Funding Rules to allow providers to claim the funding for PSV, HGV and Medical licences. The change will therefore allow for training providers to claim some of the expenses for training HGV and PSV drivers (not currently permitted) – and therefore makes the training programmes more viable. This should incentivise an uptake in training in the area for these sectors, by covering a cost normally covered by individuals and/or absorbed by employers/training providers. Our approach goes further than the national programme by supporting public service vehicle training as well as HGV.
- 2.9 Officers have been asked to explore the following opportunities to bolster a robust talent pipeline into both industries:
1. Bus Driver Apprenticeship Schemes
 2. How we can make best use of unspent levy funds for these sectors
 3. Learning from and/or mirroring the training provision other MCAs (e.g. Tees Valley) have developed to tackle shortages

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report, however, however the contribution of the transport and logistics sector to tackling the climate emergency should be considered in any action arising.

4. Inclusive Growth Implications

- 4.1 AEB supports the inclusive growth agenda by increasing the skills and employability of low skilled residents, connecting them to employment opportunities. There may be a need to consider the impact of sector pay working conditions on the regions skills and employment profile.

5. Equality and Diversity Implications

- 5.1 There is a lack of diversity in both HGV and PSV sectors and action to bolster a robust talent pipeline should include targeted action to attract underrepresented groups into the sector. The sector may need to consider whether/how working practices may also need to change in order to attract a more diverse workforce.

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.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 HGV and PSV employers have been engaged through a round table discussion.

10. Recommendations

- 10.1 That the LEP Board notes and comments on the report as required.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.

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Report to: LEP Board

Date: 30 November 2021

Subject: **State of the Region**

Director: Alan Reiss, Director of Strategy, Communications and Policing

Author: Peter Glover, Economic Evidence Manager

1. Purpose of this report

- 1.1 To provide an update on State of the Region, including details of published outputs, key messages and future plans.
- 1.2 To provide an opportunity for the Board to comment on future plans for State of the Region.

2. Information

Background

- 2.1 State of the Region 2021 is the first annual review of the performance of West Yorkshire against key socio-economic and environmental indicators. The report is intended to provide a stocktake of where West Yorkshire currently stands, using a basket of 40 headline indicators developed as part of the Combined Authority's Strategic Economic Framework. It is designed to be a resource for all partners across West Yorkshire but will also be useful for stakeholders from outside the region, including national government. It highlights areas of strength and positive trends in the local economy but also flags key issues and challenges that are priorities for future action.
- 2.2 The report aims to provide a balanced and objective view of performance in the region and gives some insight into the difference we are making though the combined action of all partners in West Yorkshire. It is not intended to act as an evaluation of the Combined Authority. The headline indicators are high level, strategic indicators that reflect key dimensions of performance in the West Yorkshire economy, the key areas where we would like to see change and improvement in order to support improved living standards and inclusion as set out in the SEF vision.

Publication and key messages

- 2.3 State of the Region was [published](#) on 25 October 2021 and consists of the following main outputs:
- [Main report](#)
 - [Executive summary](#)
 - [Women and Girls report](#)
 - [Interactive dashboard](#).
- 2.4 Publication was supported with a social media communications campaign and emails to key stakeholders, both regional and national.
- 2.5 The key messages from State of the Region are set out in the executive summary provided as an appendix to this paper. These include the following key points:
- Productivity is increasing in West Yorkshire but not quickly enough to make significant inroads into the gap with the UK average.
 - Life expectancy in West Yorkshire remains lower than the England average. The most recent data shows a fall in life expectancy (the first drop in 20 years) due to high mortality rates (Covid-19) in 2020.
 - The proportion of people with no / low qualifications in West Yorkshire is falling and the deficit with the national average narrowed in 2020.
 - Per capita emissions of carbon dioxide in West Yorkshire are below the national average and are on a downward trend. The rate of reduction needs to be significantly accelerated to achieve net zero by 2038.
 - Before the pandemic West Yorkshire saw a decline in trips made by car and an increase in walking but West Yorkshire is still more reliant on the car than nationally.
 - Prior to the pandemic West Yorkshire was the only northern Combined Authority area to achieve a positive net fiscal balance (*net difference per head between tax generated and public sector expenditure*).

Future plans

- 2.6 State of the Region will be refreshed on an annual basis. In response to feedback from stakeholders we propose to enhance State of the Region in its 2022 iteration. This would include the following improvements:
- Addition of a section to cover key indicators relating to policing, crime, and community safety.
 - Increased coverage of equality and diversity issues through preparation of a dedicated mini-report, building on the approach taken to women and girls.
 - A general review of indicators to ensure coverage of all key issues. For example, an indicator relating to the vibrancy of our town and city centres has been suggested for inclusion, as has an indicator of quality of the region's housing stock. Any changes to indicators would be subject to approval by the Combined Authority and LEP Board.

- 2.7 Changes to reporting arrangements are also proposed, with State of the Region indicators becoming more closely aligned to the new Combined Authority committee structure. Under this approach the report would be restructured to reflect the remits of the six committees (plus policing and crime) and each committee would receive regular reporting against the subset of indicators relevant to its work.

3. Tackling the Climate Emergency Implications

- 3.1 State of the Region includes a selection of indicators that measure West Yorkshire's performance against its climate commitments, including trends in carbon dioxide emissions and the emissions intensity of the region's economy.

4. Inclusive Growth Implications

- 4.1 One of the SEF priorities is inclusive growth and State of the Region therefore includes a set of indicators that focus on various aspects of the inclusive growth agenda, including low pay, household income, skills and housing.

5. Equality and Diversity Implications

- 5.1 A number of indicators in State of the Region look specifically at equality and diversity (differences in employment rates for disadvantaged groups, for example) whilst an equality and diversity lens is applied to a wide range of indicators in the report. A separate mini-report has also been produced focusing on women and girls and the plan is to produce a full equality and diversity report as part of 2022's State of the Region.

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.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the LEP Board notes the publication of State of the Region.
- 10.2 That the LEP Board comments on plans for State of the Region 2022.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – State of the Region Executive Summary



State of the Region 2021 Executive Summary



Background and Context

State of the Region 2021 is the first annual review of the performance of West Yorkshire against key socio-economic and environmental indicators. It provides a stocktake using indicators developed as part of the Combined Authority's Strategic Economic Framework. As West Yorkshire takes up its devolved powers

COVID-19 has had a huge impact on all aspects of the West Yorkshire economy during 2020 and 2021, although in many cases this is not directly captured by the indicators because of issues with the timeliness of the available data and the lagging nature of annual reporting. The key implications of the crisis for progress against the priorities are considered within the report but it is not primarily intended to be an assessment of the impact of COVID-19.

It is an opportune and appropriate time to assess the progress the region is making.

with the direct election of its new Mayor, it is an opportune and appropriate time to assess the progress the region is making.





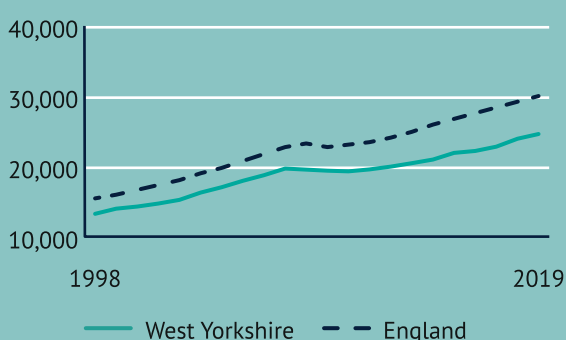
Boosting Productivity

Helping businesses to grow, and invest in the region and their workforce, to drive economic growth, increase innovation and create jobs

West Yorkshire's **economic output** (GVA) grew at a similar rate to the UK average but the relative position on GVA per head did not improve.

Economic output (GVA) per head GVA per head (balanced) at current basic prices

Source: ONS, Sub-regional GVA data



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Output (GVA) per head in West Yorkshire is below the national average and is growing at a slower rate.

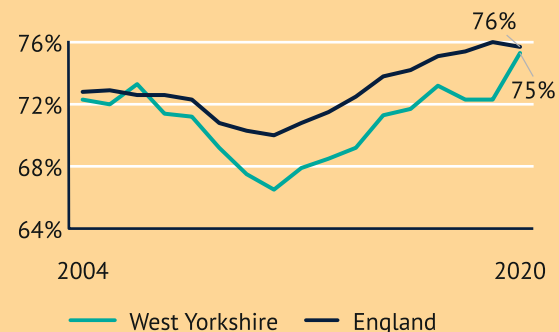
The region's job creation performance has also been positive in recent years, as reflected in the upward trend in its **employment rate**.

Although there is still a gap with the national average against this measure, the region compares favourably with most other Combined Authorities.

Employment rate

Employment rate for all aged 16-64

Source: ONS APS



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West Yorkshire's employment rate is growing and outperforms many comparator areas; the gap with the national average has narrowed.

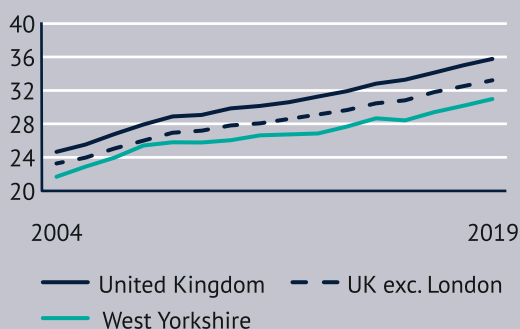
West Yorkshire's **business base** is relatively under-sized, however: it has fewer private sector businesses per head of population than the national average.

The main challenge facing West Yorkshire in this sphere is its **productivity deficit**. Although productivity is increasing in absolute terms there remains a significant gap with the UK as a whole and the gap which opened-up around the recession of 2008 has not closed significantly in recent years. This needs to be tackled if living standards in the region are to be raised.

Productivity

Nominal unsmoothed GVA per hour worked

Source: ONS, Sub-regional productivity data



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Productivity is increasing in West Yorkshire but not quickly enough to make significant inroads into the gap with the UK average.

The region's underperformance on productivity can be traced to a number of factors that constrain its productive capacity. The value of **exports** is relatively low, the proportion of businesses engaging in **innovation** has remained flat in recent years and fewer people have higher level qualifications than nationally.

There are also some bright spots: for example, West Yorkshire has recorded strong growth in **exports of services** in recent years and the proportion of people with **higher level qualifications**, although still below the national average, has improved strongly.

The performance of West Yorkshire's **local authorities** varies, across many of the indicators. Leeds performs relatively strongly on a number of the indicators, including economic output per head, employment rate, productivity (output per hour worked) and higher-level qualifications. But other local authorities can also point to positives; for example, Calderdale's economy has seen the fastest rate of output growth of any in West Yorkshire in recent years.

Whilst the national economy is seeing high growth at the outset of the recovery, there is uncertainty about the **long-term structural impacts of COVID-19** on the type and location of economic activity in future. For example, it is unclear whether the shift to remote working seen during the pandemic will persist in the medium to long term, while the implications of such a change for future productivity are poorly understood.





Enabling Inclusive Growth

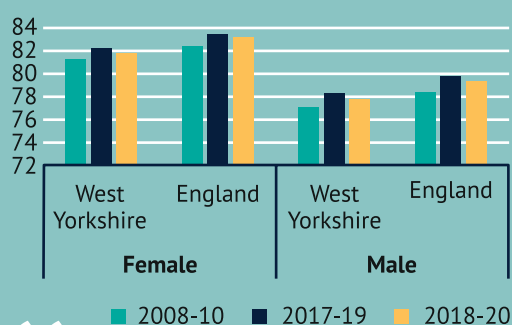
Enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns, irrespective of their background

West Yorkshire underperforms against the national average in respect of many inclusive growth indicators. Perhaps more importantly, there is considerable inequality between

Life expectancy

Male and female life expectancy at birth

Life expectancy by sex, age and area, ONS, September 2021



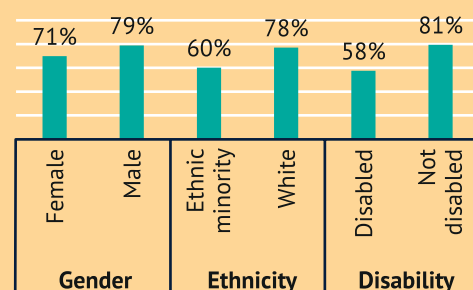
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Life expectancy in West Yorkshire remains lower than the England average. The most recent data shows a fall in life expectancy (the first drop in 20 years) due to high mortality rates (Covid-19) in 2020.

Employment rate gap for disadvantaged groups

Employment rate for all aged 16-64

Source: ONS APS



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Members of some groups are much less likely to be in employment. Prior to the pandemic there were signs that the employment rate gap was narrowing for disabled people and people from ethnic minorities but there is evidence that progress has been affected by the health crisis.

population groups and areas within the region.

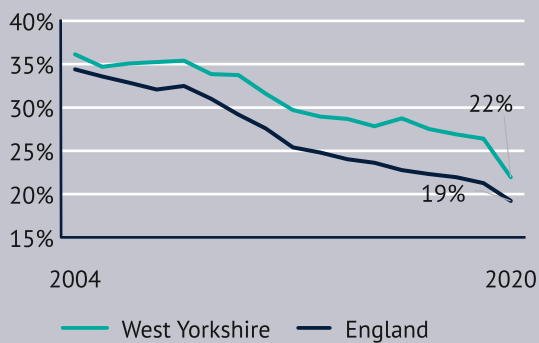
Life expectancy, which to a large extent reflects socio-economic conditions, is lower than the England average in West Yorkshire. In parts of the region there is acute inequality in life expectancy between the most and least deprived neighbourhoods.

The proportion of people with no / low qualifications is falling and the deficit with the national average narrowed in 2020

Supporting good quality **employment** is a key way in which we can promote an inclusive economy. Prior to the pandemic the region was performing well in terms of getting people into work and reducing unemployment; nonetheless some groups, including disabled people, people from ethnic minorities, older people and women were less likely to be in employment.

People with no / low qualifications Percentage of people aged 16-64 qualified below level 2 or with no qualifications

Source: ONS APS



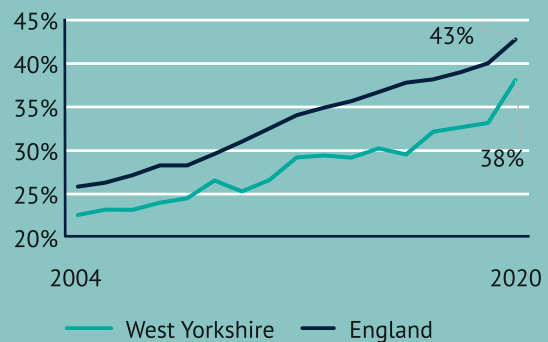
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The proportion of people with no / low qualifications is falling and the deficit with the national average narrowed in 2020.

Not all employment is of good quality. Aside from Leeds, all local authorities in the region have a relatively low proportion of people in **quality work**, based on a combination of pay, hours and preferred contractual status. Looking at pay specifically, one fifth of jobs in the region pay below the Real Living Wage – the hourly rate of pay that offers a decent standard of living.

People qualified at level 4 and above People whose highest qualification is at Level 4 or above - all aged 16-64

Source: ONS APS



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The proportion of people qualified at this level is on an upward trend in West Yorkshire but there is still a significant gap with the national average – albeit narrowing.

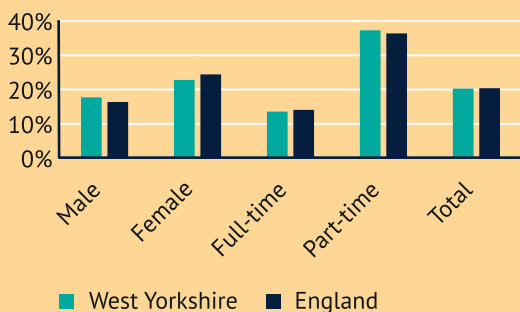


Supporting good quality employment is a key way in which we can promote an inclusive economy

Jobs paying below Real Living Wage

Jobs paying below Real Living Wage by gender and status

Source: Annual Survey of Hours and Earnings, 2020



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The proportion of jobs paying below the Real Living Wage has fallen in West Yorkshire and is now on a par with the national average. Women and part-time workers are more likely to be paid below the Real Living Wage.

Access to employment and career progression to a large extent rely on people having the right **skills**. A lack of skills among the population has long been a key weakness for the region, in terms of individuals having no qualifications or being qualified at a low level. Recent improvements in performance in this area run the risk of being undermined by the negative impact of the pandemic, with a reduction in the

number of apprenticeships and an increase in the number of young people who are NEET (not in education, employment or training).

Household incomes in West Yorkshire are some way below the national average on a per capita basis and the gap is widening. There is a mixed picture on living standards in the region.

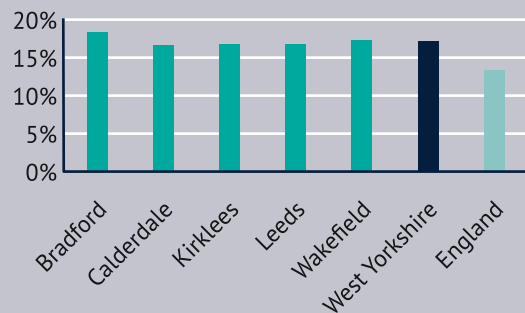
The **housing stock** is growing, **house prices** are affordable and **rents** comparatively low. But there are issues around housing quality: fuel poverty is a key challenge, for example.

There is a risk that the legacy of the **pandemic** could undermine progress and exacerbate existing disadvantage and inequalities in West Yorkshire across a range of dimensions.

Fuel poverty

Proportion of households in fuel poverty, 2019

Source: Fuel poverty detailed tables, Department for Business, Energy and Industrial Strategy, 2021



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Around 169,000 households in West Yorkshire (17% of all households) are in fuel poverty, a prevalence that is above the national average (13%).

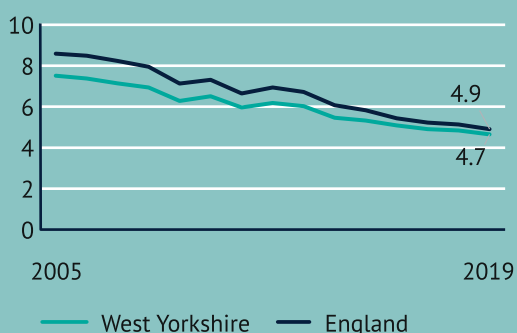


West Yorkshire has declared a climate emergency and is committed to becoming a net zero carbon economy by 2038

Carbon dioxide emissions

Per capita carbon dioxide emissions (t CO2 per head)

Source: UK local authority carbon dioxide emissions estimates 2019, Department for Business, Energy and Industrial Strategy, 2021



“

Per capita emissions in West Yorkshire are below the national average and are on a downward trend. The rate of reduction needs to be accelerated to achieve net zero by 2038.

Tackling the Climate Emergency

Growing our economy while cutting emissions and caring for our environment

West Yorkshire has declared a climate emergency and is committed to becoming a net zero carbon economy by 2038 and to making significant progress against this challenge by 2030. Net zero carbon means emissions produced and emissions taken in are balanced.

The latest data indicate that CO2 end-user **emissions** in West Yorkshire stand at around 10.8 Mt CO2. This equates to 4.7 tonnes per capita, slightly below the national average of 4.9 tonnes.

Carbon dioxide emissions have fallen less quickly in West Yorkshire than nationally over



the last decade for which we have data, but West Yorkshire's starting point was lower in per capita terms.

A continuation of current rates of **emission reduction** in West Yorkshire will not be sufficient to achieve the target of net zero by 2038. It is projected that current policies will only achieve a fraction of the further reductions required to meet the net zero target.

Over the last decade, emissions from the industry, commercial and domestic sectors of the regional economy fell substantially but **transport emissions** did not register a sustained reduction.

Carbon dioxide (CO₂) **emissions intensity** measures the level of emissions per unit of gross value added (GVA) and can be used to examine the relationship between economic growth and emissions. The emissions intensity of the West Yorkshire economy, in terms of CO₂ emissions (kt) per £m of GVA, is slightly above the national average and is higher than most of the comparator areas. The region's emissions intensity fell by 40% between 2005 and 2019.

National data show that there was a significant fall of around 11% in the **UK's CO₂ emissions** in 2020, linked to the effects of the pandemic. This was manifested in a large reduction in the use of road transport and a fall in emissions from the business sector.

Buildings are responsible for almost 40% of the UK's energy consumption and carbon emissions. Improving the **energy efficiency** of properties is an important lever for reducing emissions but also for helping households to manage their

The region's emissions intensity fell by 40% between 2005 and 2019.

living costs. The average Energy Performance Certificate rating for domestic properties in West Yorkshire is D (using a scale of A – most efficient to G – least efficient). This is similar to the national average but significant progress is required to meet the government's target to upgrade as many homes as possible to EPC Band C by 2035.

Providing local people with access to nature is vital to health and quality of life. Currently, just over a fifth of West Yorkshire's population have easy access to local **natural greenspace**.

Flooding is likely to become a more frequent occurrence as a result of climate change. Around 4% of residential properties in West Yorkshire fall within a flood zone, rising to more than 6% in Calderdale. A significant proportion of neighbourhoods in Bradford and Calderdale are acutely vulnerable to the effects of flooding.





Delivering 21st Century Transport

Creating efficient transport infrastructure to connect our communities, making it easier to get to work, do business and connect with each other.

A key purpose of an effective transport system is to connect people to better living standards and higher earning jobs. There has been good progress against our key indicator in this area: West Yorkshire's **access inequality ratio** has improved substantially: 85% of jobs that can be reached

within 30 minutes by car from the most deprived neighbourhoods are also accessible in that time via the bus network, up from 68% in 2016/17.

The West Yorkshire Transport Strategy sets out an ambition to reduce **reliance on private car journeys** and substantially grow the number of trips made using sustainable transport. Sixty-one per cent of trips in West Yorkshire are made by car (slightly above the national average) but the car's share of total trips was falling even before the COVID-19 crisis, just as walking was increasing its share. The bus plays a vital role for those who lack access to a car but its share of trips is also falling, although it plays a more important part in the transport mix in West Yorkshire than nationally.

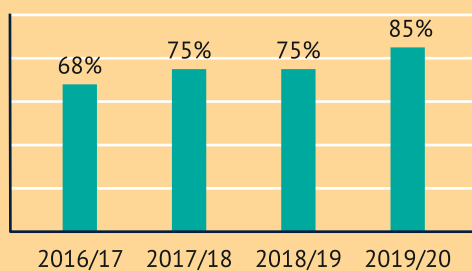
The transport system must play its part in creating clean, safe, healthy places for communities and businesses. Ensuring the safety of all users of our streets and highway network is essential to this as well as enabling people to feel confident to walk or cycle more. For the key indicator of reported **road casualties**, there is a mixed picture. The number of killed or seriously injured casualties arising from traffic accidents has fallen in West Yorkshire in recent years but is still higher than the national average relative to vehicle miles travelled.

¹ This is the ratio of number of jobs accessible in 30 minutes using frequent bus network from most deprived areas in West Yorkshire, to the number of jobs accessible by car in 30 minutes from same areas, during the morning peak

Access inequality ratio

Access inequality ratio (employment)¹

Source: Combined Authority analysis

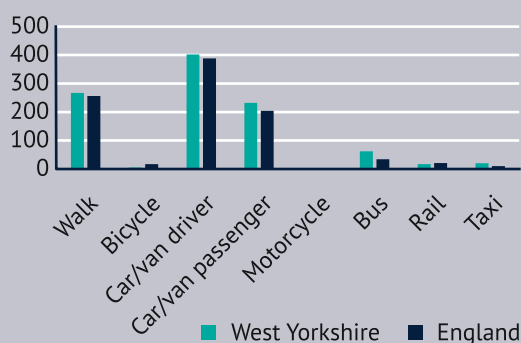


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Inequality of physical access to employment from the most deprived areas in West Yorkshire improved substantially in 2019/20

West Yorkshire mode share

Average trips per person and year by mode
(2017/19 average) *National Travel Survey,
Department for Transport, 2020*



“

Before the pandemic West Yorkshire saw a decline in trips made by car and an increase in walking but West Yorkshire is still more reliant on the car than nationally

Better planning and management of West Yorkshire’s transport networks is essential and smart ticketing products like **MCard** contribute to this. Around 18m bus trips were made using the MCard during 2019, improving the affordability, ease, and experience of bus travel in West Yorkshire. The proportion of travel tickets bought through the MCard mobile app rather than traditional outlets has increased to 35% since its introduction in 2017.

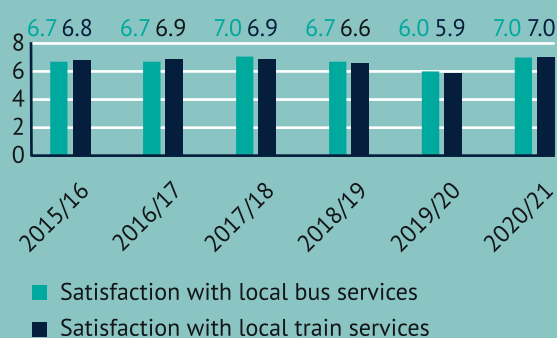
Satisfaction with transport infrastructure, is a key measure of performance and public perceptions. In spite of an improvement in ratings in 2020/21, public satisfaction with highway infrastructure remains relatively low, with road maintenance elements having the lowest levels of user satisfaction.

Satisfaction with local public transport in West Yorkshire is high, when compared with other aspects of the transport system. The level of satisfaction increased in 2020/21, despite the impact of the pandemic on the operation of the system.

It is uncertain what patterns of travel will emerge over time following the pandemic, particularly around the potential for a sustained shift to home working. There is an opportunity to consolidate the changes in travel choices seen under lockdown and support a shift away from carbon-intensive travel to sustainable modes as the economy recovers and grows, to meet the challenge of becoming a net-zero carbon city region by 2038.

Satisfaction with public transport

Satisfaction with bus and rail services in the region *Source: Residents’ Perceptions of Transport Survey*



“

Satisfaction with public transport services increased in 2020/21 in spite of the effects of the pandemic. But the broad trend over time is flat.



Securing Money and Powers

Empowering the region by negotiating a devolution deal and successfully bidding for substantial additional funds.

Major progress has been achieved against this priority. In March 2020 the West Yorkshire Combined Authority and the Leeds City Region LEP agreed a substantial devolution deal with government to unlock significant long-term funding of at least £1.8 billion and give our region greater freedom to decide how best to meet local needs. The election of the West Yorkshire Mayor, Tracy Brabin, in May 2021 provides greater accountability in the exercise of these powers.

One of the measures of success in exercising the devolved powers will be the region's ability to grow its economy and make an increased **net contribution to HM Treasury**.

Before the pandemic West Yorkshire was making a small positive net fiscal contribution, the only Combined Authority area in the North of England with a positive net fiscal balance.

The additional public expenditure and reduced tax

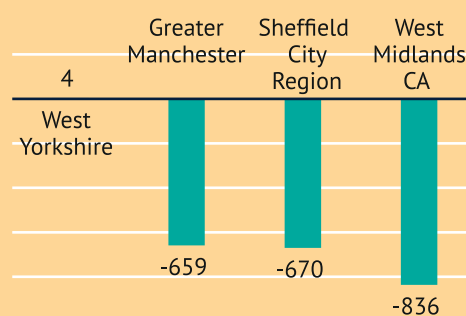


receipts associated with the pandemic will have impacted on the region's fiscal balance but the previous performance against this indicator shows that West Yorkshire has the potential to make a positive contribution in future, subject to achieving a strong economic recovery as we emerge from the pandemic.

Net contribution of local area to exchequer

Net difference per head between tax generated and public sector expenditure, 2017/18

Source: Espresso area comparison tool, GMCA



“

According to the latest (pre-pandemic) figures West Yorkshire achieved a positive net fiscal balance in 2017/18. It is the only northern Combined Authority to do this. COVID-19 will have had a significant impact on the public finances since then.

Find out more

westyorks-ca.gov.uk

Twitter: [@westyorkshireca](https://twitter.com/westyorkshireca)

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 30 November 2021

Subject: **Committee Update Report**

Director: Angela Taylor, Director, Corporate and Commercial Services

Author: James Young, Governance Services Team Leader

1. Purpose of this report

- 1.1 To provide the LEP Board with a brief update from the six Thematic Committees at the West Yorkshire Combined Authority. Any substantial items from the committees will be brought to the LEP Board as separate agenda items for comment and feedback.

2. Information

Thematic Committee Updates

2.1 Business, Economy and Innovation Committee

- 2.1.1 The Committee considered its forward work programme and in particular how it would direct the work of the Mayor's Business Pledge. The Committee welcomed opportunities to cross collaborate with other Committees and in particular draw strong connections between their work and employment and skills, particularly recognising the short and medium term needs of businesses in economic recovery from COVID-19 and the challenges around current recruitment and progression of skills. The committee particularly welcomed the opportunity to participate in joint 'deep dives' into specific topics outside of the formal committee meetings as part of the policy and programme development process.
- 2.1.2 The Committee received updates on existing business support activities and trade and investment activities, and particularly welcomed the new activity coming forward. This includes the £6 million Entrepreneurship programme being delivered as part of the West Yorkshire (WY) Economic Recovery Plan. It is focused on a 'ladder of enterprise support' across three inter-connected workstreams that will help individuals in the region to explore and establish new businesses. The delivery of the first two of those workstreams were formally launched at an event 3 November, which was promoted to the Committee.

- 2.1.3 The Committee also considered the current challenges for the stability and resilience of the Business Support Eco-system in the region caused by the ending of a number of funding streams including from European Structural Funds and the Local Growth Fund, and there is no detail yet on the replacement funds. This has the potential of reducing capacity in the short term, which the Committee agreed would be damaging at a time when supporting business productivity would be key to economic recovery.
- 2.1.4 The Committee also considered two new strategies, on Trade and Healthtech, which were recommended to be brought forward to the LEP Board. They also considered the new Business Productivity Programme and recommended that this be brought forward to the LEP Board for consideration following a positive discussion on the need for this programme.

2.2 Climate, Energy and Environment Committee

- 2.2.1 The Committee approved the West Yorkshire Climate and Environment Plan at its first meeting on the 19 October 2021. This approval supported the approval of the Plan by the Combined Authority on the 22 October 2021. The Plan is the Mayor's and Combined Authority response to tackling the climate emergency, protecting the environment and achieving a net zero West Yorkshire.
- 2.2.2 The Mayor is committed to bring forward a Climate and Environment Fund and to securing the £85m funding needed for the actions for the Combined Authority. The Combined Authority will work with partner local authorities to design the delivery mechanisms for this fund. So far, £800,000 has been committed by the Mayor and Combined Authority to a Net Zero Region Accelerator programme to bring forward finance and funding for climate and environment projects that support delivery of the West Yorkshire Climate and Environment Plan. The next stage is to identify potential funding sources for the Fund, including the Single Investment Fund.
- 2.2.3 The Committee also approved the White Rose Forest Action Plan 2021 - 2025. The White Rose Forest is the community forest covering West and North Yorkshire and forms part of the Northern Community Forest. The White Rose Forest is the community forest for North and West Yorkshire and part of the Northern Forest. It is the partnership delivery vehicle for tree planting across the region. By 2025 the aim is to have planted 7 million new trees covering 3,500 hectares with an ambition of 160 million by 2050, increasing tree cover from 11% to 19%. The funding streams to make this happen are diverse drawing on national government and agencies (Forestry Commission England), local authorities, charities (Woodland Trust) and private sponsorship (Northern Gas Networks). The Mayor will be launching the Plan on the 17 November 2021.
- 2.2.4 A summary of the upcoming UN Framework Convention on Climate Change was provided. The conference and negotiations have now concluded. The reception to the 'Glasgow Climate Pact' has been mixed, and you can read it for yourself here [Decision 1/CMA.3 \(unfccc.int\)](https://unfccc.int/decision1/cma.3). One thing that COP26 did

prove is that the Paris Agreement is working. Since its inception, the world has moved from a near 4C warming trajectory to near the 2C threshold of the Ambition set back in 2015. More is needed, but the Glasgow Climate Pact has proven that 1.5C is the “north star” for political and societal movements.

2.3 Culture, Arts and Creative Industries Committee

- 2.3.1 Due to an administrative error, elected members were not invited to the committee and the meeting was inquorate. Although the Committee was inquorate, the meeting took place as an informal meeting to enable those in attendance to provide input into the future workstream of the Committee. Members noted the terms of reference and, using the remit of the Department for Culture, Media and Sport as a baseline, reviewed the sectors it is seeking to cover. Members suggested that gambling and telecoms would not be a priority, but that the Committee should take a strong interest in the role of culture and heritage in supporting tourism.
- 2.3.2 The Committee reviewed the evidence base underpinning its work and asked for further consideration of understanding the role of freelance practitioners and the retention of graduates within West Yorkshire. Members also want to understand constraints to growth of both businesses and participation in the sector, and where there is a lack of cultural, sporting and heritage opportunities within communities.
- 2.3.3 In considering its role in delivery of the Mayoral pledges and, in particular, the Creative New Deal, members asked to focus on effecting long term change, developing leadership within the sector and sustainable approaches to improving the socio-economic, disability and ethnic diversity of both practitioners and participants. Members supported the focus on towns and the central role of theatre and emphasised that any Town(s) of Culture approach must seek to unite communities and support them to share best practice.
- 2.3.4 The wide-ranging input provided by Committee members, alongside evidence of the impact of Covid-19 on the sector, will inform a review of the Leeds City Region Cultural Framework, which was considered by the LEP Board in draft in February 2020.

2.4 Employment and Skills Committee

- 2.4.1 The five Local Authorities, working with their local FE Colleges, have commenced work on a proposed approach to the future commissioning and allocation of AEB that aims to recognise the strategic as well as the delivery role of Local Authorities. The detail of the proposed approach is being developed and an update will be presented to the Committee in January.
- 2.4.2 The Committee received an update and endorsed the approach to the development of the Mayoral Pledges of ‘1000 skilled green jobs for young people’ and ‘prioritise skills and training so that everyone has access to good work’. The Committee welcomed opportunities to cross collaborate with other Committees on development of remaining pledges, particularly noting the Fair

Work Charter. It was suggested that there is an opportunity for colleges to collaborate with the Committee on the Digital Skills Academy sub pledge, and through possible future rounds of funding for an Institute of Technology.

- 2.4.3 The Committee reviewed and agreed the forward plan and prioritised skills brokerage and support for businesses for further exploration.
- 2.4.4 The Local Digital Skills Plan vision and high-level priorities were endorsed with commendation from private sector employers, in particular. The full plan will now be developed by the Local Digital Skills Board and presented to the Committee for endorsement in the new year.
- 2.4.5 The Committee noted an update on the Adult Education Budget, acknowledging that West Yorkshire has prepared for AEB devolution faster than any other Combined Authority and is already using the powers and autonomy address local issues, such as a shortage of bus and HGV drivers.
- 2.4.6 The Committee considered a proposal submitted by the TUC to request funding for the Union Learning Fund (ULF). The ULF was withdrawn by government in March 2021 and re-focussed toward on college budgets. Around 200,000 workers were supported into learning or training with union support. The committee was asked to consider sources of funding for £170k towards a coordination post for two years. The Committee was supportive of the proposal should funding be available.
- 2.4.7 The Committee noted an update on the progress of employment and skills programmes, including:
 - Over £1.8 million has been pledged to date through the **Apprenticeship Levy Transfer Service**.
 - £13m of devolved funding has been invested to support people adversely impacted by the covid 19 pandemic through the **Employment Hub** brokerage service and an **Adult Skills Training** Framework.
 - The launch of **Enterprise West Yorkshire** in November 2021 comprising a 3 step “ladder” of support

2.5 Place, Regeneration and Housing Committee (6 September 2021)

- 2.5.1 **Governance Arrangements** - To advise Place, Regeneration and Housing Committee of the governance arrangements approved by the West Yorkshire Combined Authority (the Combined Authority) at the Annual Meeting on 24 June 2021 in respect of the committee.
- 2.5.2 **Housing Pledge** - To set out the opportunities and challenges of the Mayor’s pledge to support the delivery of 5,000 affordable homes in West Yorkshire over the next three years.
- 2.5.3 **Brownfield Housing Fund Update** To provide members of the committee with an update on delivery of the Brownfield Housing Fund

2.5.4 **Planning Review Recommendations** - To update and seek approval of the revised Strategic Planning Review Recommendations.

2.5.5 The meeting of the committee on 25 November was held after the publication of this paper and will be reported at the next LEP Board meeting

2.6 Transport Committee

2.6.1 The Combined Authority was awarded £830m as its City Region Sustainable Transport Settlement in the Government's spending review. Details are being developed with Department for Transport officials, to utilise this funding to enable the Combined Authority to start developing its plans for a mass transit system and progress plans to improve the bus network with bus priority with more zero-emission electric buses and to support sustainable and active travel.

2.6.2 The submission of the region's Bus Service Improvement Plan (BSIP) has been a key issue for the Transport Committee. Government required all Local Transport Authorities to submit a BSIP by the end of October setting out the region's ambitions for its bus service. The Combined Authority set out a plan to provide.

- An enhanced and more cohesive bus network – which takes people where they need to go, when they need to go.
- Clear and simple fares – to make paying for bus travel more affordable, easier, convenient and flexible.
- Improved, more inclusive customer service and support – so passengers have the tools to travel with confidence and the help they need if their journey does not go to plan.
- Priority for buses on our road – so journeys by bus are quicker, with less time spent stuck in traffic, and are a viable alternative to the private car.
- More green and better vehicles – to improve the onboard experience and make bus the sustainable choice for travel in West Yorkshire.

Government is expected to announce funding to support the BSIP early in 2022.

2.6.3 The Transport Committee received an update in September on transport decarbonisation activity. The Combined Authority had declared a climate emergency in June 2019, and at the same time committed to becoming carbon-free by 2038, with significant progress due to be made by 2030. The West Yorkshire Climate and Environment Plan was approved as the Mayor and Combined Authority's response to the climate emergency at the October meeting of the Combined Authority. The Transport Committee also considered preliminary work on developing a new Rail Strategy and updating the Future Mobility Strategy.

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report. Any implications from reports will have been addressed at the respective meeting of that Thematic Committee.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report. Any implications from reports will have been addressed at the respective meeting of that Thematic Committee.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report. Any implications from reports will have been addressed at the respective meeting of that Thematic Committee.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report. Any implications from reports will have been addressed at the respective meeting of that Thematic Committee.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report. Any implications from reports will have been addressed at the respective meeting of that Thematic Committee.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report. Any implications from reports will have been addressed at the respective meeting of that Thematic Committee.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the LEP Board notes the updates from the Thematic Committees.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

There are no appendices to this report.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 30 November 2021

Subject: **Governance Arrangements**

Director: Angela Taylor, Director Corporate and Commercial Services

Author: Julie Haigh, Senior Executive Support Officer

1. Purpose of this report

- 1.1 To ask Leeds City Region Enterprise Partnership Board (the LEP Board) to confirm **Mark Roberts** as the Chair of the Business Communications Group
- 1.2 To receive the recommendations in Appendix 1 in relation to private sector membership of the Committees and to recommend these to the Combined Authority.

2. Information

Business engagement

- 2.1 To ensure the LEP receives input from a broad range of business stakeholders across key sectors, the Business Communications Group (BCG) continues to meet to input on LEP priorities, with a focus on ensuring early engagement on key issues and development. The role and membership of the BCG will be reviewed in the coming months to ensure it fully covers all the key priorities contained in the Strategic Economic Framework. The LEP Chair has been the interim Chair of the BCG in recent months, however it is now proposed that **Mark Roberts** will chair the BCG going forward.

Combined Authority Committees

- 2.2 The Combined Authority Committees advise both the Combined Authority and the LEP, with Committee Chairs reporting to the LEP Board. The Committees are as follows:
 - Business, Economy & Innovation Committee
 - Employment and Skills Committee
 - Climate, Energy & Environment Committee

- Culture, Arts & Creative Industries Committee
- Place, Regeneration & Housing Committee
- Business Investment Panel

2.3 A number of existing private sector Committee members' terms of office are due to come to an end imminently. It is proposed that their terms are extended as a reflection of the valuable contribution they make to the work of the Committees and the LEP as a whole and the importance of ensuring continuity whilst work is ongoing to refresh membership of all the Committees over the coming months.

2.4 The LEP Board is therefore asked to receive the recommendations as set out at **Appendix 1** to this report and recommend these to the Combined Authority at its next meeting.

3. Tackling the Climate Emergency Implications

3.1 None arising directly from this report.

4. Inclusive Growth Implications

4.1 Inclusivity will be fully embedded in the objectives of each thematic committee of the Combined Authority. The designation of an inclusivity lead to each Committee will assist in embedding Inclusive Growth as a 'golden thread' through the Combined Authority's decision-making arrangements. It is anticipated that each Committee will be responsible for inclusive growth indicators relevant to its remit.

4.2 All members of the LEP Board, including co-optee Members, will be expected to promote the cause of inclusive growth as well as the opportunity of becoming a private sector Member once the recruitment campaign is underway.

5. Equality and Diversity Implications

5.1 Future work to refresh the Committees will be undertaken in line with the organisation's Equality and Diversity policy building on and enhancing the good practice of the Strengthened Local Enterprise Partnerships Review.

6. Financial Implications

6.1 None arising directly from this report.

7. Legal Implications

7.1 None arising directly from this report.

8. Staffing Implications

8.1 None arising directly from this report.

9. External Consultees

9.1 None.

10. Recommendations

10.1 The LEP Board is asked to:

- note the contents of this report
- consider the recommendations in relation to private sector members of the Combined Authority Committees as at **Appendix 1**
- propose these to the Combined Authority at their next meeting.

10.2 Confirm **Mark Roberts** as the Chair of the Business Communications Group.

11. Background Documents

11.1 None.

12. Appendices

Appendix 1 – Private Sector representatives on Combined Authority Committees

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Private Sector representatives on CA Committees (as at November 2021):

Committee	Private Sector Representative	Organisation	Sector	Current term of Office	Recommendation:
Business, Economy & Innovation	Andrew Wright (Deputy Chair)	Hainsworth Ltd	Manufacturing	30 April 2023	
	Mike Danby	Advanced Supply Chain	Distribution	31 December 2021	Membership to end 31 December 2021
	Philip Wilson	Slipstream Design	Digital	31 December 2021	To endorse his membership of the Committee and to extend the term of office to 31 December 2022
	Simon Wright	Pexa	Financial Services	31 December 2021	To endorse his membership of the Committee and to extend the term of office to 31 December 2022
	Richard Paxman	Paxman Coolers Ltd	Manufacturing	30 April 2023 (with a further 3 year option)	
	Karl Oxford	African & Caribbean Business Ventures Ltd	Third Sector	21 October 2024	
	David Sidlow	BorgWarner Ltd	Manufacturing	30 April 2023 (with a further 3 year option)	Stepping down 31 January 2022
	Martin Booth	Witt UK Group	Manufacturing	31 December 2023	
	Mandy Ridyard	Produmax Ltd	Manufacturing	24 June 2024	
	Amir Hussain	Yeme Architects	Creative	30 June 2023	

Private Sector representatives on CA Committees (as at November 2021):

Committee	Private Sector Representative	Organisation	Sector	Current term of Office	Recommendation:
Employment and Skills	Rashik Parmar (Deputy Chair)	IBM Academy of Technology	Digital	30 April 2022	
	Martin Booth	Witt Group Uk	Manufacturing	31 December 2023	
	Glynn Robinson	BJSS	Digital	31 December 2021	Membership to end 31 December 2021
	Mark Cowgill	Exa Networks	Digital	30 April 2023 (with a further 3 year option)	
	Orlagh Hunt	Yorkshire Building Society	Financial services	30 April 2023 (with a further 3 year option)	
	Richard Mason	ao	Retail	30 April 2023 (with a further 3 year option)	
	Liz Needleman	BT	Communications & digital	30 April 2023 (with a further 3 year option)	
	Amanda Stainton	Portakabin Ltd	Manufacturing	31 May 2023	
	Claire Paxman	Paxman Coolers Ltd	Manufacturing	30 June 2023 (with a further 3 year option)	

Private Sector representatives on CA Committees (as at November 2021):

Committee	Private Sector Representative	Organisation	Sector	Current term of Office	Recommendation
151 Climate, Energy & Environment	Mark Roberts (Deputy Chair)	Beer Hawk Ltd	Retail	24 June 2024	
	Simon Pringle	Project Rome	Commercial strategy/innovation	30 April 2023	
	Bill Firth	emr group	Infrastructure/energy	31 December 2021	To endorse his membership of the Committee and to extend the term of office to 31 December 2022
	Natasha Luther-Jones	DLA Piper	Legal	31 December 2021	To endorse his membership of the Committee and to extend the term of office to 31 December 2022
	Alice Owen	University of Leeds	Higher Education	31 December 2021	Stepping down 31 December 2021
	Richard Goodfellow	Addleshaw Goddard	Legal	30 April 2023 (with a further 3 year option)	
	Ben Tongue	NHS Digital	Health/Digital	30 April 2023 (with a further 3 year option)	
	Leah Stuart	Civic Engineers	Engineering	30 April 2023 (with a further 3 year option)	

Private Sector representatives on CA Committees (as at November 2021):

Committee	Private Sector Representative	Organisation	Sector	Current term of Office	Recommendation
Place, Regeneration & Housing	Andrew Latchmore	Shulmans	Legal/ Professional services	14 December 2023	Stepping down with immediate effect
	Amir Hussain (Deputy Chair)	Yeme Architects	Creative	30 June 2023	
	Helen Featherstone	Yorkshire Sculpture Park	Culture	31 December 2023 (with a further 3 year option)	Stepping down with immediate effect
	Sam Keighley	Yorkshire Sport Foundation	Culture	21 October 2024	

Private Sector representatives on CA Committees (as at November 2021):

Committee	Private Sector Representative	Organisation	Sector	Current term of Office	Recommendation:
Culture, Arts & Creative Industries	Helen Featherstone (Deputy Chair)	Yorkshire Sculpture Park	Culture	24 June 2024 (with a further 3 year option)	
	Alan Lane	Slung Low	Culture/Arts	22 October 2024 (with a further 3 year option)	
	Amy Foster	Creative Scene	Creative Industries	22 October 2024 (with a further 3 year option)	
	Bolu Fagborun	East Bierley Community Sports Association	Sports	22 October 2024 (with a further 3 year option)	
	Nat Edwards	Thackray Museum of Medicine	Heritage	22 October 2024 (with a further 3 year option)	
	Deborah Munt	Culture, Wellbeing & Social Impact Developer	Culture	22 October 2024 (with a further 3 year option)	
	Syima Aslam	Bradford Literature Festival	Arts & Culture	22 October 2024 (with a further 3 year option)	
	Kully Thairai	Leeds 2023	Culture	22 October 2024 (with a further 3 year option)	
	Kamran Rashid	Impact Hub Ltd	Third Sector	22 October 2024 (with a further 3 year option)	

Private Sector representatives on CA Committees (as at November 2021):

Committee	Private Sector Representative	Organisation	Sector	Current term of Office	Recommendation:
Business Investment Panel	Simon Wright	Pexa	Financial Services	31 December 2021	To endorse his membership of the Committee and to extend the term of office to 31 December 2022
	Michael Allen	NatWest	Financial Services	3 January 2022	To endorse his membership of the Committee and to extend the term of office to 3 January 2023
	Jonathan King	Medusa Holdings Ltd	Manufacturing	3 January 2022	Stepping down on 3 January 2022
	Gareth Yates	Amazon	Professional Services	3 January 2022	To endorse his membership of the Committee and to extend the term of office to 3 January 2023
	Colin Glass	WGN	Professional Services	26 September 2021	

Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 30 November 2021

Subject: **Corporate Performance Report**

Director: Angela Taylor, Director, Corporate and Commercial Services

Author(s): Louise Porter, Corporate Planning and Performance Manager

1. Purpose of this report

- 1.1 To provide the LEP Board with an update on a range of corporate and governance matters.

2. Information

- 2.1 As previously agreed, a corporate performance report is now being submitted to each meeting of the LEP Board, to provide information on budgets, performance management, risk, audit, scrutiny and any other matters that emerge. This is in line with recommended practice as set out in the Strengthened Local Enterprise Partnerships document and in line with the commitments in the Assurance Framework.

Revenue Budgets

- 2.2 External audit work on the 2020/21 final accounts were concluded, published and reported / approved by the Governance and Audit Committee on 30th September 2021. The final accounts received an overall unqualified opinion. Further work is to be undertaken on Value For Money, with the auditors due to report no later than 31 December 2021. The final audited accounts included the LEP financial statement as reported in draft to the June meeting. No changes were proposed and the final LEP financial statement has been published on the website with no changes.
- 2.3 Monitoring of the 2021/22 budget continues. Whilst risks remain particularly around the impact of and recovery from the pandemic the current forecast remains unchanged at this stage. The risk of not receiving the full CLG core funding for the LEP next year remains very real although the remaining £250k of the expected amount for this year has now been confirmed by government, as there was no clarity on this in the recent Comprehensive Spending Review.
- 2.4 Work is underway to develop the budget for 2022/23 and refresh the medium term financial strategy and further reports will be brought to the LEP during the

process. The LEP Chair is a member of the Finance, Resources and Corporate Committee that is overseeing the development of the budget.

2021/22 LEP Annual Delivery Plan and Corporate Plan

- 2.5 The 2021/22 LEP Annual Delivery Plan is available on the LEP website.
- 2.6 The Delivery Plan for 2022/23 has been developed as a standalone document, but will also form an integral part of the organisation's overarching Corporate Plan, which sets out the priorities for the LEP and the Combined Authority as a whole.
- 2.7 This wider Corporate Plan for 2022/23 is currently being developed, building on the plan in place for 2021/22. This was extensively reviewed following the transition to the new Mayoral Combined Authority model in May 2021, in order to reassess the key priorities of each of the six directorates and to ensure the mayoral pledges and priorities are adequately reflected in these.

2021/22 Corporate Performance

- 2.8 Corporate key performance indicators have been developed for this year and have been considered by the Finance, Resources and Corporate Committee to ensure they address the ambition of the organisations. For this year each indicator also has a focus on equality, diversity and inclusion within it.
- 2.9 The indicators are attached as **Appendix 1**, Performance to date against them is indicated by the RAG status.

Corporate risk update

- 2.10 In line with the provisions of the corporate risk management strategy, regular review of the key strategic risks affecting the organisation continues to be undertaken and the corporate risk register updated accordingly.
- 2.11 A summary of the headline strategic risks is included at **Appendix 2** to this report.

Internal Audit

- 2.12 The internal audit plan as approved by the Governance and Audit Committee of the Combined Authority covers the activities of the whole organisation. Recent audits completed include a project review of the Growth Deal funded Natural Flood Management – Colne and Calder, which received a reasonable assurance rating (Green on the RAG system) and Risk Management Systems which also received a reasonable (Green) assurance rating.

Overview and Scrutiny Committees

- 2.13 At the June meeting of the Combined Authority it was agreed to create three Overview and Scrutiny Committees for the coming year, with the broad remits

of corporate, economic and transport. The work programmes for the new committees are at an early stage of development and the LEP Board will be advised of any work that is directly relevant to its activities.

3. Clean Growth Implications

3.1 None arising directly from this report.

4. Financial Implications

4.1 As set out in the report.

5. Legal Implications

5.1 None arising directly from this report.

6. Staffing Implications

6.1 None arising directly from this report.

7. External Consultees

7.1 None.

8. Recommendations

8.1 That the LEP Board note the corporate performance information provided.

9. Background Documents

9.1 None.





10. Appendices



Appendix 1 – 2020/21 KPIs





Appendix 2 – Strategic risks



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Appendix 1: Corporate Key Performance Indicators 2021-22

Boosting productivity: helping businesses to recover from the Covid-19 pandemic and helping people find and retain good jobs in a post-Brexit landscape							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result & direction of travel		Notes
BP1	Implement the Covid Economic Recovery Plan (ERP) and respond to the challenges/opportunities of Brexit, providing intensive support to businesses	ERP endorsed by Combined Authority board by Sept 2021 Targets to be updated/ revised	Head of Economic Policy	ERP focusses on achieving a fair, just and lasting recovery - with inclusive growth central to this. A basket of 15 indicators has been selected from the SEF indicators, and will be reported through the State of the Region.	GREEN	On track - plan considered by the Combined Authority on 9 September 2021 	A revised version of the ERP, incorporating the Mayor's vision and pledges for economic recovery, was presented to the Combined Authority at their September meeting. Each of the Committee's of the Combined Authority will now be taking forward discussions on relevant elements of the plan, and how they will be delivered through the work programmes of those Committees
BP2	Ensure successful commissioning and delivery of Adult Education Budget services.	Contract with a minimum of 40 training providers	Head of Employment & Skills	We have embedded our Equality, Diversity and Inclusion aspirations into our provider base monitoring, linking to our equality impact assessment to support protected characteristics groups. 2021/22 to be a baseline year with 2019/20 figures to be used as baseline as follows: <ul style="list-style-type: none"> 43% Learners from ethnic minority groups (WY demographic 20%) 23% Learners with learning difficulties and disabilities (increase from 19% to match WY Demographic) 43% Unemployed Learners 67% Female learners 	GREEN	38 	Aimed to contract with up to 50 training providers to deliver quality and innovative training programmes to residents and communities of need. Following a robust moderating process, allocations for 20 grant providers and 18 contracts for service providers have been approved. This will enable the Combined Authority to increase the skills and quality of training within our region. Allocation letters and contracts award letters have been sent out, followed by a 2 week standstill period. It should be noted that the current engagement data reflects only 6% of the funding use, as recruitment continues throughout the year. Current engagement is as follows: <ul style="list-style-type: none"> 34% Learners from ethnic minority groups 19% Learners with learning difficulties and disabilities 48% Unemployed Learners 62% Female learners
BP3	Support people to access employment or re-train through Combined Authority led support programmes	4,000 people accessing employment or training support through the [re]boot, Employment Hub and other adult skills programmes	Head of Employment & Skills	Of the 4,000 participants: 16% will be from a BAME background 8% will have a disability 19% will be over 50 (Note - this is the breakdown specified by the funder)	GREEN	610 	ESF Employment Hub - local relationships are being built particularly with JCP pop up jobcentres. Face to face delivery is being monitored and whilst slow and steady as staff and customers build confidence in this way of working, reports that a lot of customers still prefer virtual delivery. [re]boot . Contractors are being closely managed and targets distributed where there is underperformance. Project change request to be submitted including an extension to 31st March 2022. Employment Hub 2 (Gainshare): The grant funding agreements have been sent and LA partners have customers ready to enrol.
BP4	Implement new investment and placemaker funds with a focus on start-ups & scale-ups post-Covid.	250 pre-start and start-up businesses to be supported	Head of Business Support	50% of beneficiaries to be female 20% to be BAME 3% to have a Disability.	GREEN	On track 	The tender to deliver the contract has been awarded to People Plus Ltd with delivery from late Sept 21. There is a strong focus on EDI in the contract and People Plus will be working with a number of community anchors and enterprise agencies with strong local links including the Paddock Trust, Airedale Enterprise Services, Inspired Neighbourhoods and Barca-Leeds.



Boosting productivity: helping businesses to recover from the Covid-19 pandemic and helping people find and retain good jobs in a post-Brexit landscape							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result & direction of travel		Notes
				(2021/22 is effectively the baseline year, but the above targets have been informed by other similar schemes across the country)			In addition, a tender will be published in early November 21 for a scale-up / accelerator support programme for a small number of start-ups with high growth potential. Similar EDI targets are in place for this contract and the new enterprises will be supported to address significant social, economic & environmental challenges. Delivery is expected to commence in early 2022.
BP5	Broker employment/apprenticeship opportunities to aid recovery through strategic engagements/collaborations with businesses to connect with education, apprenticeships, training, skills initiatives and new employment opportunities.	Broker 425 engagements and collaborations	Head of Employment & Skills	<p>15% of those businesses supported will be in the 20% most disadvantaged areas</p> <p>Businesses to engage with people in education, particularly those most disadvantaged in the labour market including young people with special educational needs and disabilities.</p>	G R E E N	<p>On track</p> 	<p>8 new business through school partnerships; 64 through Skills for Growth; Employment Hub, [re]boot figures not yet reported.</p> <p>Numbers slightly lower due to the disruption to schools over the last 18 months, developing new business relationships has understandably not been top priority for some senior leadership teams</p>
BP6	Support delivery of 187,500 square feet of commercial space through the Enterprise Zones programme	187,500 square feet of commercial floorspace delivered across the Enterprise Zone Programme	Head of Economic Implementation	<p>Occupiers locating to the EZ are securing and maintaining existing jobs and creating further opportunities within demographically deprived areas of the Leeds City Region.</p> <p>Numbers of new jobs created are captured as part of contractual monitoring under terms within the Grant Funding Agreement</p> <p>Parry Lane – through SCAPE the construction contract with Balfour Beatty of £4.77m has the potential to deliver £2.59m of social value delivered through a series of TOM's</p>	G R E E N	<p>On track</p> 	<p>Parry Lane Measures</p> <p>Local Investment to date: 48% of spend within 10miles, 60% of local labour within 10miles.</p> <p>Environment to date: 100% of waste diverted from landfill including 7400 tonnes of waste concrete to be re-used.</p> <p>Construction careers have been promoted at primary schools, Oastlers High School and Bradford University with further events planned by March 2022.</p> <p>Biodiversity- the biodiversity project will invest 15 units of biodiversity measures into unusable land to enhance local biodiversity in an urban area.</p> <p>The joint brief with Bradford Council for the sale of land for commercial use will include a ranking system that will score prospective purchasers according to key outputs including new jobs, skills, training and apprenticeship opportunities, low carbon construction</p>

Enabling Inclusive Growth: Enabling as many people as possible to contribute to, and benefit from, economic growth, especially those disproportionately affected by the Covid-19 pandemic							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result/RAG		Notes
GR1	Focus on reducing inequalities in our communities, including those caused by the Covid pandemic, across all our services/functions.	Aim to slow the rate of widening inequality / start closing the gaps Targets to be updated/revised	Head of Economic Policy	The aim is to ensure that excluded / disadvantaged groups and communities are able to benefit from and contribute to economic growth. Indicators relating to equality, diversity and inclusion are contained within the State of the Region, including a separate report on Women and Girls.	AMBER		Metrics aimed at narrowing and closing the region's socio-economic inequalities are contained within the State of the Region report, which will be published annually. This includes a separate report on Women and Girls. The new CA decision making Committees will receive regular reports on the indicators in their area of responsibility, including relating to inclusive growth.
GR2	Improve attainment and ambition among our most disadvantaged young people, working closely with schools/colleges to aid recovery.	Engage with 180 schools to support positive destinations of young people, particularly the most disadvantaged. (note: engagement is with School Senior Leadership Teams and careers leaders to support progress towards Gatsby benchmarks of good careers guidance, not directly with pupils)	Head of Employment & Skills	Tailored support provided to schools to improve ambitions and destinations, particularly by providing meaningful encounters with employers - which is proven to improve positive destinations and overcome the lack of social capital experienced by disadvantaged young people. Additional support provided to 92 most disadvantaged schools - additional support for pupil premium or disadvantaged young people via action plans.	GREEN	180 	180 schools currently engaged in the network. Work underway to ensure that appropriate support is being provided to ensure that disadvantaged pupils are not disproportionately affected by any negative impacts of the covid pandemic on learning and attainment.
GR3	Expand affordable ticketing to under 25's, jobseekers and those without bank accounts, reducing inequalities heightened by Covid.	Targets for uplift in use of affordable ticketing will be set via BSIP after assessment of level of post pandemic return to travel	Head of Customer Services	Supports access to education, employment and training. MCard Mobile gifting functionality opens up new opportunities to work with Job Centre Plus on tickets for job seekers Limited data on take up by protected characteristics, areas of high IMD - more analysis needed	AMBER	Patronage c75% of pre pandemic prior to end of academic year 	Fare Deal for Under 19s launched and MCard promotion under way
GR4	Enable older and disabled people to access free/discounted travel.	Targets for uplift in use will be set via BSIP after assessment of level of post pandemic return to travel	Head of Customer Services	Concession is aimed at older, less mobile members of community Usage and pass take up statistics, need for greater analysis- target to provide this data by end of 2021/22.	AMBER	Patronage c 60% of pre pandemic 	Slower growth in passengers following lifting of Covid restrictions , some bus operators promoting older people's travel

Enabling Inclusive Growth: Enabling as many people as possible to contribute to, and benefit from, economic growth, especially those disproportionately affected by the Covid-19 pandemic							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result/RAG		Notes
GR5	Fund socially necessary bus services, safeguarding community connectivity in a post-Covid funding environment.	Targets for uplift in use will be set via BSIP after assessment of level of post pandemic return to travel	Head of Mobility Services	Targets for uplift in use will be set after assessment of level of post pandemic return to travel	A M B E R	Patronage c 70% of pre pandemic 	Major recast of tendered bus network will start in 2022/23 following Bus Service Improvement Plan and establishment of Enhanced Partnership
GR6	Deliver projects/programmes to improve inclusivity e.g. Superfast Broadband connectivity to 40,000+ premises	An additional 3,585 premises enabled for connection to Superfast Broadband. Contract 2 will deliver 544 premises in year. Contract 3 is contracted to deliver 3041 premises by March 2022. On completion of the programme the project is contracted to deliver 5571 premises (end of June 2022).	Head of Economic Implementation	Contract 2 completed in Sept 21 and enabled a total of 11,448 premises in deprived areas across the whole project. These homes and businesses will have access to Broadband with speeds greater than 30mb/s. This has helped support business continuity and growth & enabled people to work remotely during the pandemic.	A M B E R	(In year performance) Contract 2 - 574 Contract 3 – 1425 	Contract 2 has completed. The contract has enabled 41224 premises over its lifetime, including over 1,000 businesses. By 30 th September Contract 3 had delivered 1425 premises and 323 businesses. This is behind contractual target.

Delivering 21st Century Transport: Ensuring our transport network recovers to provide the services that people need, while laying the foundations for future improvements							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result/RAG & Direction of travel		Notes
TR1	Work with partners to rebuild confidence in public transport and ensure it is fit for purpose post-Covid through the 'back to bus' campaign	Not yet defined but patronage return is currently 65% when compared to 2019, operators are looking for patronage to return to 75-80% by March 2022	Head of Transport Policy	Stability in the bus network will help to ensure communities are better served New range of KPIs being developed for the Bus Service Improvement Plan to be submitted to Government at the end of October.	A M B E R	An operator led campaign of back to bus was launched in June 2021 	Bus patronage across West Yorkshire is currently 75 to 80% when compared with 2019. This is comparable to other City Regions. The Bus Service Improvement Plan sets out a number of initiatives to further encourage customers back to bus. In 2022 the plan sets out that: <ul style="list-style-type: none"> • Rollout of new colour coded bus stop maps and flags region wide • Expand MCard mobile app to link ticket sales, journey planning and in-journey information • Trial 90-minute multi journey tickets • Enhanced Safer Travel West Yorkshire partnership with West Yorkshire Police • Early network and service enhancements


Delivering 21st Century Transport: Ensuring our transport network recovers to provide the services that people need, while laying the foundations for future improvements							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result/RAG & Direction of travel		Notes
TR2	Lead work on bus reform to drive up standards of bus travel, ensuring passenger safety post-Covid.	Complete a Bus Recovery Action Plan by end 2021 (Government announcement dependant) Complete a Bus Service Improvement Plan by October 2021	Head of Transport Policy	The Bus Service Improvement Plan will look to enhance the bus service offer and provide connectivity to communities Specific targets to be defined by the BSIP	GREEN	Bus Service Improvement Plan on track to be submitted 31 st October 2021 ↔	The Bus Service Improvement Plan sets out the following deliverables for 2022: <ul style="list-style-type: none"> Rollout of new colour coded bus stop maps and flags region wide Expand MCard mobile app to link ticket sales, journey planning and in-journey information Trial 90-minute multi journey tickets Enhanced Safer Travel West Yorkshire partnership with West Yorkshire Police Early network and service enhancements
TR3	Answer travel enquiries and improve passenger information including on-street real time displays	Answer 1 million travel enquiries Delivering 100 new Real Time Information screens Re-introducing 3,000 stop specific roadside information displays	Head of Customer Services	All passenger information is available in several languages and in a range of accessible formats (including language-line, easy-read and large print). Braille and audio information are also available on request and Real time audio information will be available at 200 new bus stops on the core bus network by the end of March 2022.	AMBER	Usage around 60% of pre pandemic ↔	BSSG funding to be issued direct to operators and uncertainty over network changes could impact on patronage return On track with roll out of 100 new RTI screens On track with reintroducing 3,000 roadside displays == to be complete imminently
TR4	Influence Government on major strategic rail investment including HS2 and Northern Powerhouse Rail	Secure commitment to TRU, NPR, HS2, ECML and Electrification investments.	Head of Transport Policy	To influence Government so that the principles of inclusivity, diversity and equality are incorporated in the design of new rail facilities and infrastructure including TRU, NPR and HS2.	AMBER	No progress as yet, dependent on the publication of IRP ↔	Various meetings were held with DfT, Treasury, TfN and other Transport Authorities and Local Authorities to continue to influence the scope of TRU, NPR, HS2 and other rail investments. It is increasingly challenging due to budget constraints and competing priorities such as health and education.
TR5	Further develop mass transit proposals for West Yorkshire	Finalise the Strategic Outline Business Case (SOBC) for mass transit by December 2021 for submission to PAT by first quarter 2022	Head of Transport Policy	The principles of inclusivity, diversity and equality will be incorporated into the route options and design with an initial set of indicators presented as part of the SOBC.	GREEN	Mass Transit vision document and SOBC in development, to be submitted December 2021 ↔	The Mass Transit Vision Document and Strategic Outline Business Case (SOBC) are both in development. The Vision Document, SOBC and future Outline Business Cases will consider a number of areas where inclusivity, diversity and equality can be incorporated into the delivery, including: an affordable fare structure; maximising local supply chains and skills; new jobs and training opportunities; accessible infrastructure and a service offer that provides a real alternative to the car. The design will focus on creating a safe and welcoming space and environment for all

Delivering 21st Century Transport: Ensuring our transport network recovers to provide the services that people need, while laying the foundations for future improvements						
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance	
					Current result/RAG & Direction of travel	Notes
TR6	Continue delivery of transport infrastructure projects/programmes to promote sustainable travel choices	Transport 2021/22 spend achieved in accordance with agreed target of £80m (WY+TF) TCF 2021/22 spend achieved in accordance with agreed target of £65.8M spend	Head of Transport Projects/Head of TCF	Transport projects encourage active travel and improve accessibility. WY+TF: 9km of improved infrastructure to allow access to active travel for accessible users 6 transport hubs delivered in low deprivation areas 522 real time (audible) bus stops in Leeds to improve services for accessible users Stourton P&R 77 buses per week day 2021/2022 to improve access from low deprivation areas to Leeds City Centre TCF programme working on stakeholder mapping to ensure inclusivity in consultation and engagement	A M B E R	<p>Transformational programme/projects that are being shaped through consultation and engagement, risks around land assembly, road space reassignment, timescales to deliver significant change.</p>  <p>WY+TF: completion 2035, however ED&I outputs will be able to be achieved earlier when individual projects complete DP7 (project closure). <i>WYTF 14 October 2021 update:</i></p> <ul style="list-style-type: none"> 8.4km of improved infrastructure completed. Castleford-Wakefield Greenway in construction and will be completed by March 22. 6 transport hubs delivered (Compton, Pudsey, Lincoln Green, Middleton, Rothwell, Cottingley) 1x transport hub at Bramley due to complete Jan 22 560 real time (audible) bus stops in Leeds Stourton P&R opened September 2021, so buses now operational (KPI complete). M&E data will be collated for usage. <p>TCF: 26 out of 35 projects have completed or are out to consultation and engagement. Halifax Bus Station (£17.7m) and Leeds City Centre Cycle Connectivity (£7.06m) are in construction phase. White Rose Rail Station (£12m) and York Rail Station Gateway (£13.1m) are moving towards contract awards to allow start of construction phase. 7 further projects (total £94.4m) are working on FBC's. 24 projects are currently working on OBC submissions, with the majority of these having OBC submissions planned for the next 3-6 months.</p>
TR7	Enhance the MCard mobile app and adapt Travel Centres to offer new products for a changed market	50% of sales to be via the Mcard Mobile app by March 2022	Head of Customer Services	App use will be reviewed geographically to understand access. The App provides an efficient retail means for the MCard product range. But for those who still require face to face service, the Travel Centres will be retained.	G R E E N	<p>App has been launched</p>  <p>Strong growth in sales through app although most transferred from other retail channels Over 60% of all ticket sales are now on the app but largely as a result of migration from other channels. Business to business ticket “gifting” now in operation</p>

Tackling the Climate Emergency: Ensuring a green recovery and accelerating our plans for a net zero carbon economy by 2038 at the latest							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result/RAG		Notes
CE1	Ensure a green recovery from Covid and accelerate plans for a net zero carbon economy by 2038 at the latest.	Publish the Mayor's Climate and Environment Plan by September 2021 Secure necessary funding (£96.1m) to deliver the plan and Mayor's pledge	Head of Economic Policy	The plan will be focussed on addressing a fair, just transition to net zero, and ensuring that the costs and benefits are shared equally. A basket of SEF Indicators - rates of fuel poverty, residents and businesses at risk of flooding and access to green spaces – will be reported on through the State of the Region.	A M B E R	Plan endorsed by Climate, Energy and Environment Committee 20 October, & to be discussed by Oct Combined Authority. ↓	Next steps are to publicise the Plan, including as part of our involvement in COP26, and commence a climate conversation, led by the Mayor. The Bus Service Improvement Plan sets out that by 2030: <ul style="list-style-type: none"> Weekday mode share on radial routes into district centres moved from car to bus -Reduce car share by 4%, increase bus share by 10% Improved environmental performance and reduced carbon emissions of the bus network -a 50% zero emission bus fleet. By 2036 to be 100% zero emissions
CE2	Deliver a programme of carbon and waste reduction initiatives at all Combined Authority facilities and across our investment programmes.	% of waste recycled, energy use A suite of targets and indicators to be developed following installation of recycle facilities at all bus stations (currently in progress). Target indicators to be in place for financial year 2022	Head of Assets	A review of research and intelligence to fully understand the impact of carbon reduction and climate improvement is required to determine the relevant metrics for EDI impacts		↔	New waste management contract has increased % of waste recycled from 8% to 32%. New energy supply contracts increased use of sustainable sources. Recycling facilities now installed in major bus stations. Review of data sets for carbon impact on EDI ongoing, anticipated November 2021 to feed into new processes and/or indicators as appropriate for Financial year 2022
CE3	Provide support and advice to businesses to help them to introduce energy efficiency measures.	Provide 175 businesses with intensive clean growth support	Head of Business Support	10% of grant-recipients deliver Inclusive Growth commitment. These can include: Paying the Real Living Wage, signing Fair Work Charter Upskilling lowest paid staff, Recruiting people with long-term health conditions Working with a local schools Offering placements to those disadvantaged in the labour market.	G R E E N	95 ↔	On track - slightly behind the annual profile Monitoring underway of the 95 businesses regarding their IG commitments
CE4	Support businesses to implement sustainable travel plans through the Travel Plan Network (TPN)	Support 100 businesses to implement sustainable travel plans	Head of Business Support	The TPN Team is working on a major initiative with NHS providers across the region to address health inequalities through active & sustainable travel measures impacting on staff and service-users 25% of businesses supported are in the 20% most disadvantaged areas		42 ↔	On track Monitoring underway of the 42 businesses regarding location and in 20 most disadvantaged areas

Tackling the Climate Emergency: Ensuring a green recovery and accelerating our plans for a net zero carbon economy by 2038 at the latest							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result/RAG		Notes
CE5	Finalise programme of low carbon schemes supported by the Energy Accelerator	Project Formally Closed with EIB Closure within 80 days (19 Nov 21) of final report (31st Aug 21) as per contractual commitments	Head of Economic Implementation	https://westyorksca.sharepoint.com/:w:/s/DeliveryTeam/EW4I1rphyNhFIVawYdumewUBItPQ53w4K9aG3Ok850tUNg?e=anwy7g	GREEN	Complete	Programme closed 31st July 2021 with final report submitted to EIB on time (31.08.21). EIB has confirmed approval of final report by email – formal acceptance letter awaited (Oct 21) Lessons learnt workshop complete and project sponsor survey issued.
CE6	Implement the Connectivity Strategy and pipeline, promoting active & decarbonised travel.	Revise and finalise the Connectivity Plan with transport pipeline covering all modes and secure funding from the Intra-City Transport Fund. Agree a 5 year deal with Government by end of 2021 (Government announcement dependant)	Head of Transport Policy	To ensure access for all across the transport network. Transport Strategy Mode Share targets: 25% of trips by bus 300% by cycle 75% by rail. To reduce inequality in access to employment. Increase MCard transactions.	GREEN	The City Region Sustainable Transport Settlement has been submitted ↔	The City Region Sustainable Transport Settlement is the first portion of funding to support delivery of the Connectivity Strategy. The bid has been submitted. Settlement will be provided following Spending Review.

Ensuring Effective and Efficient Policing: Support the Mayor/Deputy Mayor to secure an efficient and effective police service for West Yorkshire						
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance	
					Current result/RAG	Notes
EP1	Oversee progress against the Police and Crime Plan, ensuring proactive monitoring and transparent reporting.	Governance review to identify possible improvements to scrutiny framework completed by end of March 22 . New Police and Crime Plan to be published by end of March 22 .	Head of Policing and Crime	Consultation on the new Plan to reach as many people as possible and survey available in different languages and formats with open offer of assistance in completing it for those who request it. Data to be collated from those responding to the survey and a full equality impact assessment to be done as part of the work on the new Police and Crime Plan by 30th November 2021	GREEN	On track ↔ The Mayor/DMPC continue to attend the governance meetings and meet regularly with the Chief Constable. Community Outcomes Meeting is now held in public to improve transparency and accessibility. Consultation on the Police and Crime Plan for 2022-25 continues. Diversity of respondents is being monitored and action being taken to drive further engagement and responses from under-represented groups.
EP2	Commission targeted services to increase community safety and support victims of crimes, ensuring these demonstrate value for money.	Commissioning strategy in place based on Needs Assessment. Continual monitoring of external spend through returns to ensure Value for Money and successful delivery on agreed outcomes. Recommission 2 key contracts by April 2023 and offer and manage financial assistance by way of grants	Head of Policing and Crime	Open and transparent bidding process. Consideration of EDI Internal challenge through internal commissioning group. Currently considering what EDI performance measures could be measured based on the records we received from our providers - This information will be available by 31 st March 2022	GREEN	On track ↔ Currently fund 106 different providers and have a total of 6 contracts and 140 grants in place across WY funded provision
EP3	Work with community safety and criminal justice partners to ensure joined up local priorities.	Specialist advisors within P&C department. Comprehensive partnership meetings in place covering all 16 priorities within the Police and Crime Plan. Violence Reduction Unit (VRU) working through a Public Health Approach. Secure both an effective partnership response to Community Safety and improvements in the criminal justice system by 2024	Head of Policing and Crime	Equality, Diversity and Inclusivity is a key consideration of all partnership boards Police and Crime department sit on. Currently considering what EDI performance measures could be measured based on the records we received from our providers - This information will be available by 31 st March 2022.	GREEN	On track ↔ Work continuing with safeguarding partners, CSPs, Local Criminal Justice Board, Partnership Executive Group and the monitoring of compliance with statutory duties
EP4	Provide strategic financial oversight to ensure appropriate use of the policing budget and to address the financial implications of the Covid pandemic.	Annual accounts to be approved and signed off by Nov 2021 Understanding of key driver eg, CSR and impact of medium and long term resourcing of WYP. Advise the Mayor about the setting of the police budget and the policing precept by 31st January 2022	Head of Policing and Crime	The needs assessment is being updated to include information and data from partnerships and key in WYCA data dashboard and this will be completed by 31st March 2022.	GREEN	On track ↔ Monthly meetings are being arranged with WYP's Chief financial officer and a finance business partner has been recruited to work closely with the policing and crime team. Monthly meetings taken place with the Chief Constable, DMPC and Statutory Financial Officers to discuss budget for 2022-23.

Ensuring Effective and Efficient Policing: Support the Mayor/Deputy Mayor to secure an efficient and effective police service for West Yorkshire							
Business plan objective		2021/22 Target	Owner	Equality, Diversity and Inclusion measure	Performance		
					Current result/RAG		Notes
EP5	Ensure meaningful and inclusive community engagement on policing and crime issues.	Consultation and engagement plan in place within Policing and Crime and VRU . Engagement Plan in place. Target to complete all actions within the Plan by 31st March 2022	Head of Policing and Crime	Collect diversity data on Police and Crime Plan engagement - target is to ensure that the consultation is reflective of the population of West Yorkshire and this is done by 30th November 2021.	G R E E N	On track 	Busy timetable of engagement for both Mayor and DMPC including Call for Evidence about Keeping Women and Girls Safe, the Women and Girls Roundtable and community engagement on the new Police and Crime Plan. Diversity of respondents to the online survey is being monitored and action taken as a result.

Corporate risk update November 2021

Original risk	Key mitigations	Likelihood	Impact	Rating & Trend		Owner
Due to the long term impacts of the COVID-19 pandemic on the regional economy and on travel habits, there is a risk that key corporate objectives cannot be met	<ul style="list-style-type: none"> Research and Intelligence continue to model potential impacts and long term scenarios Working closely with partners and representative groups to identify possible long term impacts and develop joint responses Updating business plans to identify key areas for re-prioritisation 	3 Possible	5 Critical	Very high	↔	Managing Director
Due to the financial impacts of the COVID-19 pandemic, there is a risk that the medium to long term financial health of the Combined Authority will be adversely affected	<ul style="list-style-type: none"> Financial scenario modelling undertaken and being continually updated Continued liaison with Government to understand funding opportunities Budget Working Group and Finance & Resources Committee to oversee response 	3 Possible	5 Critical	Very high	↔	Managing Director
Due to over-optimistic profiles, capacity and recruitment and retention challenges, there is a risk that the Combined Authority fails to directly deliver projects funded through fixed capital funding programmes, within the stipulated timescales or budget, or with the anticipated level of benefits	<ul style="list-style-type: none"> Significant monitoring and controls in place through Assurance Process Challenge on delivery profiles of individual schemes through Assurance Framework Ongoing work to widen the advertising reach for vacancies 	3 Possible	4 Serious	High	↓	Director of Delivery
Due to over-optimistic profiles, capacity and recruitment and retention challenges, there is a risk that our District partners fail to fully deliver projects funded through fixed capital funding programmes, within the stipulated timescales or budget, or with the anticipated level of benefits	<ul style="list-style-type: none"> Significant monitoring and controls in place through Assurance Process Continuing to provide support to districts through secondment of projects/programme staff Challenge on delivery profiles of individual schemes through Assurance Framework 	3 Possible	4 Serious	High	↓	Director of Delivery
Due to current uncertainties within the construction industry and wider business community, there is a risk that a major contractor/supplier/recipient of CA funding encounters significant financial difficulties, or enters administration or liquidation, and are therefore unable to deliver agreed projects.	<ul style="list-style-type: none"> Contractual KPIs & penalty clauses implemented Agreed escalation routes & conflict resolution mechanisms in contracts Security measures embedded into contracts Regular financial checks in place through procurement & contract monitoring processes 	3 Possible	4 Serious	High	↔	Director of Corporate & Commercial Services
Due to challenges in bringing forward Enterprise Zone sites within Growth Deal funding and occupier incentive timescales, there is a risk that there is insufficient floorspace to generate projected business rates income.	<ul style="list-style-type: none"> Prudent level of income forecasting included within budget projections New Head of investment & Development role to oversee EZ strategy Cross-directorate approach established to link into broader funding opportunities and to maximise Inward Investment reach. 	3 Possible	4 Serious	High	↔	Director of Economic Services
Due to the high volume of people and inherent operational risks present in a bus station, transport interchange or CA facility, there is a risk that a major accident or injury occurs at a CA facility	<ul style="list-style-type: none"> Health and safety policies, procedures and processes in place Ongoing staff training Continual monitoring of Health and Safety risks Working with district emergency planning units to share knowledge and develop joint plans 	2 Unlikely	5 Critical	High	↔	Director of Transport & Property Services
Due to the significant amount of change within the organisation and associated increasing workload pressures, there is a risk that staff wellbeing is adversely affected.	<ul style="list-style-type: none"> Significant activity in place to promote wellbeing and signpost staff to support Specific support services in place including EAP and Mental Health First Aiders Capacity issues being identified and monitored through SLT and MCA Board 	3 Possible	4 Serious	High	NEW	Managing Director

Original risk	Key mitigations	Likelihood	Impact	Rating & Trend		Owner
Due to the need to improve recruitment processes and reach, there is a risk that the CA is not able to fill vacant roles or attract a suitably diverse and skilled workforce, ultimately impacting on the ability to meet corporate objectives.	<ul style="list-style-type: none"> HR Advisor to lead recruitment & diversity activity recruited Interim improvements to advertising of vacancies put in place 	3 Possible	4 Serious	High	NEW	Director of Corporate & Commercial Services
Due to the business failure, sale, or substantial change in bus/rail providers, there is a risk that there is a substantial reduction or alternation of services to customers.	<ul style="list-style-type: none"> Close relationships with operators to obtain early warnings Continued dialogue with DFT, TFN 	3 Possible	4 Serious	High	↔	Director of Transport & Property Services
Due to an internal failure of controls, protocols and systems or a malicious attack there is a risk that the CA falls victim to a cyber security breach	<ul style="list-style-type: none"> Mandatory data protection and information governance training for staff Routine monitoring of suspicious e-mails and threat ICT security policy and Information Governance policies in place Technical security controls in place 	3 Possible	4 Serious	High	↔	Director of Corporate & Commercial Services
Due to a major unanticipated change in national policy, or an unplanned response to a national emergency situation, there is a risk that organisational objectives cannot be achieved as anticipated and/or there is a need to divert resources	<ul style="list-style-type: none"> Continued dialogue with Government Policy and Strategy directorate continuing to monitor emerging national trends 	2 Unlikely	5 Critical	High	↔	Managing Director
Due to uncertainty surrounding the availability and timing of future funding streams, there is a risk that some key economic support services will cease and the knowledge and expertise we have developed to deliver them will be lost.	<ul style="list-style-type: none"> Continuing to Liaise with Government on clarity over funding through UK Shared Prosperity Fund, Levelling-Up Fund Funding sources being considered through annual budget setting process 	3 Possible	4 Serious	High	↔	Director of Economic Services
Due to lack of compliance with legislation, there is a risk that the Combined Authority faces a legal challenge.	<ul style="list-style-type: none"> Policies and processes in place to minimise risk Mandatory compliance training for staff Ongoing monitoring of legislative changes and consequences decisions by legal team. Ongoing monitoring of compliance issues through Regulatory and Compliance Board 	2 Unlikely	4 Serious	Medium	↔	Director of Corporate & Commercial Services
Due to the role of the organisation broadening under the MCA model, there is a risk that the organisation's processes, systems and structures are insufficient to adequately support the organisation in achieving its objectives.	<ul style="list-style-type: none"> MCA Programme includes significant projects to update systems and processes MCA Digital programme in delivery to further improve ICT infrastructure and tools Integrated Corporate Systems project in delivery to modernise the organisation's HR/Finance systems 	3 Possible	3 Moderate	Medium	↔	Director of Corporate & Commercial Services
Due to the increased breadth and volume of activities for the organisation under the MCA model, there is a risk that we fail to have in place sufficient capacity or skills to deliver on increasing priorities and responsibilities	<ul style="list-style-type: none"> MCA programme includes organisational design workstream to ensure skills and capacity are in place to deliver against priorities Capacity and skills gaps to be identified through business planning process 	3 Possible	3 Moderate	Medium	↔	Director of Corporate & Commercial Services
Due to different priorities and differential capacity, there is a risk that our relationships with key partners are not sufficiently strong to deliver on objectives.	<ul style="list-style-type: none"> Continue work to strengthen key partnerships Member and Officer representation on formal and informal groups, Panels and Committees across every aspect of the organisation's work. 	2 Unlikely	4 Serious	Medium	↔	Managing Director
Due to a legacy/outdated structure and resourcing in the Communications Team, there is a risk that perception management and effective communication of the CA and the LEP are compromised.	<ul style="list-style-type: none"> One structural review took place in 2020 and a significant organisational restructure of the service is underway 	3 possible	3 moderate	Medium	↔	Director of Strategy, Communications & Policing

Original risk	Key mitigations	Likelihood	Impact	Rating & Trend		Owner
Due to the ambitious approach to tackling the climate emergency adopted by the CA in setting a target of becoming net zero carbon by 2038, there is a risk that the CA will not have the capacity and resources to achieve this ambition, or that some existing priorities may not be delivered due to a shift in focus towards reducing carbon emissions.	<ul style="list-style-type: none"> A Clean Growth policy and action plan in place Clean Growth continue to be incorporated into core activities through the annual business planning cycle. Wellington House refurbishment plans include carbon cutting measures (solar panels, electric vehicle charging and low-energy lighting). The City Region’s Energy Strategy and Delivery Plan also outline a range of partnership projects that will further support clean growth led by the CA. 	3 possible	3 moderate	Medium	↔	Director of Strategy, Communications and Policing
Due to staffing availability issues as a result of an increase in Covid-19 cases and/or self isolation, there is a risk that frontline services and business as usual activities cannot be adequately provided	<ul style="list-style-type: none"> Staffing levels being monitored and individual circumstances being regularly reviewed Individual resilience plans in place for frontline services 	2 Unlikely	4 Serious	Medium	↔	Director of Transport & Property Services
Due to the increased profile of the Combined Authority following the transition to the MCA Model, there is a risk that security arrangements in place for individuals and buildings is not sufficient.	<ul style="list-style-type: none"> Security review undertaken for individuals and practical actions being implemented as a result of this Security review of buildings undertaken and practical measures being implemented Training and awareness raising for staff generally 	2 Unlikely	4 Serious	Medium	NEW	Managing Director

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Report to: LEP Board

Date: 30 November 2021

Subject: **Economic Update**

Director: Alan Reiss, Director of Strategy, Communications and Policing

Author: Peter Glover, Economic Evidence Manager

1. Purpose of this report

- 1.1 To provide an update on the latest economic and business intelligence for the Board, and to update the Board on the latest activity and intelligence around understanding the impact of COVID-19 and EU Exit.

2. Information

Background

- 2.1 The Economic and Transports insights report appended to this paper provides the latest economic intelligence for West Yorkshire.
- 2.2 Key messages include:
- There were 34,000 employees still on furlough in West Yorkshire on 30 September - the point at which the Job Retention Scheme came to an end.
 - Despite this, the claimant count (covering people on out-of-work benefits) continued to decline in October, whilst employment (in terms of PAYE employees) continued to increase beyond pre-pandemic levels.
 - Recruitment activity is growing strongly across West Yorkshire, led by Leeds and Calderdale. Occupational areas hardest hit by the pandemic, such as hospitality and clerical, continue to rebound in terms of their vacancy counts.
 - There were 398 business liquidations in West Yorkshire up to the week ending October 26th, based on a four week moving average. With the latest figures showing a slight decrease of 1% from the previous four week previous. This trend has been seen across all districts in the West Yorkshire region.

- Data from Bank Search shows the number new business bank accounts opened in the West Yorkshire region during the course of a month. During September the number of new bank accounts opened was 808, with Leeds having the most new accounts with 301. At West Yorkshire level there has been slight growth since the month previous of 2%.
- West Yorkshire house prices reached a record high in August 2021.

3. Tackling the Climate Emergency Implications

- 3.1 The appended report shows changes in travel behaviour that are relevant to the Combined Authority's net zero commitment. In particular, some of the behaviour changes around active travel and hybrid working adopted during the lockdown appear to have been sustained.

4. Inclusive Growth Implications

- 4.1 The number of people claiming out of work benefits in West Yorkshire remains substantially higher than prior to the pandemic, including the number of young people claiming these benefits. However, the end of the furlough scheme does not seem to have had a major impact on claimant levels in the context of a tight labour market.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications arising directly from this report.

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.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 The Board are asked to note the latest intelligence around the economic impacts of COVID-19 and EU Exit and consider how this relates to their work and future work plans.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Economic and Transport Insights Report

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COVID-19 Economic & Transport Insights Report

Research & Intelligence
17th November 2021

Executive Summary – Economic Impact

- There were 34,000 employees still on furlough in West Yorkshire on 30 September - the point at which the Job Retention Scheme came to an end.
- Despite this, the claimant count (covering people on out-of-work benefits) continued to decline in October, whilst employment (in terms of PAYE employees) continued to increase beyond pre-pandemic levels.
- Recruitment activity is growing strongly across West Yorkshire, led by Leeds and Calderdale. Occupational areas hardest hit by the pandemic, such as hospitality and clerical, continue to rebound in terms of their vacancy counts.
- 878 ▪ There were 398 business liquidations in West Yorkshire up to the week ending October 26th, based on a four week moving average. With the latest figures showing a slight decrease of 1% from the previous four week previous. This trend has been seen across all districts in the West Yorkshire region.
- Data from Bank Search shows the number new business bank accounts opened in the West Yorkshire region during the course of a month. During September the number of new bank accounts opened was 808, with Leeds having the most new accounts with 301. At West Yorkshire level there has been slight growth since the month previous of 2%.
- West Yorkshire house prices reached a record high in August 2021.

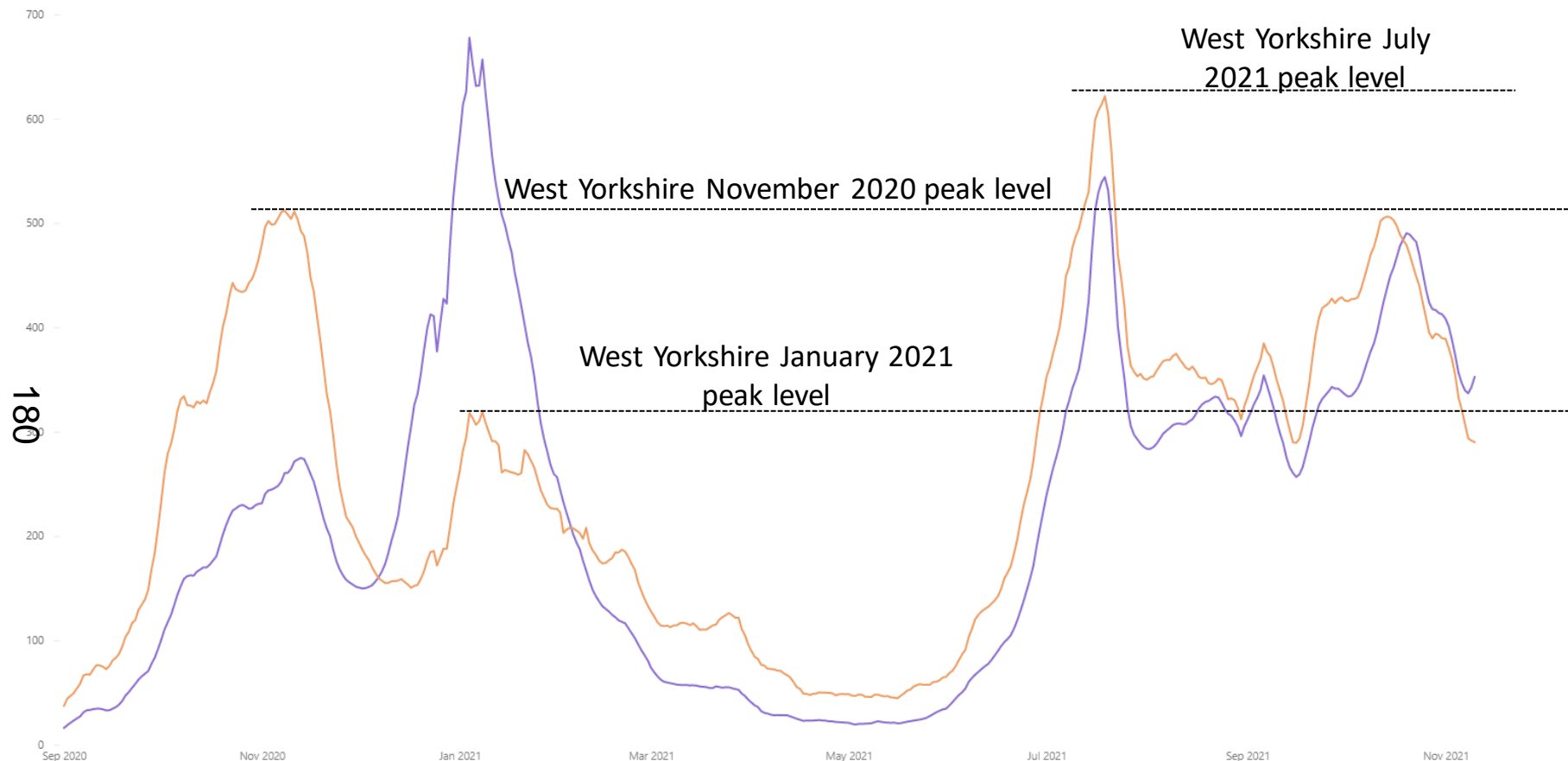
Executive Summary – Transport Impact

- Nationally, motor vehicle use remains stable, with a similar pattern locally; Leeds traffic levels remain lower than pre-pandemic.
- Weekend footfall through Leeds rail station has recently exceeded pre-pandemic levels, whilst weekday footfall remains around 70% of pre-Covid.
- Nationally, bus use remains at around 75-80% of pre-pandemic. Local ticket machine data shows similar bus usage; weekday bus use reached 76% of baseline (March 2020) with journeys by under 19s reaching 93% of baseline, before dropping during October half-term.
- Leeds traffic has remained relatively stable over the last few months, but is still below pre-pandemic levels.
- Data from Strava shows the number of walking/running trips over the summer/autumn have doubled those recorded in 2019, in line with 2020 data, indicating that some of the behaviour changes adopted during lockdown have been sustained.
- Evening footfall in Leeds (a proxy for the night-time economy) continues to show steady signs of recovery, however it is still lower than pre-pandemic.
- Results of the latest COVID-19 Transport Recovery Survey (available [here](#)) reveals a degree of return to pre-pandemic car and public transport use, whilst some COVID-19 induced behaviour changes such as hybrid working are likely to become permanent.

Virus prevalence – West Yorkshire trend

ROLLING RATE OF NEW CASES PER 100,000 PEOPLE

● England ● West Yorkshire



As of the 10th November 2021, the 7-day moving average **West Yorkshire COVID-19 rate was 290.0 per 100k, a 22% decrease from the previous week.** In Yorkshire and the Humber, case rates fell to 343.5 per 100k (15%), whilst in England overall case rates decreased by 9% to 352.5 per 100k.

Source: COVID-19 PHE data portal. Note there is a lag in the very latest data PHE COVID-19 data to account for all test results to be processed and recorded.

Virus prevalence – West Yorkshire

The table below shows the most recent COVID-19 case data from Public Health England's (PHE). Note that due to reporting delays, for comparison between local authorities the most recent 5 days are excluded from the calculations of rates and moving averages.

West Yorkshire COVID-19 Dashboard

Case rate data up to:
10/11/2021

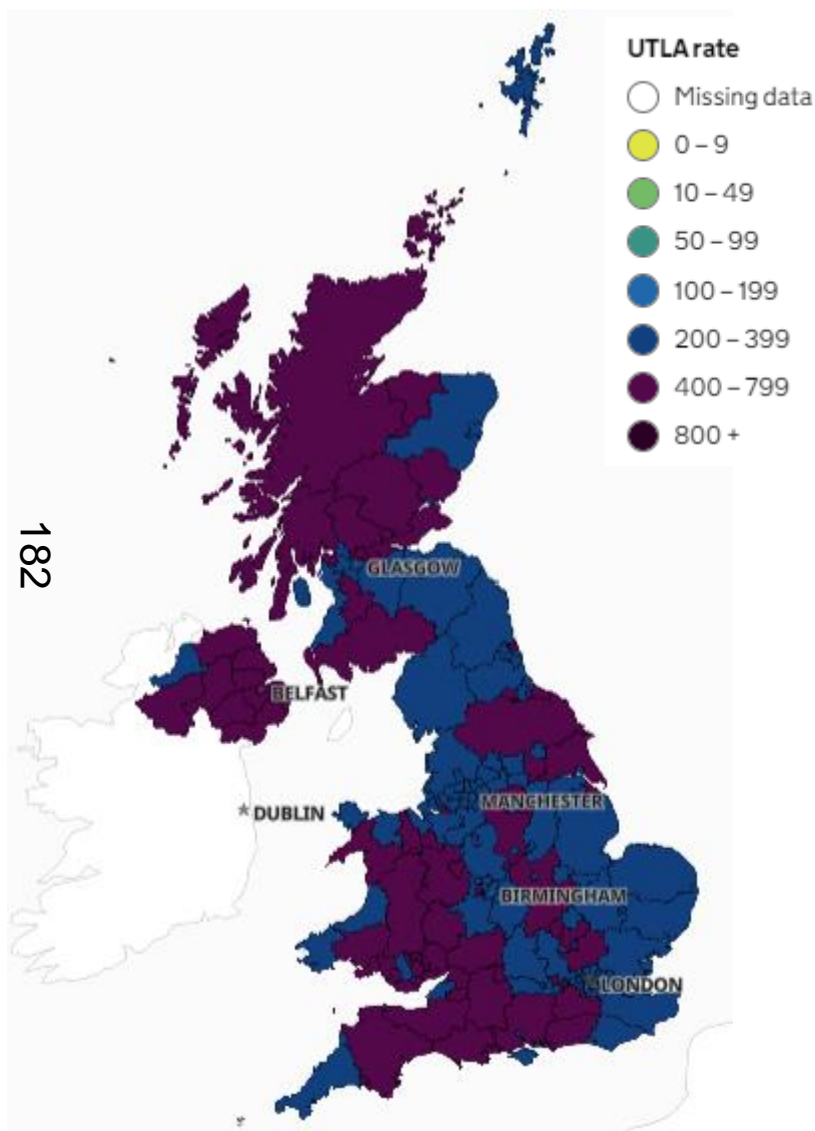
District	UTLA rank	Current case rate per 100,000 population	Percentage change in rate from last week	Number of new cases in the last 7 days	Total number of cases to date	Total number of cases per 100,000 population	Total number of deaths to date	Crude death rate per 100,000 population
Bradford	127	253.6	↓ -22	1375	93097	17173	1260	232
Calderdale	129	247.8	↓ -30	524	34460	16298	378	179
Kirklees	114	276.2	↓ -25	1219	70816	16048	933	211
Leeds	100	297.6	↓ -22	2377	136504	17089	1556	195
Wakefield	57	371.2	↓ -12	1305	58870	16744	897	255
West Yorkshire		290.0	↓ -22	6800	393747	16789	5024	214
England		352.5	↓ -9	199359	8144766	14403	124464	220

Cases: Number of people with a positive COVID-19 virus test (either lab-reported or rapid lateral flow test), reported by the specimen date

Deaths: Total number of people who had a positive test result for COVID-19 and died within 28 days of the first positive test, reported by the date of death

Crude death rate: total deaths per population. This does not take account of variation caused by different population age structures

National COVID-19 new cases - 7 day rolling rate



The map (left) shows the Upper Tier Local Authority (UTLA) 7-day rolling rate of new cases up to **10th November** (available [here](#)).

Regionally, case rates are highest in the South West, whilst rates in the over 60s are highest in the North East.

Area	Case rate per 100,000 population		Case rate per 100,000 population aged 60 years and over	
	7-day moving average	7-day change. %	7-day moving average	7-day change. %
East Midlands	381.2	0.3%	211	-8.7%
East of England	364.8	-11.8%	168.8	-18.3%
London	<u>250.4</u>	-1.6%	<u>121.9</u>	-11.3%
North East	374.7	-19.7%	238.9	-21.4%
North West	337.8	-10.8%	186	-17.8%
South East	382.1	-7.9%	169.1	-16.0%
South West	439.6	-10.0%	202.8	-15.4%
West Midlands	345.2	-7.9%	180.8	-17.3%
Yorkshire and Humber	343.5	-15.3%	201.8	-23.3%
England	352.5	-9.1%	183	-16.9%

Highest

Lowest

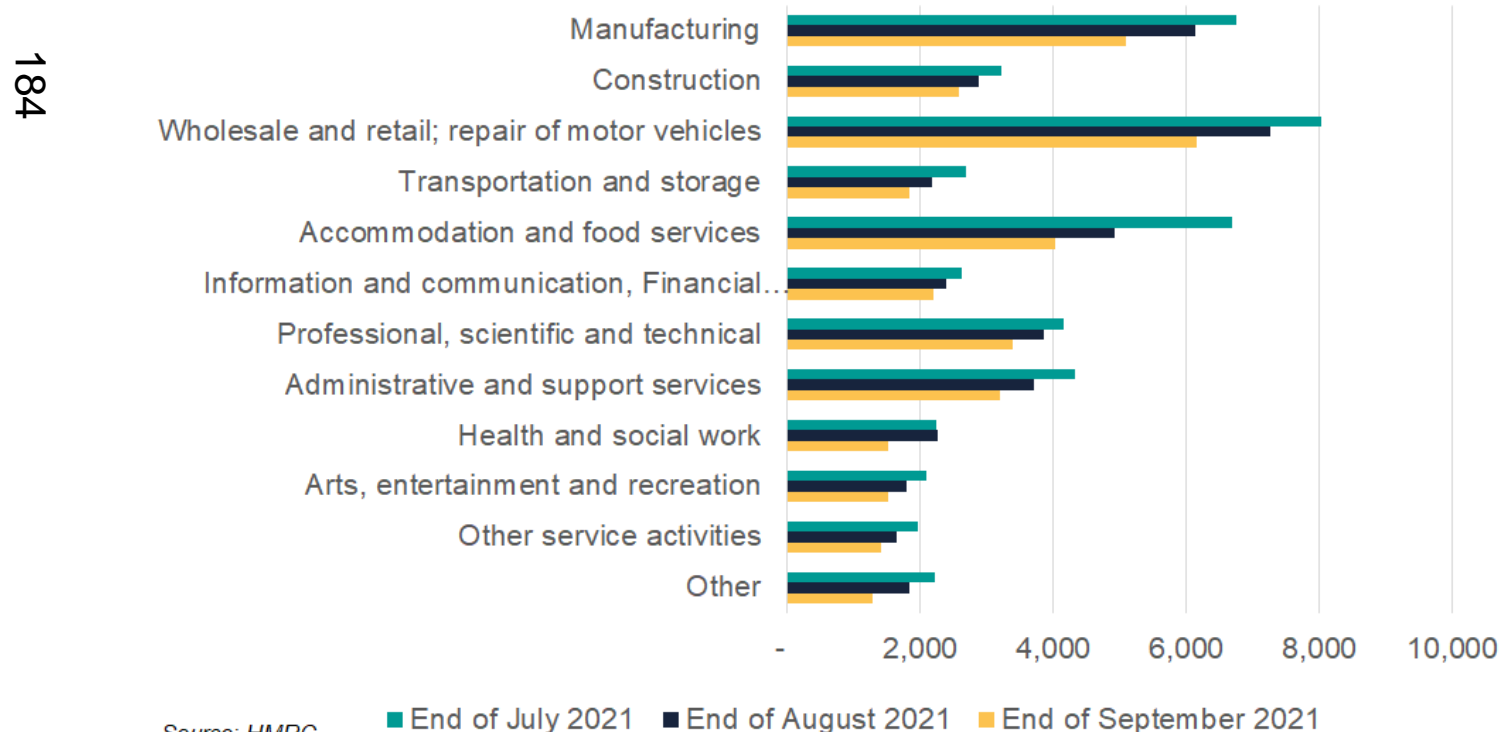
Economic Insights



34,200 employments on furlough in West Yorkshire when the scheme closed at end of September

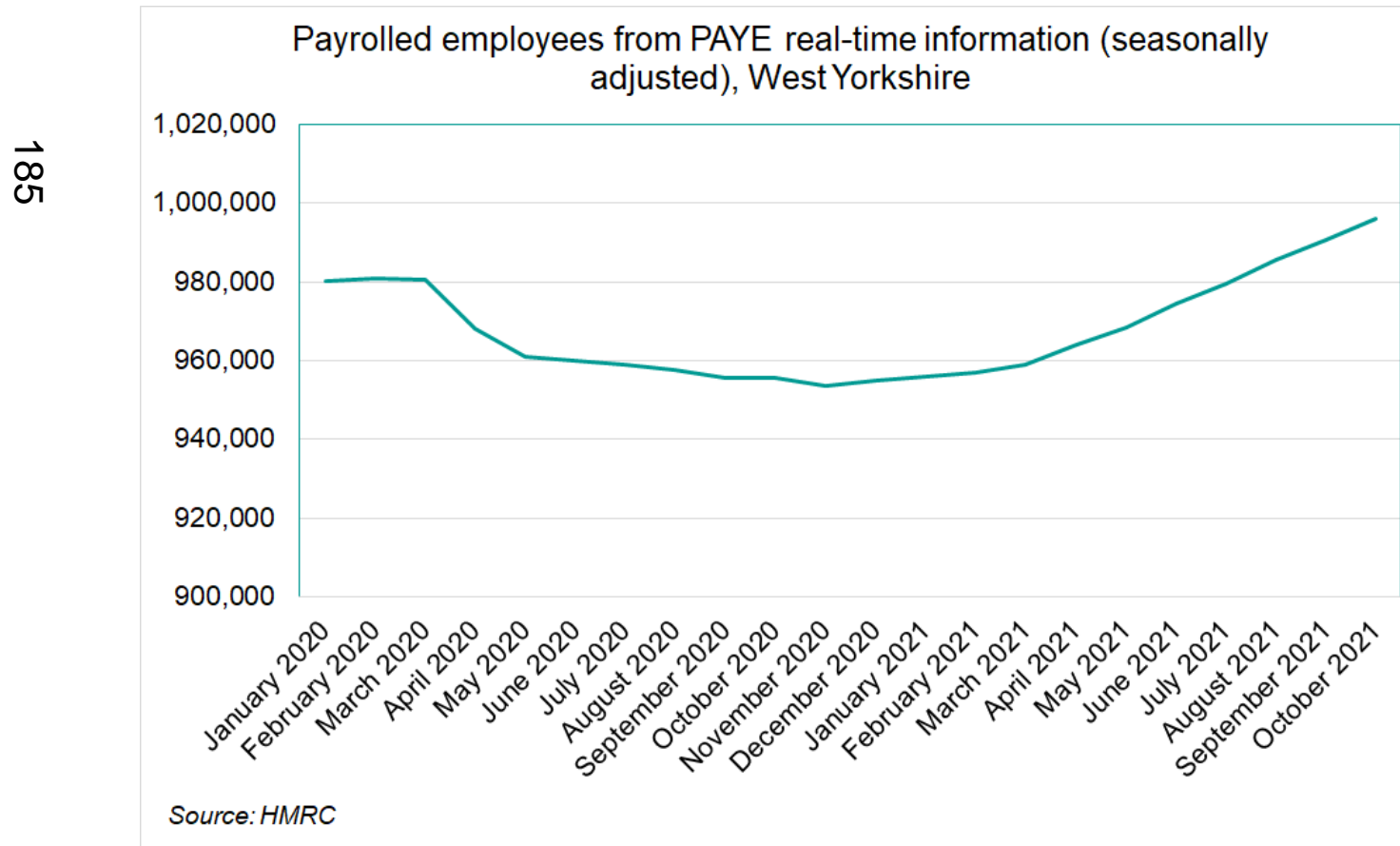
A substantial number of employments remained on furlough at the end of September, when the scheme closed. Numbers were highest in wholesale/retail and manufacturing. Recovery in the regional labour market has meant that the impact of the ending of furlough on redundancies and unemployment has been limited so far (see claimant count slide).

Employments on furlough by sector at the end of September 2021,
West Yorkshire



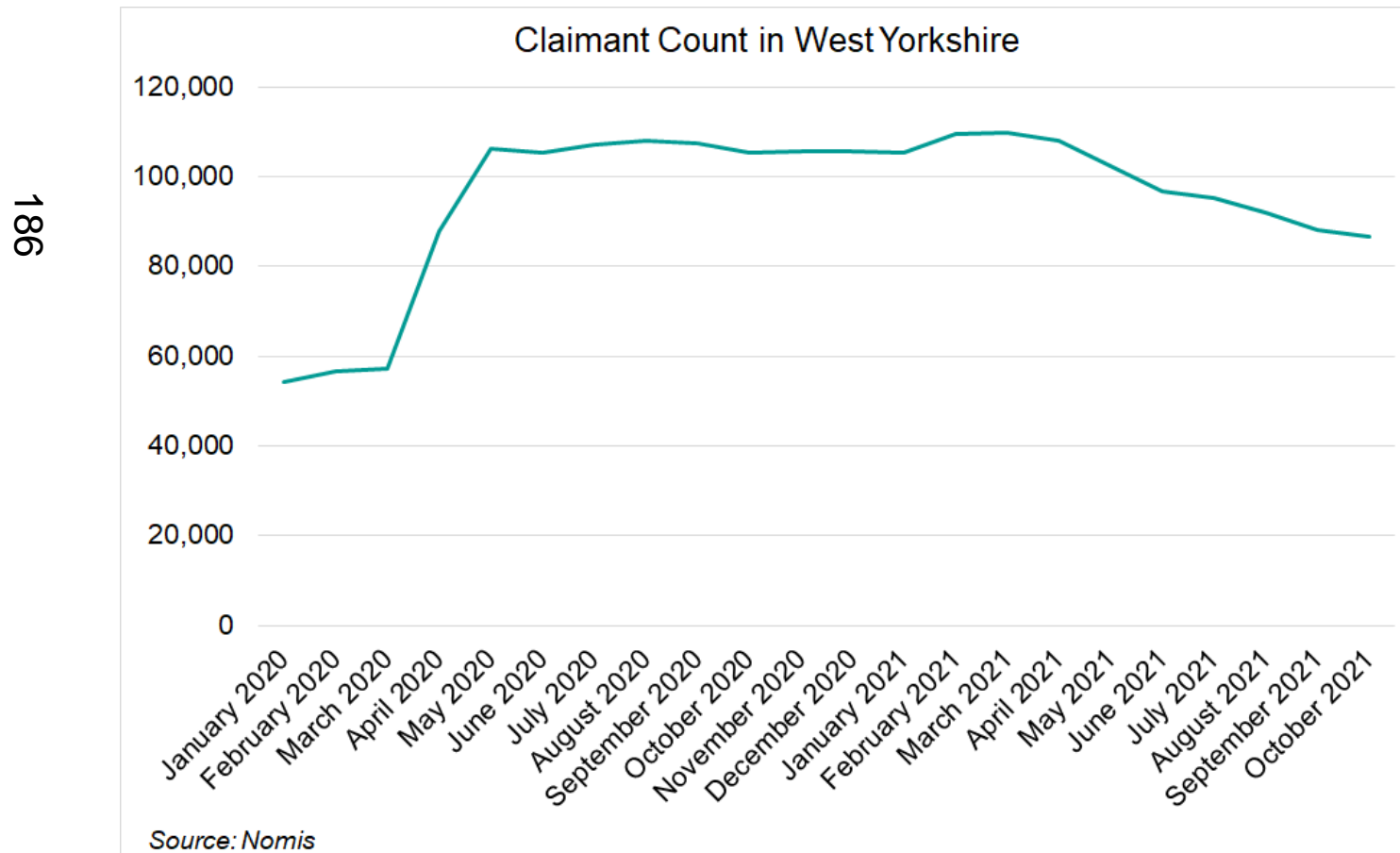
Employment (payrolled employees) continues to grow

Between September and October 2021, there was a net increase in payrolled employees in West Yorkshire of around 5,000 (+0.5%). Employment is now 2% above the levels seen in February 2020 and 4% higher than in November 2020, when it was at its lowest since the beginning of the pandemic. This represents a net increase in employment of 42,000 in the last 11 months between November 2020 and October 2021.



West Yorkshire claimant count (out of work benefits) declined further in October

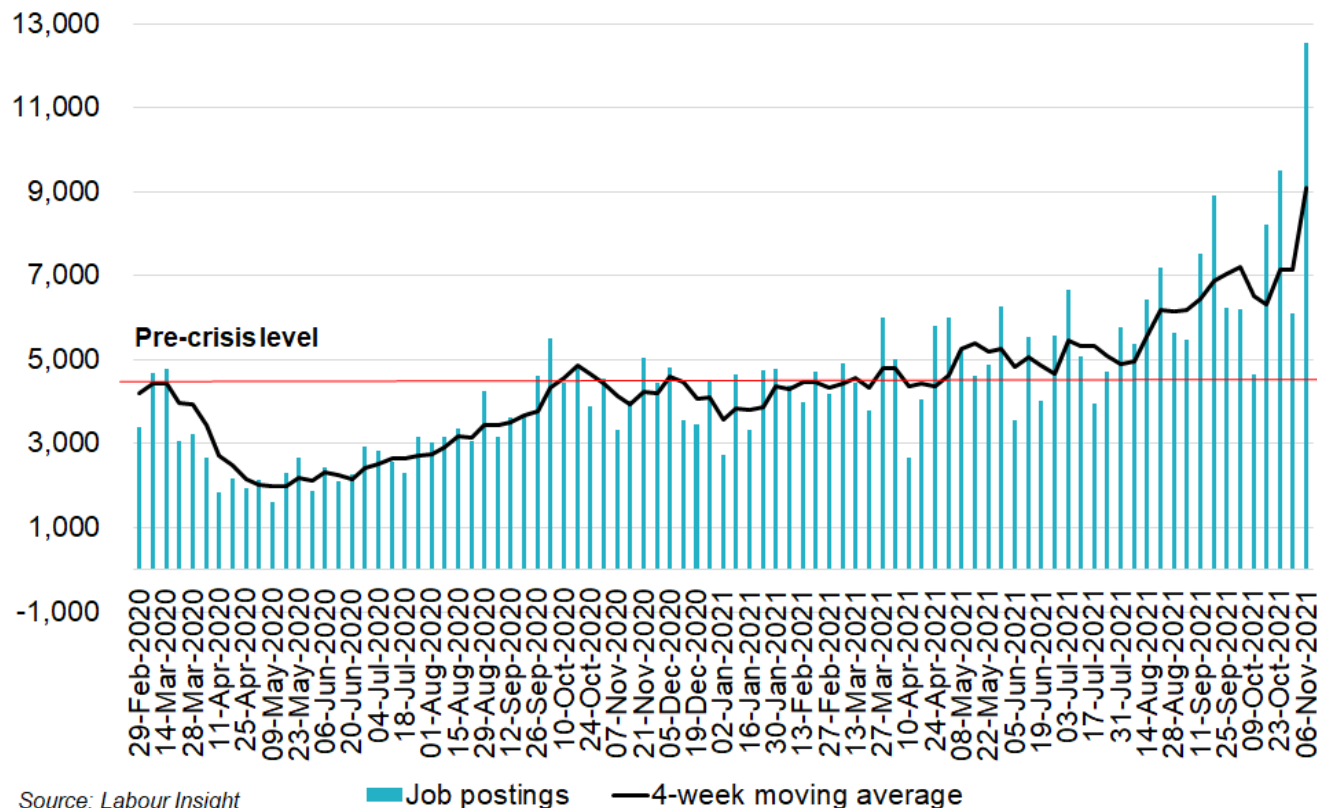
The latest claimant count figures for West Yorkshire, which relate to the number of people on out-of-work benefits, show a 2% fall (-1,500 in absolute terms) between September and October 2021. With around 87,000 current claimants in the region, the claimant count is now 21% (or 23,000) lower than in March 2021, when it was at its peak, but still 53% higher than pre-pandemic, in February 2020.



Vacancies: sharp increase in job postings in latest week to highest level so far

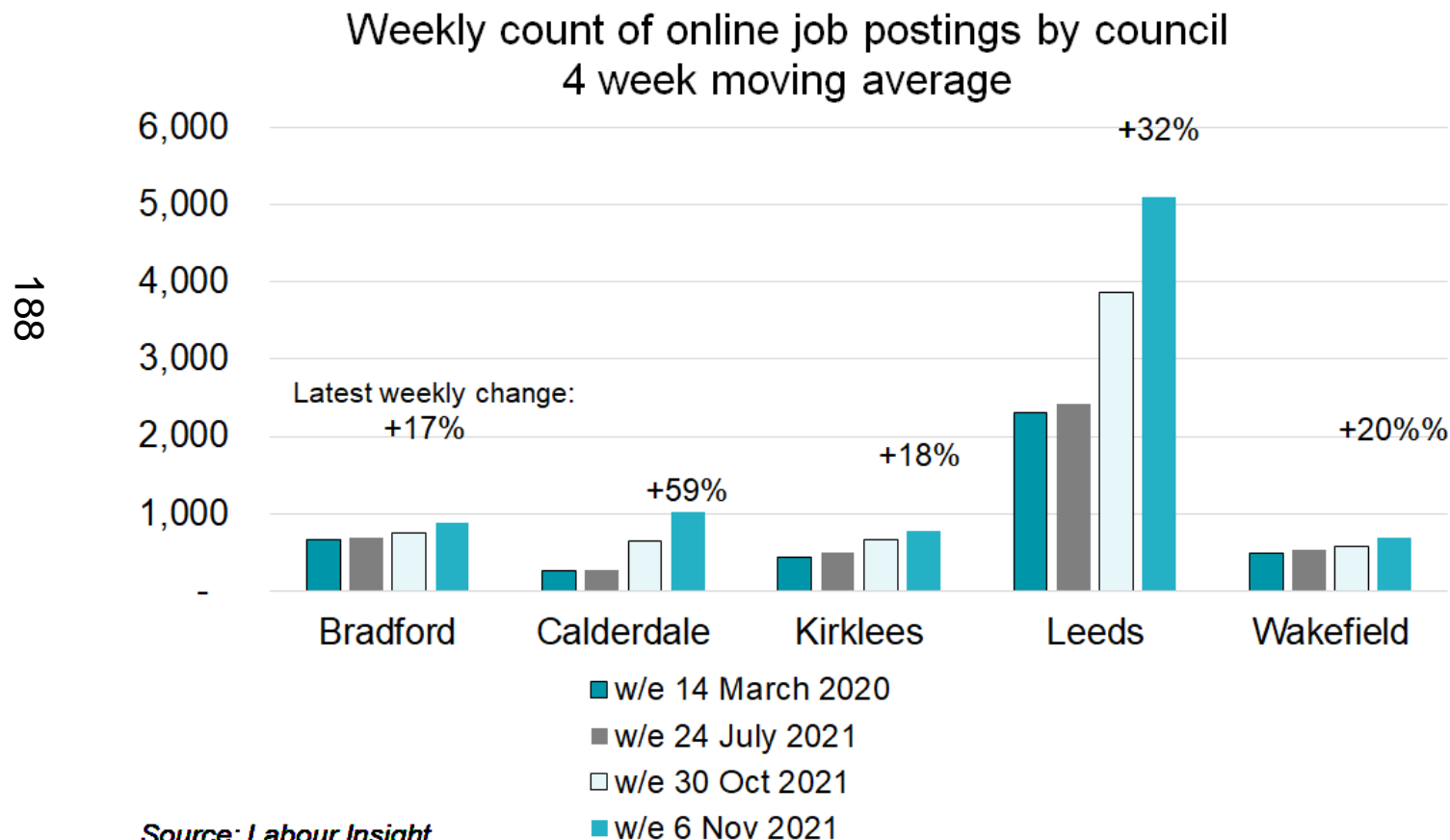
The number of vacancies for jobs in West Yorkshire posted online during week ending 6 November grew sharply by 28% on the previous week, based on a 4-week moving average (whilst the national average increased by 21% for the same period). This is the highest weekly figure recorded since the beginning of the pandemic by a considerable margin.

Trend in weekly count of online job postings - West Yorkshire



Vacancies: strong growth across West Yorkshire's local authorities

All West Yorkshire's local authority areas saw substantial growth in postings during the week ending 6 November. Calderdale and Leeds saw an unprecedented increase in their weekly count of postings

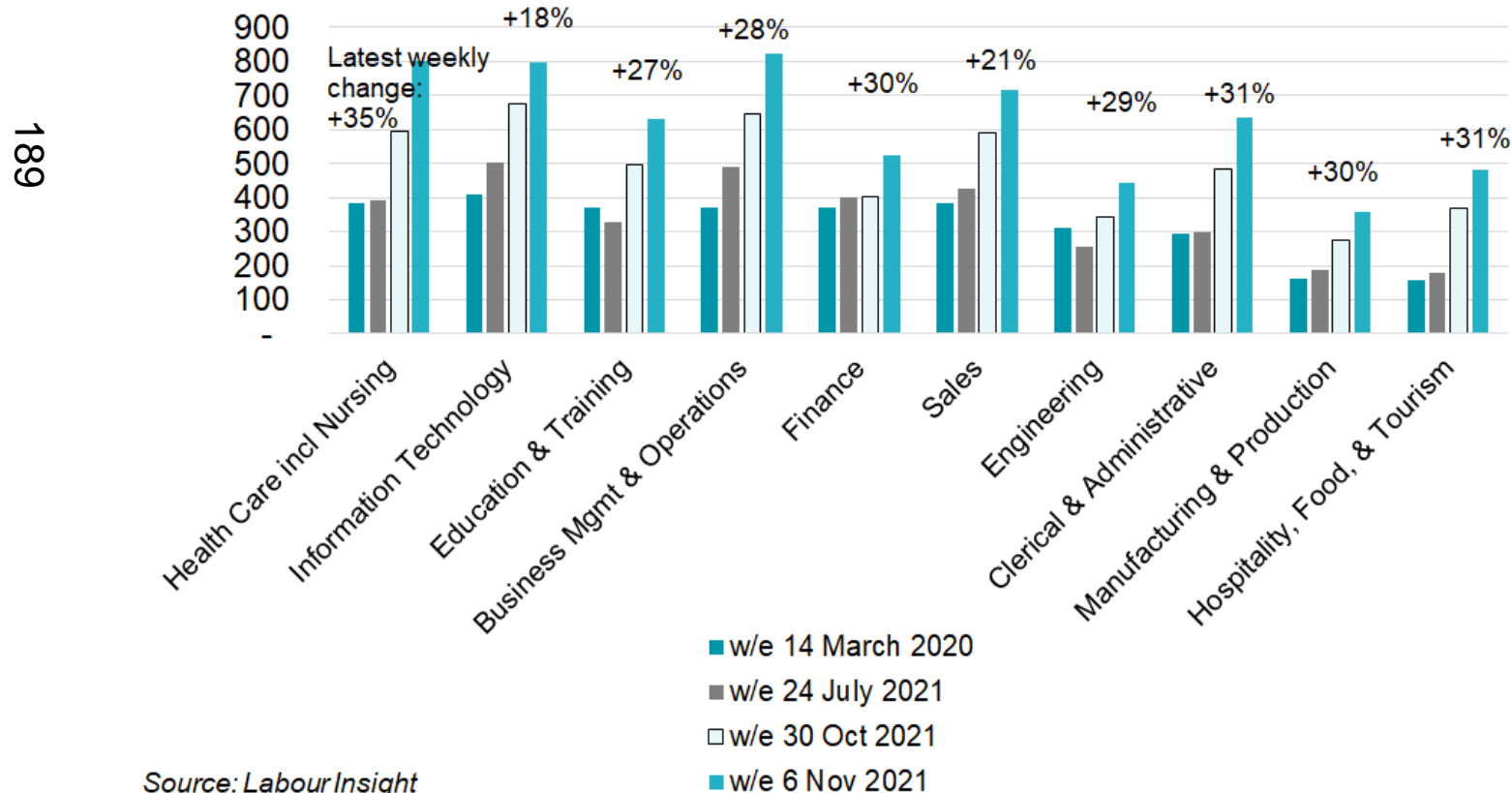


Note: a significant number of West Yorkshire job postings are not attributed to a local authority. Movements in vacancy levels at West Yorkshire level may therefore appear inconsistent with changes at local authority level.

Vacancies: all occupational categories shared in strong growth

The majority of occupational categories registered growth of more than 20% in their weekly count of postings for week ending 6 November. Several categories, including Health care, Clerical and Hospitality grew by more than 30% in a single week.

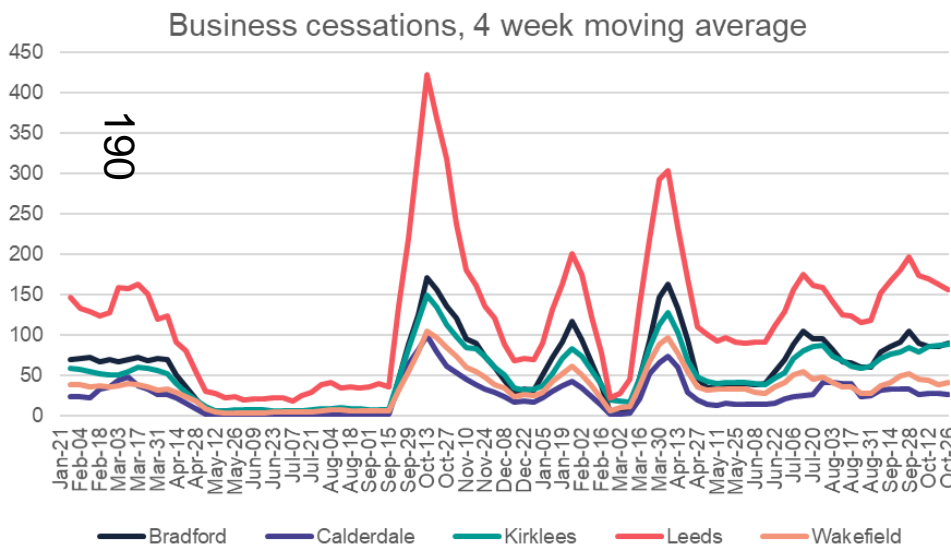
Weekly count of new online job postings in West Yorkshire by occupational category - 4 week moving average



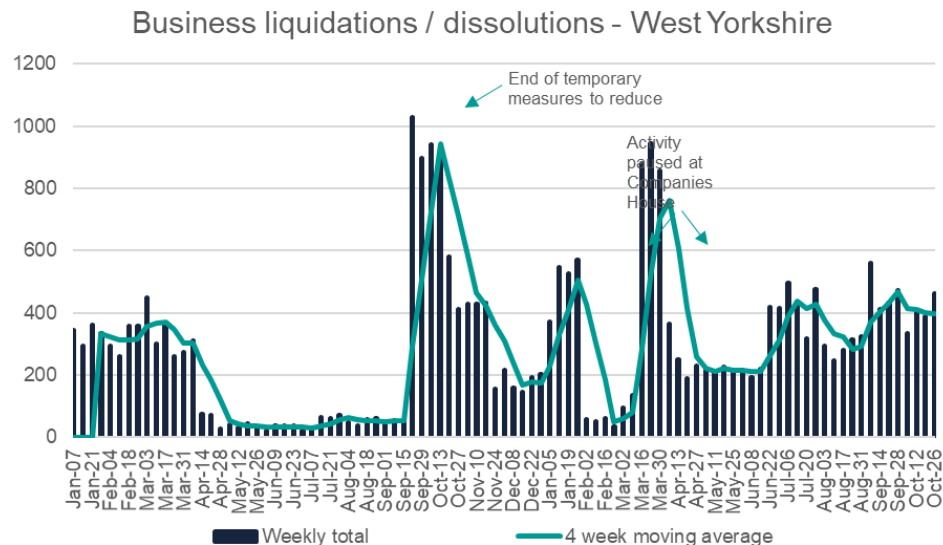
Source: Labour Insight

Business liquidations have seen a decrease in recent weeks

According to data from Bureau van Dijk's FAME database, up to the week ending October 26th there were 398 business liquidations in West Yorkshire (4-week moving average). Over the last month, the number of businesses liquidating has been decreasing, the latest figures showing a decrease of 1% from the previous period. This trend has been seen across all West Yorkshire districts except Wakefield, where liquidations have grown by 5%



Source: FAME, Bureau van Dijk, 2021



Source: FAME, Bureau van Dijk, 2021

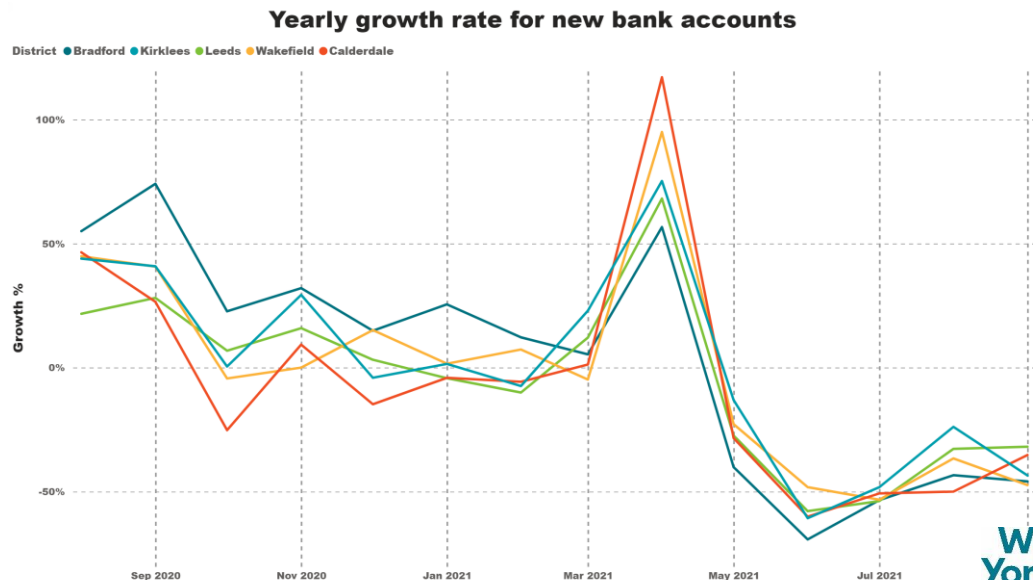
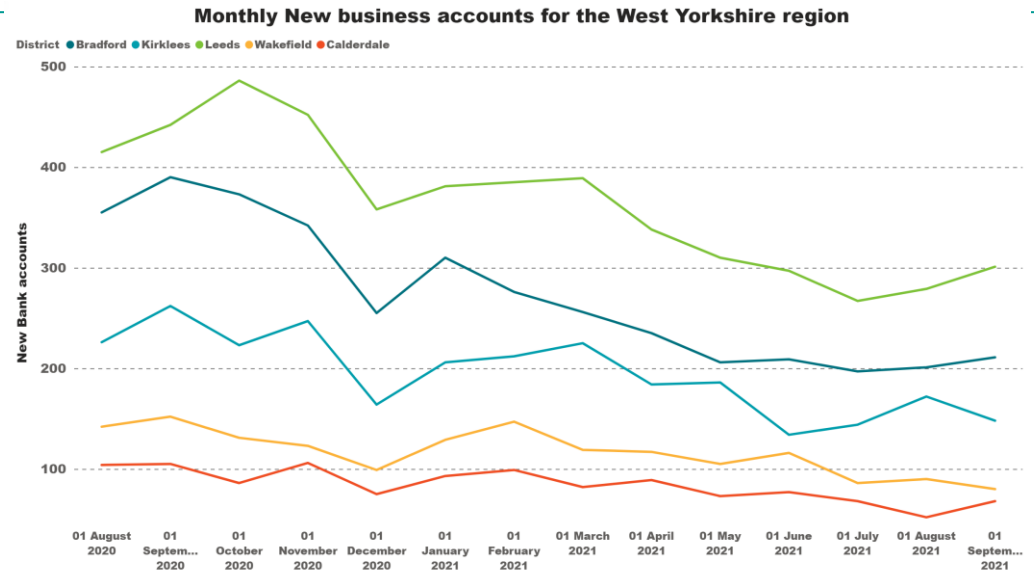
*Source: FAME, Bureau van Dijk, 2021. Analysis based on company registration address, location of activity may differ in some cases.

Growth in new business bank accounts in some districts

The Bank Search data shows the number of new business bank accounts opened in West Yorkshire during the course of a month.

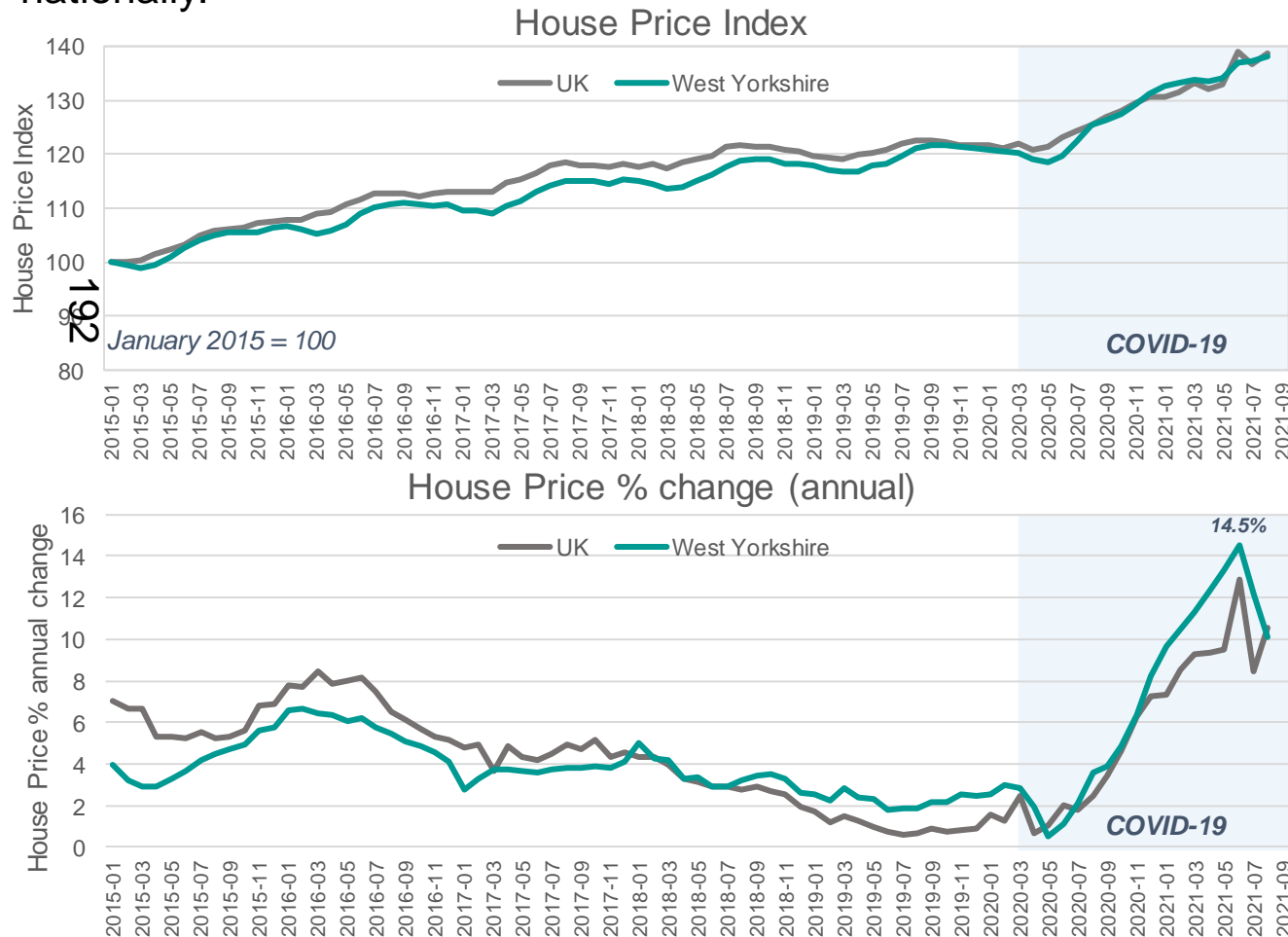
In September, 808 new bank accounts were opened in West Yorkshire, which represents a 2% increase relative to the previous month. Leeds was the district with the most new accounts (301, or 37%), and also one of the districts, together with Calderdale, which has driven the growth (8% and 30% increase, respectively).

However, the number of new business bank accounts was considerably lower than during the same period last year.



House prices locally & nationally continue to grow – prices reached a record high in August 2021

House prices have risen sharply throughout the pandemic, both locally and nationally. In West Yorkshire, the record was set in August 2021 at £183,484, compared with an average UK price of £264,858. This month's increase was 10% relative to the previous year, both locally and nationally.



The median 2021 workplace-based full time gross annual salary in West Yorkshire (provisional data) is £28,930, which means house prices locally are 6.3x average pay.

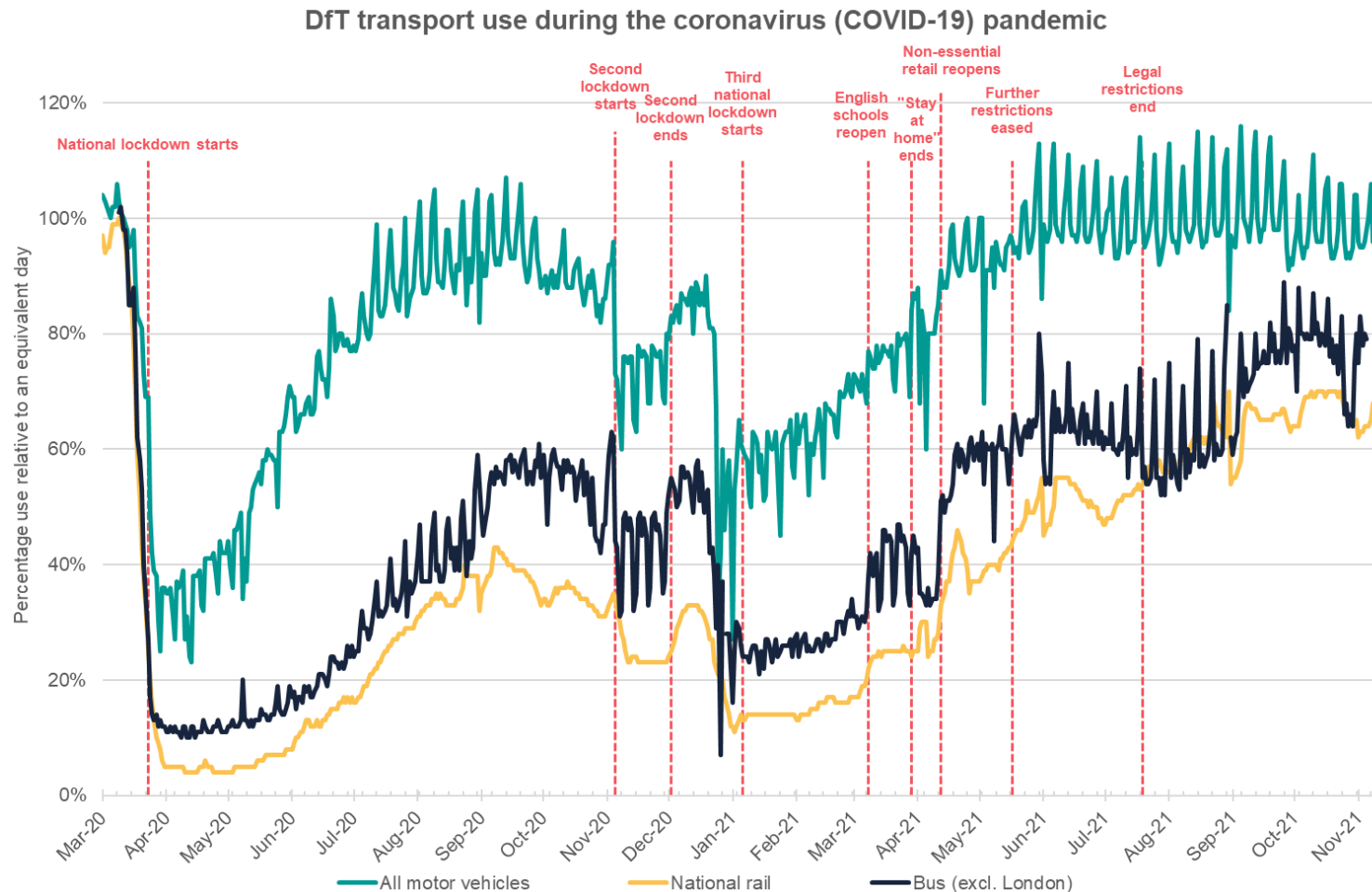
Nationally the ratio is higher (skewed by London's higher house prices), at 8.4x average pay (based on UK average salary of £31,285).

Transport Insights



Nationally, public transport use recovers from half term decline, road slightly down

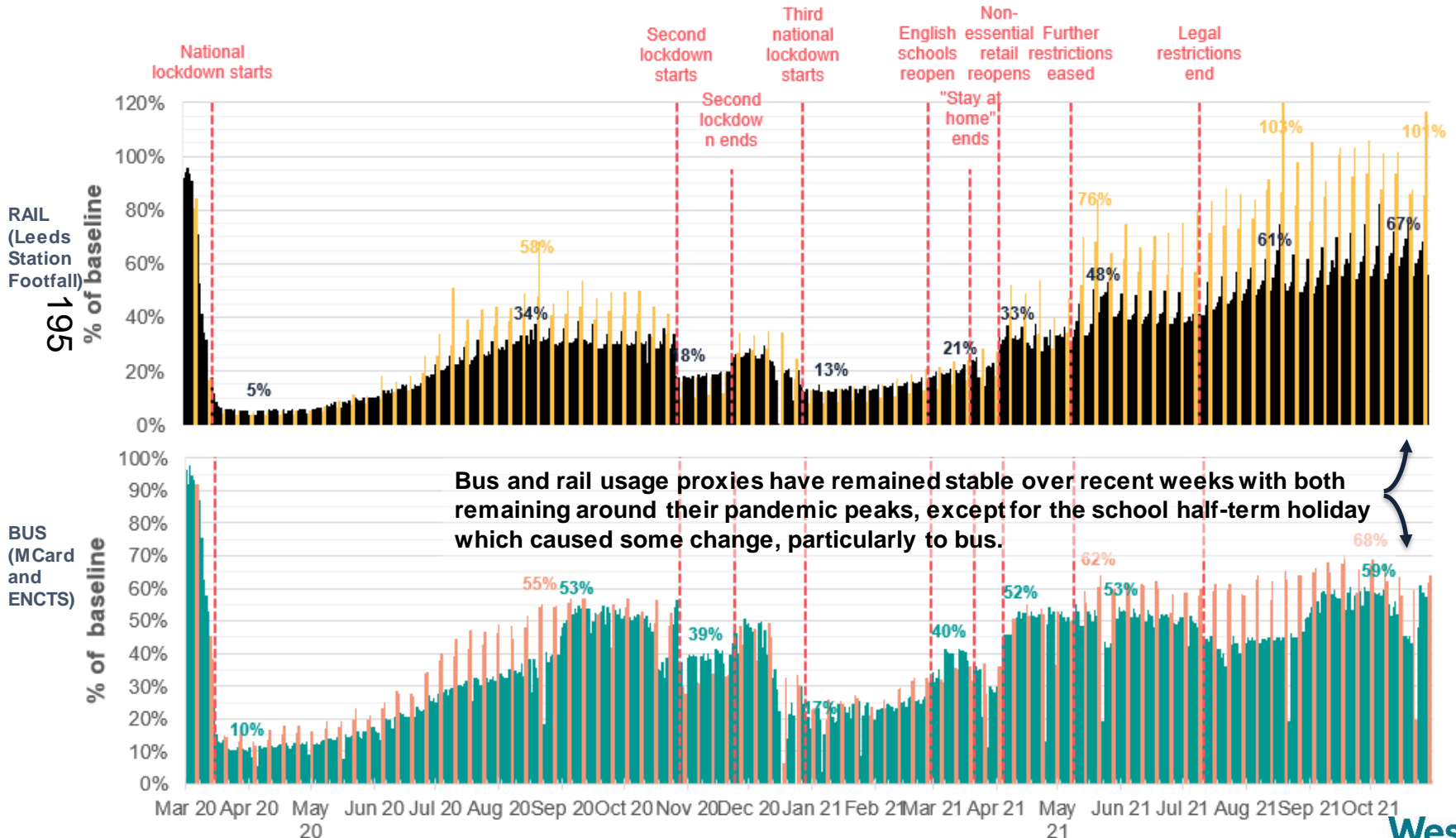
Motor vehicle use appears to be stable at a slightly lower level than in September. Bus and rail appear to have recovered from a decline in usage, which coincided with school half-term holidays, and is not at similar levels as in October.



Source: <https://www.gov.uk/government/statistics/transport-use-during-the-coronavirus-covid-19-pandemic>

Local bus and rail usage indicators remain stable

■ % Rail weekday change compared to baseline
 ■ % Bus weekday change compared to baseline
 ■ % Rail weekend change compared to baseline
 ■ % Bus weekend change compared to baseline



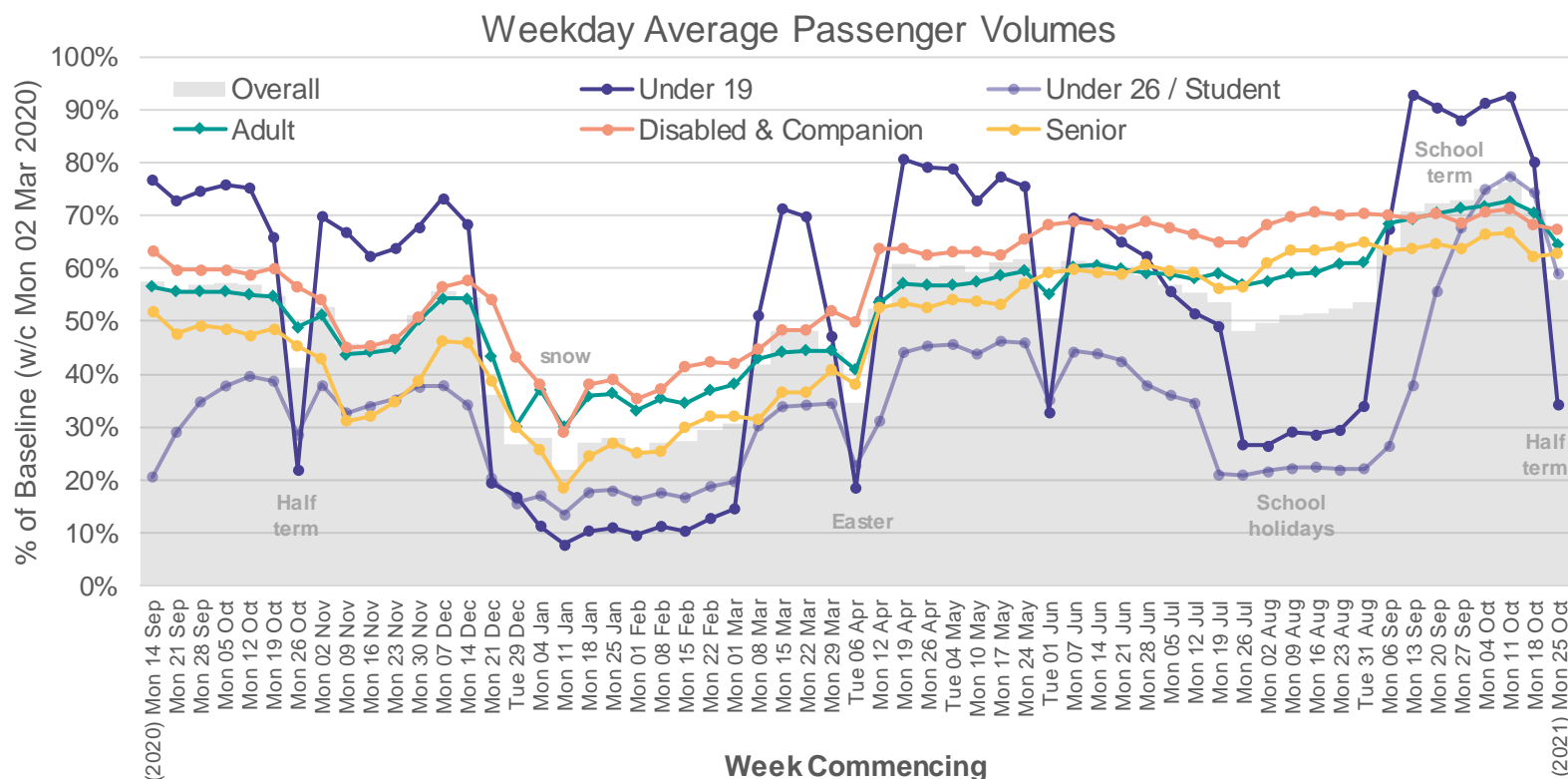
Baseline period is Monday 2nd - Friday 6th March 2020 (weekdays) and 29th Feb -1st March and 6th-7th March (weekends)

Source: Leeds Rail Station Footfall - Network Rail (top) and MCard and English National Concessionary Travel Scheme (ENCTS). Note MCard time-series does not include the new MCard data.

Bus use continued to recover against the March 2020 baseline before it dipped for half-term

Ticket machine data shows weekday bus use reached 76% of baseline (March 2020) before the October half term drop. Under 19s peaked at 93% of baseline weekday average, while Under 26 / Students peaked at 77%. Data is not complete for the week commencing 1 Nov, although it suggests a bounce-back of the Under 19, Under 26 / Student and Adult cohorts after half term.

Passengers per weekday before COVID	
Adult	221,000
Under 19	101,000
Senior	74,000
Under 26 / Student	34,000
Disabled & Companion	29,000
Miscellaneous	9,000
Data from First, Arriva, Yorkshire Tiger and Transdev	

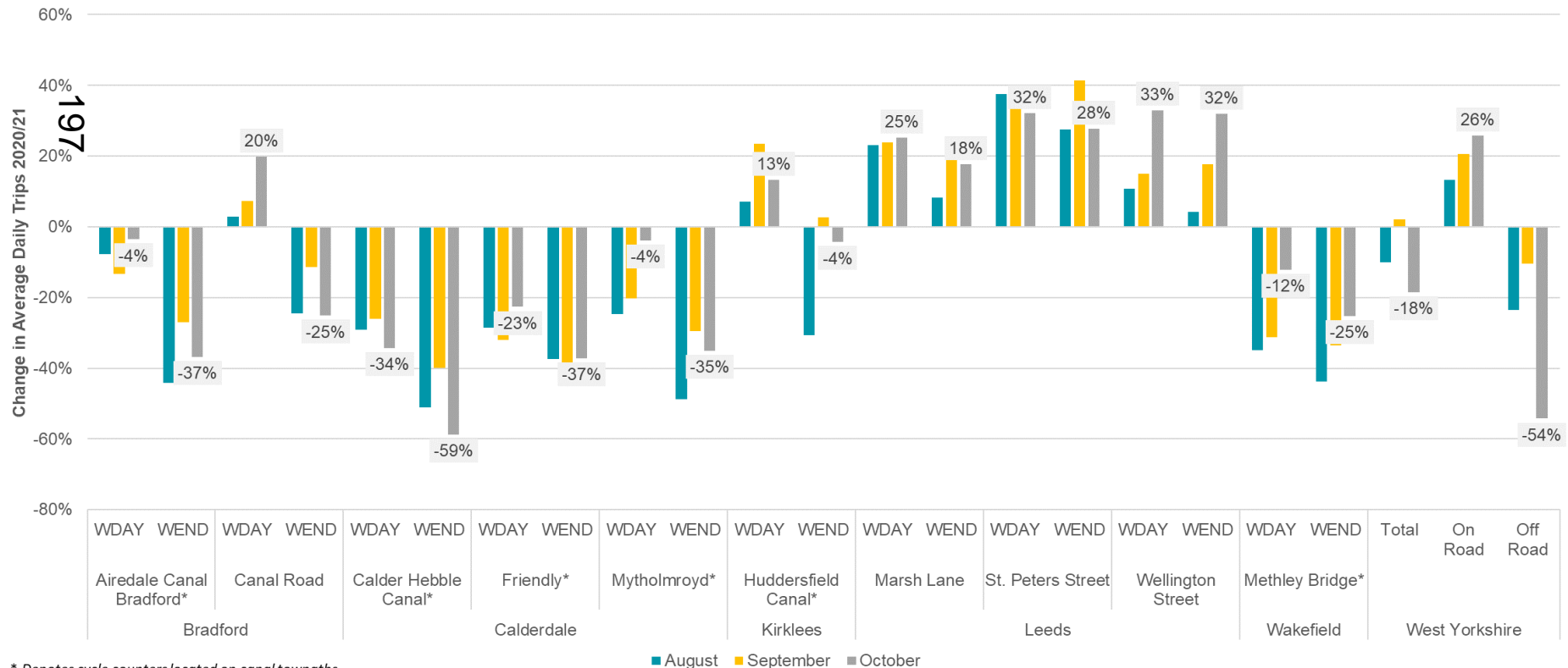


Baseline period is w/c Mon 02 Mar. Source: Bus operators electronic ticket machine data, passenger boarding locations in West Yorkshire. First, Arriva, Yorkshire Tiger and Transdev account for over 90% of bus services in West Yorkshire. Graph shows First, Transdev and Yorkshire Tiger data. Data is for weekdays excluding bank holidays, with ticket types assigned to broad cohorts.

Off-road cycle counts fall while commuting trips increase

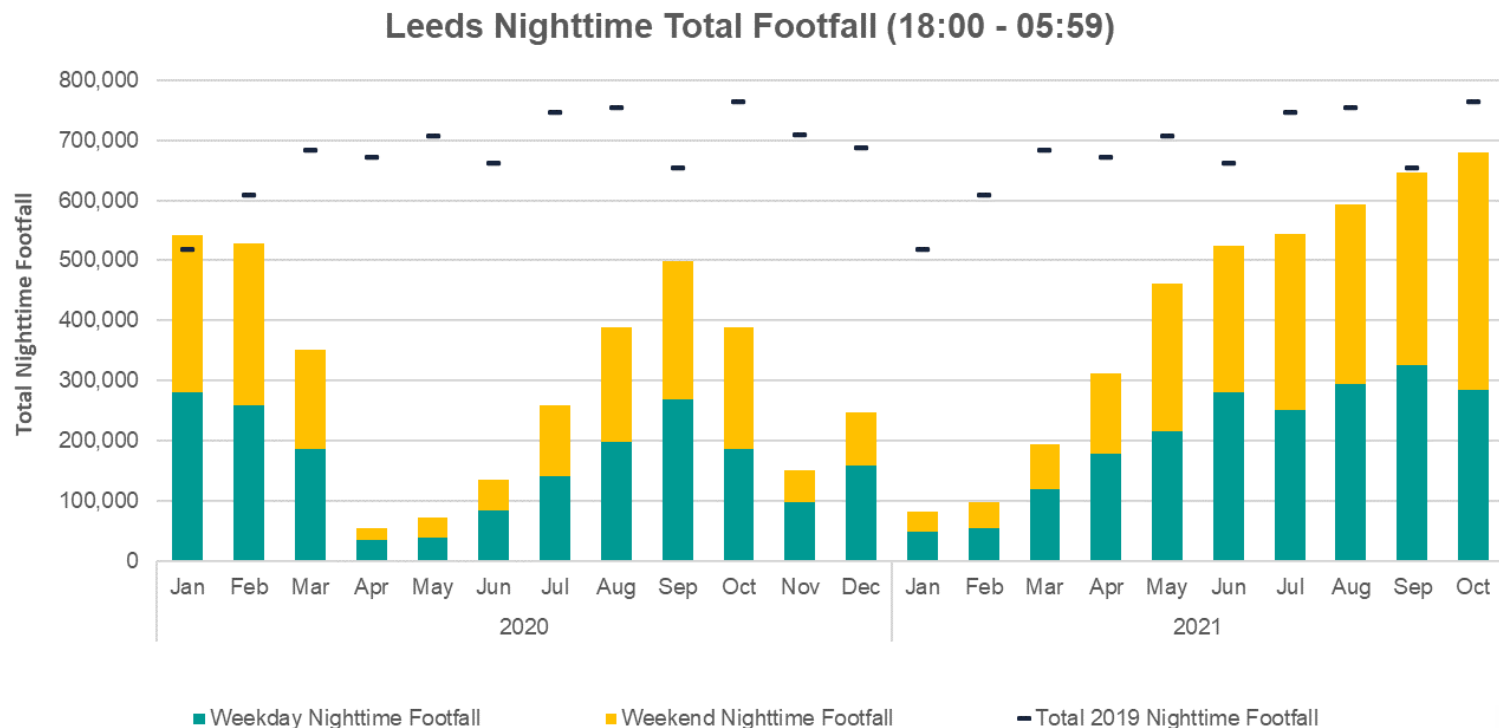
Off-road cycle counts, often attributed to leisure trips, are notably lower than the same months in 2020 –when government restrictions were in place. Conversely, on-road counts have increased as people return to workplaces. This can be seen at sites approaching Leeds City Centre and on weekdays at Canal Road (Bradford) and Huddersfield Canal (Kirklees), which are both on the approach to urban centres. Overall, cycle counters in Leeds have recorded more use, relative to the same months in 2020, than other West Yorkshire districts.

CityConnect Phase 2: Annual Change in Average Daily Cycle Counts 2020/2021



Evening footfall in Leeds City Centre is increasing but remains below pre-pandemic levels

Weekday and weekend evening footfall (Friday 18:00 – Monday 05:59) in Leeds has increased steadily through 2021, showing continuing recovery of the night time economy. Although recent footfall counts have been tracking above 2020, total numbers are still lower than the same period in 2019.

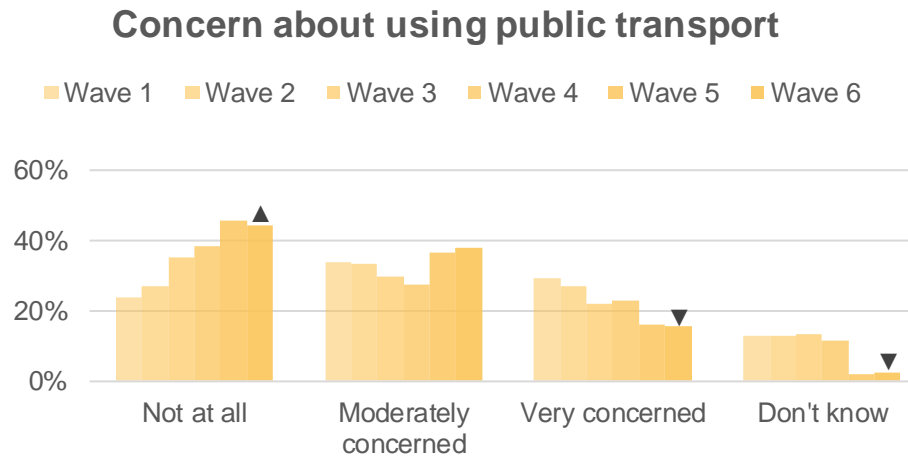


Source: Leeds City Council

COVID-19 Transport Recovery Survey - Concerns about using PT have fallen, but remain unchanged since restrictions were eased

In response to the COVID-19 pandemic, the Combined Authority have been running a COVID-19 Transport Recovery Survey series since June 2020, and this week we published the latest results (wave 6). Fieldwork was conducted between 28th September - 13th October 2021 and involved telephone interviews with 1,000 West Yorkshire residents aged 16 and over, with quotas for age, gender, ethnicity and home district, making it a statistically representative view of the local population. The full report is available [here](#) (with previous reports [here](#)). The following slides cover a selection of some of the headlines.

Concerns about using public transport have fallen significantly over time, particularly among younger respondents, although there is little change since the previous wave (in June 2021).



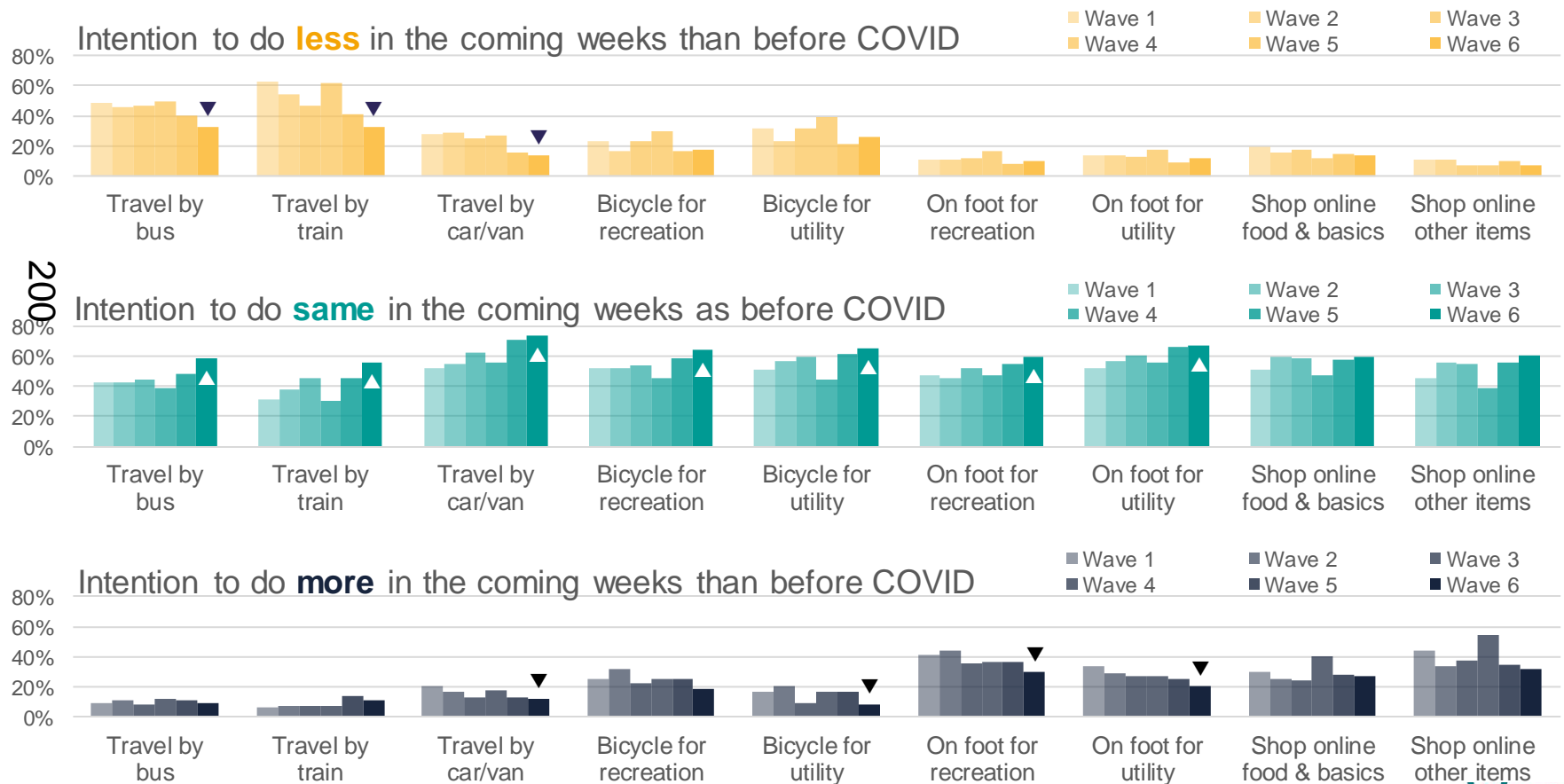
For further information about this survey, please contact Research@westyorks-ca.gov.uk

▲ / ▼ denote significant changes in the responses compared to wave 1.

Q: In relation to COVID, would you be concerned about using public transport over the coming weeks? Base = 1,000

COVID-19 Transport Recovery Survey – Evidence of continued signs of recovery

There is a continued move towards pre-pandemic travel activity compared with waves 4 and 5, with some *statistically significant* changes with respect to wave 1.



▲ / ▼ denote significant changes in the responses compared to wave 1.

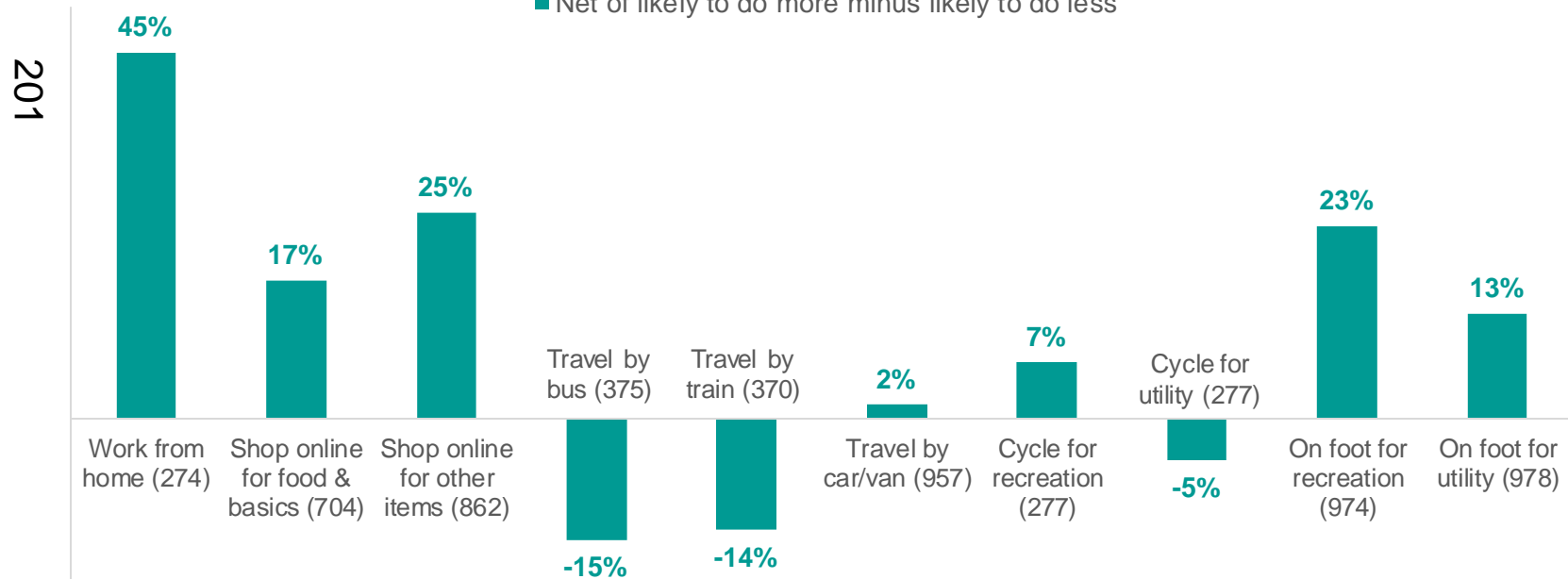
Q: Over the coming weeks do you think you will do each of the following more, less, or the same as before COVID?

COVID-19 Transport Recovery Survey – some travel behaviours and choices likely to stay

In addition to asking if people would do certain activities, less, the same or more over the coming weeks (compared to pre-COVID-19), we also asked how likely those changes were to be permanent. The chart below illustrates the net change. Net change figures show that In the long-term, respondents are more likely to increase their walking and undertake more remote activities (work from home, shop online). They are also likely to reduce their bus and train usage. Increases and decreases in car/van travel could balance each other out. Likewise, long-term decreases in utility cycling could be offset by increases in recreational cycling.

Likely to make a permanant change

■ Net of likely to do more minus likely to do less



Q: Over the coming weeks do you think you will do each of the following more, less, or the same as before COVID?

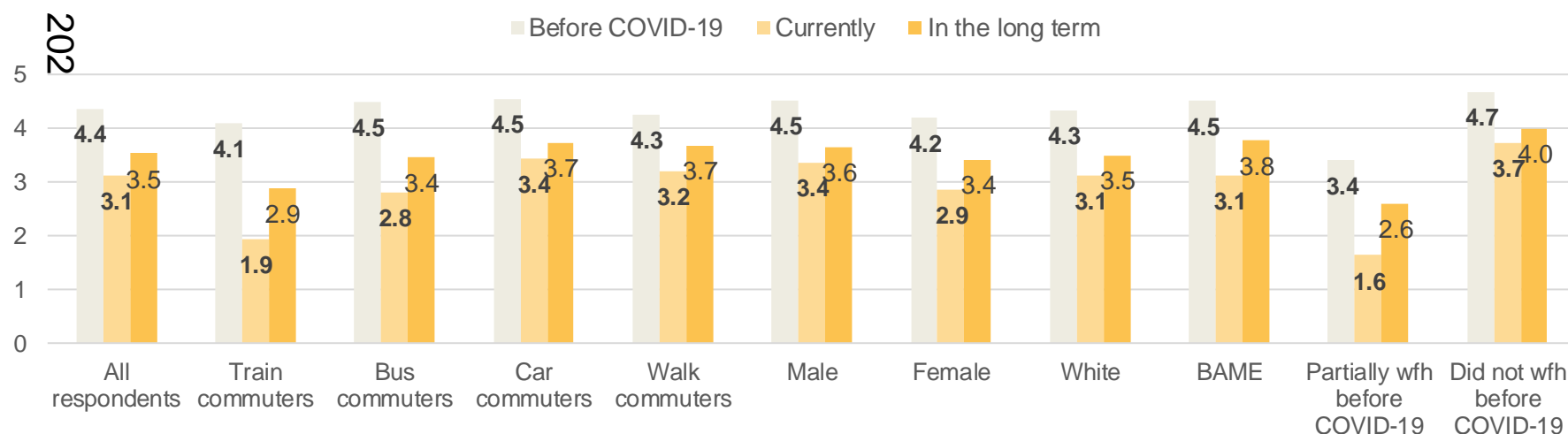
Q: How likely or unlikely is the change going to be permanent?

Base (in brackets): People who were routed to answer more, less, or the same, excluding 'I never do this' responses.

COVID-19 Transport Recovery Survey – Changes in travel to work frequency

Before COVID-19, West Yorkshire residents reported traveling to work 4.4 days a week on average. The current figure is 28% lower, at 3.1 days a week, reflecting the 21% of respondents that reported still working from home exclusively. Although an increase in commuting is expected in the long term, it is unlikely it recovers to pre-COVID-19 levels; results suggest a 19% reduction relative to pre-pandemic values, and a *significantly* higher reduction (30%) among those who commuted by train, as well as those who had done some work from home before COVID-19.

Average number of days travelled to work per week, by group



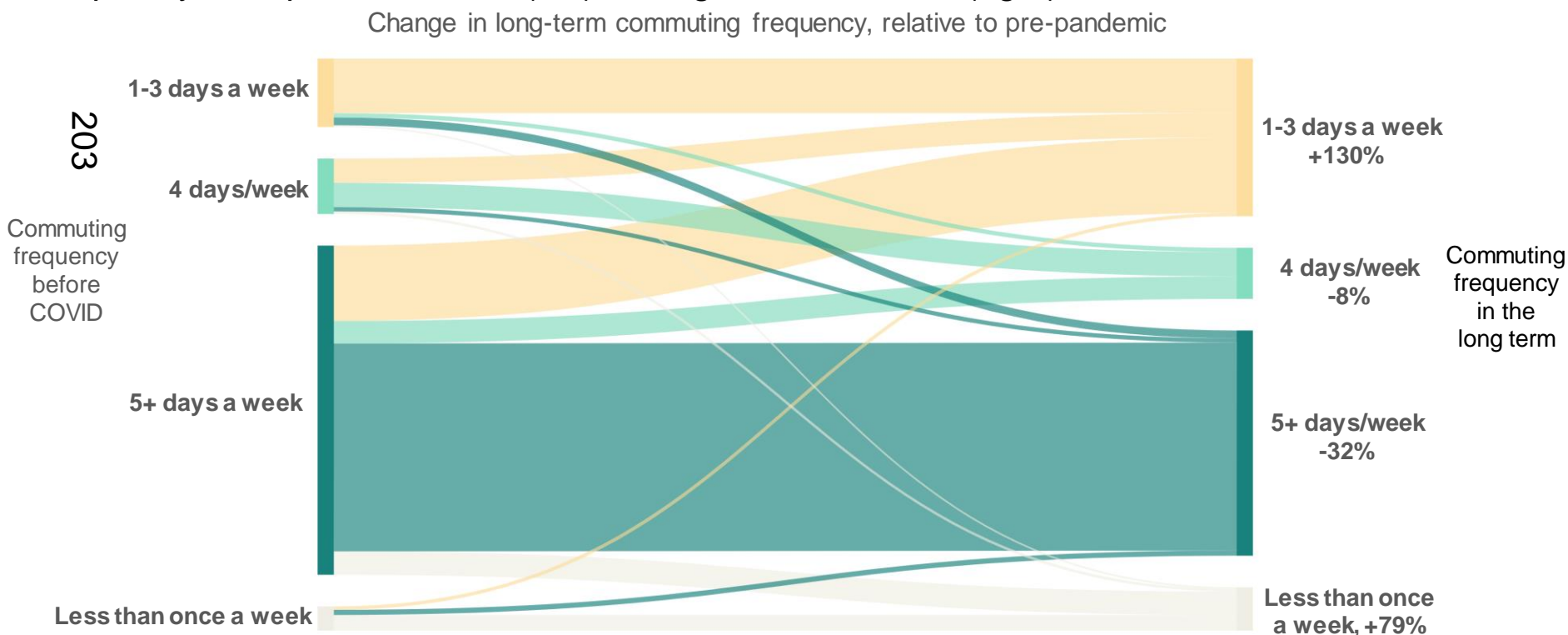
Q. Before COVID how many days a week did you normally travel to work? | Q. How many days a week do you currently travel to work? | TN63. In the long term, once COVID is no longer considered a problem, how many days per week do you think you will travel to work, roughly? (Less than once a week / 0/1/2/3/4/5/6/7)

Note: For the obtention of an average 'less than once a week' was assigned a numerical value of 0.25 days/week

Note: The cycling commuting sub-group was too small for the results to be significant (12 responses)

COVID-19 Transport Recovery Survey - A shifting preference of less frequent commuting long term

The survey results reveal a clear preference for less frequent commuting in the long term, with the proportion of those commuting between 1 and 3 days a week more than doubling relative to pre-pandemic. Although nearly 50% of respondents still expect to travel to work 5 days a week or more in the long term, the proportion of those doing so falls by around a third relative to pre-COVID. The Sankey diagram below highlights the shift in respondents' commuting frequency from pre-COVID-19 (left) to long term intentions (right).



Source: West Yorkshire Combined Authority COVID-19 Transport Survey of West Yorkshire Residents, 28th Sept to 13th Oct 2021
Q. Before COVID how many days a week did you normally travel to work? | In the long term, once COVID is no longer considered a problem, how many days per week do you think you will travel to work, roughly? (Less than once a week / 0/1/2/3/4/5/6/7)

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**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON FRIDAY, 22 OCTOBER 2021 AT COMMITTEE ROOMS 6&7,
CIVIC HALL, LEEDS.**

Present:

Mayor Tracy Brabin (Chair)
Councillor Susan Hinchcliffe
Councillor John Lawson
Councillor James Lewis
Councillor Shabir Pandor
Councillor Rebecca Poulsen
Councillor Matthew Robinson
Councillor Tim Swift MBE
Councillor Andrew Waller

West Yorkshire Combined Authority
Bradford Council
Kirklees Council
Leeds City Council
Kirklees Council
Bradford Council
Leeds City Council
Calderdale Council
City of York Council

In attendance:

Ben Still
Brian Archer
Liz Hunter
Dave Pearson
Alan Reiss
Angela Taylor
Craig Taylor
Caroline Allen
Dominic Martin

West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
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West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority

43. Chair's Comments

The Chair reported that she had attended the Global Investment Summit 2021 earlier in the week, and highlighted that many investors, including large global companies, were interested in investing in the region. The Chair noted her thanks to the Combined Authority Trade and Investment team who had supported herself and Sir Roger Marsh during this trip.

44. Apologies for Absence

Apologies for absence were received from Cllr Jeffery and Sir Roger Marsh, as well as both their substitutes.

45. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by Members during the meeting.

46. Exempt Information - Possible Exclusion of the Press and Public

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 1 to Agenda Item 10 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

47. Minutes of the Meeting of the Combined Authority held on 9 September 2021

Resolved: That the minutes of the meeting of the West Yorkshire Combined Authority held on 9 September 2021 be approved.

48. Covid-19

The Combined Authority received an update on developments around the COVID-19 pandemic and work to support economic recovery in West Yorkshire.

The number of Covid-19 cases in the region had increased by 15% and was approaching the November 2020 peak, particularly in the 10-14 years age group. Calderdale was particularly affected, with the 9th highest rate of infections in England.

Retail spending in the region had fallen since the previous meeting – feedback had been received that rising energy prices were disproportionately affecting retail businesses, the Bank of England had forecast that inflation may rise up to 5%, and it was expected there would be pressure to increase interest rates. To address this the Combined Authority had made attempts to address skill shortages across all sectors, and part of the adult education budget would be repurposed to help with the national driver shortage. An increase in referrals to the Combined Authority's employment hubs from Jobcentre Plus had been received since the furlough scheme had ended, and the Combined Authority was working with Local Authorities to match these referrals with employment opportunities. A new business start-up offer was also due to be launched to support those considering self-employment as well as existing business.

The support offered to businesses in the region was welcomed by Members, and targets aiming to ensure fair access to support for groups such as BAME residents, women, and those with disabilities were praised, but it was also noted that place-based inequalities existed, with some areas of the region having been hit harder by the pandemic than others, and it would be important to consider this to achieve fully inclusive growth. Members also questioned how this support was tracked in relation to the Help to Grow grant scheme, to ensure that funding was being used to the best effect in regards to the resilience of the economy and particularly small and medium-sized enterprises (SMEs); officers advised that any businesses engaged would always be directed to appropriate resources such as Help to Grow as part of a wider portfolio of linking businesses with available support. It was also requested that details on any council tax support be included in future reports on this topic.

Members cautioned that the recovery would be a challenging time for many in local communities, with the end of the furlough scheme, cuts to universal credit, rising energy costs and high property prices all contributing to this, and that it may be some time before the situation stabilised into a 'new normal'. To avoid adding a further burden for families already being stretched by these factors, the Mayor would not be introducing a mayoral precept for the current year.

The link between the health of the region's residents and the health of the economy was discussed, with it being noted that children from low-income families were more likely to suffer from poor nutrition, leaving them more susceptible to other conditions. With over a third of West Yorkshire children living in poverty, addressing these inequalities was noted as being vital. Similarly, people who were ill or looking after an ill family member may need to take increased time off of work, and were less likely to spend money in their local economies.

Members noted it would be important to support the Government's vaccination and booster programmes, and it was suggested that low-level interventions by the Government now, such as increasing social distancing in schools, could prevent more serious interventions such as another lockdown. Concerns were also raised over adult social care funding, which faced serious upcoming challenges, and Members expressed disappointment over a lack of Government support other than an assumption of a continuing social care precept on council tax.

The importance of funding for skills as a path toward a strong and inclusive recovery was highlighted. Members questioned if the capacity to deliver the needed training was available, and what measures were in place to ensure the right people were provided with opportunities for skills and training. Officers advised that the capacity and capability was there, with many excellent colleges and other training providers throughout the region, but with the total devolved Adult Education Budget having fallen by over 50% over the last ten years funding and resources were the limiting factor in supplying this training.

The Chair noted that she and Sir Roger Marsh had recently held a roundtable event with businesses on the driver shortages currently impacting the HGV

industry and invited Members to share their concerns and suggestions on this issue.

Councillor Waller joined the meeting during discussion of this item.

Resolved: That the Combined Authority notes the update on Covid-19 support in West Yorkshire.

49. WY Climate and Environment Plan

The Combined Authority considered a report on the climate emergency. It asked them to approve the West Yorkshire Climate and Environment Plan, which would be the Mayor and Combined Authority's response to address the climate emergency, to protect the environment, and to achieve net zero carbon emissions in West Yorkshire. The Combined Authority was also asked to endorse plans for the Mayor to bring forward a Climate and Environment Fund and to secure £85 million in funding for carbon reduction projects, with sources for this funding to be identified after the publication of Comprehensive Spending Review.

The importance of the plan was noted, with increasing occurrence of flooding events such as that of Boxing Day 2015 highlighted as examples of the significant impact of climate change in the region, and the approval of this plan would be particularly timely due to the upcoming attendance of the Mayor and the Managing Director at the 2021 United Nations Climate Change Conference (COP-26). As part of efforts to raise awareness of these climate issues and the important role of the bus service in combatting them, Sunday 31 October had been announced as 'Free Bus Sunday', where travel on buses throughout the region would be free. Encouragement toward greater use of public travel would be vital in combatting the climate emergency, and it was hoped that the event would support this.

The Government's Net Zero Carbon Strategy had been launched earlier in the week, and Members welcomed announced initiatives such as greater support for electric vehicles and grants to replace gas boilers with zero-emission heat pumps, but it was felt that the ambition of the Strategy was not sufficient to achieve a full, inclusive and just recovery from the Covid-19 pandemic, with it being noted that any incentives to support reducing emissions had to be accessible to all, rather than only those who were already wealthy. It would be important to support Government in tackling the crisis, but it was noted that MCAs and Local Authorities could use their knowledge and experience in local communities to be a leading voice in encouraging a change in priorities and behaviour.

The Plan had been developed with the support of the Climate, Energy and Environment Committee. Three potential pathways toward net zero emissions had been explored in the Plan; it was noted that the early actions set out within the Plan were consistent with all three pathways, and did not preclude any future decisions regarding this. The Committee would be happy to take a further role in the monitoring of the progress of the Plan and in discussions regarding which pathway would be taken, as well as timescales surrounding

this.

The Committee had also raised the importance of ensuring that the carbon impact of existing road schemes was being robustly measured within the Plan; a piece of work was currently underway to improve technical guidance for developing schemes and improve analysis for investors and stakeholders, as well as to assess the impact of schemes currently in the pipeline. This was a complex task, as factors such as potential modal shift could be difficult to measure, but a report would be shared when the work had been completed.

Members questioned what work was being undertaken with private developers in the region to encourage them to work in an environmentally-conscious way now, prior to any legislation being implemented. Although retrofitting homes with environmentally-friendly technology was noted as typically being more difficult and costly than new builds, building new carbon zero homes could also be extremely difficult to achieve in certain regions with low margins and viability without costs being passed on. Further Government funding was highlighted as needed in order to incentivise this.

It was also noted that the Mayor's pledge for 5000 sustainable homes aimed to work in partnership with developers, and work would also be done in the social housing sector to lower carbon emissions. A project currently underway in retrofitting Kirklees homes was mentioned as a positive example of the work already underway, and lessons learned from this pilot would be useful going forward. It was hoped that use of the existing technology, such as heat pumps, would lead to further innovation and a reduction of costs.

Mentions in the report about the reduction of parking were discussed, and Members raised concerns over the impact this could have on tourism, as well as the difficulties faced by some in charging electric cars. Officers advised that any approach toward parking would be carefully considered and multi-faceted to ensure people had different options for travel where possible. The Combined Authority would be working in close partnership with district councils, and it was noted that it would be important to gather further evidence about the impact of parking charges, in order to find most effective path toward encouraging modal shift. The use of Mayoral powers to introduce electric vehicle charging points at filling stations was also under consideration.

Members raised the following other comments and questions:

- Investment into heat insulation was highlighted as vital, as it would allow residents to simultaneously lower emissions while reducing the impact of cost of living increases.
- The report's discussion of digital infrastructure investment and pension divestment was welcomed, but further progress was needed, and a more targeted investment of pension funds could be an important next step.
- The idea of a Mayoral 'gold standard' for developers was raised, highlighting developers with environmentally-conscious practices and encouraging building new homes with green technology.
- Members raised concerns around residents on lower incomes facing difficulties with the costs of switching over to electric/hybrid vehicles, or

- with supplementary charges including parking.
- Further investment was also noted as being needed in social housing stock, and Members questioned what could be done to develop this into a sustainable market.
- It was noted that the impact of works on biodiversity was not frequently discussed, despite the onus of Combined Authorities to deliver a net gain in this in its residential planning and civil engineering. Officers would explore what further action could be taken in this area.
- The importance of preserving river cleanliness was discussed, and it was requested that the Plan include further detail on this.

Resolved: That the Combined Authority:

- a) Approves the West Yorkshire Climate and Environment Plan and agrees to delegate, if required, any final changes to the Managing Director in consultation with the Mayor.
- b) Endorse the Mayor to bring forward a Climate and Environment Fund and to secure the £85m funding needed for the actions for the Combined Authority. The Combined Authority would work with partner local authorities to design the delivery mechanisms for this fund.
- c) Endorse the Mayor to identify potential funding sources for the Fund, including the Single Investment Fund. Decisions would be taken after the Comprehensive Spending Review, which would indicate whether and when there would likely be further national funding available to support this work.

50. Capital Spending and Project Approvals

The Combined Authority considered a report on proposals for the progression of, and funding for, a number of Combined Authority supported projects that had been considered at stages 1, 2 or 3 of the Combined Authority's assurance process. The report also listed approvals that had been made by the Managing Director in delegation.

Three projects had been submitted for approval at the meeting:

- The Green Jobs Taskforce and Gateway scheme requested £500k from the Single Investment Fund (SIF) to research the future demand of green skills, investigate availability, and develop an action plan.
- The Creative New Deal project also requested £500k from the SIF to support two strands of delivery for support to creative industries across West Yorkshire. One strand focused on boosting capacity for the Mayor's Creative New Deal pledge (including the continuation of the Beyond Brontës programme) and another would progress the concept of a 'Town of Culture' award for West Yorkshire. The use of Langthwaite Enterprise Zone for creative industry purposes would also be explored.
- A bid had been submitted for £12.36 million from the third tranche of funding from the Emergency Active Travel Fund. This would be used to

provide delivery of permanent schemes building off of the temporary schemes funded by the earlier two tranches of funding. It was requested that approval for this spending, as well as approval for the Leeds A660 Otley Road full business case, be delegated to the Managing Director of the Combined Authority in order to allow flexibility, particularly if the awarded funding differed from the expected amount.

Members discussed the 'night-time Czar' role proposed under the Creative New Deal and questioned whether its focus would be on supporting the economic recovery of businesses operating at night or on the safety of women and girls. Officers advised that funding was often aimed to link between multiple pledges; the primary focus of the role would be the safety of women and girls, but it was hoped that both aspects could be fulfilled as the role was developed. These issues and others, such as how the 'Town of Culture' award would link to the 'UK City of Culture', would be further discussed as part of the work of the Culture, Arts and Creative Industries Committee.

It was highlighted that a large proportion of the Green Jobs Task Force and Gateway funding was proposed to be spent on three roles within the Combined Authority, rather than on delivering skills training. Officers advised that this was necessary to increase capacity within the team for the next stage of work, particularly for strengthening links between businesses and those exiting the education system. It was requested that future reporting be made more clear in tracking where Combined Authority funding was being used to create new jobs, rather than only supporting the business in what it had already been doing.

Approval was also sought for the delegation to the Climate, Energy and Environment Committee to approve the Social Housing Decarbonisation Fund scheme, in order for delivery to meet Government timeframes.

Resolved:

- a) That in respect of the Social Housing Decarbonisation Fund, and in order to ensure that schemes can be delivered within the tight timescales, the Combined Authority approves the delegation of authority to the Climate, Energy and Environment Committee to accept the Social Housing Decarbonisation Fund and approve the scheme in accordance with the Assurance Framework (decision point 4 (Final Business Case)), so that delivery can commence in line with government's delivery timeframes.
- b) That in respect of the Green Jobs Taskforce and Gateway, the Combined Authority approves that:
 - i) The Green Jobs Taskforce and Gateway scheme proceeds through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) with Approval to Proceed to activity 5 (Delivery).
 - ii) Approval to the Combined Authority's contribution of £500,000 (which will be funded from the Single Investment

Fund to progress the mayor's pledges) be granted. The total scheme value is £500,000.

- iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report and any change requests are delegated to the Employment and Skills Committee. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- c) That in respect of the Creative New Deal, the Combined Authority approves that:
- i) The Creative New Deal project proceeds through decision point 2 (strategic outline case) and decision point 4 (full business case) and work commences on activity 5 (delivery).
 - ii) Approval to the Combined Authority's contribution of £500,000, funded from the Combined Authority's Single Investment Fund is given. The total scheme value is £500,000.
 - iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report and any change requests are delegated to the Culture, Arts and Creative Industries Committee. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- d) That in respect of Local Authority Capital Funding 2021/2022, the Combined Authority approves that, subject to a successful bid to DfT:
- i) The allocation to the Combined Authority of the Active Travel Fund: Local Authority Capital Funding for 2021/22, subject to a successful bid, for expenditure of up to £12,361,310 and that the programme proceeds through decision point 4 (full business case) and work commences on activity 5 (delivery) for all schemes except the Leeds A660 Otley Road scheme which commences work on activity 4 (full business case)
 - ii) Delegation to the Managing Director to approve the Leeds A660 Otley Road full business case.
 - iii) The allocation of the Active Travel Fund: Local Authority Capital Funding for 2021/22 funding, should it be secured, between the Combined Authority and the five West Yorkshire partners as set out below:
 - Bradford - £3,056,300
 - Calderdale - £475,000
 - Kirklees - £2,260,000
 - Leeds - £4,785,000 including development costs of £470,000

- Wakefield - £585,000
 - Combined Authority - £850,000 (for Cycle Parking and School Streets Programmes across all five districts with a further £350,010 for programme costs)
- iv) Development costs of £470,000 to progress the Leeds A660 Otley Road scheme to full business case.
- v) In order to ensure that schemes can be delivered within the tight timescales, the Combined Authority delegates authority to the Managing Director to amend the approval and allocation of Active Travel Fund: Local Authority Capital Funding for 2021/22 if the DfT award differs from £12,361,310, or if further changes to individual allocations is required, as a result of changes to the programme and approaches to delivery.
- vi) The Combined Authority enters into a funding agreement with Bradford, Calderdale, Kirklees, Leeds and Wakefield for expenditure as set out above, including potentially the Canal and River Trust, in agreement with the relevant partner council.
- vii) Future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report and any change requests are delegated to the Place, Regeneration and Housing Committee, which will be subject to the scheme remaining within the tolerances outlined in the submitted report.

51. Corporate Matters

The Combined Authority considered a report from the Director of Corporate and Commercial Services seeking approval of outstanding appointments of private sector members to several committees, noting work done toward of the 2022/2023 budget, and seeking acceptance of the proposed debt cap for 2021/2022 of £248 million offered by Her Majesty's Treasury.

Members questioned how the proposed debt cap compared to that of other Combined Authorities across the UK. It was advised that there was significant variation regarding debt caps, ranging from under £100 million to nearly £1 billion in some cases for longer-established Combined Authorities. It was noted that the cap request was above the amount that had been set out in the budget for the current year for borrowing, so should not impact on any decision-making regarding borrowing before its expiration in March 2022.

Resolved: That the Combined Authority:

- a) Appoints private sector members to the Culture, Arts and Creative Industries Committee as set out in Appendix 1 attached to the submitted report.
- b) Appoints Sam Keighley as a private sector member of the Place, Regeneration and Housing Committee.

- c) Appoints Karl Oxford as a private sector member of the Business, Economy and Innovation Committee.
- d) Accepts the debt cap of £248.326 million for 2021/22 as offered by HM Treasury.
- e) Notes the work underway on the 2022/23 budget.

52. Trans Pennine Route Upgrade

The Combined Authority considered a report on the current position regarding the Transport and Works Act Order pertaining to the upgrade of the Trans Pennine rail route, and its implications for land and assets operated by the Combined Authority. The report included recommended actions to safeguard the operation and redevelopment of Huddersfield Bus Station

Although the Combined Authority was supportive of the planned Trans Pennine route upgrade there were some technical issues that remained to be resolved with Network Rail. The Combined Authority was asked to approve delegation to the Managing Director to enter into an agreement with Network Rail to obtain safeguards to ensure the proposed work did not significantly negatively impact on the operation of Huddersfield Bus Station and bus network in Huddersfield. If this agreement was reached, the Combined Authority would submit a supportive letter to the upcoming Public Inquiry for the Transport and Works Act Order noting that the issues had been resolved; otherwise, the Combined Authority would participate in the Public Inquiry. It was noted that officers felt an agreement was close and would likely be reached within the next few days.

Members requested further information on improvements on the Trans Pennine more generally, particularly in light of uncertainty surrounding previous transport commitments. However, it was noted that further useful information would likely not be available until the Integrated Rail Plan was published by Government.

Resolved: That the Combined Authority:

- a) Delegates to the Managing Director, authority to enter into a binding legal agreement which safeguards the Authority's interests in and around Huddersfield Bus station and provides appropriate measures to manage travel disruption during the construction phase of the Trans Pennine Route Upgrade.
- b) Approves that, in the event that a binding legal agreement cannot be made with Network Rail, the Combined Authority shall participate in the Public Inquiry regarding the Transport and Works Act Order (TWAO) application to the Secretary of State for Transport for the proposed improvements to the railway between Huddersfield to Westtown (Dewsbury) to present the specific matters relating to impacts in and around Huddersfield Bus Station.

- c) Approves that, in the event that a binding legal agreement can be made with Network Rail, the Managing Director submits a letter to the Public Inquiry reaffirming the Combined Authority's support for the Trans Pennine Route Upgrade and advises that the matters relating to Huddersfield Bus Station have now been resolved.

53. Bus Service Improvement Plan

The Combined Authority considered a report providing an overview of the content included in the Bus Service Improvement Plan (BSIP) and requesting approval for its submission to the Department for Transport.

The Mayor's pledge to improve the bus service and bring it back under public control was noted, with the BSIP intended as a first step toward this, creating a safe, accessible and fully inclusive bus system. It presented an ambitious picture for bus travel in the region, but this would be vital for the Combined Authority's decarbonisation and sustainable travel agenda and in achieving the net zero carbon by 2038 target, particularly with 90% of transport emissions currently coming from cars and vans.

Members welcomed the strong ambition demonstrated in the BSIP, particularly regarding the capped fare of £4.50 and the Flexibus and Demand Responsive Transport (DRT) schemes, noting it was an opportunity for the region to significantly improve bus service. However, it was cautioned that bus operators were in the process of cutting some services, and it was important that BSIP not become a means to simply fill the gap left by this.

It was noted that the BSIP funding was short-term, so the Combined Authority would need to ensure it did not find itself in the position of having to withdraw any improvements made due to being unable to find continued funding. In this vein, it would be vital to keep lobbying the Government on the importance of levelling up the region, and on providing funding for other important aspects of improving service such as new buses. Members noted their disappointment on being required to go through multiple rounds of competitive bidding to access this funding, as it took up considerable time and resources.

The free bus pass scheme for elderly and disabled passengers was discussed, with Members questioning whether the permitted hours of use could be extended to help those with early or late shifts. A possible extension was under consideration, but this would need to be funded from the budget rather than in the context of the BSIP. The need to support these passengers making journeys before the cut-off was noted, but a cost/benefit analysis would need to be undertaken to determine the best approach.

Members discussed the connection difficulties faced by more rural communities, which typically required more complex journeys, or where services ended earlier in the day. However, it was noted that urban communities also often faced similarly difficult or infrequent journeys, and that aspects such as poverty, health inequalities, and other things needed to be also considered. Further work was needed on making different modes of

transport more interchangeable, and this would hopefully make a positive impact across the region.

Members also raised the following comments and questions:

- It was questioned why Park and Ride schemes were not mentioned; officers advised that Park and Ride schemes tended to be dealt with in the context of each local council's parking strategy.
- The report's description of a 'gender-neutral' bus system was discussed as part of efforts to ensure the connectivity of the bus network were not biased toward any one gender. The possibility of offering a reduction in fares for passengers on maternity or paternity leave was also mentioned, but it was noted that funding would need to be found for this.
- The condition of school buses, which were cited as often old and had poor emissions compared to newer models, was raised. As these were often the first experience of independent travel for young people, a positive experience here could encourage future use of public travel as opposed to private car usage.
- The need for interventions to ensure that all residents were able to access vital locations such as healthcare and educational facilities was emphasised.

It was highlighted that comments had been received throughout the week on the exempt appendix; these were not reflected in the version included with the papers distributed for this meeting, but had been taken into due account.

The Chair noted her thanks to Cllr Groves, as well as to the Transport officers involved in producing the BSIP, for their hard work in showcasing the region's ambitions for its bus service.

Resolved: That the Combined Authority approves the BSIP and agrees to delegate any final changes to the Managing Director in consultation with the Mayor. The BSIP will be submitted to DfT before the deadline of 30th October 2021.

54. Minutes for information

Resolved: That the minutes of the Combined Authority's committees and panels be noted.