

**MINUTES OF THE MEETING OF THE  
BUSINESS, ECONOMY AND INNOVATION COMMITTEE  
HELD ON WEDNESDAY, 19 OCTOBER 2022 AT COMMITTEE ROOM 1,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS, LS1 2DE**

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**Present:**

Councillor Shabir Pandor (Chair)	Kirklees Council
Andrew Wright (Deputy Chair)	Private Sector (LEP)
Councillor Alex Ross-Shaw	Bradford Council
Councillor Jane Scullion	Calderdale Council
Asma Iqbal	Private Sector
Paul Price	Private Sector
Bobby Thandi	Private Sector
Simon Langdale	Private Sector
Alan Williams	Private Sector
Fara Butt	Private Sector
Mandy Ridyard	Private Sector
Richard Paxman	Private Sector
Philip Wilson	Private Sector
Karl Oxford	Private Sector
Dr Peter O'Brien	Advisory Representative
Sue Cooke	Advisory Representative
Sandy Needham	Advisory Representative
Lee Viney	Advisory Representative
Dr Martin Stow	Observer (Nexus – University of Leeds)

**In attendance:**

Liz Hunter	West Yorkshire Combined Authority
Philip Witcherley	West Yorkshire Combined Authority
Sarah Bowes	West Yorkshire Combined Authority
Henry Rigg	West Yorkshire Combined Authority
Mitchell McCombe	West Yorkshire Combined Authority
Thomas Purvis	West Yorkshire Combined Authority
Jennifer Robson	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

**1. Apologies for absence**

Apologies were received from Cllr Firth, Cllr Mason, Cllr Byford, Amir Hussain, Simon Mellon, Palvinder Singh, Simon Wright, Deb Hetherington, Neville Young and Martin Booth.

## **2. Declarations of Disclosable Pecuniary Interests**

Andrew Wright, Sue Cooke, and Martin Stow declared that they were involved in the workstream 3 Nexus led bid innovation entrepreneur programme.

## **3. Exempt Information - Possible Exclusion of the Press and Public**

There were no items that required the exemption of the press and public.

## **4. Minutes of the Meeting held on the 12 July**

**Resolved:** That the minutes of the meeting of the Business, Economy and Innovation Committee held on 12 July 2022 be approved.

## **5. Chair's Update**

The Chair presented his update to the Committee. He observed that:

- Brian Archer would shortly be leaving his post as Director of Economic Services to be replaced in an acting capacity by Phil Witcherley. The Chair congratulated Phil on his new role.
- In the last few weeks, the Country had a new government with Elizabeth Truss as Prime Minister. The economy had faced significant economy turbulence due to the way the mini budget had been announced by the new Chancellor, The Rt Hon Kwasi Kwarteng MP. The government did not allow the Office for Budget Responsibility (OBR) to examine the budget as is the usual practice.
- The Chair expressed his worries about the ongoing impact of the budget. Following this, mortgage rates have been rising. 2 million households will have to renegotiate their mortgages after their fixed term rates come to an attend. He also observed that the Bank of England had to intervene in the market to prop up gilts which cost taxpayers £30 million pounds.
- On 14 October, Kwasi Kwarteng was sacked as Chancellor and replaced by The Rt Hon Jeremy Hunt MP. The new Chancellor took immediate measures to help stabilise the situation and to calm markets.
- The Chair referenced the fact that the West Yorkshire Innovation Festival had been held from 3 to 7 October 2022 to help champion greater innovation in the region.

The Committee thanked the Chair for the update.

## **6. Crisis in the Cost of Living and Doing Business**

The Committee considered a report of the Director of Strategy, Communications and Policing which provided an update on the latest economic and business intelligence.

The Chair introduced this item. The Director of Strategy, Communications and Policing then presented the report to the Committee. The report provided the latest economic and business intelligence with West Yorkshire, the Combined Authority's responses to the crisis, and outlined the resulting key asks of the

Government.

The Director of Strategy, Communications and Policing highlighted to the Committee several macroeconomic issues that are affecting West Yorkshire and are outlined in the report:

- CPI inflation rose by 9.9% in the 12 months to August 2022, down from 10.1% in the year to July.
- Producer input prices continued to rise by more than producer output prices through August 2022.
- The Bank of England's Monetary Policy Committee met on 22 September 2022 and voted to increase the Bank Rate by 0.5% to 2.25%.
- On 28 September 2022, the Bank of England announced emergency measures to intervene in the gilt market following sterling's all-time low performance against the US dollar after the announcement of the Government's Growth Plan 2022.

The Combined Authority's regional data also shows the following:

- Fuel poverty in West Yorkshire was greater than the national average prior to the pandemic. Current estimates suggest that as many as 300,000 West Yorkshire households could be in fuel poverty by 1 October 2022.
- Four out of the five West Yorkshire districts have a higher share of food insecurity than the national average.
- Around 30% of households within West Yorkshire spend close to all their income on essential goods and services. The cost-of-living crisis is expected to impact women and ethnic minorities disproportionately. The Combined Authority is undertaking a number of measures to mitigate this by focusing on inclusive growth initiatives.
- Around 105,000 people in West Yorkshire use pre-payment meters, so they will pay more than the energy price cap.
- Employment levels in West Yorkshire continue to increase, although wages are not keeping pace with inflation.
- West Yorkshire has a particularly high number of energy intensive manufacturing firms, which could be impacted by rising prices, especially those operating within internationally competitive markets.

The Combined Authority is undertaking regional activity to support the issues faced above and is focused on offering immediate relief to stop more people falling into crisis in the future and additional measures aim to address medium and long-term challenges. These include:

- Progressing at pace the West Yorkshire Mayor's Cost of Living Emergency Fund
- Progressing the new Business Sustainability Program which has been designed to provide a more holistic package of support to a wider range of businesses.
- Implementing the Bus Service Improvement Plan, including the "Mayor's Fares" scheme to reduce the daily cap on the MCard ticket to

- £4.50 from £5.50 and setting the maximum single day fare to £2.
- Offering additional support to businesses such as the Combined Authority's new Innovative Entrepreneurs Programme, Mayoral Innovation Prize, Made Smarter and the new Business Productivity Programme.
- The Combined Authority is also continuing to ask the Government to provide additional support to vulnerable households in West Yorkshire, further help to businesses, increased commitment to a netzero transition and further devolution of the Adult Education Budget (AEB).

Members made the following observations:

- Manufacturing businesses are facing increasing competition due to rising energy prices. Average energy costs for West Yorkshire businesses are around 34p per kilowatt whereas energy costs in some other countries are considerably lower. The increasing cost of components is also continuing to impact businesses.
- It is vital to see continued support from central government for further capital investment. At present, the Capital Investment Programme is scheduled to end next March.
- It is important that support for vulnerable households is properly targeted with a new definition of who is classified as vulnerable. For example, it appears that some organisations are losing business to people who only wish to pay via cash. As for working practices, there appears to be a tension between people wanting to come into offices to help save on energy costs and those who cannot afford the transport costs so have to work from home. Any further support needs to reflect these challenges.
- The Combined Authority needs to continue to affirm support for devolution as some government Ministers continue to be critical of devolution and its impact.

**Resolved:**

- i. That the Committee noted the latest intelligence around the West Yorkshire economy and the current proposed activity taking place locally and nationally and;
- ii. That the Committee approved the proposal enabling the MCA to develop a fund to support the Voluntary, Community, and Social Enterprise sector to help people through the cost-of-living crisis, with a view to receiving further approvals at a future meeting

## **7. Economic Scenarios and Sector approach**

The Committee considered a report of the Director of Policy and Development on the progress of the economic strategy for the West Yorkshire Region and the approach to sectors

The Chair introduced the report which provides an update to the Committee on the progress of the economic strategy and the approach to sectors. This

follows a paper to the LEP Board meeting on 21 September 2022 where there was agreement that an economic strategy should be developed at West Yorkshire level. He then asked the Director for Policy and Development to present the report.

The Director for Policy and Development explained that the intention of this is to:

- Produce a concise document to articulate the shared long term economic objectives of the region.
- The final economic strategy will also support the prioritisation of future funding decisions to support long term economic growth in the region.
- Officers are working actively with The Parents in Education Research Network (PERN) Academics based at the University of Leeds to produce a set of four economic scenarios which can be used to test existing and future policies against.
- Create a comprehensive vision for the West Yorkshire region (currently under the working title the West Yorkshire Plan). This plan will help tell the overall story for the region, capturing our strengths and opportunities. This will be the overarching Plan under which will sit out existing and new strategies and policies.
- As part of the economic strategy, it is proposed that the approach to sectors is reviewed. This will help the West Yorkshire Combined Authority to leverage funding, communicate more clearly with business and attract foreign direct investment.
- Two key challenges to address in this strategy are the West Yorkshire Combined Authority's ambition to create a net zero carbon economy by 2038 and ensuring measures are implemented to enable inclusive growth across the region.

Members made the following observations:

- Members welcomed the fact that health and life sciences and space and satellite comms are included in the clusters of areas being worked on in collaboration with the University of Huddersfield.
- Welcomed this approach to constructing a forward-thinking economy plan. The core design should rightly seek to demonstrate the Combined Authority's commitment to inclusive growth.
- A particularly important area is the food and drink industry which is a dynamic sector with a young workforce that should be included within the strategic element of this strategy.

**Resolved:** That the Committee is involved in reviewing the strategy as it evolves.

## 8. Pipeline Development

The Committee considered a report of the Director of Policy and Development which provided an update on the Business, Economy and Innovation programme pipeline

The Chair introduced the report. The purpose of the report was to provide the Committee with an update on the progress of current and future activity on the Business, Economy and Innovation programme pipeline. He then invited the Director of Policy and Development to present the report.

The Director of Policy and Development provided a number of status updates on the following programmes, some of which are currently in the process of being implemented, and others which are in development for delivery from 2023 onwards:

- **Business West Yorkshire** – The Business Justification Case was presented to the Programme Appraisal Team meeting on 14 September 2022. Subject to some minor conditions, the programme was approved to go to the Combined Authority committee on 21 October 2022.
- **West Yorkshire Innovation Support Programme** – This is subject to the same process as outlined above.
- **Digital Transformation** – the development of this programme is being led collaboratively by the Combined Authority and Leeds City Council. It will be delivered by all West Yorkshire Local Authorities. The Strategic Assessment (SA) was assessed at the SA Prioritisation Group on 22 September 2022 and will now progress through the Assurance Framework.
- **Enterprise Programme** – This is subject to the same process as outlined above.
- **Export support** – Work is ongoing to develop an export programme which will support SMEs in the region to reach new international markets.
- **Regional Knowledge Transfers pilot** – Early discussions are taking place between the Combined Authority and Innovate UK about how further support can be offered to SMEs in the region to access Knowledge Transfers and support from Higher Education Institutions.
- **Business growth and innovation: open call for projects** – The open call for projects is being developed in close consultation with the Committee.
- **Development funding** – In 2021/22, £500k was secured from Gainshare allocation to support work aligned to the Mayoral pledges. A breakdown of how this funding is being allocated was conveyed to the Committee and is available in the report.

Members of the Committee observed that as the overall economy situation is likely to remain challenging, the Combined Authority will continue to have to aim to be more effective with less financial resources to hand. Members of the committee hoped that continued innovation could assist in ensuring this is the case.

**Resolved:** That the Committee noted the activity currently underway.

## 9. Manufacturing Task Force - Delivery

The Committee considered a report of the Director of Policy and Development which provided an update on the work delivered by the Mayor's Manufacturing Taskforce.

The Chair introduced the report. The purpose of the report was to provide the Committee with an update on the next steps of the work delivered by the Mayor's Manufacturing Taskforce. He then asked the Director of Policy and Development to present the report.

The Director of Policy and Development explained that the Task Force was established in November 2021 with manufacturing business leaders and representation from the four local manufacturing alliances and Make UK, which represents manufacturing businesses across the UK. Its objective is to develop a series of recommendations to improve the future resilience of the manufacturing sector with West Yorkshire.

In July 2022, the Task Force published its list of 17 recommendations. The full list is available in the report. These are grouped under four missions which are:

- **Mission 1** – Enabling growth through productivity and innovation
- **Mission 2** – Manufacturing for net-zero
- **Mission 3** – The place to be and buy from
- **Mission 4** – Skills for manufacturing

The Director of Policy and Development clarified that the West Yorkshire Combined Authority has developed an initial delivery plan of the Task Force's recommendations that outlines how these will be acted upon. Delivery of these recommendations will run in waves, recognising that the report produced by the Task Force runs up until 2028.

The first wave of projects will be progressed under Mission 1, whose purpose is to enable growth through productivity, innovation and technology adoption. The central aim is to ensure that, by 2028, more manufacturers will be engaged in innovation and will have boosted their productivity levels. This will involve:

- The rollout of new regional productivity and innovation programmes in West Yorkshire
- Establishing a West Yorkshire Productivity Index (WYPI) to support increasing firm-level productivity
- Encouraging more businesses in West Yorkshire to use effective methods of employee engagement
- Strengthening engagement with national innovation agencies to support activity in the sector

To enable the delivery and oversight of the Task Force's recommendations, a new Manufacturing Advisory Board will be established. This will replace the existing Leeds City Region Made Smarter Board. The membership of the new Advisory Board will comprise of representatives from across the private sector, business support organisations, membership bodies and subject matter

experts within the public sector. The new board will be established in late Autumn 2022, with a proposed membership to be developed beforehand.

In order to amplify the work of the Task Force, it is proposed that a Westminster Day is held in the Autumn or early 2023 to provide an opportunity to present the recommendations of the Task Force to civil servants and industry bodies. Officers are also planning to host a roundtable with regional manufacturers over the Autumn to help evaluate the impact the Cost of Living Crisis is having on their businesses.

A key part of the Task Force's recommendations is calls for business support to help businesses decarbonise their operations in accordance with the region's net zero carbon targets. These also seek to support the region's inclusive growth ambitions by ensuring that the delivery plan will have individual equality and diversity targets included to widen opportunities for underrepresented groups.

Member of the Committee expressed a collective desire to see a greater focus on the future with skills being developed not just for now but in a forward-thinking way. While it was positive to see that productivity is a theme strongly embedded in the paper, it is vital that efforts are made to help diversify the manufacturing workforce through additional apprenticeships and other educational programmes.

**Resolved:** That the Committee noted the progress of delivering on the Task Force's recommendations.

## 10. Enterprise West Yorkshire Programme Update

The Committee considered a report of the Director of Economic Services which provided an update on the delivery of the Enterprise West Yorkshire Programme.

The Chair introduced the report. He outlined that the purpose of the report was to update the Committee on progress with the delivery of the Enterprise West Yorkshire (WY) programme and to seek further input, advice and guidance from the Committee on the ongoing development and delivery of enterprise support across West Yorkshire. He then asked the Director of Economic Services to present the report.

The Director of Economic Services explained that:

- The £6 million pound Enterprise West Yorkshire programme has been in delivery since late 2021.
- The programme includes activity to promote enterprise as a viable and achievable career option to all, especially young people wishing to become involved in this sector.
- The programme is closely aligned to other enterprise support currently available in the region, such as the ADventure high growth start-up programme, the Start-Up loans available from the Business Enterprise Fund and the information and guidance provided by West Yorkshire's



commercial libraries, known as Business in the Community (BITC).

- He provided further details on the number of people and enterprises engaged and support to date by the programme, which are available in the paper.
- The digital marketing campaign for the **Exploring Enterprise** element of the programme has been running from January 2022. This programme has been developed around role models to demonstrate that 'real people' across West Yorkshire are creating and running successful businesses within this sector. This has included hosting a number of workshops and a new web platform to help engage a more diverse range of clients, such as those with disabilities and those living in some of West Yorkshire's more disadvantaged areas.
- A key component of this has been the establishment of a Women's Enterprise Network as a peer support mechanism for female-led pre-start and start-up firms.
- Five district-based **Start-Up Managers** are all now in post and are providing account-management support to start-up and early-stage firms across all sectors. Three of these are females and one is from an ethnic minority background, which is intended to help enable the implementation of the Equality, Diversity and Inclusion (EDI) activities under the programme. These include targets to engage a significant number of clients with protected characteristics.

The inaugural meeting of the Enterprise Support Forum will take place on 2 November 2022 which will be an opportunity to showcase all the support available to new enterprises in the region.

Furthermore, the contract for delivery of the **Innovate Entrepreneurs** element of the programme has been recently agreed. This £1.2 million scheme will be delivered by a consortium led by Nexus Ltd and the University of Leeds, with support from a wide range of partners across the university, third and private sectors. The purpose of the scheme is to work with a smaller number of entrepreneurs who can demonstrate the ambition and potential to achieve considerable business growth, while delivering wider social and/or environmental impacts for the region.

This is because all enterprises supported by the programme are encouraged to access advice and guidance from the West Yorkshire Combined Authority's REBiz programme that assists firms to reduce energy use and energy costs.

Officers are also currently exploring options to establish a Seedcorn Fund that could provide early-stage finance (grant, loan or equity) to entrepreneurs to help de-risk their ventures and to provide them with some security to test-market, develop and refine their business propositions.

Members of the Committee collectively welcomed the contribution of the Investments Partnerships Programme and the aligned investment that is provided along with this.

**Resolved:**

- i. That the Committee noted the progress of the delivery of the Enterprise West Yorkshire (WY) programme, and;
- ii. The Committee provided further input, advice, and guidance on the ongoing development and delivery of enterprise support across West Yorkshire.

**11. Date of the Next Meeting**

The next meeting will be held on 24 January 2023.