

BUSINESS, ECONOMY AND INNOVATION COMMITTEE

**MEETING TO BE HELD AT 2.00 PM ON WEDNESDAY, 19 OCTOBER
2022
IN COMMITTEE ROOM 1, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS, LS1 2DE**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING HELD ON THE 12 JULY**
(Pages 1 - 6)
- 5. CHAIR'S UPDATE**
- 6. CRISIS IN THE COST OF LIVING AND DOING BUSINESS**
Director: Liz Hunter. Author: Sarah Bowes

(Pages 7 - 16)
- 7. ECONOMIC SCENARIOS AND SECTOR APPROACH**
Director: Liz Hunter. Author: Jennifer Robson
(Pages 17 - 28)
- 8. PIPELINE DEVELOPMENT**
Director: Liz Hunter. Author: Louise Allen
(Pages 29 - 36)
- 9. MANUFACTURING TASK FORCE - DELIVERY**
Director: Liz Hunter. Author: Mitchell McCombe
(Pages 37 - 54)
- 10. ENTERPRISE WEST YORKSHIRE PROGRAMME UPDATE**

Director: Brian Archer. Author: Henry Rigg
(Pages 55 - 62)

11. DATE OF THE NEXT MEETING

The next meeting will be held on 24 January 2023.

Signed:

A handwritten signature in black ink, appearing to read 'BA', with a horizontal line underneath.

**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
BUSINESS, ECONOMY AND INNOVATION COMMITTEE
HELD ON TUESDAY, 12 JULY 2022 AT MEETING ROOM 1,
WELLINGTON HOUSE, 40-50 WELLINGTON ST, LEEDS, LS1 2DE**

Present:

Councillor Shabir Pandor (Chair)	Kirklees Council
Councillor Jane Scullion	Calderdale Council
Councillor Eric Firth	Kirklees Council
Andrew Wright (Deputy Chair)	LEP
Paul Price	
Simon Langdale	
Deb Hetherington	Bruntwood
Fara Butt	Shire Beds
Mandy Ridyard	LEP
Martin Booth	Witt UK Gp
Richard Paxman	Paxman Coolers Ltd
Sue Cooke (Advisory Representative)	LCR Universities
Derek Whitehead (Advisory Representative)	West Yorkshire Consortium of Colleges
Karl Oxford (Advisory Representative)	African and Caribbean Business Ventures Ltd

In attendance:

Brian Archer	West Yorkshire Combined Authority
Liz Hunter	West Yorkshire Combined Authority
Sarah Bowes	West Yorkshire Combined Authority
Thomas Purvis	West Yorkshire Combined Authority
Jennifer Robson	West Yorkshire Combined Authority
Kate Thompson	West Yorkshire Combined Authority
Philip Witcherley	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

36. Apologies for Absence

Apologies had been received from Cllr Ross-Shaw, Cllr Mason, Amir Hussein, Asma Iqbal, Bobby Thandi, Alan Williams, Simon Wright, Peter O'Brien, Nick Plant, Lee Viney and Simon Mellon.

37. Declarations of Disclosable Pecuniary interests

There were no declarations of pecuniary interests at the meeting.

38. 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 12 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 that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

39. Minutes of the Meeting held on the 29 March

Resolved: That the minutes of the meeting held on 29 March be approved.

40. Chair's Update

The Chair welcomed new members to the committee and wished to thank Derek Whitehead, who was leaving the committee, for all his hard work and contributions.

The Deputy Chair also provided an update on the launch of the manufacturing taskforce report.

41. Governance Arrangements

Members considered a report which outlined the governance arrangements agreed by the Combined Authority on the 23 June.

Resolved: That the governance arrangements approved by the Combined Authority at the Annual Meeting on 23 June 2022 be noted.

42. Economic Reporting

Members considered a report that provided an update on the latest economic and business intelligence.

Members had the following questions and comments:

- That resource efficiency audits could be used to help businesses reduce energy usage and save money.
- That it would be useful if digital footfall could be captured in the same way as physical footfall. Members noted that this information was not available on a regional basis, but an update was provided on the national picture.
- Members expressed concern about some of the disparities between the districts, especially around pay and vacancies.

Resolved: That the report be noted.

43. Investment Priorities

Members considered a report that provided an update on the work to develop the investment priorities for business growth and innovation. The proposed investment priorities were included at appendix one to the submitted report. Members were supportive of the investment priorities and had the following questions and comments:

- The need for grant applications to be simple to make funding more accessible for business.
- That seed corn finance was hugely positive and there was an opportunity to address the funding gap through EDI and better engagement across the region.
- The importance of export support as well as leadership and management skills for businesses in the region.
- That more could be captured in the priorities around Healthtech and innovation support, particularly with regard to the role that the better role higher education sector could play.
- That the Productivity Programme was essential and should be continued and that it was particularly crucial for the manufacturing sector. Members noted that the Business Productivity Programme would be out to tender shortly to get a delivery partner on board.
- The role of challenge/pitch competitions to promote innovation and encourage young entrepreneurs. Members discussed Masood Entrepreneur Centre at Manchester University.

Resolved: That the investment priorities be endorsed for further development.

44. Future Business Support Model

Members considered a report that provided an update on work underway to reshape the Growth Service.

A revised growth hub delivery model was in development and the key themes were outlined in the submitted report. The delivery model had been taken through the early stages of the assurance framework and a more detailed business case was in development.

Members had the following questions and comments:

- Members were very supportive of the growth hub, and especially the role of growth managers.
- That a sector approach would be helpful to be more proactive in engaging with businesses
- That it was important to encourage SMEs to provide feedback on the service with a view to promoting its work.
- That the digital portal should be used as a one stop shop to make the service easy to use and clear for people to navigate.
- The use of a database management system to hold the diagnostic information for business who have engaged with the growth service to avoid duplication.

Resolved: That the Business, Economy, and Innovation Committee endorsed

for the Growth Service to continue to progress through the Combined Authority's Assurance Framework.

45. Innovation Activity

Members considered a report that provided an update on activity and development for innovation support.

Members noted the work underway in the 2022 West Yorkshire Innovation Festival and the ongoing delivery of Connecting Innovation.

There were two future programmes outlined in the submitted report. The Regional Innovation Programme proposal would aim to help business innovate through a streamlined offer focussed on diagnostics and signposting. Members noted the early work underway on a proposed seedcorn fund to address the lack of early stage finance to help innovation and commercialisation.

Members discussed the role of universities in innovation and asked for a programme of engagement with the higher education sector when designing future innovation programmes.

Resolved: That the development the proposals for a regional innovation programme and seedcorn fund be endorsed.

46. Digital Skills Plan

Members considered a report that provided an update on the West Yorkshire Digital Skills Partnership and Digital Skills Plan.

The plan would be further refined before being taken to the Combined Authority for approval

Members had the following questions and comments:

- That there was a significant amount of provision to help with digital skills, but it needed to be simplified.
- That innovation and digital skills were intrinsically linked and improving digital skills in the region presented further opportunities for innovation.

Members discussed the 'no individual left behind' priority and whether the coordination of the regional digital inclusion network through a hub and spoke model of advisors would be correctly scaled to meet the need in the region.

Resolved: That the report be noted.

47. Growing Places Fund

Members considered a report that provided an update on the Growing Places Fund.

Resolved: That the update on GPF repayments and changes to GPF Loan 209 be noted.

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Report to: West Yorkshire Combined Authority

Date: 21st October 2022

Subject: Crisis in the Cost of Living and Doing Business

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

Authors: Sarah Bowes, Policy Manager - Digital & Innovation

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

1. Purpose of this report

- 1.1 This report provides the latest economic and business intelligence within West Yorkshire, the CA's responses to the crisis, and outlines the resulting key asks of the Government.

2. Evidence

Macroeconomy

- 2.1. **CPI inflation rose by 9.9% in the 12 months to August 2022**, down from 10.1% in the year to July. Whilst the rate of inflation has fallen, it should be noted that this still means that **prices are rising, just at a slightly lower rate** than they were in the twelve months to July. This is, in part, due to household energy bills rising to an average of £2,500. Inflation is expected to spike again when prices are increased, but this measure is likely to keep inflation below expected levels throughout 2023. Falling motor fuel prices made the largest downward contribution to CPI, with prices falling by 14.3 pence per litre between July and August. However, current fuel prices are still 32.1% higher than they were in August 2021. Elsewhere, food prices continued to rise into August by 13.1%, offsetting the falls in motor fuels. What this means for people within West Yorkshire, where food poverty levels are already higher than the national average, is that even more people will be pushed to the limits of their budgets to provide essentials for their household.

- 2.2. Producer input prices continued to rise by more than producer output prices through August 2022, meaning that **firms retain a headroom within which they could increase costs further for consumers**. Producer input prices rose by 20.5% in the year to August 2022, driven mainly by domestic steel prices, placing manufacturing firms at an increased risk of the impacts of inflation. Food products had the largest impact on increasing output prices, with an annual rate of 14.2%.
- 2.3. The Bank of England's Monetary Policy Committee met on 22 September 2022, and voted by a margin of 5-3-1 to **increase the Bank Rate by 0.5 percentage points to 2.25%**. 3 members voted to raise the rate by 0.75 percentage points, whilst one member preferred a 0.25 percentage point rise. This decision was taken in response to the persistent inflationary pressures within the economy at present, which are forecast to remain in the economy throughout 2023. Following the Growth Plan, delivered by Government on 23 September, the poor performance of Sterling against the Dollar has led to pressure on the Bank of England to raise the Bank Rate again before the MPC's next meeting on 7 November, with some commentators calling for a further raise of 1 percentage point or more. However, Governor of the Bank of England Andrew Bailey has been keen to quieten speculation of another announcement.
- 2.4. On 28 September 2022, the Bank of England announced emergency measures to intervene in the gilt market. This requires the Bank of England to temporarily purchase long-dated UK government bonds in order to restore orderly market conditions, following Sterling's all-time low performance against the US Dollar. Whilst the Bank has not said how many bonds they will buy, they have said that the purchases will be "time-limited" on "whatever scale is necessary" in order to ease the concerns of investors, and bring about financial stability in the UK. This action follows an urge from the International Monetary Fund for the UK Government to rethink the tax cuts announced as part of the Growth Plan 2022.

Regional Data

- 2.5. The Combined Authority has access to a Regional Econometric Model ("REM"), which provides forecasts for the area. We have also commissioned updated forecasts to understand how the current cost of living crisis is impacting the wider West Yorkshire economy. The rate of growth in the updated forecasts is considerably lower than the REM, which was produced earlier in the year, for the years 2022 and 2023. The REM predicted growth of 5.7% and 1.7% for 2022 and 2023 respectively across West Yorkshire. The updated forecasts bring these figures down to 2.5% and 0.5%. The expectation then is that long-run growth will be slightly reduced until 2028, compared to pre-cost-of-living crisis, suggesting there will be some economic scarring from the ongoing economic climate.

Households

- 2.6 Fuel poverty in West Yorkshire was greater than the national average prior to the pandemic (**17% of West Yorkshire households, compared with 13% nationally**). Ofgem announced that the energy price cap will rise from £1,971 to £3,549 from October - **an increase of 80%**. With standing charges in Yorkshire among the highest in the UK, **simply using less power will not solve the problem for many**. West Yorkshire households are in a worse position to deal with these increased costs for two reasons. Firstly, **dwelling with an EPC rating of C or above are lower in West Yorkshire than nationwide (46.9% compared with 53.8%)**. Secondly, **around 33% of the West Yorkshire population fall within the poorest 20% of neighbourhoods in England**.
- 2.7 Data from the End Fuel Poverty Coalition, a campaign group including trade union and think tank members, estimates that as many as 300,000 West Yorkshire households, or 30%, of homes will be in fuel poverty on 1 October 2022. By 1 April 2023, forecasts suggest that this figure may have risen to 330,000, or 1 in 3, West Yorkshire homes.
- 2.8 Data collected by the University of Sheffield in 2021 shows **four out of the five West Yorkshire districts as having a higher share of food insecurity than the national average**. Nationally, 4% of adults went hungry due to not being able to afford food. In Leeds this figure was 2%, it was 6% in Kirklees, 7% in Wakefield and 8% in both Bradford and Calderdale. A further 8% in Leeds, 10% in Wakefield and 12% in Bradford, Calderdale and Kirklees were worried about the cost of food. Since this data was collected, food prices have accelerated significantly, with the cost of wheat-related goods climbing drastically due to the Russia-Ukraine War.
- 2.9 In order to help with the rising cost of energy, the Government announced the Energy Price Guarantee for households, capping unit costs of electricity and gas at 34.04p per kWh and 10.33p per kWh respectively. This brings average household energy bills to £2,500 per year until September 2024. It should be noted that this Energy Price Guarantee still represents a doubling of household energy bills on Winter 2021. Furthermore, households using more than the average amount of energy will still face bills of more than £2,500, and this is likely to disproportionately affect the elderly. Support for businesses was also announced, capping the unit rate of electricity and gas for businesses at the same rate as those faced by households. At the time of costing these policies, the combined cost to Government was forecast to be around £60 billion for this current financial year. However, as energy fuels are traded globally in US Dollars, this cost is likely to have risen recently, following Sterling's plunge to all-time low exchange rates in September. However, it is likely that this measure will reduce inflation forecasts, due to unit rates being kept at a much lower rate than the market-prevailing rate for businesses, or Ofgem's price cap for individuals.
- 2.10 Analysis by the Bank of England in July showed that the poorest 10% of households spent close to all their income on essential goods and services. **The poorest 10% will need to spend more than their income on essential goods**

and services, and the poorest 20% will lose most of their remaining disposable income. Around 30% of the West Yorkshire population fall into the poorest 20% nationally. What this means is that for the poorest people in West Yorkshire, they will have no money left after spending on essential goods and services. In addition to the obvious human cost of this situation, it will also lead to reduced demand for other sectors, causing a knock-on economic effect elsewhere.

- 2.11 **People who use pre-payment meters will pay more than the energy price cap** (105,000 households in West Yorkshire). There is also no price cap on alternative energy sources, such as oil, coal, and LPG gas. **This leaves rural communities more exposed to rising energy costs. In West Yorkshire, we already have 18% of people spending over 90% of their gross income on essential items such as food and fuel.** Yorkshire homes are less energy efficient than the national average. West Yorkshire homes are less energy efficient than the national average, which creates further difficulties in combatting fuel poverty.
- 2.12 Employment levels in West Yorkshire have continued to increase. Over the last 12 months, the number of payrolled employees in West Yorkshire has increased by 3%, in line with national figures. The median wage across West Yorkshire has increased by 7% over the last 12 months from £1,857 to £1,979. Nationwide, the median wage also increased by 7% over the last 12 months. However, **wages have not kept pace with inflation, and this is expected to continue throughout 2023.**

Businesses

- 2.13 The Government's business Energy Relief scheme will run for six months, though this will be reviewed in three months' time to see if the help should be more targeted towards certain industries. It could then be extended for vulnerable businesses such as the hospitality sector. The support announced for businesses is unclear with significant uncertainty for businesses and other organisations (e.g. councils) beyond the six months support confirmed. Concerns remain in West Yorkshire in terms of impact already felt to date, business planning cycles (not aligning with timescales set out) and sheer scale of the challenge facing our business base.
- 2.14 There are 1,751 firms in West Yorkshire that are both energy intensive and operating in internationally competitive markets. Most of these are operating in the manufacturing sector. Due to the requirements around data reporting for businesses, it is not possible to provide accurate employee numbers or turnover, but a conservative estimate for these businesses most at risk are 57,000 employees and £8 billion in turnover.
- 2.15 For those at an enhanced risk of rising energy prices, those who are exposed to internationally competitive markets but do not meet intensity thresholds, there are an additional 6,266 firms in West Yorkshire, again covering much of the

manufacturing sector. The same data restrictions apply to employee counts and turnover figures, but conservative estimates place these at 147,000 employees and over £20 billion in turnover.

- 2.16 Officers have had a number of meetings with the business community, including with the two Chambers of Commerce and the Federation of Small Businesses. Stakeholders are reporting ongoing uncertainty amongst businesses on the implications of the energy price cap and the future Government direction on this. The capacity of energy efficiency suppliers to help the business community improve their energy efficiency is also an issue. The disproportionate impact of some sectors was raised by business representative groups. This includes more obvious ones, such as manufacturing and hospitality, as well as those that can sometimes be overlooked, including beauty and other personal care services.
- 2.17 The Combined Authority has recently surveyed 1,000 West Yorkshire-based businesses with BMG Research to understand business sentiment in the current economic climate. The key results are:
- 41% of businesses believe that their performance has improved over the past 12 months. This was most evident in the financial sector, where 52% of businesses have seen an improvement. This is likely to reflect lower levels of volatility, now that Covid-19-related loans have started to be paid back. This allows the financial sector to be better informed about levels of loan defaults.
 - 43% of businesses expect the business climate to remain as it currently is, whilst 30% expect it to worsen. This outlook is more negative than the sentiment expressed during the pandemic. Among the most pessimistic were those in the catering and accommodation industries (48% expecting the business climate to get worse), which are more likely to be hardest hit by food and energy price inflation.
 - The two main barriers to growth cited by businesses were decline in demand (17%) and availability of skilled labour (16%).
 - **30% expect to increase employment levels**, whilst only 5% expect employment levels to decrease. This expectation aligns with job vacancy data, with strong vacancy growth across all local authorities and key occupations within West Yorkshire over the previous months. 42% of transport companies expect to increase employment levels, and there is evidence that this demand is present within the economy now. In the three months to August 2022, there were around 2,000 jobs advertised in the land transport sector, with only the NHS posting more vacancies within the period than the HGV Training Network.
 - **30% of respondents expect their wage bill to remain the same over the next 12 months.** Of the 66% that expect their wage bill to increase, over half anticipate wage increases of less than 10%. Firms in the transport and storage sector were the most likely to be anticipating inflation-beating wage rises, reflecting the relative difficulty in recruitment within the sector.
 - **69% expect the prices they charge to customers to increase over the next 12 months.** Over half (51%) expect that price increase to be between 5 and 10%. Sentiment most prevalent in the manufacturing and construction sectors, largely driven by rising input prices.

3. West Yorkshire activity

3.1 Regional activity to support the issues faced above is focused around three areas for action: Relief, Prevention and Resilience:

- Relief aims for immediate action targeted at supporting people already in crisis and ramping up existing activity/programmes.
- Prevention aims for immediate action targeted to stop more people falling into crisis in the future.
- Resilience aims to act now to address medium- and long-term challenges.

Mayoral Combined Authority support for the VCSE sector

3.2 The VCS sector is seeing a significant reduction in philanthropic funding and donations (and increased costs) at a time when demand for its support and services, such as food banks, provision of warm spaces in the Winter, and for those with mental health problems is increasing. The Mayoral Combined Authority is therefore progressing at pace the West Yorkshire Mayor's Cost of Living Emergency Fund to provide funding to VCS organisations to enable them to help those most in need. Delivery routes for this will be via existing local authority delivery channels. Approval for this is being sought at item 9.

Support for businesses with energy efficiency

3.3 Given the appetite from businesses for support, the REBiz grant fund is likely to be fully committed by the end of October 2022, which will leave a gap for new applicants to apply until April 2023 when the new £10.6m Business Sustainability Programme (currently progressing through the CA's Assurance Framework process as part of a wider package of investments in response to the climate emergency) is expected to launch.

3.4 The new Business Sustainability Programme has been designed to provide a more a holistic package of support to a wider range of businesses, including retail and hospitality, which our existing support packages has been unable to support due to EU restrictions. Given the energy crisis facing businesses, the Combined Authority has brought forward at pace a funding package to support businesses. Approval for this is being sought at item 9.

3.5 In addition, the Combined Authority, in its role as the Growth Hub Cluster lead for Yorkshire and Humber, will shortly publish a tender opportunity for a delivery partner to deliver a programme of advice / support for SMEs related to energy efficiency. This will take the form of webinars at which SMEs can access expert

guidance on reducing energy use and understand in more detail the impacts and implications of the energy price gap recently announced by Government.

Bus Fare Affordability

- 3.6 As part of the Bus Service Improvement Plan the Combined Authority set out a proposal to reduce the daily cap on the MCard ticket to £4.50 from £5.50 and setting the maximum single day fare to £2. The “Mayor’s Fares” applied from the 4th of September 2022. Given the current cost of living crisis, the mayor felt that it was important that individuals and families obtained the benefit of this as soon as practically possible. Also, the start of the academic year was an opportune time to promote new fares as many people review and change travel habits at that time.

Support for businesses to innovate

- 3.7 Every crisis breeds innovation because it demands a sharper, shared clarity of purpose. We saw this through COVID-19, with new processes, products and initiatives developed as both a means of business survival and solutions to the pandemic’s biggest challenges. There is a range of new/upcoming support available across West Yorkshire to support businesses and entrepreneurs to drive innovation from the crisis, including the Combined Authority’s new Innovative Entrepreneurs Programme, Mayoral Innovation Prize, Made Smarter and the new Business Productivity Programme, Innovation West Yorkshire (seeking approval as item 9) in addition to the new Digital Enterprise Programme. These products all contain elements of support related to the better use of digital technology to drive forward productivity and innovation, whilst also reducing energy usage and, hence, operating costs. Opportunities are also available through national products such as Innovate UK’s Regulators’ Pioneer Fund.

4. Ask of UK Government

- 4.1 The ask of Government is centered around three pillars: Increased support for vulnerable households; Increased clarity and longevity of support for businesses; Increased commitment to a netzero transition; further devolution of AEB.

Increased support for vulnerable households

- 4.2 Lobby for Universal Credit uplift to shield the most vulnerable and ongoing review of how these measures are affecting the most vulnerable.

- 4.3 Continued energy support for the public sector, and funding settlement for local Govt in order to enable Councils to provide the foundations necessary for economic growth and frontline service delivery

Increased clarity and longevity of support for businesses

- 4.4 Reconsideration by Government of the six-month cap on business prices and a input into the conversation on which sectors may be targeted/ prioritised at a review point and impact across public sector (eg councils)

Increased commitment to a just netzero transition

- 4.5 Input into the Chris Skidmore review into net zero commissioned by the PM.
- 4.6 Support locally and nationally the development and deployment of highly innovative technologies which could contribute to the reaching of the nation's carbon Net Zero Targets by 2050;
- 4.7 A national programme to increase energy efficiency measures and facilitate the switch of energy source by companies and households.
- 4.8 Reconsideration of the approach to providing relief to householders and businesses that doesn't proliferate the already record profits being made by energy generators
- 4.9 Lobby to accelerate the decoupling of gas from electricity prices to enable consumers to benefit fully from cheap domestic low-carbon generation.

Increase in devolved Adult Education Budget

- 4.10 AEB funding is critical in supporting adults to develop the skills they need to enter and stay in work, or enroll in an apprenticeship, traineeship, or other learning that meets the needs of the region's businesses. However, 26% of West Yorkshire's working population have low or no qualifications and this funding is not enough to support them all.
- 4.11 The rate at which adult education courses are funded has not increased in nearly a decade. Adult education is a key driver of West Yorkshire's economic aspirations, but real-terms investment has fallen over the last decade, in aggregate and on per course level.
- 4.12 An increase of the funding rate is urgently needed to continue to deliver the volume of skills and training for adults.

5. Tackling the Climate Emergency Implications

- 5.1 Fuel use increases over the Winter due to colder temperatures. West Yorkshire homes are less likely to have an EPC C+, meaning that the region is more likely

to need to use energy for heating. Analysis by the Resolution Foundation suggests it costs 58% more to heat a home rated as EPC D or lower, than it does C or above.

6. Inclusive Growth Implications

- 6.1 According to the Resolution Foundation, lower-income households will have to reduce non-essential spending by three times as much as higher-income households to afford essential bills such as energy. West Yorkshire has a higher share of people in lower-income households, suggesting that spending will be cut significantly more across West Yorkshire than other areas.
- 6.2 Wages are already struggling to keep pace with inflation (median wages have increased by 7%, meanwhile inflation is above 10%). As of 17 August, the UK Government has not indicated that benefit payments (in and out of work) will be increased in-line with inflation. Therefore, many families will be facing real-term cuts in their household incomes (from wages and benefits). West Yorkshire has a higher percentage of people claiming out-of-work benefits compared to the national average (4.8% compared to 3.7%). West Yorkshire also has a higher percentage of people claiming in-work benefits compared to the national average (8.6% compared to 7.7%).

7. Equality and Diversity Implications

- 7.1 A recent survey conducted by the Office for National Statistics showed that 89% of adults in Great Britain report concerns over the increase in the cost of living. Within this group, 57% have stated that they are spending less on non-essentials, 51% are trying to reduce their energy consumption at home, and 42% are cutting back on non-essential journeys. 23% are using their savings to cover the increased costs, whilst 13% have stated that they are using more credit than usual. Disabled people are more likely to have reduced their spending on food and essentials, than non-disabled people (42%, compared with 31%). Over 70% of the poorest people have already started to cut spending on food and other essentials. The survey also highlights that older people, particularly those aged between 55 and 74, have already started to reduce their energy consumption. The previous iteration of the survey highlighted that women and Asian people were in a particularly precarious position, relative to the national average.
- 7.2 In August the World Economic Forum reported that the cost-of-living crisis is expected to hit women hardest.

8. Financial Implications

- 8.1 There are lots of financial implications in this report, but no financial decisions are required.

9. Legal Implications

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

10. Staffing Implications

- 10.1 Work on the crisis in the cost of living and doing business involves a reprioritisation of additional workloads and an increase in the intensity of work of colleagues both within the Combined Authority and Local Authorities.

11. External Consultees

- 11.1 No external consultations have been undertaken, but the information within this report has been assembled from a range of sources.

12. Recommendations

- 12.1 Members are asked to note the latest intelligence around the West Yorkshire economy and comment specifically on the asks of government.

13. Background Documents

- 13.1 There are no background documents referenced in this report.

14. Appendices

- 14.1 None



Report to: Business, Economy and Innovation Committee

Date: 19th October 2022

Subject: **Economic Scenarios and Sector approach**

Director: Liz Hunter, Director Policy and Development

Author: Jennifer Robson, Policy Manager

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

1. Purpose of this report

- 1.1 The purpose of this report is to provide the BEIC committee with information about our approach to sectors and economic scenarios. On the 21st September we also took a paper to the LEP board who agreed that we should further develop our approach to sectors and that an economic scenarios exercise would be useful.
- 1.2 We seek feedback from the Business, Economy and Innovation Committee to help us to further develop our approach.
- 1.3 We have agreed to work with Academics based at the University of Leeds to produce a set of four economic scenarios which we can use to test our existing and future economic policies against.
- 1.4 Work is ongoing on our approach to sectors, we have analysed different models and seek the BEIC committees views on our preferred approach. We have attached an appendix which we would like to consult the BEIC committee on to get their views.

2. Information

Background

2.1 The Northern Powerhouse Independent Economic Review published in 2016 sought to characterise the North's economic position and the drivers underpinning its performance, and identify opportunities where 'pan-Northern' effort can sensibly support existing 'local' activities. Since 2016, there have been a number of socioeconomic changes to the region which have had significant implications. These changes include; the demographics of the workforce, the prevalence of work from home and the impact this has had on towns and city centres, rising prevalence of wellbeing as a metric, rising costs of living and energy, skills shortages and in particular the need for digital skills. The significance of these changes will pose new challenges and opportunities for our sectors. We believe that now is an appropriate time to refresh our approach to sectors and to update our economic scenarios so that we can better understand the drivers underpinning the region's economic performance and test our policy proposals against them.

2.2 A wider piece of work is underway to create a vision for the West Yorkshire region (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 our existing and new strategies and policies.

2.3 We already have several existing strategies that consider our economic objectives including the Economic Recovery Plan, Business Productivity and Resilience Plan, Innovation Framework, Digital Framework and the Healthtech Strategy. Each District Partner also has an economic strategy or plan.

2.4 This provides a solid base of evidence and objectives and have steered the current allocations of funding. Many of the structural challenges and opportunities the region has to offer have not changed. Improving the region's productivity levels, increasing spend on research and development and focussing efforts on the region's strengths such as health technology should remain as objectives.

Proposed approach

2.5 We propose that we review our approach to sectors. This will help us to leverage funding, communicate more clearly with business and attract foreign direct investment.

2.6 We are working with PERN on a scenario planning exercise, through which we intend to test current programmes and our pipeline against potential future scenarios. This exercise will help us to identify potential risks and mitigate against them in our approach to policy making. We feel now is an appropriate time to do this exercise given the significant number of programmes going through the assurance process for Gainshare and the Shared Prosperity Fund. We believe it is important to strike a balance of activity between proactively developing the conditions for a resilient economy and dealing with the immediate needs of business.

2.7 We will work in collaboration with partners to ensure that our approach acknowledges and considers existing economic strategies on a local level and reflects the sectoral opportunities across the whole region. We welcome views from this committee of any other organisations that should be invited to participate.

2.8 The approach will draw upon existing policy approaches including the Mayoral Pledges, The West Yorkshire Investment Strategy, State of the Region Report, The Economic Recovery Plan, The Fair Work Charter for West Yorkshire, and Local Authority policies.

2.9 A key challenge to address is our ambition is to create a net zero carbon economy by 2038. The economic scenarios work and approach to sectors will therefore explore opportunities available to us to green our economy and create more sustainable and resilient businesses. Our ambition is to help develop a region where everyone benefits from the economic, health and environmental benefits of a net zero carbon economy.

2.10 Enabling inclusive growth is a key driver. By this we mean enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns, irrespective of their background. Inclusivity and wellbeing will be used as lenses in which to assess the viability of our economic approach and will form key indicators as part of the scenario planning exercise. These lenses will also be applied during the sector analysis work to ensure that we are supporting both the foundational and frontier parts of our economy.

2.11 The LEP Board considered a paper on how these pieces of work could fit together in a new Economic Strategy. They could still be drawn together in this way. Priority is being given to the specific areas above and the development of programmes in the other papers on the agenda.

3. Tackling the Climate Emergency Implications

3.1 Our economic approach will have an impact on the environment. Refreshing our approach to economic scenarios and sectors provides us with an opportunity to explore our economy through an environmental sustainability lens and develop policies which will enhance our abilities to achieve our net zero carbon ambitions. This is an opportunity to work with our businesses and stakeholders to create an economic environment conducive to environmental sustainability, green technologies, and innovation.

4. Inclusive Growth Implications

4.1 This is an opportunity to place the principles of inclusive growth at the heart of our economic approach. A resilient economy fit for purpose supports the people of West Yorkshire to thrive.

5. Equality and Diversity Implications

5.1 This is an opportunity to ensure that our economic approach is inclusive and provides equality of opportunity to all. It is an opportunity to consider the implications of our economic policies on protected characteristics such as race, disability, and gender to ensure that we are equitable in our delivery. We know that people with these protected characteristics are more likely to be claiming some type of benefit and that benefits are not keeping pace with inflation.

6. Financial Implications

6.1 To produce a robust and resilient strategy it may be necessary to fund research activities including stakeholder engagement and workshops to ensure that we consider diverse voices and are representative of the whole region. The strategy will also help to inform decisions regarding our future pipeline so could have an impact on future spending priorities.

7. Legal Implications

7.1 We will consult with the legal team to ensure that any legal implications are fully considered.

8. Staffing Implications

8.1 There are no new staffing requirements. It's acknowledged that input from Districts Partners, businesses, the third and academic sectors and other relevant organisations would be needed and consideration will be given to doing this in a way that doesn't add further burdens.

9. External Consultees

9.1 A co-design group has been convened on a weekly basis with Local Authority partners. We seek Committee views as to other stakeholders that should be involved.

10. Recommendations

10.1 BEIC supports and inputs into our economic scenario and sector approach

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Overview of Sectors Policy Development

Overview of Sectors Policy Development

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Business, Economy & Innovation Committee | 19 October 2022



Context & Background

Why are we looking at sectors?

This policy thinkpiece builds on the work of the Leeds City Region Strategic Economic Plan (the SEP) and seeks to embed a framework for the Combined Authority's approach to sectors within the sphere of the emerging Economic Strategy.

The SEP (which was delivered between 2016 and 2020) outlined a number of key sectors in the Leeds City Region that would contribute to the wider Northern Powerhouse's prime capabilities. The key priority sectors in the SEP were identified as:

- Digital and creative industries
- Low carbon and environmental industries
- Health and life-sciences
- Innovative manufacturing
- Financial and professional services

- Food and drink manufacturing and businesses
- Higher and further education institutions

It is likely that some of these have not changed, but there may be enhanced role for some of the sectors (e.g., low carbon and environmental industries and creative industries).

What would be the purpose of an approach to sectors?

Having an approach to sectors in the region would help outline to government and the private sector where our strengths and unrivalled capabilities lie.

Other CA and LEP areas have outlined approaches to sectors, West Yorkshire is not one of them.

Different LEP areas have different approaches ...

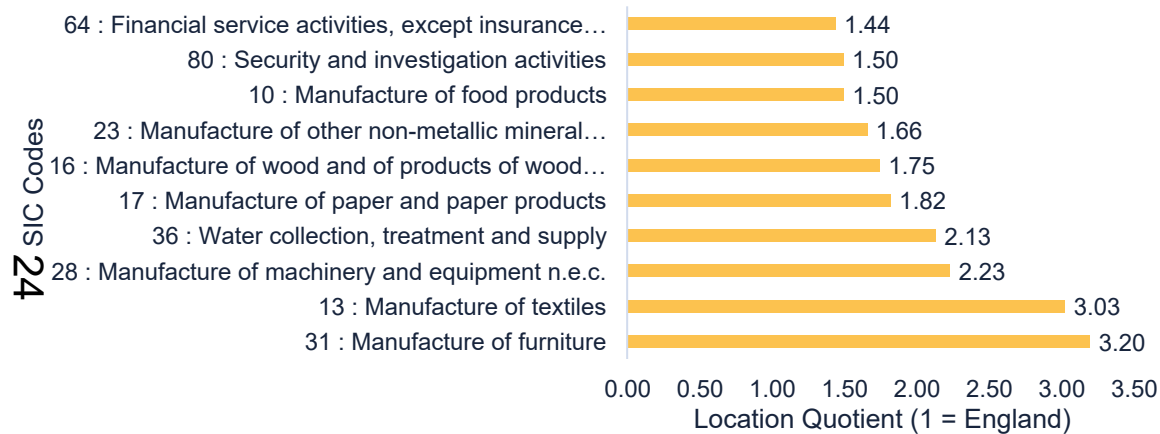
North East LEP	Greater Manchester CA	Lancashire LEP	Liverpool C' Region CA	South Yorkshire CA	Cumbria LEP
Advanced Manufacturing	Clean Growth	Manufacturing	Advanced Manufacturing	Advanced Materials / Manufacturing	Advanced Manufacturing
Digital	Health Innovation	Energy & Low Carbon	Built Environment	Business, Financial & Professional Services	Construction
Energy 23	Advanced Materials / Manufacturing	Tourism, Culture & Place	Clean Growth	Creative & Digital	Creative & Cultural
Health & Life Sciences	Digital, Creative & Media	Food & Agriculture	Digital & Creative	Healthcare Technologies	Health & Social Care
			Health & Life Sciences	Logistics	Logistics
			Innovation	Low Carbon	Professional Services
			Professional & Business Services	Property & Construction	Rural
			Visitor Economy	Retail	Visitor Economy
				Sports, Leisure & Tourism	Clean Energy

Commentary

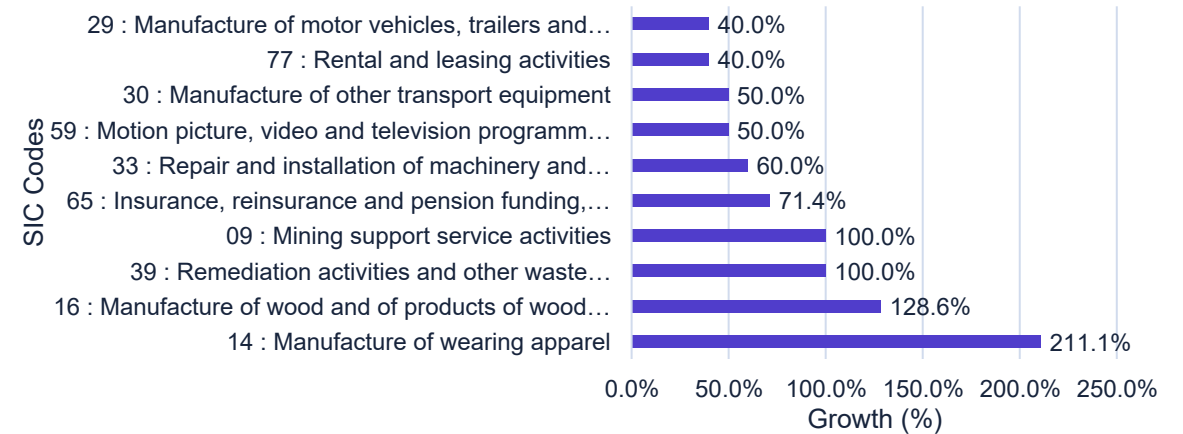
- There is a tale of two different approaches to sectors. Some regions are prioritising sectors generically (i.e., the entirety of a sector such as manufacturing).
- Other regions are taking a more nuanced approach and specifically referencing sub-sectors where there is high likelihood of rapid growth and competitive advantage.

From looking at employment data in WY, we can see that ...

**Highest Location Quotients in WY (SIC Codes)
2017-20**



**Fastest Growing Sub-Sectors in WY (SIC Codes)
2017-20**



- In terms of employment, manufacturing leads the way in location quotients. For example, for every 1 person employed in manufacturing of furniture in England, West Yorkshire employs 3.2 people.
- Financial and security services are also among the top ten location quotients at 1.44 and 1.5 respectively, meaning that we have .5 more people than elsewhere in England in these sub-sectors.
- In comparison, we can also identify which sub-sectors appear to be growing at a faster rate than others (2017-2020). Manufacturing again appears to dominate growth but there is also increased growth in motion picture, insurance, and leasing services.

Developing our priority sectors...

An approach to sectors should aim to be:

Strategic and specific: a sectoral approach should not try to please everyone and create a long-list of sectors in the region. The risk of doing so means that we do not have offers that stand out or showcase any competitive advantage.

Future-proofed: over the next decade some sectors will accelerate in growth whereas others will naturally start to witness decline. This will be driven by many factors including automation, digitalisation and shifting consumer trends/behaviours. A sectors approach needs to be long-term to have any success.

To develop our sectors approach, and based on the evidence and research undertaken and gathered, we need to consider a number of criteria:

- Whether our sectors approach is focused on those that have the potential for driving high-growth in the future.
- Whether we incorporate how we manage sectors that will decline over the next decade, and importantly support them to perhaps transition and leap into new sectors.
- How to we sort or group sectors based on practice from other nations and regions.

Potential Approaches

We have explored the following approaches to sectors:

The Saxony Model (Diagram A):

- This model is a more complex method that triangulates sectors based on future market opportunities, emerging specialisms and traditional sectors.

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Foundations & Frontiers Model (Diagram B):

- This model essentially splits sectors into frontier sectors (highly innovative, high growth businesses) and foundation sectors (those that support political, social, economic and social infrastructure rolling on a daily basis).

No Model (Keep It Basic):

- Of course, there was also the option to have no approach to sectors and just list out key sectors.

Diagram A

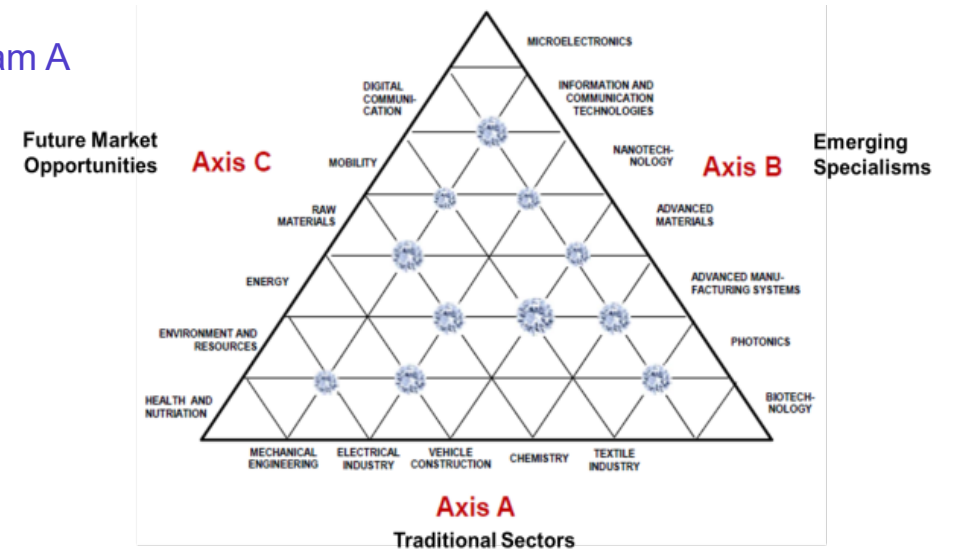
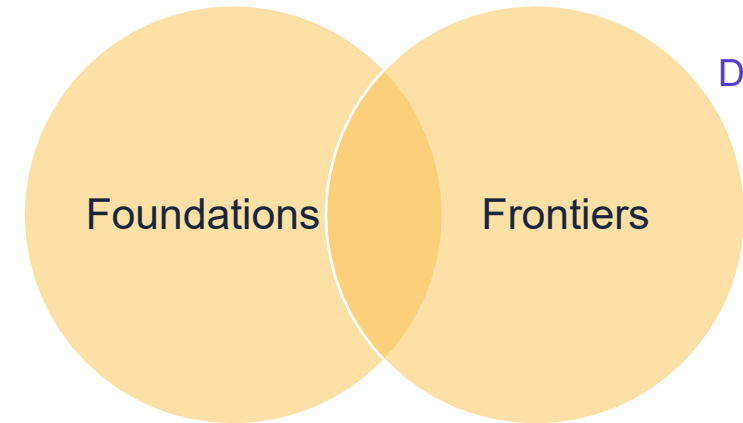
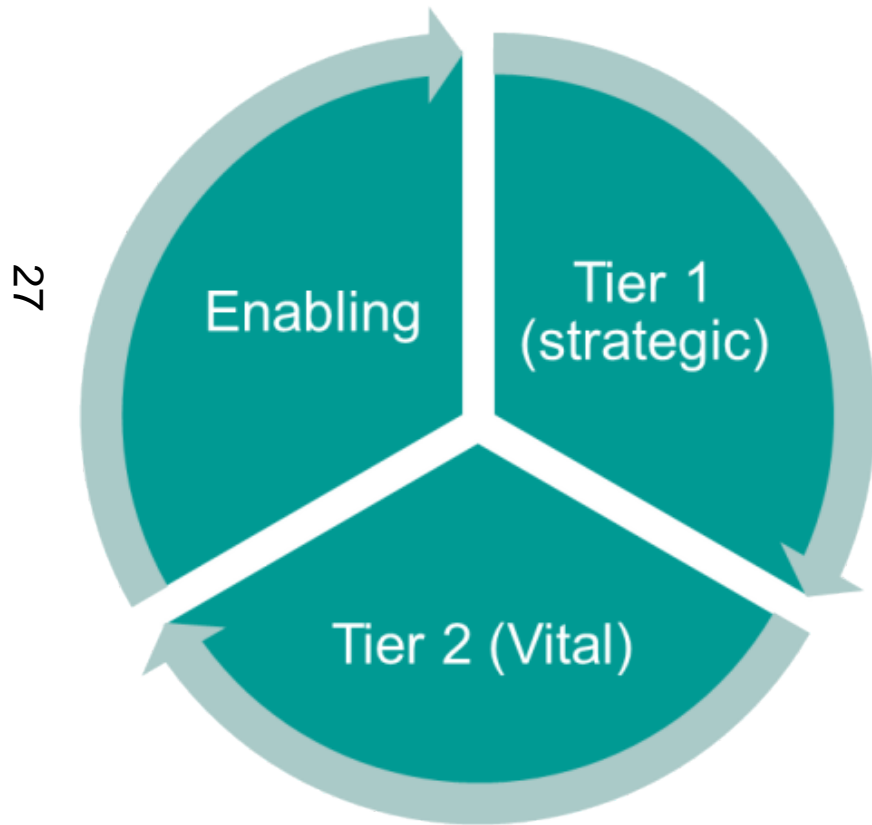


Diagram B



Proposed Tiered Sector Model



The tiered model was conceived in 2009 by a Ministerial Advisory Group to the Economy & Transport Ministry of the Welsh Government.

It proposed adopting a **tiered approach to prioritising sectors** that would give: (a) more critical mass and (b) better co-ordination and strategic management of activities and initiatives.

The advisory group proposed three tiers:

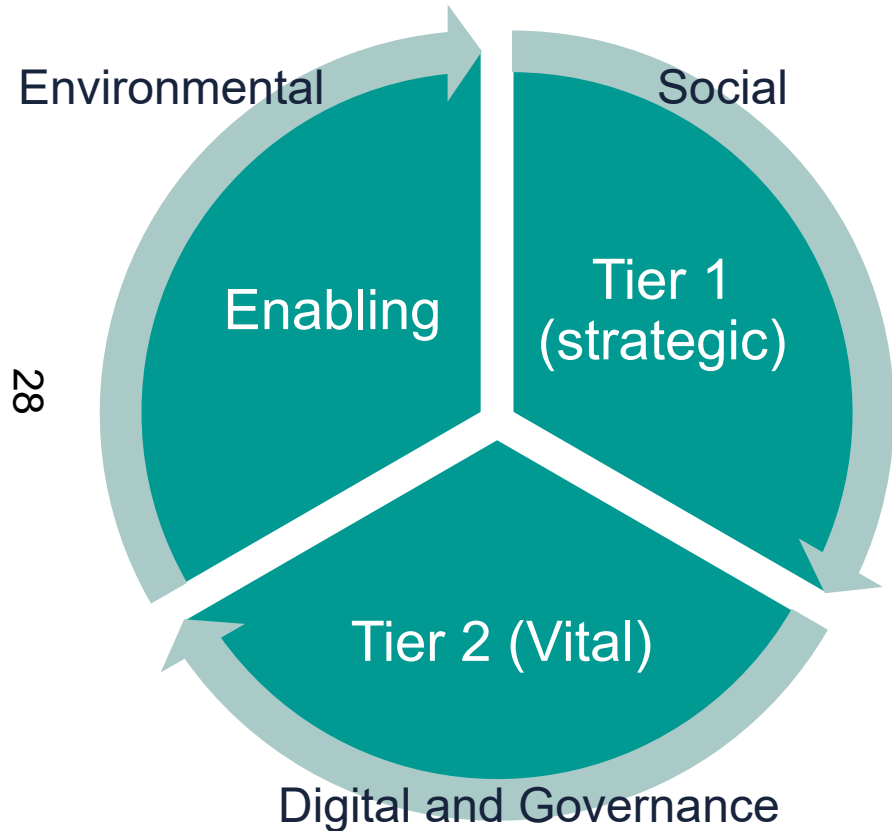
Enabling Sectors: those that are *significantly important* to a particular economy.

Tier 1 Sectors: those that are *strategically important* to a particular economy.

Tier 2 Sectors: those that are *less strategic* in terms of competitive advantage but are vital across the national economy.

We are proposing to adopt this model for our work on sectors, and welcome suggestions from committee members on this.

Draft sector mapping



Enabling (significantly important): Creative Industries, Health and Lifesciences, space and satellite communications, green infrastructure, financial technologies

Tier 1 (strategically important): Financial services and banking, Manufacturing, education, healthcare, professional and legal services.

Tier 2 (less strategic but vital) : social care, food and drink, retail, hospitality, sports and leisure.



Report to: Business, Economy and Innovation Committee

Date: 19 October 2022

Subject: **Pipeline Development**

Director: Liz Hunter, Director Policy and Development

Author: Louise Allen, Programme Development Lead – Business and Innovation

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

1. Purpose of this Report

- 1.1. To provide the Committee with an update on the progress of current and future activity on the Business and Innovation programme pipeline.

2. Information

Pipeline updates

Background

- 2.1 A separate paper to this Committee outlines the current business environment in the context of recent Government announcements. Programmes and initiatives within the business and innovation pipeline will both ensure businesses can access the tools to tackle the current cost of living crisis and can build their long-term resilience against future turbulence.
- 2.2 The remainder of the paper sets out planned delivery for 2023 and beyond however the Committee will recall a number of other programmes in delivery which complement the offer below. This includes the gainshare funded £6m Entrepreneurship Programme, ‘Enterprise West Yorkshire’ (see item 10), and oversight of the regional Made Smarter Programme.

Current activity for 2023 delivery

- 2.3 We are progressing the business cases for a number of interventions and programmes to ensure they are ready for delivery.

Business West Yorkshire (working title) and West Yorkshire Innovation Support Programme

- 2.4 At the last meeting, a detailed discussion took place to shape Business West Yorkshire and the West Yorkshire Innovation Support Programme:
- 2.5 **Business West Yorkshire (working title)** is an evolution of the current Growth Service. It will act as the infrastructure for all business support within the Combined Authority, meaning that businesses can access any available support through one “gateway”. All business enquiries will be routed through the gateway to receive holistic, one-to-one support from a Growth Manager, who will then refer the business to the relevant support programme(s) that best suits their needs. The new programme will have a stronger focus on Equality, Diversity and Inclusion, delivering targeted support for women, people from a minority ethnic background and people with a disability. It has a value of £5.3m over three years, which includes a contribution from all Local Authority delivery partners.
- 2.6 **West Yorkshire Innovation Support Programme** will come under the Business West Yorkshire brand and has been developed based on best practice and lesson learnt from the Connecting Innovation programme. It will enable businesses to access innovation support through strategic grants, innovation vouchers and be an access point to wider innovation support services in the region. It has a value of £5.6m over three years.
- 2.7 Both programmes have now been through our assurance processes, with a recommendation to go to the final approval at the next Combined Authority meeting on 21 October 2022.

Connecting Innovation update

- 2.8 The Innovation Support Programme is the successor to the Connecting Innovation Programme and takes significant learning from this previous programme which has helped to evolve the offer. The Connecting Innovation programme experienced a significant decrease in demand and take-up of grant investment from businesses in the period from April 20 to late 21. This was as a direct result of the impact of the pandemic that saw many SMEs de-prioritising investments not deemed as essential in order to build cash reserves and strengthen financial resilience.
- 2.9 The latest Leeds City Region Business Survey, carried out throughout June and July 2022, suggests that **64% of businesses in the area had undertaken some form of innovative activity over the last three years.** This is down from 69% in 2020, and 71% in 2017. It is likely that Covid has had an impact on these figures. In some ways, Covid will have prompted

innovative approaches to work, but in other areas it may have constrained cash flow, leaving less money to be used to invest in innovation.

- 2.10 For this reason, the programme recently asked the Government for permission to reduce the overall value so that we can focus on further delivery now that demand has returned.

Future Programme Development

- 2.11 Over the last twelve months, the Business, Economy and Innovation Committee has been working on the following programmes, currently in development for delivery from 2023 onwards.

Digital Transformation

- 2.12 The digital transformation programme will support SMEs to explore and access transformative digital technology through a voucher scheme, one to one advice and mentoring, to help them to scale and grow.
- 2.13 Consistent access to digital support for businesses is crucial in order to support our businesses to thrive, transform and innovate. The development of the digital transformation programme is being led collaboratively by the Combined Authority and Leeds City Council and will be delivered by all West Yorkshire Local Authorities. We are currently progressing this through the Combined Authority's Assurance Framework. Leeds City Council have a strong track record of delivering this type of programme, currently delivering the successful Digital Enterprise programme across the region, working with partners from across all Local Authorities.

Enterprise Programme

- 2.14 The enterprise programme will support start-ups in the region to establish themselves and grow. This will be achieved through one to one advice, workshops, grants and voucher schemes, and targeted support for underrepresented groups.
- 2.15 The development of the enterprise programme is being led collaboratively by the Combined Authority and Leeds City Council and will be delivered by all West Yorkshire Local Authorities. Leeds City Council are working with the Combined Authority to develop a future programme, which will build on the success of the AD:Venture programme that is currently being delivered across West Yorkshire.

Export support

- 2.16 Work is ongoing to develop an export support programme which will support SMEs in the region to reach new international markets. This will be achieved through facilitating new overseas trade opportunities, consultancy to support businesses to improve their potential for export activity, and an online

resource to help businesses navigate the export support offers available to them. The programme will target key sectors, underrepresented groups and businesses with high growth potential, and will encourage collaboration across the region. The proposed route to market will be through a call for specialist suppliers to deliver this work.

Regional Knowledge Transfers pilot

- 2.17 Early discussions are taking place between the Combined Authority and Innovate UK about how we can support SMEs in the region to access Knowledge Transfers and support from Higher Education institutions. It is noted from the previous committee meeting that a programme of engagement with universities was requested, and this will form part of the development work for this activity.

Business growth and innovation: open call for projects

- 2.18 The open call for projects will be developed in close consultation with the Committee. The calls will be flexible and will respond to immediate economic challenges and changing regional priorities, ensuring that businesses can access the growth and innovation support they need. For example, projects could support exploration of alternative business models, additional or bespoke innovation activity, or specific support for enterprise. Exact details of the call will be developed in discussion with the committee.

Development funding

- 2.19 In 2021/22, £500k was secured from Gainshare allocation to support development work aligned to the Mayoral pledges. An overview of how this funding has been used to support development activity is set out below:

Activity	Spend
1 x L grade post (for 3 years)	183,897
1 x K grade post (for 3 years)	161,598
Manufacturing taskforce expenses	120
West Yorkshire Innovation Festival	25,000
Mayoral Innovation Prize pilot (contribution) and evaluation	60,000
Mapping of the digital sector	50,000
	480,615

3. Tackling the Climate Emergency Implications

- 3.1. All programmes being developed will support and encourage businesses to decarbonise and improve their environmental sustainability, reducing their overall carbon impact and help achieve the region's net zero ambitions.

4. Inclusive Growth Implications

- 4.1. Any new programmes in this pipeline will include targets to ensure geographical representation across the region and within some of our most deprived communities.

5. Equality and Diversity Implications

- 5.1. Each of the programmes being developed will have targets attached to ensure proactive engagement with underrepresented groups, including women, Black and Minority Ethnic groups, and people with disabilities. Work will be undertaken to ensure we are engaging with key, influential networks and that our services are proactively promoted and easily accessible to all.

6. Financial Implications

- 6.1. Funding routes have been agreed for each programme and are assured through the Assurance Framework.

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 with District Officers, West Yorkshire Innovation Network and this Committee.

10. Recommendations

- 10.1. That the Committee notes the activity currently underway.

11. Background Documents

- 11.1. There are no background documents referenced in this report.

12. Appendices

- 12.1. Appendix 1 – Overview of Business and Innovation programmes

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Item 9 - Appendix 1 - Business and Innovation programme pipeline 2023-26

Programme name	Route to market	Indicative Gainshare	UKSPF	Notes
Enterprise West Yorkshire	Commissioned	£6m		In delivery – 3 different programmes
Business Productivity Programme	CA	£4.5m	£3.5m	Funding approved
WY Innovation Support Programme	Combined Authority	£5.6m		Programme been through Assurance process, to be presented at CA meeting on 21 October 2022.
Business West Yorkshire	CA / Local Authorities	£4.6m		Programme been through Assurance process, to be presented at CA meeting on 21 October 2022.
Enterprise Programme (post-AD:Venture)	CA / LAs (led by Leeds City Council)	£5m		Progressing through Assurance process.
Digital Transformation (post-Digital Enterprise)	CA / LAs (led by Leeds City Council)		£5.2m	Progressing through Assurance process.
Export support	Call		£1.3m	Currently in development with colleagues and stakeholders.
SME support to access Knowledge Transfers	Commissioned	£2m		Initial discussions with Innovate UK and consultation with stakeholders ongoing.
Business Growth and Innovation: Open Call for Projects	Call		£10m	To be developed with the BEIC.
Seedcorn finance	Commissioned	£5m		Policy development underway to explore options.
HealthTech sector support	Call	£5m		Engagement with HealthTech Cluster underway to develop options.
Inward investment pot	CA	£5m		Currently in development with colleagues and stakeholders.
Total		£36.7m	£20m	

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Report to: Business, Economy & Innovation Committee

Date: 19 October 2022

Subject: **Manufacturing Task Force - Delivery**

Director: Liz Hunter, Director Policy & Development

Author: Mitchell McCombe, Policy Officer

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

1. Purpose of this Report

- 1.1. To provide the committee with an update on the work of the Mayor’s Manufacturing Task Force and proposals for delivery.

2. Information

Context & Background

- 2.1. The creation of a Manufacturing Task Force was part of the Mayor’s “championing businesses and supporting the regional economy” pledge. It was also outlined as one of the actions in the latest iteration of the Economic Recovery Plan.
- 2.2. The Task Force was set up in November 2021 with manufacturing business leaders and representation from the four local manufacturing alliances and Make UK. Its objective was to develop a series of recommendations to improve the future resilience of the manufacturing sector. This has become even more important over the last few months as a result of the current economic climate.
- 2.3. In July 2022, the Task Force published its list of recommendations at an event held at Produmax near Bradford. The full report is attached as Appendix A for

the committee to note. The 17 recommendations are grouped under four missions which span until 2028. These are:

Mission 1: Enabling growth through productivity and innovation. This includes supporting businesses to adopt the likes of digital technologies to support increasing firm-level productivity and increasing the prevalence of innovation-active businesses.

Mission 2: Manufacturing for net-zero. This focuses on getting manufacturers net-zero ready in line with our regional net-zero carbon commitment of 2038 through the likes of measuring emissions and planning ahead for the transition to a low carbon economy.

Mission 3: The place to be and buy from – focusing on trade and investment. This aims to ensure that we increase the value and volume of exports from manufacturing, supporting the Global Britain agenda and increasing investment into the region.

Mission 4: Skills for manufacturing – focusing on increasing the skills levels in manufacturing – particularly upskilling and reskilling.

- 2.4. In addition to this, there were also three overriding recommendations which included establishing a regional manufacturing alliance, appointing a regional manufacturing champion and developing a bespoke manufacturing strategy for the region.

Delivering the Recommendations

- 2.5. Over the summer, the Combined Authority has developed an initial delivery plan that outlines how we will act upon the recommendations the task force has developed. This plan in particular refers to programmes that the Combined Authority will respond to. Other recommendations may be aimed at other actors such as HM Government and associated agencies. A shortened version of this is attached as Appendix B.
- 2.6. Delivery of the task force’s recommendations will run in waves, recognising that the report produced by the task force runs up until 2028. Funding for these projects will aim to be secured through the likes of the Single Investment Fund, the Shared Prosperity Fund, or other Government funding competitions or expressions of interest. Those that are being progressed under the first wave of projects at the Combined Authority are highlighted in bold in Appendix B.
- 2.7. As part of the first wave, the Combined Authority is currently progressing a number of new business support programmes through the Assurance Framework. These programmes will be delivered by officers across the Economic Services Directorate. This includes the following programmes:
- a) **Business Sustainability Programme** that will help businesses transition to the low carbon economy and support businesses to measure, plan and act to the transition to a low-carbon economy.

- b) **Innovation West Yorkshire:** a programme that will aim to increase the number of businesses engaging and involved in innovation through the likes of grant funding, challenge competitions and signposting.
 - c) **Business Productivity Programme:** a programme to support businesses improve their productivity levels through advisory services and grant funding.
 - d) **Export Support Scheme:** a programme to get more businesses exporting to international markets and introducing further trade mission and sector showcase support.
 - e) **Pilot Mayoral SME Graduate Scheme:** a programme aiming to get more graduates into priority sectors such as manufacturing and creative and cultural industries.
- 2.8. In some areas, recommendations have not yet been acted upon and will require additional work or policy thinking to inform how they will be delivered. This thinking will be developed in tandem with experts from across the region and wider industry.
- 2.9. To support delivery and oversight of the task forces' recommendations, a new Manufacturing Advisory Board will be established. This will replace the existing Leeds City Region Made Smarter Board, which specifically focused on industry 4.0. and technology adoption. This new board will have a more holistic focus on the four missions outlined in the task force's recommendations report.
- 2.10. 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.

Next Steps

- 2.11. The new advisory board will be established in late Autumn 2022, with a proposed membership to be developed beforehand.
- 2.12. It is also proposed that to amplify the work of the task force, a Westminster Day is held in the Autumn or early 2023. This will provide an opportunity for the task force to showcase their recommendations to civil servants and industry bodies working across the manufacturing sphere. This could result in increased awareness of the task force's recommendations and encouraging new policy interventions to be developed on a national scale.
- 2.13. Officers are also planning to host a roundtable with regional manufacturers over the autumn to discuss the impacts the crisis in the cost of living and doing business is having on their businesses. In particular, this will focus on the latest situation with energy bills, inflation and labour market challenges.
- 2.14. The Combined Authority is also reflecting on its overall approach to business support in light of recent economic challenges relating to the crisis in the cost

of living and doing business. This is covered in separate papers to this committee.

3. Tackling the Climate Emergency Implications

- 3.1. Mission 3 of the Task Force's recommendations calls for business support to help businesses decarbonise their operations in line with the region's net-zero carbon target of 2038. A new £10 million Business Sustainability Programme is currently going through the Combined Authority's assurance framework, which, if approved, would commence delivery in 2023.

4. Inclusive Growth Implications

- 4.1. A number of the task force's recommendations seek to support the region's inclusive growth ambitions, including a focus on reskilling and/or upskilling the labour market to ensure everyone can secure work – particularly in manufacturing where digital and green skills demand will see increases over the next decade.

5. Equality and Diversity Implications

- 5.1. Many of the programmes under the task force's delivery plan will have individual equality and diversity targets within them. In addition to this, some of the recommendations within the task forces' report are aimed at increasing the diversity of the sector's labour market profile. For instance, opportunities to explore programmes to provide opportunities to support progression in leadership opportunities for women and minorities.

6. Financial Implications

- 6.1. There are no immediate financial implications directly arising from this report, but resource may be required in the future to deliver other interventions emerging from this programme of work.

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 committee notes the progress of delivering on the task force's recommendations report and plans for a new advisory board.

11. Background Documents

None

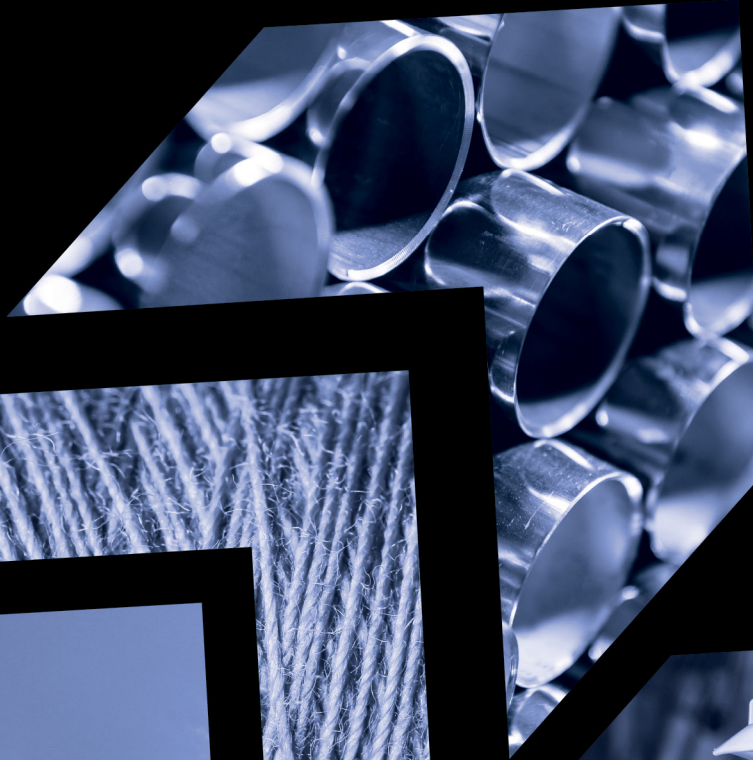
12. Appendices

Appendix A: Manufacturing Task Force – Recommendations Report
Appendix B: Progress on Delivery

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Manufacturing Task Force

Recommendations Report
July 2022



Foreword

Andrew Wright

Chair of the Task Force



A handwritten signature in black ink that reads "Andrew Wright". The signature is fluid and cursive.

West Yorkshire has more manufacturing jobs than anywhere else in the north, employing over 112,000 people. Since the first industrial revolution, we've been trailblazers of manufacturing and it's time for us to build on our proud heritage.

The Task Force consists of manufacturing leaders from every part of the region and important industries and representative organisations have all made valuable contributions.

We want more investment in advanced manufacturing to improve productivity of existing manufacturers. We want practical advice for businesses on how to set a path to net-zero carbon emissions. We want new businesses to choose West Yorkshire as the place to setup. Above all we want to attract the best talent into the sector by inspiring young people to consider manufacturing as a career choice, offering the best training in the country and doubling the number of apprenticeships starts by the end of the decade.

To make this happen and to ensure the necessary progress is made, the regional manufacturing alliances from across the region will come together with a single leader coordinating activity and driving good practice. Mayor Brabin will also appoint a manufacturing champion to ensure that the focus on manufacturing is maintained.

Take some time to read the detailed recommendations which follow, and I hope that you will join us putting your shoulder to the wheel for the renewal and reinvention of the sector which has for so long been the basis of West Yorkshire's success.

Andrew Wright

Chair of the Manufacturing Task Force

LEP Board Member and Deputy Chair of the Business, Economy and Innovation Committee

Executive Summary

Our vision is to be the best place to be a manufacturer in the UK; bringing together our unrivalled strengths and heritage to lead the next industrial revolution, powering it with the next generation of talent.

Why does West Yorkshire need a Manufacturing Task Force?

Manufacturing is an important sector for our region. West Yorkshire has more manufacturing jobs than anywhere else in the north – with thousands of workers in sub-sectors ranging from textiles, furniture-making, food and drink, chemical works, electronics and precision-engineering.

The things we make in our region are as diverse as our region itself. From national and international food brands, sets for the music industry, world-class textiles to chemicals and components for the aerospace and automotive industry. We make it all here in West Yorkshire.

We know we have a rich history in manufacturing but want to ensure that we have a strong future. We are delighted that Mayor Tracy Brabin has asked us to form this Manufacturing Task Force. We are confident that we will work together to champion a thriving, competitive and sustainable manufacturing sector in our region.

To do this, we will need an approach where we work together as a sector and with our partners to tackle some of the pressing challenges we face. This includes:



Becoming greener. If we are to be a net-zero carbon region by 2038, we need to decarbonise our businesses, our transport and our behaviours. Manufacturing is a large part of our economy and must be one of the leading sectors to champion the net-zero agenda.

Innovating to become more competitive nationally, regionally and globally. Our regional manufacturing sector is 13% less productive than the UK average and only 7 in 10 of our businesses engage in innovation. If we want to grow our economy, we must double our efforts to build a productive and innovative West Yorkshire, strengthen sector-specific support through means such as business support programmes or via greater collaboration with sector-specialist bodies and membership groups.

Exporting the products we make. New trade deals offer new opportunities for businesses and our region, yet only 16% of our businesses export. We also have the opportunity to showcase West Yorkshire as one of the best places to invest in setting up a business.

Addressing our skills needs and providing high quality employment opportunities. We want our region to be a place where there are no barriers to learning, progressing and succeeding in work. We also need to invest in talent and develop skills that in the long run will grow our economy and support staff progression.

Underpinning success

The recommendations we are putting forward will bring about an exciting decade for manufacturing in West Yorkshire.

To connect this piece of work and ensure success and delivery, we are outlining three overarching recommendations in this report:

- To form a West Yorkshire Manufacturing Alliance (WYMA)
- To create a Manufacturing Champion for the region to promote and support the sector's interests and advise the Mayor and Leeds City Region Enterprise Partnership Board
- To develop a regional Manufacturing Strategy

What we did

All thirteen members of the Task Force have been meeting since November 2021 and have spent that time researching and reviewing data, consulting with other businesses and stakeholders and discussing what we can do to help the manufacturing sector over the next decade. We're a business-led group with experience and a vested interest in making a difference for our sector.

To focus our thinking, we've worked in sub-groups looking at a number of areas from productivity, innovation, net-zero, trade, inward investment and skills.

Who we are

We are a diverse range of manufacturers and experts from across the region. We have been developing a series of recommendations to help the sector tackle the challenges and seize the opportunities over the next few decades.

Facts about our sector

Our regional economy exported more than **£5 billion** in 2020

The number of manufacturing businesses in West Yorkshire has grown by **6%** since 2016

Over **7%** of West Yorkshire businesses are manufacturers (**5,580** out of 80,835)

Demand for manufacturing skills currently exceeds pre-pandemic levels. From 1,750 in January 2020, to **3,200** in January 2022

14% of high growth businesses in West Yorkshire are manufacturers – compared to 9% nationally

1,100 apprenticeship starts in 2020/2021 in manufacturing/engineering:

10% of all West Yorkshire apprenticeships are in manufacturing companies

- Over **813** apprenticeships in engineering were taken up in 2020/21 in West Yorkshire
- Over **287** apprenticeships in manufacturing technologies taken up in 2020/21 in West Yorkshire

Of the 1.64 million jobs in West Yorkshire, **112,000 (9%)** are in manufacturing – almost 1 in 10

Manufacturing estimated to be the biggest source of CO2 emissions intensity (by sector) in West Yorkshire – around **3,200** tonnes

Mission 1

Enabling growth through productivity, innovation and technology adoption

By 2028, more manufacturers will be engaged in innovation and will have boosted their productivity levels.

The Task Force recommends:

- Rollout of new regional productivity and innovation programmes in West Yorkshire that increase the levels of technology adoption and support to innovate.
- Establish a West Yorkshire Productivity Index (WYPI) to support increasing firm-level productivity.
- Encourage more businesses in West Yorkshire to use effective methods of employee engagement to increase staff wellbeing, retention and creativity.
- Strengthen engagement with national innovation agencies to support activity in the sector via the West Yorkshire Innovation Network.

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Mission 2

Manufacturing for Net-Zero

By 2028, more manufacturers will be engaged with net-zero focused support programmes in the region and be well on their way towards net-zero carbon.

The Task Force recommends:

- Develop an online emissions tool and decarbonisation planning support programmes for West Yorkshire's SMEs.
- Create a support programme to help businesses fund capital infrastructure requirements.
- Lobby the Department for Transport to develop policy interventions to support businesses wishing to make an early move towards e-transport, hydrogen, and associated charging infrastructure.

Mission 3

The place to be and buy from

By 2028, more manufacturers will be exporting, and the region will see increased inward investment in the sector.

The Task Force recommends:

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- Establish an Export Support Scheme to help SME manufacturers understand the export potential of their business and the actions they need to take to begin exporting.
 - Increase promotion of our manufacturing assets and strengths through thought leadership opportunities, sector showcases, international forums and trade missions.
 - Boost regional capacity and resources to focus on securing increased inward investment opportunities for SMEs into West Yorkshire, while also retaining a focus on attracting large business investment to the region.
 - Explore opportunities to help SME manufacturers to develop a clearer understanding of the supply chain needs of larger businesses and critical infrastructure projects such as new nuclear, rail, wind and hydrogen.

Mission 4

Skills for manufacturing

By 2028, the number of people accessing the manufacturing and engineering sector via apprenticeships, internships and other technical qualification routes will have doubled, the workforce will be more diverse, and more businesses will be capitalising on employment and skills support.

The Task Force recommends:

- A focus on inspiring the next generation, changing the perception of careers in manufacturing, exciting young people and their parents/carers and teachers.
- Greater collaboration between Manufacturing Alliances and partners to share best practice with one another and opportunities for all to take part in local events and regional skills weeks.
- Introduce new or expanded regional employment and skills programmes and initiatives, such as:
 - A programme that aims to provide opportunities to support progression in leadership positions for women and minorities.
 - The Apprenticeship Levy Transfer Service for West Yorkshire to encourage transfer to key sectors including manufacturing.
 - Careers information and campaigns that are locally rooted and relevant to people of all ages.
 - Careers activities for young people.
 - Short courses to retrain and upskill people in the sector.
 - Working with the region's skills and training providers to ensure they have the right offers in place for businesses and ensuring that we put in place the right skills for the future and are able to respond to an increasingly digital world and the net-zero challenge.
 - Increasing the number of graduates working for manufacturing SMEs, supported through internships or bootcamp style short courses.

Find out more:

westyorks-ca.gov.uk/manufacturingtaskforce/

West Yorkshire Combined Authority

Wellington House
40-50 Wellington Street
Leeds
LS1 2DE

All information correct at time of writing (July 22)

Introductory Notes: [PLEASE NOTE THIS IS A DRAFT DOCUMENT]

- This is a high-level overview of progress on delivery of the Task Force’s recommendations.
- Recommendations highlighted in **bold** are designated as “wave one” schemes where interventions are actively being progressed.
- Recommendations not highlighted in bold will be explored at later dates. These may need funding routes identified or further policy development before being implemented.
- This tracker also reflects schemes that are within the influence or can be delivered by the Combined Authority. Other schemes led by external partners are not captured.

RECOMMENDATION	PROGRESS (SEP 2022)	NEXT STEPS	POLICY-LEAD	DELIVERY-LEAD	FUNDING ASK
MISSION 1 – PRODUCTIVITY & INNOVATION					
Rollout of new regional productivity and innovation programmes in West Yorkshire that increases the levels of technology adoption and support to innovate.	<ul style="list-style-type: none"> • Innovation West Yorkshire currently going through Assurance Process. • Made Smarter Yorkshire & Humber – in procurement phase – being led by South Yorkshire Mayoral Combined Authority. • Business Productivity Programme to be launched in Q3 22/23. • Digital Enterprise Programme going through Assurance Process 	<ul style="list-style-type: none"> • Innovation West Yorkshire to be rolled out in 2023. • Made Smarter Y&H to be rolled out in 2023. • Business Productivity Programme to be in delivery in Autumn 2022. • Digital Enterprise to be rolled out in 2023. 	<p>Policy Manager – Business Growth</p> <p>Policy Manager – Innovation</p>	<p>Programme Lead – Clean Growth & Innovation</p> <p>Programme Lead – Productivity</p>	<p>Innovation West Yorkshire: £5.5 million</p> <p>Made Smarter (Y&H): £4.9 million</p> <p>Business Productivity Programme: £4.5 million</p> <p>Digital Enterprise £5.2 million</p>
Establish a West Yorkshire Productivity Index (WYPI) to support increasing firm-level productivity.	<ul style="list-style-type: none"> • To be considered at later stage. 	<ul style="list-style-type: none"> • Test on stakeholders in the future about the usability and need for this. 	Policy Manager – Business Growth	Programme Lead – Productivity	To be determined at a later stage.
Encourage more businesses in West Yorkshire to use effective methods of employee engagement to increase staff wellbeing, retention and creativity.	<ul style="list-style-type: none"> • To be considered at later stage. May need policy thinkpiece to inform any future interventions. 	<ul style="list-style-type: none"> • Develop policy intelligence and thinking with stakeholders. • We will develop this as part of continued engagement with stakeholders. Learning from wider initiatives, such as Thrive West Midlands. 	Policy Manager – Business Growth	TBD	To be determined at a later stage.
Strengthen engagement with national innovation agencies to support activity in the sector via the West Yorkshire Innovation Network.	<ul style="list-style-type: none"> • Exploring the potential to deliver knowledge transfer pilots in the region. • IUK Local event to take place in October as part of WYIF – including a dinner and engagement with IUK CEX 	<ul style="list-style-type: none"> • Launch a KTN pilot in 2023. 	Policy Manager – Innovation	Programme Lead – Clean Growth & Innovation	N/A

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Manufacturing Task Force | Progress Tracker

RECOMMENDATION	PROGRESS (SEP 2022)	NEXT STEPS	POLICY-LEAD	DELIVERY-LEAD	FUNDING ASK
MISSION 2 – MANUFACTURING FOR NET-ZERO					
Develop an online emissions tool and decarbonisation planning support programmes for West Yorkshire’s SMEs.	<ul style="list-style-type: none"> Business Sustainability Programme (across all SME businesses) currently going through Assurance Process. 	<ul style="list-style-type: none"> Launch scheme in Q3/4 2022/23 in response to crisis in the cost of living and doing business. 	Policy Manager – Business Growth	Programme Lead – Clean Growth & Innovation	Business Sustainability Programme: £10.5 million
Create a support programme to help businesses fund capital infrastructure requirements.	<ul style="list-style-type: none"> Linked to above recommendation, opportunity for some funding to support purchasing new technology or energy saving solutions. 		Policy Manager – Business Growth	Programme Lead – Clean Growth & Innovation	
Lobby the Department for Transport to develop policy interventions to support businesses wishing to make an early move towards e-transport, hydrogen, and associated charging infrastructure.	<ul style="list-style-type: none"> Transport Policy Team are developing an Electric Vehicles Strategy for the region. 	<ul style="list-style-type: none"> Internal engagement with Transport Policy Team. 	TBC	Transport Delivery Teams	N/A (further development and understanding required).
MISSION 3 – THE PLACE TO BE AND BUY FROM					
Establish an Export Support Scheme to help SME manufacturers understand the export potential of their business and the actions they need to take to begin exporting.	<ul style="list-style-type: none"> Proposals for an Export Support Scheme to go through Assurance Process. 	<ul style="list-style-type: none"> Export Support Scheme to launch in 2023, subject to approvals. 	Policy Manager – Business Growth	International Trade Manager	Export Support Scheme: £1.3 million
Increase promotion of our manufacturing assets and strengths through thought leadership opportunities, sector showcases, international forums and trade missions.	<ul style="list-style-type: none"> Proposals for the above to include funding for additional trade missions and sector showcases. 				
Boost regional capacity and resources to focus on securing increased inward investment opportunities for SMEs into West Yorkshire, while also retaining a focus on attracting large business investment to the region.	<ul style="list-style-type: none"> To be considered at later stage after some further policy thinking. Funding to be explored from open call for projects across gainshare or Shared Prosperity Fund. 	TBD	Policy Manager – Business Growth	Trade & Investment Team	N/A (further development and understanding required).
Explore opportunities to help SME manufacturers to develop a clearer understanding of the supply chain needs of larger businesses and critical infrastructure projects such as new nuclear, rail, wind and hydrogen.		TBD	Policy Manager – Business Growth	TBD	N/A (further development and understanding required).
MISSION 4 – SKILLS FOR MANUFACTURING					
A focus on inspiring the next generation, changing the perception of careers in manufacturing, exciting	<ul style="list-style-type: none"> A number of events have taken place of summer and early autumn with young people, including innovation- 	<ul style="list-style-type: none"> Discussions to be held at new Advisory Board about opportunities to capture the next generation. 	Policy Manager: Employment & Skills	Service Manager: Skills for Growth	

RECOMMENDATION	PROGRESS (SEP 2022)	NEXT STEPS	POLICY-LEAD	DELIVERY-LEAD	FUNDING ASK
young people and their parents/carers and teachers.	oriented events with young people. Further discussions to continue about options to progress this recommendation.				
Greater collaboration between Manufacturing Alliances and partners to share best practice with one another and opportunities for all to take part in local events and regional skills weeks.	<ul style="list-style-type: none"> Explore opportunities for a Mayor's Manufacturing Skills Fair. 	<ul style="list-style-type: none"> Discussions to be held with new Advisory Board about opportunity for regional festivals and fairs. Further sharing of best practice and learning to take place during Advisory Board meetings. 	Policy Manager: Employment & Skills	Service Manager: Skills for Growth	
Introduce new or expanded regional employment and skills programmes and initiatives.	<ul style="list-style-type: none"> Mayoral SME Graduate Scheme Pilot currently going through Assurance Process. Explore opportunities to link employment and skills programmes to the AMPI Initiative across West Yorkshire and Greater Manchester. 	<ul style="list-style-type: none"> Pilot of the scheme expected to launch in Summer 2023. Ongoing engagement with AMPI team for potential programmes that can be developed. 	Policy Manager: Employment & Skills	Employment & Skills Team	Mayoral SME Graduate Scheme: £1-3 million
OVERARCHING RECOMMENDATIONS					
Form a West Yorkshire Manufacturing Alliance (WYMA)	<ul style="list-style-type: none"> Discussion held with Alliance Chairs on set up of a Steering Group. 	<ul style="list-style-type: none"> Proposed membership to be shared with alliance chairs. Set up a steering group that will aim to hold a first meeting in Autumn 2022. 	Secretarial support will be provided by the BISC Policy Team.	N/A	Exploring options for funding to support manufacturing operational support and delivery. This is not yet confirmed.
Create a Manufacturing Champion for the region to promote and support the sector's interests and advise the Mayor and Leeds City Region Enterprise Partnership Board	<ul style="list-style-type: none"> Discussion to be held with Alliance Chairs on the expectations of the role. 	<ul style="list-style-type: none"> Explore options for this role. 	N/A	N/A	
Develop a regional Manufacturing Strategy	<ul style="list-style-type: none"> The Combined Authority is currently developing a new approach to sectors. This will incorporate an element of prioritising sectors within manufacturing. 	<ul style="list-style-type: none"> Engagement to be undertaken in Autumn 22. Economic Strategy to be launched in c. Q4 22/23. 	Policy Manager – Business Growth	N/A	N/A

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Report to: Business, Economy, and Innovation Committee

Date: 19th, October 2022

Subject: **Enterprise West Yorkshire Programme Update**

Director: Brian Archer, Director of Economic Services

Author: Henry Rigg, Head of Business Support

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

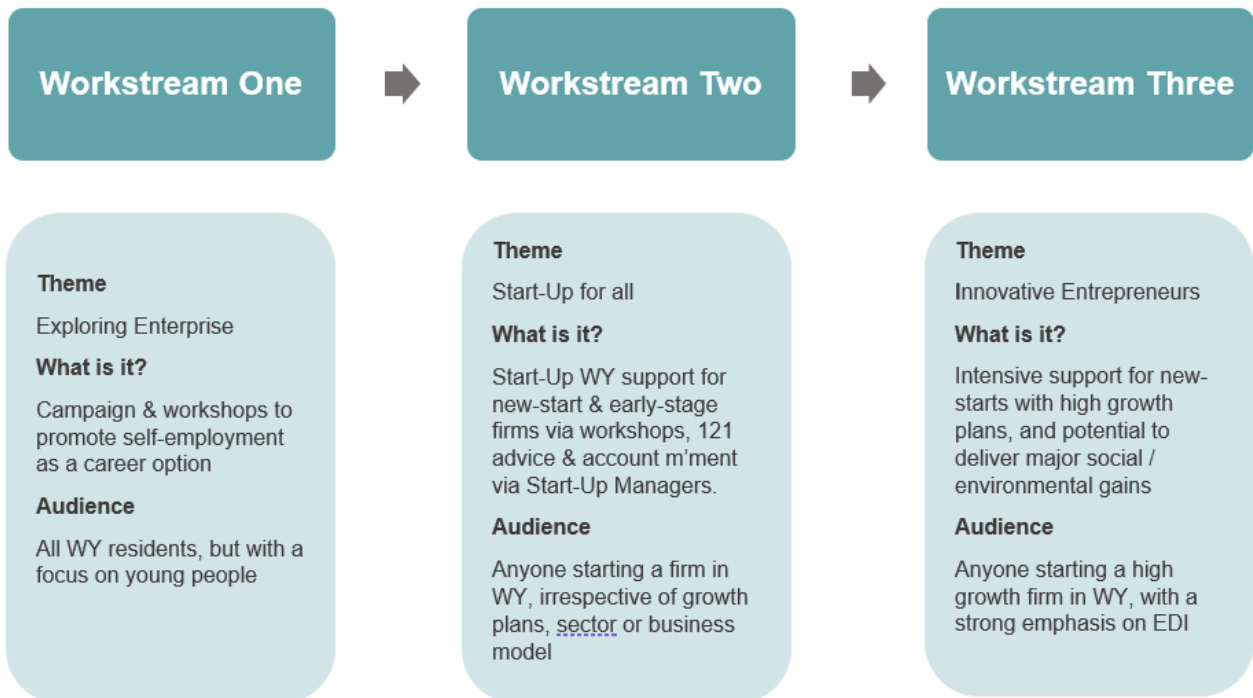
1. Purpose of this Report

- 1.1. To update the Committee on progress with the delivery of the Enterprise West Yorkshire (WY) programme.
- 1.2. To seek further input, advice, and guidance from the Committee on the ongoing development and delivery of enterprise support across WY.

2. Information

- 2.1. The £6m Enterprise WY programme has been in delivery since late 2021 and provides a ladder of enterprise support. This includes activity to promote enterprise as a viable and achievable career option to all (including young people), 'hands on' advice and guidance to anybody in WY who wants to set up a new enterprise (regardless of location, sector, or growth potential), and an intensive package of bespoke support to accelerate the growth plans of a smaller number of innovation-led entrepreneurs. The below diagram sets out the different workstreams, their offers and their target audiences.

ENTERPRISE WEST YORKSHIRE



2.2 The programme is also closely aligned to other enterprise support currently available in the region, including the ADventure high growth start-up programme led by Leeds City Council in partnership with the other WY Local Authorities, the Start-Up loans available from the Business Enterprise Fund and the information and guidance provided by WY's commercial libraries (BITC).

2.3 The table below sets out the numbers of people and enterprises engaged and supported to date by the programme: -

Indicator	Mode of Delivery	Progress to end of August 2022
Number of people reached with enterprise-related marketing	Marketing campaign across broad range of mediums	28,890
Number of learners supported	Workshops for learners	186
Number of start-up enterprises engaged	Start-Up WY Programme & 5 x Start-Up Managers	600 (530 diagnostics completed)
Number of start-up enterprises supported (minimum of three hours of support)	Start-Up WY Programme (workshops and 1-2-1 coaching), & 5 x Start-Up Managers	231

Survival Rates at 12 months +	To follow later in 2023	To follow in 2023
District-based launch events	Physical events	5

2.4 The digital marketing campaign for the **Exploring Enterprise** element of the programme has been running from January 2022. The campaign is called 'people like me' and a suite of marketing collateral has been developed around role models to demonstrate that 'real people' across West Yorkshire are creating and running successful businesses (see example below). The campaign has been delivered across Facebook and LinkedIn and has generated a total of 28,890 impressions to date. A new agency has recently been appointed to lead on marketing and comms activity across the whole programme. This will reinforce the 'ladder of enterprise support' theme across all activities, helping to ensure a more consistent and homogeneous brand, image and customer journey.



2.5 The Exploring Enterprise workshops have been running for nine months, with over 180 learners engaged across the 11 cohorts delivered to date. Learners are being supported from some of the region's most disadvantaged areas, with 22% being from the most deprived decile, 13% from the second most deprived decile and 10% from the third most deprived decile on the National

Index of Multiple Deprivation. This equates to just under half of learners (45%) coming from the three most deprived deciles.

- 2.6 To complement the workshops, a new web platform has been developed to include more varied resources and on-demand content, something that many of the learners have requested. Users access the content from their devices via a dedicated link, with the additional content including: -
- new quizzes on branding, digital, sales
 - new to do lists on domain registration
 - new videos on branding, domains, search engines, and social media
 - new podcasts on innovation, risk, and supply
- 2.7 PeoplePlus Ltd was appointed in late 2021 to deliver a scheme for pre-start and start-up firms across all sectors (Start-Up West Yorkshire), but particularly retail, leisure and hospitality. This includes a range of workshops, delivered on-line and in-person, on the key topics related to setting up a new enterprise, alongside some one-to-one coaching from specialist start-up advisers. To date, over 160 workshops have been delivered, with cumulative attendance of over 1,600. PeoplePlus is working closely with several suppliers across the region to raise awareness of the support available and engage a more diverse range of clients, such as those with disabilities and those living in some of WY's more disadvantaged areas. These include:- Airedale Enterprise Services, the Paddock Trust, Barca Leeds, Inspired Neighbourhoods and Aspire-iGen's Opportunity Centre.
- 2.8 In addition, PeoplePlus has established a Women's Enterprise Network (and one specifically for Asian females) as peer support mechanisms for female-led pre-start and start-up firms, and also recently introduced new webinars focussed on wellbeing and resilience for the entrepreneurs. It is also working closely with Job Centre Plus and several housing associations to engage clients and residents in the support available.
- 2.9 A Learning Plus Platform has recently been introduced by PeoplePlus which provides access to all webinar content and associated materials for people unable to attend the events and webinars. It also provides some one-to-one advice for the entrepreneurs on evenings and weekends. This has been introduced following feedback from people in full-time work who cannot make the events within traditional working hours, and from people facing challenges related to accessibility.
- 2.10 The five district-based **Start-Up Managers** are all now in post and are providing account-management support to start-up and early-stage firms (up to three years of trading) across all sectors, but with a focus on Business-to-Consumer operators. Embedded within the local enterprise support eco-systems, and employed by the Local Authorities, the managers are each working with circa 50 clients, linking them into the right support at the right stage of their growth journeys. The managers have also been instrumental in

the delivery of local launch events in their districts over the last few months, with the most recent taking place at Farmer Copleys in Wakefield and at the Kala Sangam Arts Centre in Bradford in September 2022. The events were very well-attended and brought together the key players in enterprise support at the district level, and included presentations from senior elected members and local entrepreneurs.

- 2.11 The links below provide insights into the launch events and pen portraits of several of the enterprises supported to date by the programme: -
- 2.12 Bee Brand designs was founded by Ashleigh Barnes at the beginning of lockdown in 2020. Awaiting redundancy whilst on furlough in 2020 provided her with the opportunity to setup her own business. Working with her Start Up Manager, Ashleigh stated that *“I am just very grateful that the support programme exists and empowers those who want to drive their ambitions into market.”*

[Start-Up West Yorkshire Case Study - Bee Brand Designs · Ad:Venture Portal \(ad-venture.org.uk\)](#)

- 2.13 Below are links to the blogs that summarise the first three launch events: -

[Kirklees Start-Ups on the stage at Start-Up West Yorkshire Launch. · Ad:Venture Portal \(ad-venture.org.uk\)](#)

[Start-Up West Yorkshire Launch, Advice from Calderdale Start-Ups · Ad:Venture Portal \(ad-venture.org.uk\)](#)

[Start-Up West Yorkshire celebrates Leeds Launch · Ad:Venture Portal \(ad-venture.org.uk\)](#)

- 2.14 The inaugural meeting of the **Enterprise Support Forum** will take place on 2 November 2022 at Dean Clough in Halifax and will include presentations from the Mayor of WY and the Chair of this Committee. It will be an opportunity to showcase all the support available to new enterprises in the region, including access to finance, business and financial planning, resilience measures and recruitment. The aim of the forum is to increase awareness of the support available amongst the supply side and to increase the volume and quality of referrals amongst delivery partners.
- 2.15 Following a delay caused by a potential legal challenge to the procurement process, the contract for delivery of the **Innovative Entrepreneurs** element of the programme has been recently agreed. The £1.2m 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.
- 2.16 The focus of the scheme is to work with a smaller number of entrepreneurs (circa 70) who can demonstrate the ambition and potential to achieve

considerable business growth, whilst delivering wider social and/or environmental impacts for the region. The package of support will include early-stage finance, investment readiness, mentoring and coaching, and peer support. Engaging participants from diverse backgrounds will be a key focus of the programme's outreach strategy, and this was reflected in the EDI targets set out in the tender specification as follows: - 50% females, 25% from ethnic minorities and 5% self-certifying as having a disability.

- 2.17 The CA is also exploring options to establish a Seedcorn Fund that could provide early-stage finance (grant, loan or equity) to entrepreneurs to de-risk their ventures, and to provide them with some security to test-market, develop and refine their business propositions. This would meet a clear gap in the market for access to finance products in the region, and would be positioned as a pre-cursor to other enterprise finance, such as Start-Up Loans, Angel Investment and Venture Capital.

3. Tackling the Climate Emergency Implications

- 3.1 All enterprises supported by the programme are encouraged to access advice and guidance from the CA's REBiz programme that assists firms to reduce energy use and, hence, energy costs. Resilience and wellbeing events and webinars are also being introduced into the programme, and these will cover energy saving advice. It is also anticipated that the 'call for projects' referenced at 5.2 below will include ones focussed on environmental matters, and that the Innovative Entrepreneurs scheme will also deliver tangible and lasting environmental benefits.

4. Inclusive Growth Implications

- 4.1 Area-based deprivation data is analysed against the locations of the learners and enterprises supported by the programme. Analysis to date shows that over 30% of those supported across the programme are from the 20% most deprived parts of the region. More analysis will be undertaken to refine this data which will also help to target future interventions.
- 4.2 A revised approach to events is being implemented with the objective of engaging businesses across the whole of West Yorkshire, particularly those in more disadvantaged areas and those that are outside of the main towns and cities.
- 4.3 The programme's supply chain includes several community enterprises and enterprise agencies that operate in some of the region's most disadvantaged and/or outlying areas. For example, Airedale Enterprise Services in the Keighley district, Inspired Neighbourhoods in the BD10 area of Bradford and the wider district, and the Paddick Trust in Huddersfield.

5. Equality and Diversity Implications

5.1. Please see section 2 for details of EDI activities currently being delivered across different parts of the programme. In addition, the programme has ‘minimum floor targets’ to engage clients with protected characteristics. The table below sets out progress on these targets to date: -

Female Participants	Ethnic Minority Participants	Participants with Disability (self-certified)
Target = 50% Actual = 52%	Target = 20% Actual = 33%	Target = 3% Actual = 14%

5.2 An open ‘call for projects’ will be launched later in the year and will aim to support several projects at up to £25k each to deliver EDI-related enterprise outcomes. This will be funded via the programme’s Development Fund and it is anticipated that interventions will focus on enterprise support for specific target groups and/or for alternative business models, such as social enterprises or co-operatives. The findings from the funded projects will be used to inform the ongoing design and delivery of future programmes and services.

5.3 The five district-based Start-Up Managers are all now in post, three of whom are females with one from an ethnic minority background.

6. Financial Implications

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

7. Legal Implications

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

8. Staffing Implications

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

9. External Consultees

9.1. No external consultations have been undertaken in relation to this report, although several key stakeholders continue to be appraised of progress on the programme and their input is taken on board.

10. Recommendations

- 10.1. That the Committee notes progress with the delivery of the Enterprise West Yorkshire (WY) programme.
- 10.2. That the Committee provides any further input, advice, and guidance on the ongoing development and delivery of enterprise support across WY.

11. Background Documents

None

12. Appendices

None