

**MINUTES OF THE MEETING OF THE
BUSINESS, ECONOMY AND INNOVATION COMMITTEE
HELD ON WEDNESDAY, 26 JULY 2023 AT COMMITTEE ROOM 1,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS, LS1 2DE**

Present:

| | |
|----------------------------------|---|
| Councillor Shabir Pandor (Chair) | Kirklees Council |
| Councillor Alex Ross-Shaw | Bradford Council |
| Councillor Lisa Martin | Leeds City Council |
| Fara Butt | Private Sector (Representative) |
| Simon Langdale | Private Sector (Representative) |
| Mandy Ridyard | Private Sector (Representative) |
| Alan Williams | Private Sector (Representative) |
| Sue Cooke | Advisory Representative (Huddersfield University) |

In attendance:

| | |
|----------------------------------|-----------------------------------|
| Felix Kumi-Ampofo (Director) | West Yorkshire Combined Authority |
| Caroline Allen (Deputy Director) | West Yorkshire Combined Authority |
| Louise Allen (Officer) | West Yorkshire Combined Authority |
| Jo Barham (Officer) | West Yorkshire Combined Authority |
| Sarah Bowes (Officer) | West Yorkshire Combined Authority |
| James Flanagan (Officer) | West Yorkshire Combined Authority |
| Lorna Holroyd (Officer) | West Yorkshire Combined Authority |
| Myles Larrington (Officer) | West Yorkshire Combined Authority |
| Mitchell McCombe (Officer) | West Yorkshire Combined Authority |
| Thomas Purvis (Officer) | West Yorkshire Combined Authority |
| Joshua Rickayzen (Officer) | West Yorkshire Combined Authority |
| Philip Witcherley (Officer) | West Yorkshire Combined Authority |

1. Apologies for Absence

Apologies for absence were received from Councillor Sarah Courtney, Councillor Eric Firth, Councillor Deb Nicholls, Councillor Peter Kilbane, Private Sector Representatives, Deb Hetherington, Asma Iqbal, Karl Oxford, Richard Paxman, Paul Price, Bobby Thandi, Advisory Representatives, Dr Peter O'Brien, Palvinder Singh, Dr Martin Stow, Lee Viney, Neville Young and Chief Executive Lead, Jacqui Gedman.

2. Declarations of Disclosable Pecuniary Interests

Advisory Representative, Sue Cooke declared an interest in Item 9 as

Huddersfield University remained part of the Investment Zone partnership.

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

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

4. Minutes of the Meeting held on 29 March 2023

Resolved: That the Minutes of the meeting of Business, Economy and Innovation Committee held on 29 March 2023 were approved.

As the Chair had not been present at the previous meeting, the Minutes had been signed by a member (Councillor Lisa Martin, Leeds City Council) who had been present at that meeting.

5. Chair's Update

The Chair provided an update on the recent changes to the Local Enterprise Partnership (The LEP). He noted that Mark Roberts, the Interim Chair of the LEP had stood down and that the Combined Authority was still in the process recruiting a new Chair who would also act as the Mayor's business advisor.

The Chair explained that there were also plans for the Mayor's Business Council which would bring a range of business leaders together. He and the leaders of the other district council were supportive of the efforts to bring businesses together from across West Yorkshire.

The Chair noted that there had been some changes to director posts since the last meeting of the Committee. He then proceeded to introduce Felix Kumi-Ampofo, the new Director of Inclusive Economy, Skills & Culture who had succeeded former Interim Director, Phil Witcherley in the role. The Chair then invited the Director to say a few words.

The Director thanked the Chair for the introduction. The Director noted that it was only his third day in his new role and, that while many aspects of the position were new to him, he continued to be supported by a strong team. The Director therefore had high expectations of what could be achieved by the Combined Authority. He noted that the items that were due for discussion by members were part of a comprehensive agenda and that the expectation was that significant improvements for the region could be achieved through the work of the Committee.

The Chair thanked the Director for his words. He then noted that it was the last meeting that would be attended by the former Interim Director, Phil Witcherley. He thanked Mr Witcherley for all his hard work and indicated that he had enjoyed working with him over the last year. The Chair then wished Mr Witcherley well in his future endeavours and invited him to say a few words.

Mr Witcherley indicated that it had been a pleasure to serve as the Interim Director for the Committee, especially as this had been the Committee with the most involvement with Private Sector representatives. Mr Witcherley noted

that, during the last two years, the Committee had many substantial achievements including beginning the development of the economic strategy, developing several business programmes, consideration of innovative schemes such as Northern Gritstone and establishing the Manufacturing Taskforce. Mr Witcherley also indicated that the new Director already had a great track record of achievements and that the work of the Committee would therefore continue to accelerate.

The Chair then invited Mandy Ridyard, a Private Sector Representative who had worked closely with the former Interim Director, to say a few words.

Ms Ridyard proceeded to thank Mr Witcherley for the work he had undertaken on behalf of the Committee to ensure that the voice of business had been heard, especially in relation to the efforts that had been undertaken with the Manufacturing Taskforce and the individual programmes Mr Witcherley had brought before the members. Ms Ridyard had also welcomed the new Director to his position and indicated that all the Private Sector representatives were looking forward to working with him.

6. Governance Arrangements

The Committee considered a report of the Deputy Director for Legal, Governance & Compliance which advised members on the governance arrangements that had been approved by the Combined Authority at the Annual Meeting on 22 June 2023 in respect of the committee.

Officers then presented the report and explained that:

- The terms of reference for the Business, Economy and Innovation Committee had been agreed.
- The quorum of the Committee had been agreed as 3 voting members to include 2 Combined Authority members or Local authority co-optees.
- The Combined Authority had appointed Councillor Shabir Pandor as Chair of the Committee.
- The Deputy Chair position that would be ordinarily held by a LEP Board member remained vacant, subject to a recruitment exercise that had been underway.
- The membership of the Committee had been confirmed by the Combined Authority.
- The Combined Authority had agreed the meeting dates for the Committee as follows:
 - 26 July 2023
 - 1 November 2023
 - 31 January 2024
 - 12 March 2024

Resolved:

- i. That the Committee noted the report.
- ii. That the Committee noted the governance arrangements approved by

the Combined Authority at the Annual Meeting held on 22 June 2023.

7. Economic Update

The Committee considered a report of the Chief Operating Officer which provided members with an update on the latest economic information.

Officers presented the report which outlined the following:

- The Monetary Policy Committee had increased interest rates from 4.5% to 5% in June.
- The energy price cap (£2,074) had fallen below the Energy Price Guarantee (£2,500) after the EPG had been extended by three months during the March Budget.
- Inflation had remained at 8.7% in the 12 months to May 2023, but core inflation had increased from 6.8% to 7.1%.

Officers also referred to some regional data as well:

- Employee numbers across West Yorkshire had increased between April and May 2023 to 1,019,369 (+649).
- Since January there had been a 3,572 increase in employees.
- The out-of-work claimant count as a percentage of working-age residents had hit 4.8% in West Yorkshire for May 2023, compared with 3.8% across England.

Members made the following observations:

- Members asked about the stark divergences between productivity levels in different constitution parts of West Yorkshire in terms of the baseline and why Leeds had an 8% productivity gap with other districts. Officers responded that this had been due to the fact that Leeds was already significantly ahead of other areas, so the figures reflected the fact that growth within other districts was gradually improving (referred to during the meeting as a 'catch up' effect). Officers stressed that there were likely to be other factors at play too and that more information was needed to fully explain the data.
- Members highlighted the importance of the Productivity Improvement Programme which was in delivery and which manufacturing businesses could access. Members asked for more to be done to help promote the scheme across West Yorkshire.
- In order to more accurately assess productivity performance across West Yorkshire, members observed that it was important to examine the makeup of the business base. Officers indicated that this had been looked at, along with skills levels while noting that the concerns around productivity were a UK-wide problem, not just a West Yorkshire issue.

Resolved:

- i. That the Committee noted the report.

- ii. That the Committee noted the latest economic intelligence to help inform policy making and discussions.

8. Economic Strategy and EDI Plan

The Committee considered a report of the Interim Director for Inclusive Economy, Skills & Culture which provided an update to members on progress towards developing an Economic Strategy for West Yorkshire which fully reflected the Combined Authority's ambitions for Equality, Diversity and Inclusion.

Officers presented the report, which included the following:

- The Economic Strategy had a focus on the delivery of Mission One of the West Yorkshire Plan “to deliver a prosperous West Yorkshire alongside an inclusive economy with well paid jobs”.
- The Economic Strategy had been intended to align existing policies and strategies that included the Employment and Skills Plan, Business Productivity and Resilience Plan, Innovation Framework, Digital Blueprint and the Culture Framework.
- A new inward investment strategy had been commissioned to align with the overarching ambitions of the Economic Strategy, to update the approach to inward investment post-Brexit, and to sit alongside the West Yorkshire International Trade Strategy that had been approved last year.
- Current activity had been focused on updating the evidence base including the West Yorkshire Economic Assessment (2019), procurement of a new Regional Economic Model for updated forecasts and scenario planning alongside a call for evidence from the West Yorkshire Universities and the Y-PERN Network of academics.
- A broad stakeholder consultation was underway.
- The proposed Equality, Diversity & Inclusion (EDI) strategy will now be fully incorporated into the Economic Strategy to ensure full alignment.
- It was also noted that members of the Committee had been invited to a workshop scheduled for 5th September to discuss the Digital Blueprint and the wider issues around the proposed Economic Strategy.

Members made the following observations:

- Members observed that access to finance should be part of the wider Economic Strategy as this is one of the biggest barriers to achieving greater diversity in the workforce, especially as there continues to be significant expertise in finance available within the region. It was noted that SHY had secured funding to look at green finance and that the Economic Strategy should explore opportunities to progress this type of opportunity.
- Members noted that internal discussions had been taking place between officers and representatives of Huddersfield University to progress work on health, housing, future mobility and sustainable transport. It was noted that the Director for Policing, Environment and Place had been leading these discussions.

- Members had enquired about the potential impact that artificial intelligence might have on productivity and jobs in West Yorkshire. Officers responded that this was an area of ongoing research.
- Members observed that innovation is key to driving action against inequality and to improve productivity and requested that officers look further at this. Officers indicated they would examine this theme further.
- Members observed that measures to embrace diversity should include recognition of cognitive diversity and other neurodivergent conditions in relation to how disabled business owners could be better supported.
- Members highlighted the importance of the Made Smarter Programme which assists with digital transformation but expects a certain level of digital readiness which remained challenging for some businesses and that further support should be considered. Officers had indicated they would look into this area further.

Resolved:

- i. That the Committee noted the report.
- ii. That members of the Committee provided comments on the proposed approach and noted the progress that had been made.
- iii. That members of the Committee noted the intention to incorporate the EDI Strategy into the Economic Strategy, and to ensure EDI had been prioritised as a key aspect of the intention to deliver Mission One of the West Yorkshire Plan.

9. Investment Zones

The Committee considered a report of the Director of Policing, Environment & Place which provided members with an update on proposals relating to Investment Zones. The report sought feedback on the proposed interventions.

Officers presented the report which included the following:

- In the Spring Budget, the Chancellor of the Exchequer, The Rt Hon Jeremy Hunt MP announced the Government would introduce Investment Zones.
- West Yorkshire was subsequently selected as one of the Mayoral Combined Authorities to progress proposals for hosting an Investment Zone.
- The Investment Zone Policy Prospectus identified five sectors which selected areas must align their proposals to. These included health and life sciences, digital and tech, advanced manufacturing, creative industries, and green industries.
- Policy programmes were announced to include new tax-zones, relief from business rates and opportunities to introduce new revenue or capital programmes.
- Members had been updated on the progress to date.

Members made the following observations:

- Members observed that there were many accelerator programmes around which were not always able to find cohorts to go on them. Members therefore requested that any new accelerator programmes should be designed in a way that complemented existing programmes and clearly set out how to reach intended beneficiaries. Officers agreed that such programmes required clear outcomes and objectives and that they would take these points into consideration.
- Members noted that Huddersfield University was part of the Investment Zone partnership and they were continuing to work with the architects responsible for designing the floor plan for the proposed Health Innovation Centre in Huddersfield which will bring significant improvements to West Yorkshire and be a world class asset.
- Members noted that, one of the areas that had been identified by The Manufacturing Taskforce, was a shortage of manufacturing space. Members therefore asked if there were plans for any sites to be developed for this purpose. Officers responded that were future opportunities that could be used to develop such sites.

Resolved:

- i. That the Committee noted the contents of the report.
- ii. That members of the Committee provided feedback on the programme proposals.

10. Fair Work Charter

The Committee considered a report of the Interim Director of Inclusive Economy, Skills & Culture which provided committee members with an update on the development of the Mayor's proposed Fair Work Charter.

Officers presented the report and outlined the following:

- This priority had been based around the Mayor's electoral pledge to develop a Fair Work Charter that enabled collaboration with – and celebration of – the region's employers to ensure West Yorkshire's workers enjoyed the best working conditions.
- Officers set out the phased timeline of developments on how the Fair Work Charter would be implemented. The timeline aimed for a proposed launch time of Autumn 2023.

Members made the following observations:

- Members asked what SMEs were required to do to sign up to the Fair Work Charter. Officers responded that an online form was available, on a self-assessment basis, and once completed, officers would then contact the relevant business.
- Members asked about what similar measures had been taken in other parts of the country and what success they had seen. Officers responded that similar charters had been introduced in Greater

Manchester and London, however both areas had struggled to sign up SMEs. London, in particular, had sought to retrofit a new charter. The Combined Authority had used these examples as a learning opportunity to ensure that the proposed charter was SME centric and designed specifically to encourage participation from smaller firms.

- Members specifically asked that the wording in the charter relating to 'staff' should be changed to 'employees' as the term staff sounded too hierarchical.

Resolved:

- i. That members noted the contents of the report.
- ii. Members welcomed the progress which had been made in establishing the Mayor's Fair Work Charter and the proposed next steps.

11. Development and Delivery

The Committee considered a report of the Interim Director of Inclusive Economy, Skills and Culture which sought to highlight the many significant successes and achievements across a range of policy interventions to support businesses, grow the economy and deliver on Mission 1 of the West Yorkshire Plan.

Officers presented the report and outlined the following:

- The evolved Growth Service was in delivery, with 15 Growth Managers across West Yorkshire supporting SMEs to access the support they required.
- The £6m Enterprise West Yorkshire programme had been in delivery since late 2021 and provided a package of enterprise support consisting of three workstreams.
- Work has been ongoing to develop thinking around new Access to Finance models.
- Investment in digital tech for non-digital businesses was a key driver of improved productivity.
- Skills issues were frequently reported as the biggest challenge for businesses and business growth in West Yorkshire.
- The Business Productivity Programme had been in delivery since May 2022. It provided advice and capital grants to businesses to increase and improve their productivity.
- The report had also highlighted how innovation is a key driver of productivity.

Members made the following observations:

- Members noted that, in relation to access to finance, the report had outlined that Northern Gritstone had been all about spinouts from Universities in Leeds, Manchester and Sheffield. While this had been true in the original context, it was important to emphasise the contribution that other universities could also make to this project

through additional spinouts.

- In relation to the Creative Industries Programme, members highlighted some work that the University of Huddersfield had been undertaking with Kirklees Council on piloting maker space within the university's Barbara Hepworth building to encourage fashion design and textile students who require facilities they do not have around their kitchen table. Members observed that the pilot phase had been successful and requested that future creative industries packages should include maker spaces as these can help early-stage entrepreneurs.
- Members referred to the success of the West Yorkshire Innovation Network, chaired by Mandy Ridyard, a Private Sector member of the Committee, which had been helping all the actors of innovation in the region to promote greater innovation and increase diversity across the region. Members noted that innovation is essential to economic growth and diversity is essential to innovation. Accordingly, officers had been working on putting together a dashboard to measure rates of innovation within the region.

Resolved:

- i. That the committee noted the contents of the report.
- ii. That members of the committee noted the progress of services in delivery and development.

12. Date of the Next Meeting

It was noted that the next meeting of the Business, Economy and Innovation Committee was scheduled to be held on 1 November 2023.