

## **BUSINESS, ECONOMY AND INNOVATION COMMITTEE**

**MEETING TO BE HELD AT 2.00 PM ON WEDNESDAY, 31 JANUARY  
2024  
IN COMMITTEE ROOM 1, WELLINGTON HOUSE, 40-50 WELLINGTON  
STREET, LEEDS, LS1 2DE**

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### **A G E N D A**

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- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING HELD ON 9 NOVEMBER 2023**  
(Pages 1 - 10)
- 5. CHAIR'S UPDATE**  
Lead Member: Cllr James Lewis
- 6. ECONOMIC UPDATE**  
Lead Director: Sarah Eaton, Lead Authors: Patrick Bowes  
  
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- 7. ECONOMIC STRATEGY**  
Lead Director: Felix Kumi-Ampofo, Lead Author: Jo Barham  
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**8. DIGITAL BLUEPRINT DRAFT**

Lead Director: Felix Kumi-Ampofo, Lead Author: Marianne Hewitt

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**9. INVESTMENT ZONES**

Lead Director: Felix Kumi-Ampofo, Lead Author: Natasha Copp

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**10. FAIR WORK CHARTER**

Lead Director: Felix Kumi-Ampofo, Lead Author: Jo Wilkinson

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**11. DEVELOPMENT AND DELIVERY**

Lead Director: Felix Kumi-Ampofo, Lead Author: Louise Allen

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**12. HARNESSING THE PRIVATE SECTOR**

Lead Director: Felix Kumi-Ampofo, Lead Author: Sobaan Ali

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**13. INWARD INVESTMENT**

Lead Director: Felix Kumi-Ampofo, Lead Author: Jane Green

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**14. KEY STRATEGIC EVENTS**

Lead Director: Felix Kumi-Ampofo, Lead Author: Louise Allen

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**For Information**

**15. DATE OF THE NEXT MEETING**

The date of the next meeting will be Tuesday 12 March 2024.

**Signed:**



**Chief Executive  
West Yorkshire Combined Authority**

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**MINUTES OF THE MEETING OF THE  
BUSINESS, ECONOMY AND INNOVATION COMMITTEE  
HELD ON THURSDAY, 9 NOVEMBER 2023 AT COMMITTEE ROOM 1,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS, LS1 2DE**

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**Present:**

Councillor James Lewis (Chair)	Leeds City Council
Councillor Graham Turner	Kirklees Council
Councillor Lisa Martin	Leeds City Council
Asma Iqbal	Private Sector (Representative)
Simon Langdale	Private Sector (Representative)
Karl Oxford	Private Sector (Representative)
Richard Paxman	Private Sector (Representative)
Sue Cooke	Advisory Representative (Huddersfield University)
Lee Viney	Advisory Representative (Innovate UK)
Dr Martin Stow	Advisory Representative (University of Leeds)
Palvinder Singh	Advisory Representative (West Yorkshire Consortium of Colleges)

**In attendance:**

Sarah Eaton (Director)	West Yorkshire Combined Authority
Louise Allen	West Yorkshire Combined Authority
Jo Barham	West Yorkshire Combined Authority
Patrick Bowes	West Yorkshire Combined Authority
Marianne Hewitt	West Yorkshire Combined Authority
Lorna Holroyd	West Yorkshire Combined Authority
Myles Larrington	West Yorkshire Combined Authority
Joshua Rickayzen	West Yorkshire Combined Authority

**1. Chair's Opening Remarks**

The Chair opened the meeting by introducing himself to the Committee. He explained that he had succeeded Councillor Shabir Pandor to the role of Chair of the Business, Economy and Innovation Committee. The Chair indicated he was pleased to be attending his inaugural meeting and confirmed that he was looking forward to working with all the committee members.

**2. Apologies for Absence**

Apologies for absence were received from Councillor Sarah Courtney (Calderdale Council), Councillor Michael Graham (Wakefield Council), Councillor Peter Kilbane (York Council), Councillor Alex Ross-Shaw (Bradford Council), Private Sector Representatives, Fara Butt, Deb Hetherington, Alan Williams and Advisory Representative, Barney Mynott (West Yorkshire Business Groups).

### **3. Declaration of Disclosable Pecuniary Interests**

Sue Cooke declared an interest in Item 11, as the University of Huddersfield is a beneficiary of the programmes referred to in the report.

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

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

### **5. Minutes of the Meeting held on 26 July 2023**

**Resolved:** That the Minutes of the meeting of Business, Economy and Innovation Committee held on 26 July 2023 were approved.

### **6. Chair's Update**

The Chair began his remarks by extending a welcome to members at the first meeting of the newly comprised Business, Economy and Innovation Committee.

The Chair introduced Sarah Eaton, as the Combined Authority's new Director of Strategy, Communication and Intelligence. He acknowledged that she would be the lead director for this particular meeting, in the absence of the Director of Inclusive Economy, Skills and Culture who was unable to attend because he was on a trade mission the United States with the Mayor.

The Chair proceeded to inform members that, Mandy Ridyard, a valued and long-standing member of the Committee and the LEP Board, had recently been appointed to the role of the Mayor's Business Advisor. Members of the Committee offered their congratulations on this significant achievement.

The Chair informed members that, once the formal meeting had concluded, Foresight was scheduled to present an update on the SME Investment Fund. The Chair hoped that members who could stay for the presentation would find it informative and valuable.

### **7. Development and Delivery**

The Committee considered a report of the Director of Inclusive Economy, Skills and Culture which updated members on current initiatives and programs supported by The Combined Authority that contribute to Investment Priority 1, focusing on creating good jobs and resilient businesses in West Yorkshire.

Officers introduced the report. The Key highlights included the Growth Service, particularly its Equality, Diversity, and Inclusion (EDI) pilots, aimed at supporting SMEs and addressing diversity and inclusivity in business leadership. Access to Finance was addressed through the West Yorkshire SME Investment Fund, which promoted business scale-up and growth.

Innovation was a vital driver of economic growth, and a new innovation support service was being established, featuring innovation vouchers and strategic grants for SMEs. Sustainability initiatives, entrepreneurship support and productivity enhancement programs were also outlined in the report. The Green Jobs Taskforce's recommendations and initiatives to achieve a net-zero carbon economy and create quality green jobs were emphasised, along with the celebration of its success.

The report presented an array of initiatives designed to promote economic growth, diversity, and sustainability in West Yorkshire, and the committee was asked to review and consider those updates.

Members commended the progress made and emphasised the need to follow through on aspirations. They questioned whether conversations with stakeholders would continue and what the plans would be. Members also stressed the importance of ensuring that the initiative reached a diverse range of stakeholders across the board. Officers responded that they were continuing to receive valuable input from relevant stakeholders and that the plan was to maintain engagement with them and committee members.

**Resolved:**

- i. That the Committee approved the use of £380,000 of Gainshare funding - as outlined in Appendix 1 - to deliver eight pilot programmes that would support the Combined Authority's Equality, Diversity and Inclusion Strategy.
- ii. That the Committee noted progress of business support services and the Green Jobs Taskforce.

**8. Economic Update**

The Committee considered a report of the Director of Inclusive Economy, Skills and Culture which provided an update to members on the latest economic data.

Officers presented the report and explained that inflation had remained relatively stable, with the Consumer Price Index increasing by a negligible amount in August compared to the previous month. The broader CPIH measure, which included housing costs, had also decreased slightly. However, food inflation remained elevated and was expected to remain above 10% into 2024. While core CPI inflation, which excluded energy, food, tobacco, and alcohol, had risen over the past year, goods inflation was still increasing while services inflation was falling. Interest rates had remained unchanged at 5.25%, despite a close decision with 4 members of the MPC in favour of increasing rates to 5.5%. The Bank was focused on a number of

key metrics, including growth in earnings, the labour market, and the pattern of core inflation.

The UK economy had grown by 0.2% in Q2 2023, with the services and production sectors driving the growth. Household and government consumption had increased as well, though international trade flows had fallen. Business start-ups had increased by 12% in West Yorkshire, with Bradford showing the biggest increase. However, employment growth had levelled off in recent months, while average pay had started to decline. Despite this, recruitment demand in West Yorkshire had remained strong since the pandemic.

Members raised a question regarding the 12% increase in the number of business startups in West Yorkshire mentioned in the report. They asked for clarification on whether this data was related to Companies House records. Officers confirmed that the data was indeed based on Companies House records and noted that there were location variations within West Yorkshire, such as in Bradford.

**Resolved:** That the Committee noted the contents of the report.

## 9. Economic Strategy Update

The Committee considered a report of the Director of Inclusive Economy, Skills and Culture which advised members that the Economic Strategy for West Yorkshire was currently being developed and feedback was sought from members on the proposed approach.

Officers introduced the report and explained that, since July's meeting, progress had been made in various areas, including publishing a brief for research support on emerging opportunities for West Yorkshire clusters and areas of strength, as well as a consultation questionnaire and call for evidence on topics such as childcare, the informal economy, and the future of work. Key economic indicators had also been updated and stakeholder engagement was ongoing, including sessions focused on collaboration challenges and opportunities, the needs of rural communities and health inequalities.

Community groups were being engaged to ensure diverse voices contributed to the development of the strategy and prioritisation workshops would be held once initial consultation was complete. An expert panel would also be convened to scrutinise evidence and peer review the application of evidence into policy priorities, building on previous good practice. Members of the committee were asked to provide input on the prioritisation workshops.

Members made the following observations:

- Asma Iqbal explained that she had been approached by the Combined Authority to contribute to the Equality, Diversity and Inclusion (EDI) Strategy. She had decided to organise a community session at a community hub, involving key businesses and charitable

representatives to discuss what was working well in the economy and the challenges. It was an opportunity for various stakeholders to showcase their contributions and continued engagement through workshops was emphasised to maintain credibility. Key concerns raised during the session included the lack of visibility of the Combined Authority from an ethnic minority business perspective, communication issues and the need for a collaborative approach involving business organisations. Progress was made following the event, with further feedback received. Reports like "Time to Change" and the West Yorkshire Property Forum were initiated based on the discussions from the session.

- Karl Oxford commended the team for effectively communicating macroeconomic challenges and the importance of learning from the past. He highlighted the need to incorporate district-level strategies into a meaningful regional economic strategy and emphasised the significance of organisational cultural change.
- A member inquired about insights from the sector report and its connection to investment zones work. Officers clarified that they aimed to consolidate existing reports and would provide a collective update to the Committee.
- A member mentioned the contribution to research and innovation at the University of Leeds and the need to integrate it into the ongoing work.
- A member stressed the importance of feedback from the Healthtech sector and suggested linking it to the scientific advisory group's input. Officers confirmed their awareness of this and expressed the intention to consolidate all relevant feedback.

**Resolved:**

- i. That the Committee noted the contents of the report
- ii. That members of the Committee noted the updates and provided feedback on the proposed approach.

**10. Digital Blueprint Update**

The Committee considered a report of the Director of Inclusive Economy, Skills and Culture which sought input from committee members on the proposed new Economic Strategy for West Yorkshire, which included a focus on digital initiatives through a new Digital Blueprint.

Officers presented the report and explained that the Blueprint's approach would emphasise the horizontal elements of Place, People and Education and Business and Organisations, while also incorporating seven vertical themes prioritised by private sector consultation. These themes include utilising advanced technologies such as AI and quantum, showcasing available digital opportunities and addressing digital exclusion.

A public consultation would be conducted in October to gather feedback on elements to be included in the Blueprint, and the first draft was scheduled to be presented at a future Committee with approval and publication was targeted for Summer 2024. The report also expressed appreciation for the engagement of private sector members in shaping the Digital Blueprint.

Members made the following observations:

- A member welcomed the mention of Artificial Intelligence (AI) and suggested focus on it in the strategy to keep local companies ahead of the game, given the current interest in AI among businesses and academics. Officers acknowledged the importance of AI and mentioned its inclusion within the tech dynamism vertical. They highlighted the alignment of the strategy with current conversations about AI.
- A member emphasised the importance of integrating the investment and digital zones into the narrative, as they were key areas of focus.
- A member raised questions about the verticals presented in the strategy diagram and requested a more detailed understanding of how they were defined and whether they were true change agents. He also highlighted the significance of the educational element, specifically the role of colleges and universities in upskilling and reskilling the workforce. In response, Officers further explained the concept of change agents, showcasing pieces, and the role of smart innovation, inclusion, data, and hybrid digitisation within the verticals.
- A member expressed the identification of experts in immersive technology who could contribute to the work.
- A member asked about the theory of change and the levers of change over the verticals, expressing the need to consider the upcoming election and the different party agendas regarding skills. Officers agreed to take the feedback and questions into consideration and return with responses.
- The Chair emphasised the importance of influencing party manifestos around a strong national policy framework for delivery and the region's key role in making it happen. He highlighted the need for sector frameworks, devolution, and the role of local councils in the process.

**Resolved:**

- i. That the Committee noted the contents of the report
- ii. That the Committee members provided feedback and endorsed the direction of the Digital Blueprint, ahead of drafting.

## 11. Employment and Skills Update

The Committee considered a report of the Director of Inclusive Economy, Skills and Culture which provided an update on the development of policy and strategy to improve employment and skills in West Yorkshire.

Officers introduced the report and explained that the region faced challenges such as the pandemic, cost of living and economic inactivity which had a significant impact on productivity. To address these challenges, the Combined Authority was developing an All-Age Career and an Employment Support Blueprint. The blueprints aim to improve access to quality career provision, employment readiness, employment support, and pathways to further skills, training, and good employment. They would also help the Combined Authority to prepare for further devolution of skills powers and funding.

The report highlighted the need to examine the role of career provision and employment support in the West Yorkshire economy. Effective careers education, information, advice and guidance could contribute to aligning residents' aspirations and skills with businesses' needs while facilitating social mobility. The blueprints would support the Combined Authority and its partners to establish key policy positions with regards to its role in the regional employment and skills landscape.

Members made the following observations:

- A member commended the development of careers work and the growth of future goals. They referred to a joint effort with Kirklees Council on the Kirklees Top 100 Companies Initiative, with planned for another careers version. The member suggested featuring future goals in a brochure and inviting enterprise coordinators and advisor volunteers to a November event.
- A member, who was also an enterprise advisor, expressed their support for the initiative and encouraged more companies to engage with the community, emphasising the need for further action in this area. Officers responded positively, expressing a willingness to discuss opportunities for local organisations to talk about their work.
- A member inquired about linking the initiative to the Innovate UK action plan, suggesting a further discussion on this topic. Officers agreed to pick up the conversation with the member outside of the meeting.

### **Resolved:**

- i. That the Committee noted the contents of the report.
- ii. That the Committee noted the development of the All-Age Careers Blueprint and Employment Support Blueprint, as the two pieces of strategy work intended to support the wider strategic aims of the region and the in-development Economic Strategy.

## 12. Innovation

The Committee considered a report of the Director of Inclusive Economy, Skills and Culture which updated the Committee on efforts to promote innovation in West Yorkshire.

Officers introduced the report and explained that West Yorkshire was actively developing a proposal to establish an Investment Zone in collaboration with local authorities, universities, and the Department for Levelling Up, Housing and Communities (DLUHC). The focus was on the health and life sciences sector, particularly digital health. Tax site proposals and business rate retention sites had been deprioritised in favour of maximizing opportunities in the healthtech and digital sectors.

Three capital proposals for the Investment Zone are in Bradford, Huddersfield, and Leeds, with revenue interventions focusing on skills, research, innovation and enterprise support. These initiatives were being evaluated based on scalability, deliverability and impact. The Combined Authority would continue working with relevant stakeholders for final approval in the coming months.

Members made the following observations:

- A member mentioned an upcoming event in Huddersfield with the mayor, which was expected to generate excitement around innovation.
- A member added that there were exciting developments in healthtech and the launch of funding and grants, including the Place Based Acceleration Account through the University of Leeds. The member also mentioned the Migs group and healthtech-related funding, indicating growing momentum in the investment zones.
- A member expressed a desire for a calendar of events that the Combined Authority was involved in, as the timing of events often took him by surprise. Officers confirmed that a calendar of events would be provided to members.
- A member inquired about the timing of the investment zone and whether an announcement was expected with the upcoming autumn statement. Officers mentioned that discussions on the timing were ongoing.

**Resolved:** That the Committee noted progress on Investment Zones and provided feedback on the programme proposals.

## 13. UKSPF Pillar 2 Update

The Committee considered a report of the Director of Inclusive Economy, Skills and Culture which provided members with an update on the UK Shared Prosperity Fund (UKSPF) Pillar 2.

Officers introduced the report and explained that, on 7 September 2023, the Combined Authority approved eight projects worth £11,416,316 under this pillar, focusing on three areas: Exporting, Alternative Business Models and Innovation. In the Exporting category, support was aimed at enhancing business resilience and productivity through international trade. One project would assist new SMEs to export or looking to expand into new markets, with a focus on underrepresented groups.

In response to challenges faced by small businesses, the Alternative Business Models initiative sought to explore solutions like social enterprises and cooperatives, promoting resilience and sustainability. A pilot project would facilitate the setup of alternative businesses while providing support for both startups and scale-ups. Lastly, the Innovation for Business Resilience and Growth segment aimed to boost productivity through innovation and digital technologies. Six projects would support SMEs in various ways, such as sustainable growth, participation in the green economy, strengthening supply chain positions and fostering innovation in collaboration with higher education. Grant Funding Agreements were being finalised to kickstart project delivery, and all these efforts would enhance West Yorkshire's Business Support ecosystem by collaborating with the Combined Authority to meet the needs of SMEs and promote wider provision across the region.

**Resolved:**

- i. That the Committee noted the contents of the report.
- ii. That the committee noted the projects chosen and ready for delivery to begin at pace.

**14. 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 31 January 2024.

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<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Economic Update</b>
<b>Director:</b>	Sarah Eaton, Director Strategy, Communications and Intelligence
<b>Author:</b>	Patrick Bowes, Head of Research and Intelligence

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

## 1. Purpose of this Report

- 1.1. To provide members of the BEIC with the most up-to-date and relevant economic information.
- 1.2. To provide Committee members with an opportunity to assess the state of the economy and provide any comment or steer on the implications on the CA's remit and actions.

## 2. Information

### Macro-economic context

#### Inflation

- 2.1 The Consumer Prices Index (CPI) **rose by 4.0% in the 12 months to December 2023 heralding the 1<sup>st</sup> monthly increase (though modest) in inflation since February following the 3.9% rise in November 2023, down from 4.6% in October.** On a monthly basis, CPI rose by 0.4% in December 2023, compared with a rise of 0.4% in December 2022 and broadly continues the trend seen since the start of 2023 (February) where CPI briefly increased at the start of 2023 but has been falling consistently since then. The current headline CPI rate is akin to the level of inflation last seen in October 2021, although

it should be noted that inflation at that point was beginning to rapidly accelerate in contrast to the current price backdrop.

- 2.2 The core components of CPI inflation **show that food costs made the largest contribution to the reduction in the headline rate between November and December 2023 – food inflation is now estimated to be 8.0% down from 9.2% in November** – this pattern is generally consistent with the assumptions made by OBR (Office for Budget Responsibility) and the Bank of England – but if anything is falling more quickly than either assumed. **The easing of the headline food inflation rate in December is the ninth consecutive month in which food inflation has fallen from its relatively recent and historical high of 19.2% in March 2023.** The robust reduction in food inflation in December was offset by increases in transport, tobacco and alcohol and clothing costs in the month and in part reflects the effects of elevated global transport and shipping costs as well.
- 2.3 It should be noted that the closely watched core CPI inflation measure – this is core goods and services inflation excluding energy and food costs – rose by 5.1% in the 12 months to December, unchanged from November and down from 5.7% in October following its recent high point of 7.1% in May (which in itself was the highest rate since March 1992) – the reduction in the core CPI measure is mainly being driven by a sharp reduction in goods inflation.

#### Interest rates

- 2.4 At its meeting on the 13 December 2023, the MPC (Monetary Policy Committee) **voted by a majority of 6–3 to maintain Bank Rate at 5.25%**. Three members preferred to increase Bank Rate by 0.25 percentage points, to 5.5% - this pattern of voting was identical to MPC's September meeting.
- 2.5 The published minutes of the Bank's December MPC meeting **make it clear that it remains concerned about the potential persistence of inflation alongside the resilience of the wider economy** but restates its view that monetary policy will need to remain restrictive for a sufficiently long period of time – in this respect the Bank is particularly focused on the underlying tightness of labour market conditions, wage growth and services price inflation – the labour market is clearly beginning to loosen whilst wage growth and services inflation remain elevated in the face of a loosening labour market – which will preoccupy the banks policy makers.

#### Economic Growth

- 2.6 **The UK economy contracted by 0.1% in Q3 2023** – July to September – this follows growth of 0.2% in the previous quarter. **The 2<sup>nd</sup> estimate of GDP in the 3<sup>rd</sup> quarter was revised downwards from the initial estimate** – publication of the 3<sup>rd</sup> quarter data

alongside the monthly estimates of GDP clearly **show that the national economy has shown little or no growth since September.**

2.7 Publication of the high level monthly GDP estimates by ONS through October and November shows as yet no clear pattern in respect of the likely outturn of GDP in the 4<sup>th</sup> quarter of 2023 (this data will be published in early February along with the initial full year 2023 GDP growth estimate) - the UK economy contracted by 0.3% in October but grew by 0.3% in November – so in essence the UK economy was stagnat in the run up to the Christmas period.

2.8 The sectoral components of GDP in 3<sup>rd</sup> quarter estimates show:

- The sectoral components of growth in the Q3 estimate show that the **services sector contracted by 0.1%, construction grew slightly at 0.1%** whilst **production sector output remained unchanged** from quarter 2.
- **The decline in services sector putput was mainly influenced by a fall in output in the real estate and transporation services sectors** – with the decline in the latter especially prounounced at -1.2% in the 3 months to September.
- Construction output rose by 0.1% in Quarter 3 2023, following growth of 0.3% in Quarter 2 (Apr to June) 2023. **The growth in Quarter 3 2023 was driven by repair and maintenance work, which grew by 0.7%.** This growth was partially offset by a fall of 0.3% in new work.
- **The production and manufacturing 1<sup>st</sup> estimate of GDP is typically the most volatile and the Q3 numbers do contain some mixed messages – what is clear is that manufacturing growth slowed into quarter 3 from quarter 2,** but the sector is still just growing, with growth in the manufacture of transport equipment being the key sectoral contribution. The performance of the sector in Q3 contrasts markedly with quarter 2 some 0.1% compared with 1.9% growth.
- **In expenditure terms,** an increase in the volume of net trade was offset by falls in business investment, household spending and government consumption.

#### Autumn Statement key messages from OBR economic update

2.9 Since the Committee's last meeting the OBR (Office for Budget responsibility) published its revised economic assumptions and forecasts as part of its assessment of the Autumn Statement by the Government – the key economic headlines from the OBR assessment show:

- The OBR now expect the economy to grow much more slowly over next 3 to 4 years that they assumed in last update.
- The ONS revisions (to GDP based on its new methodology) now show that the UK economy recovered its pre-pandemic level at the end of 2021 and was 1.8 per cent

above its mid-2023 level, rather than 1.1 per cent below than had been previously assumed.

- Despite the recent and welcome fall in CPI inflation in October, **OBR are forecasting that inflation will more persistent and domestically fuelled**. They feel that inflation will not return to 2% target until early 2025, with the effect of previous interest rate reductions taking longer to be passed on, for example households on fixed rate mortgages may not have been impacted by rate rises.
- **They estimate that AS package will add 0.3% to GDP** – the switch from temporary to permanent full expensing, the package of welfare and other measures targeting the inactive and long-term unemployed and the cut in NIC contribution rates which would add another 28,000 jobs to the UK economy. West Yorkshire share of these additional jobs would be around 1,500.
- **OBR expect unemployment to be higher and peak to last longer than they assumed in March. The peak is expected to reach 1.6 million people unemployed in mid-2025.**
- **Living standards, as measured by real household disposable income (RHDI) per person, are forecast to be 3½ per cent lower** in 2024-25 than their pre-pandemic level.
- **This represents the largest reduction in real living standards since ONS records began in the 1950s.**
- RHDI (Real Household Disposable Income) per person recovers its pre-pandemic level in 2027-28.

## **Regional data**

### Growth forecasts

- 2.10 As part of its wider work monitoring economic trends locally and nationally, the Combined Authority manages and maintains a detailed structural economic model of the West Yorkshire economy which is capable of forecasting likely growth by sector and local area – the Regional Econometric Model (REM).
- 2.11 The latest version of the REM forecasts were recently published by the Combined Authority and show the West Yorkshire economy will grow by 0.6% in 2024, compared to a forecast rate of national growth of 0.7% in same period.
- 2.12 The pattern of growth across West Yorkshire suggests that growth will be strongest in Leeds (0.9%) with growth ranging from 0.3% in Calderdale to 0.5% in Bradford – all areas will see stronger growth in 2025.
- 2.13 The REM forecasts confirm that growth in 2023 is lower than 2022 across all parts of West Yorkshire.

2.14 The REM forecasts contextualise a wider range of economic data that suggests a general slowdown in the West Yorkshire economy – these indicators consistently point towards a cooling of labour market conditions (this is a pattern also seen nationally).

- Business sentiment deteriorated in quarter 4 of 2023, particularly among manufacturing firms.
- The recovery in the net business start rate following the pandemic appears to have peaked.
- Growth in the employee count has stalled in recent months, as has growth in median pay.
- The unemployed claimant count is growing, albeit at a moderate rate
- The monthly count of vacancies (online job postings) has declined for several consecutive months but remains at high levels in historic terms.

#### Business sentiment (QES)

2.15 Business sentiment data provides a good leading indicator of economic prospects. The quarter 4 [results](#) of the West and North Yorkshire Chamber's Quarterly Economic Survey point to a general deterioration in business sentiment compared with the previous quarter and may point to an economic slowdown. In particular, the performance / outlook for manufacturing seems to have worsened across most measures. However, QES figures are volatile over time and a single quarter's data is not conclusive.

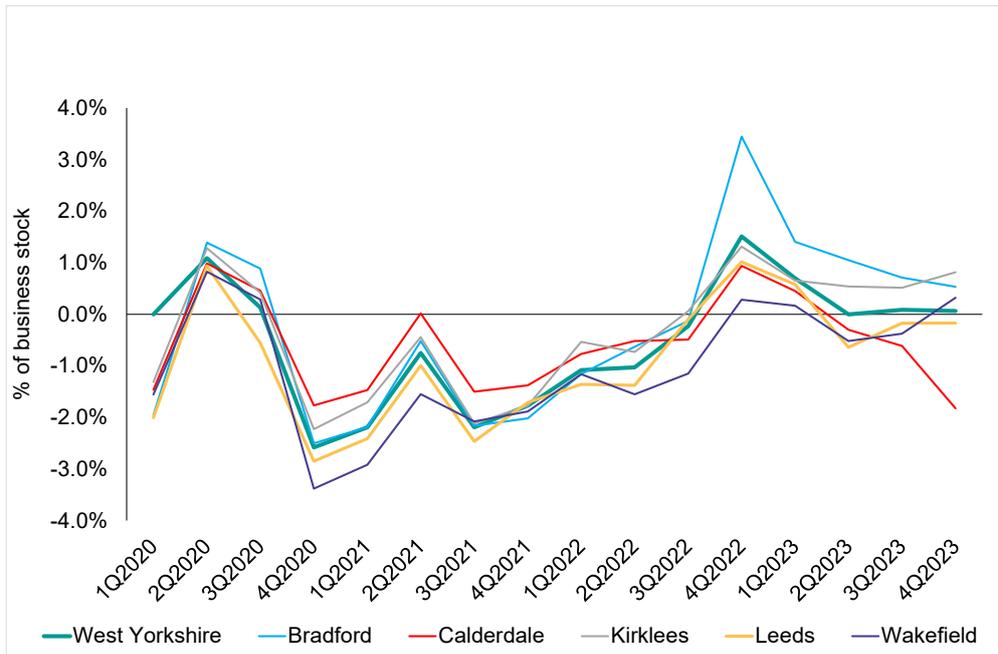
- The proportion of respondents expecting growth in domestic sales has declined somewhat compared with Q3 and the proportion of manufacturing firms expecting sales decline outweighs the proportion expecting growth (negative balance).
- Export sales were markedly down for service sector respondents with export orders also lower for this group.
- There has been a sharp fall in hiring intent, particularly among manufacturing respondents; there was a less pronounced fall among service firms although a net positive balance of service firms still expect to expand their workforce in the coming quarter. To set this into context, however, the majority of firms in both sectors expect their workforces to remain static over this period.
- Capital investment expectations have fallen among manufacturers, moving from a net positive balance of respondents in quarter 3 to a negative balance in quarter 4. However, among service firms an increased proportion of respondents expect to invest in training in the coming quarter.

#### Business starts and liquidations

2.16 The pandemic had a negative impact during the early part of 2020, with the number of business liquidations outweighing business starts. Following this, there was a period of

steady improvement but the data suggests that this recovery may have peaked at the end of 2022 with West Yorkshire’s net position showing no improvement since then.

**Figure: Trend in net business start rate – business starts minus liquidations as % of business stock**



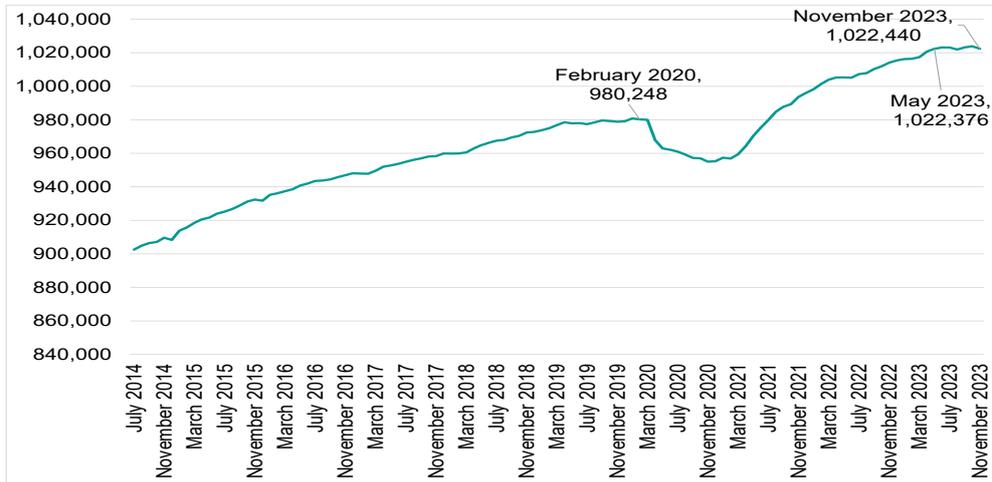
Source: FAME

Employee count

2.17 Real-time information on the count of payrolled employees in West Yorkshire shows that the level of employment in the region continues to remain largely static, with little change during the period from May to November 2023. This follows a period of sustained post-pandemic growth commencing in spring 2021.



**Figure: Count of payroll employees from PAYE Real-time information (seasonally adjusted)**

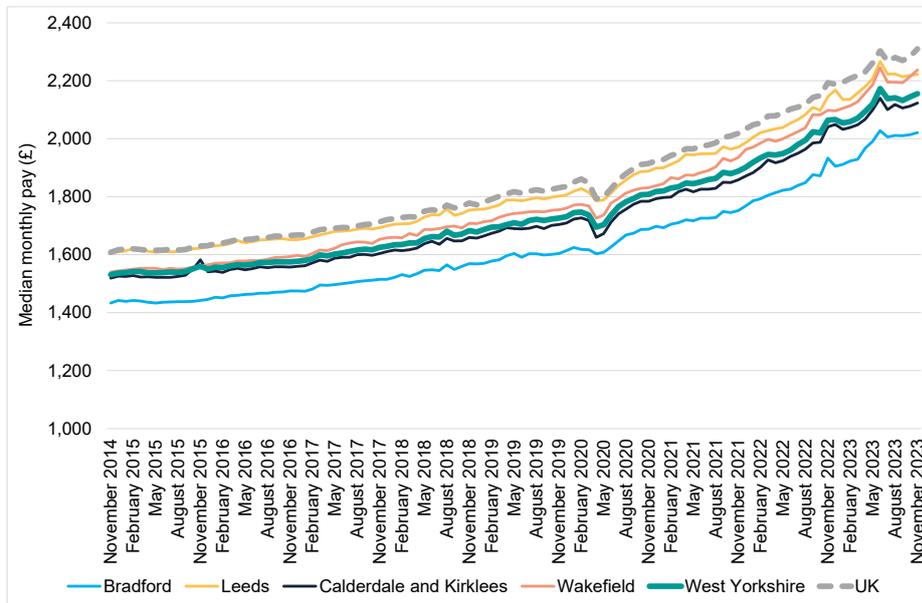


Source: HMRC

### Employee pay

- 2.18 Median monthly pay is lower than the UK average in West Yorkshire and all five of its local authorities. Until recently, pay (unadjusted for inflation) had been growing strongly in West Yorkshire and was 18% higher at its peak in June 2023 than in May 2021, when the economy re-opened following the pandemic. However, pay growth has stalled since then and was 1% lower in November than in June in West Yorkshire and 2% lower in Leeds.

**Figure: Trend in median monthly pay for employee jobs (£)**

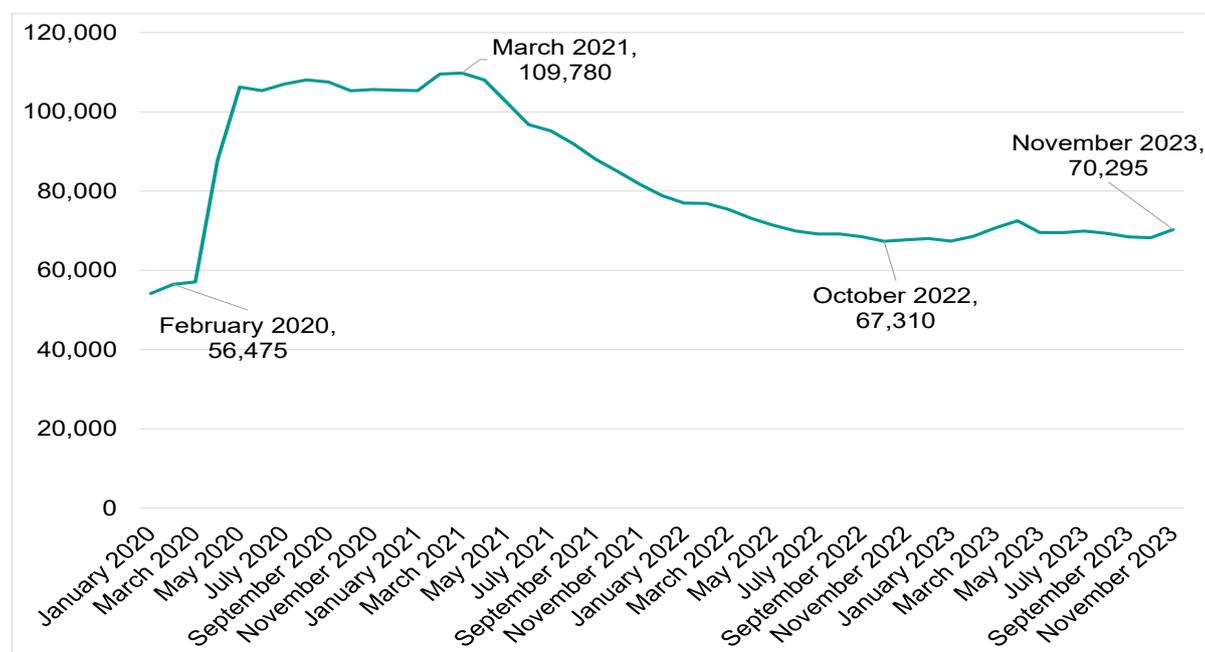


Source: HMRC

### Claimant count

- 2.19 The claimant count – the official count of people who are claiming benefits primarily because they are unemployed - has been on a modest upward trend in West Yorkshire and nationally since October 2022. West Yorkshire's count has grown by 4% or around 3,000 during the period from October 2022 to November 2023. This follows a long period of steady decline starting in early 2021 coinciding with the lifting of lockdown restrictions. The claimant count has grown fastest since October 2022 among younger people aged 16-24, with an increase of around 1,500 or 11%. The overall level of claimant unemployment in West Yorkshire is still (as of November 2023) 24% higher than pre-pandemic level (February 2020). The claimant rate (claimant count as a percentage of the working age population) is higher in West Yorkshire than nationally, at 4.7% versus 3.8%. At local authority level the rate ranges from 3.6% in Wakefield to 6.6% in Bradford.

**Figure: Claimant unemployment trend, West Yorkshire**

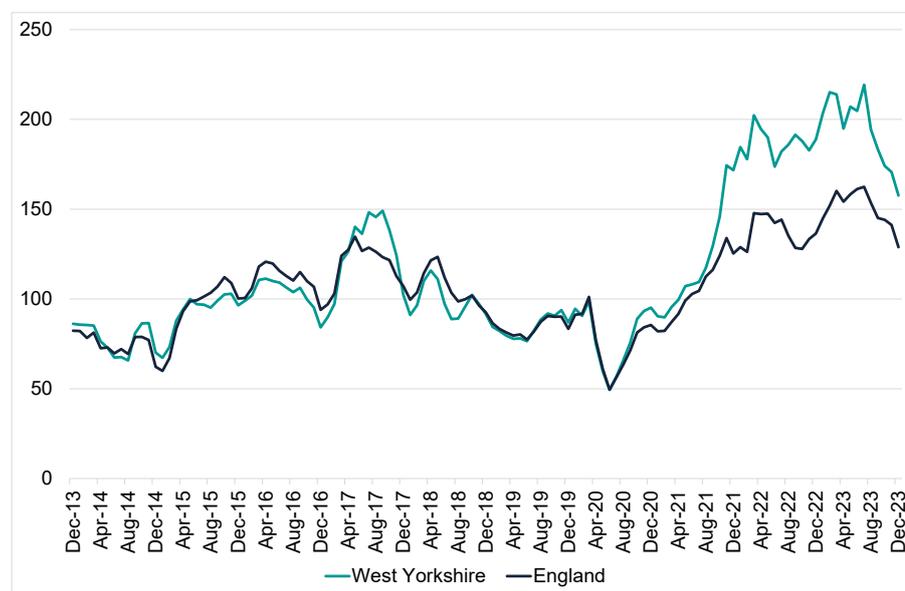


Source: NOMIS

### Vacancies (online job postings)

2.20 Job vacancies provide a key insight into trends in labour demand and employers' recruitment activity. At local level this means examining the jobs that are being advertised via online job postings. The monthly count of online job postings, both in West Yorkshire and nationally, fell sharply during the pandemic but soon began a sustained recovery, reaching a peak level in summer 2023. Since then, the trend has been downwards. In West Yorkshire, the level of postings as of November 2023 (based on was around a fifth lower than at its peak and 10% lower than a year earlier in November 2022. Nonetheless, postings remain relatively high in historic terms and are around 80% higher than before the pandemic (November 2019). West Yorkshire has also performed more strongly than the wider national (England) picture; the latter being just over 50% higher in terms of level of postings compared with November 2019.

**Figure: Index of monthly count of online job postings, three month moving average (2012 = 100)**



Source: Lightcast

### **West Yorkshire Business Survey 2023**

2.21 The following section provides an overview of the West Yorkshire Business Survey 2023, including the background to the survey and a brief summary of key messages arising from the results of the survey.

#### **Background to the survey**

2.22 The West Yorkshire Business Survey is conducted annually. The purpose of the survey is to provide a snapshot view of business confidence, investment experiences and intentions; to provide the West Yorkshire Combined Authority with insight into the issues currently affecting businesses; and to support monitoring of progress against the Combined Authority's strategic priorities. The survey addresses a range of themes of direct relevance to the work of the committee.

2.23 The survey results have a variety of applications. They are used for monitoring the progress of the West Yorkshire economy in the context of State of the Region (e.g. trend in proportion of businesses engaged in innovation activities) and a number of thematic strategies (e.g. Digital Strategy). The results are also used to brief Combined Authority committees on economic conditions and prospects and progress against key indicators relevant to their respective remits.

2.24 In 2023 1,014 interviews were conducted among private, public and voluntary/community sector organisations with at least one employee, with quotas set for organisation size, sector and district. The survey is conducted primarily via computer-assisted telephone interviews, undertaken by research contractor BMG Research. This year this approach was supplemented with web-based (online) interviews which were needed to achieve the respondent quota for larger businesses. The survey fieldwork took place between 10th July and 15th September 2023.

#### Key messages from the survey

2.25 The most salient points from the survey findings are presented in summary below. Further analysis is provided in appendix 1 to this paper.

1. Businesses most commonly identify a lack of customer demand, access to skilled labour and cost of living issues (including rising energy costs) as future barriers to growth.
2. Skills gaps are at their highest since the survey began, with four out of five respondents identifying a need to improve the skills of their staff. Businesses are most likely to flag sales and marketing, digital skills, management skills and green skills as the areas in need of improvement.
3. Hard-to-fill vacancies are widespread with a third of businesses affected in the last year (as compared with around a fifth in each of the pre-pandemic years). Respondents are most likely to identify job specific technical skills as being hard to find.
4. The proportion of businesses that have sought advice on issues such as finance, marketing, legislation or staffing has fallen for the second consecutive year.
5. 45% of respondents believe that the UK's exit from the EU has had a negative impact on their business/organization, rising to 64% of manufacturing businesses. Only 5% believe that it has had a positive impact. The key issues are increase in cost of EU imports, impact of tariffs and customs procedures.
6. Two thirds (64%) of organisations have undertaken innovation / R&D in the last 3 years, rising to 75% of manufacturing businesses and 91% of medium/large businesses.
7. 15% of organisations see climate change as an opportunity for their business (compared with 19% who see it as a risk and 52% who consider it to be neither. This rises to 27% of Construction firms who identify it as an opportunity.
8. 60% of organisations consider reducing carbon emissions, waste or water use to be an objective of their business (10% = primary objective; 50% = secondary objective). The figure increases to 97% of medium and large businesses and 68% of Manufacturing businesses.
9. A positive balance of businesses expect to need more physical space in the coming year (19% will need more space and 7% less), with 10% planning to move premises.
10. 40% of organisations are satisfied with the quality of local highways and public transport infrastructure whilst 42% are dissatisfied (dissatisfaction rises to 52% in

Kirklees). Priorities for improvement relate to the condition of roads (highlighted by 86% of respondents), levels of traffic congestion (75%) and quality of bus and train services (69%).

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

3.1. There are no climate emergency implications directly arising from this report.

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

4.1. Recent increases in claimant unemployment, although modest have been concentrated in the most acutely deprived neighbourhoods, exacerbating existing inequalities. Whilst the overall level of inflation is falling – the level of food inflation remains elevated at just over 8% with this level of food inflation having a higher impact on the poorest households as they typically spend much more of their household income on food - this in turn continues to have a higher impact on their disposable and discretionary income compared to more affluent households.

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

5.1. People from ethnic minority groups are disproportionately represented in the most deprived communities in West Yorkshire that are most adversely affected by inflation and rising unemployment.

### **6. Financial Implications**

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

### **7. Legal Implications**

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

### **8. Staffing Implications**

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

### **9. External Consultees**

9.1. No external consultations have been undertaken.

### **10. Recommendations**

10.1. That the Committee notes the content of this report.

### **11. Background Documents**

There are no background documents referenced in this report.

## 12. Appendices

Appendix 1 – Key messages from the West Yorkshire Business Survey, 2023.

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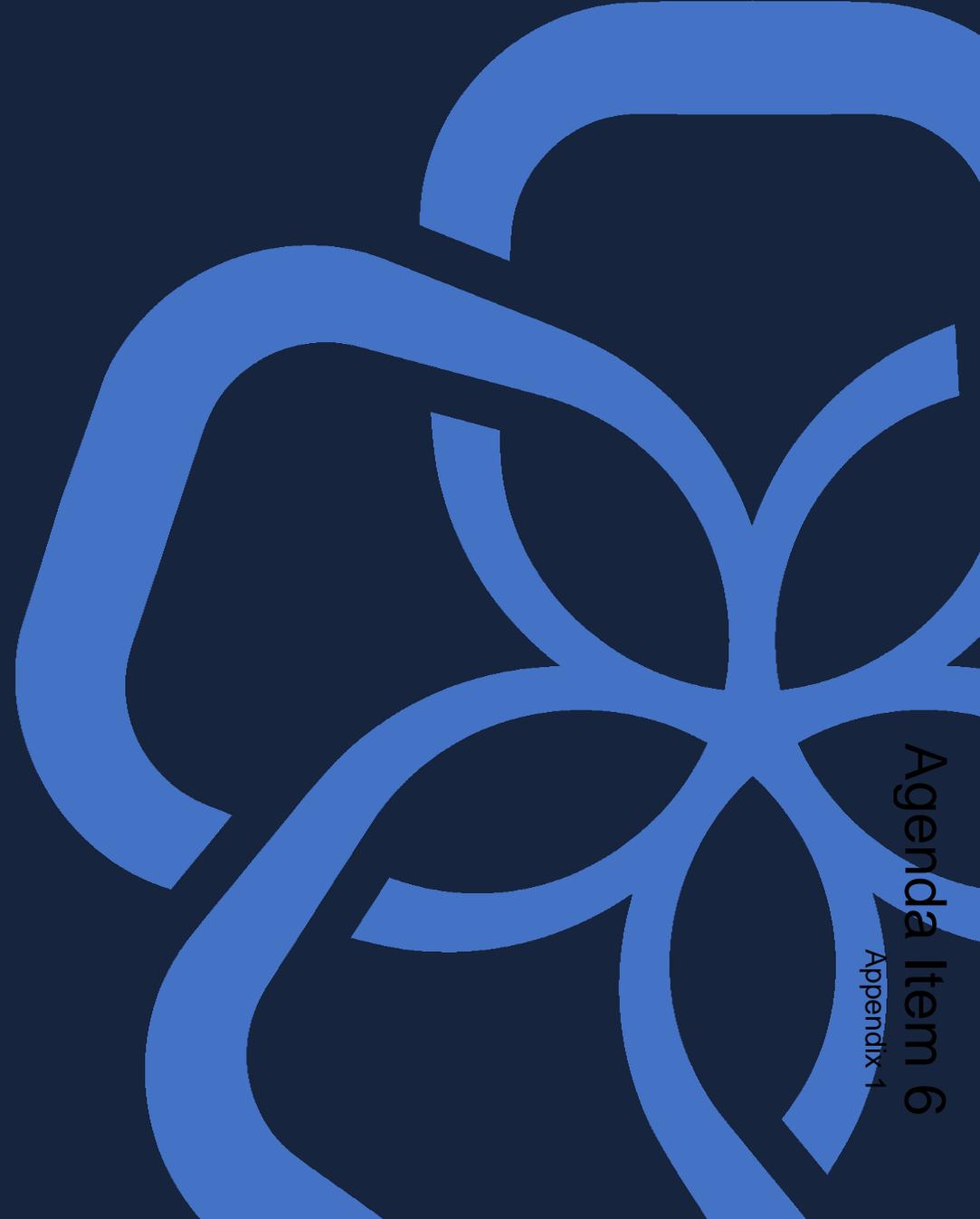


West  
Yorkshire  
Combined  
Authority

Tracy  
Brabin  
Mayor of  
West Yorkshire

25

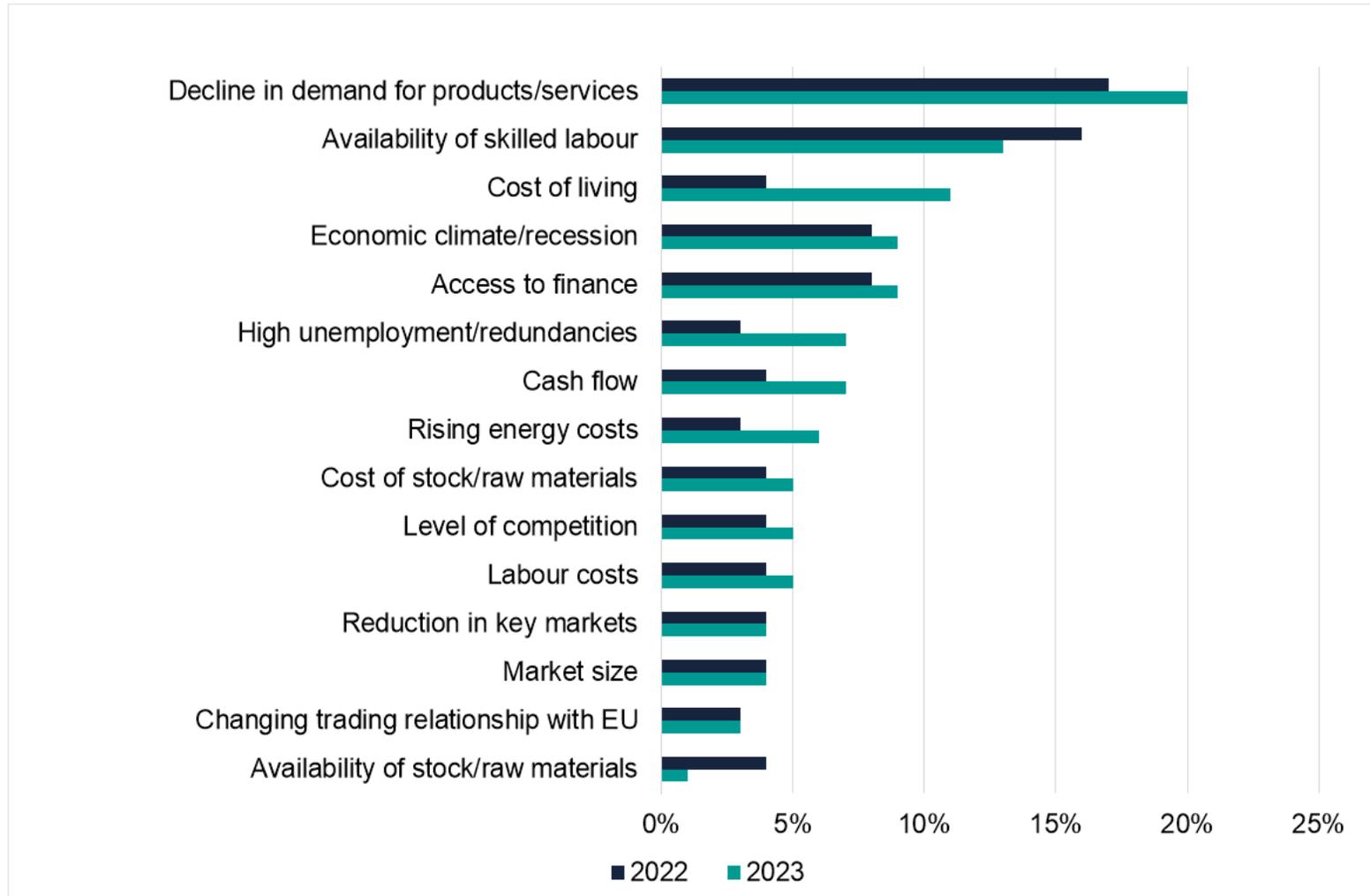
# Appendix 1: West Yorkshire Business Survey: Key messages



Agenda Item 6  
Appendix 1

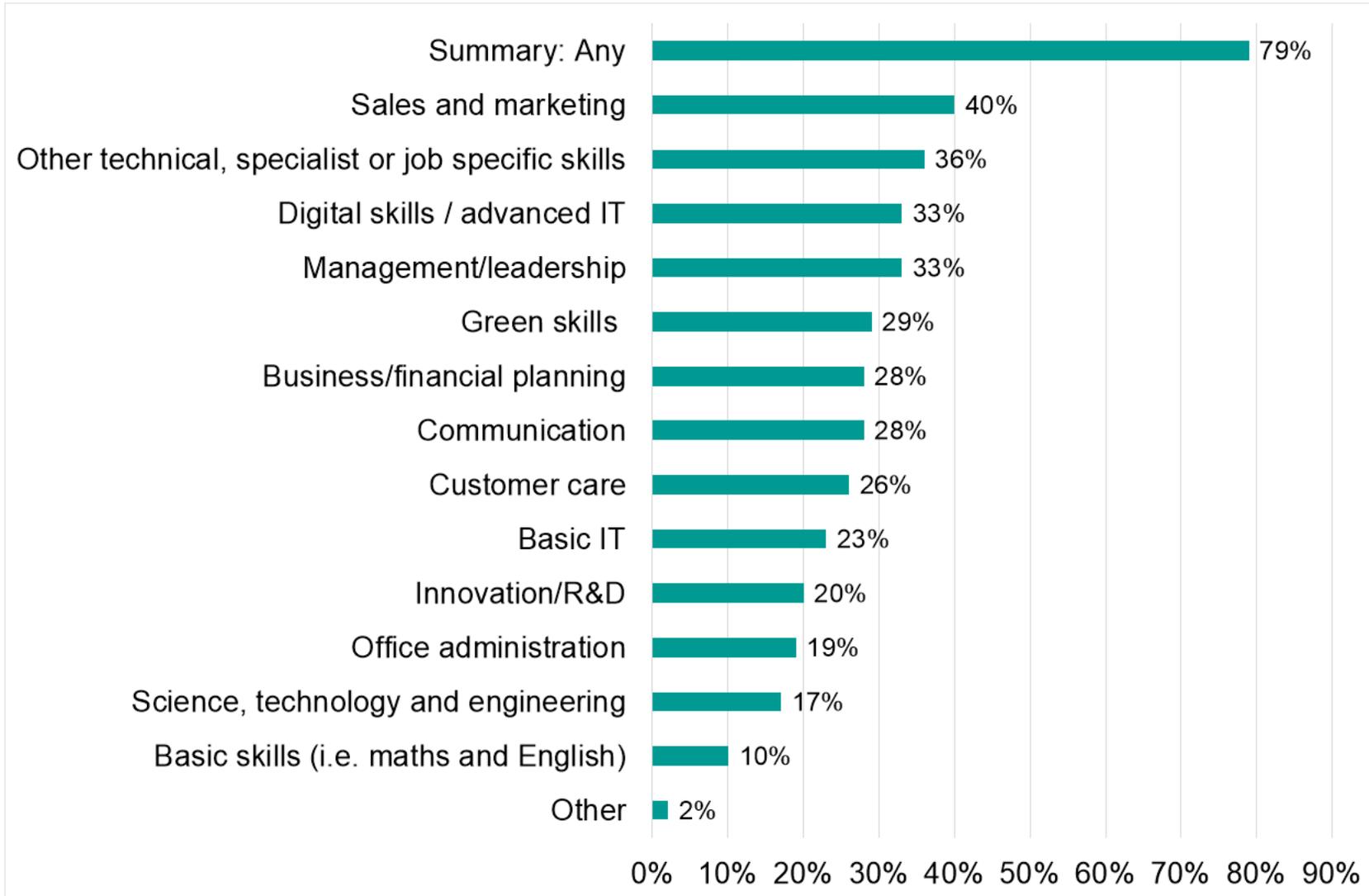
# Lack of customer demand, access to skilled labour and cost of living issues are the most common perceived barriers to growth

Figure: What do you consider to be the main barriers to the growth of your business/organisation in the next three years?



# Skills gaps at their highest level since the survey began

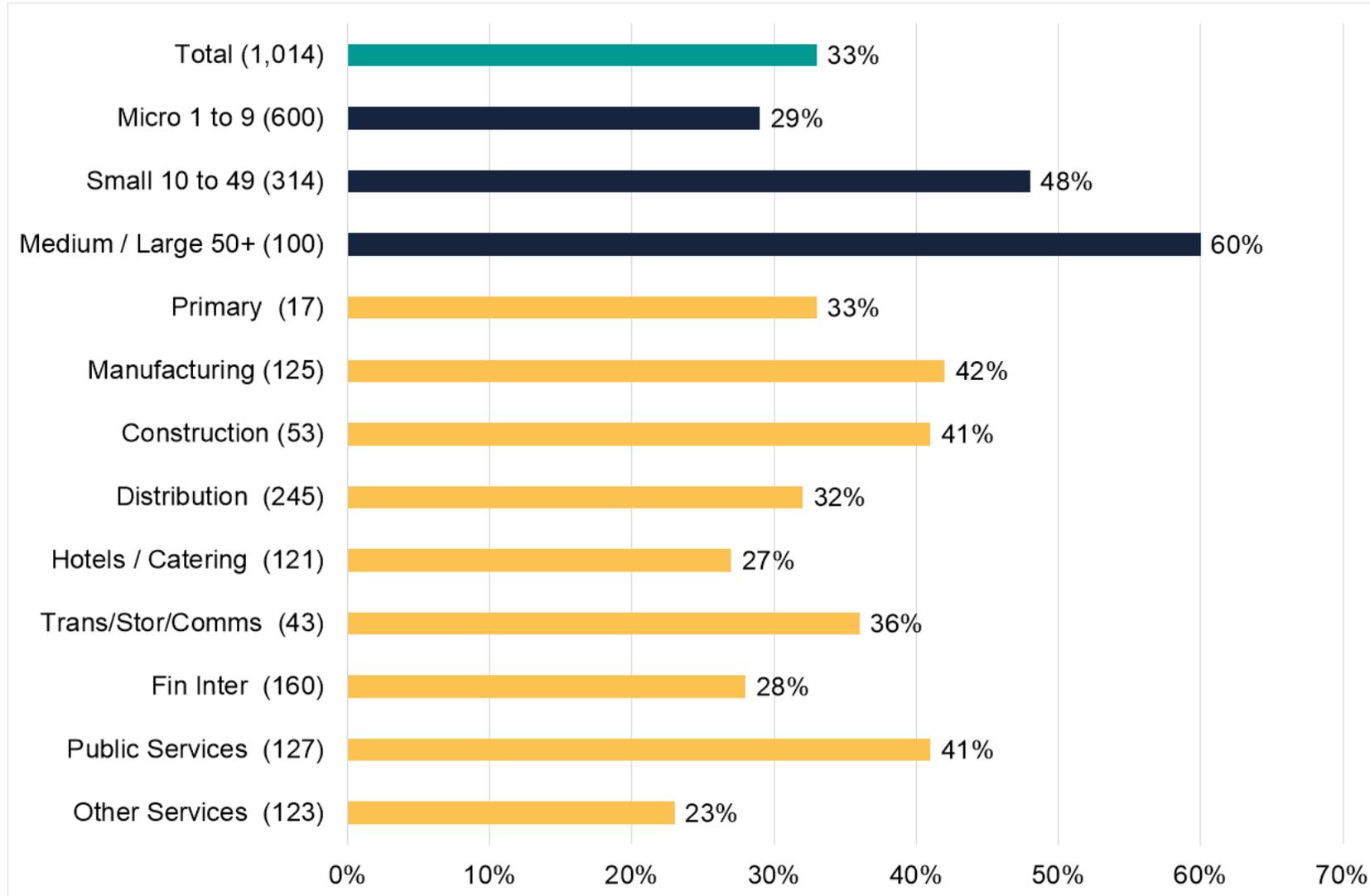
Figure: Which of the following skills need improving during the next 12 months to meet your business/organization's needs?



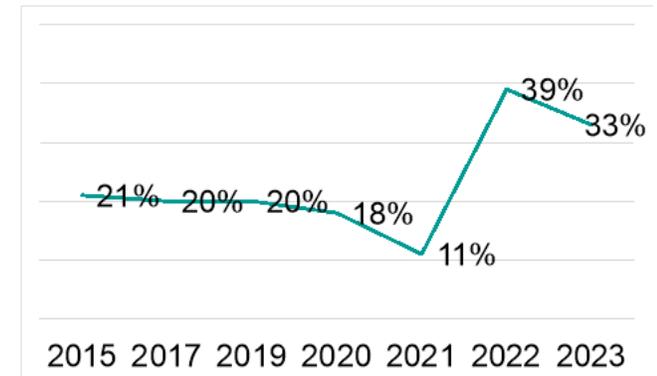
Source: West Yorkshire Business Survey

# One third of organisations faced recruitment difficulties

Figure: Did you have any staff vacancies that you found hard to fill, or could not fill, during the last 12 months?

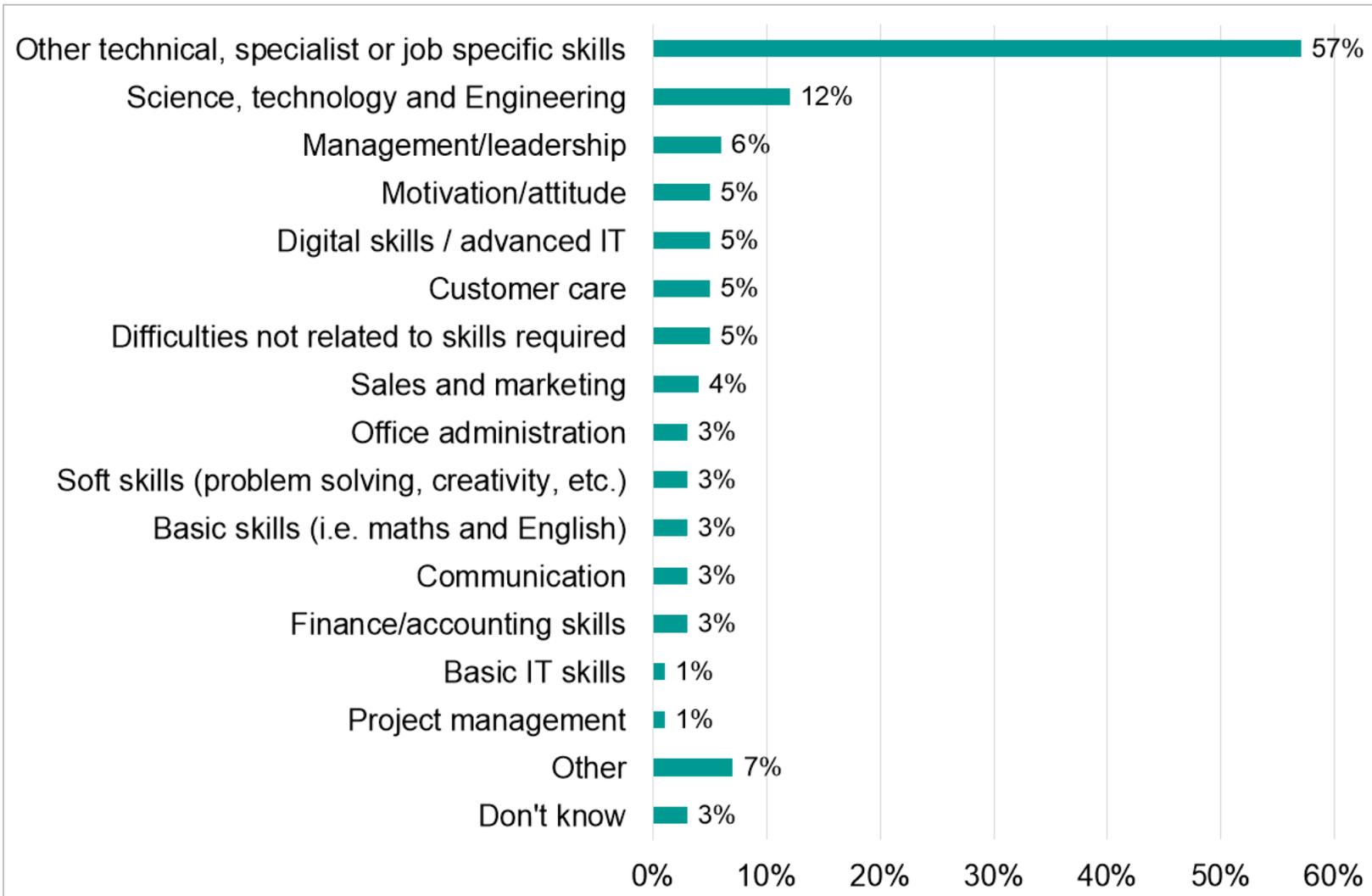


Hard to fill vacancies



# Technical / job specific skills are the most difficult to recruit

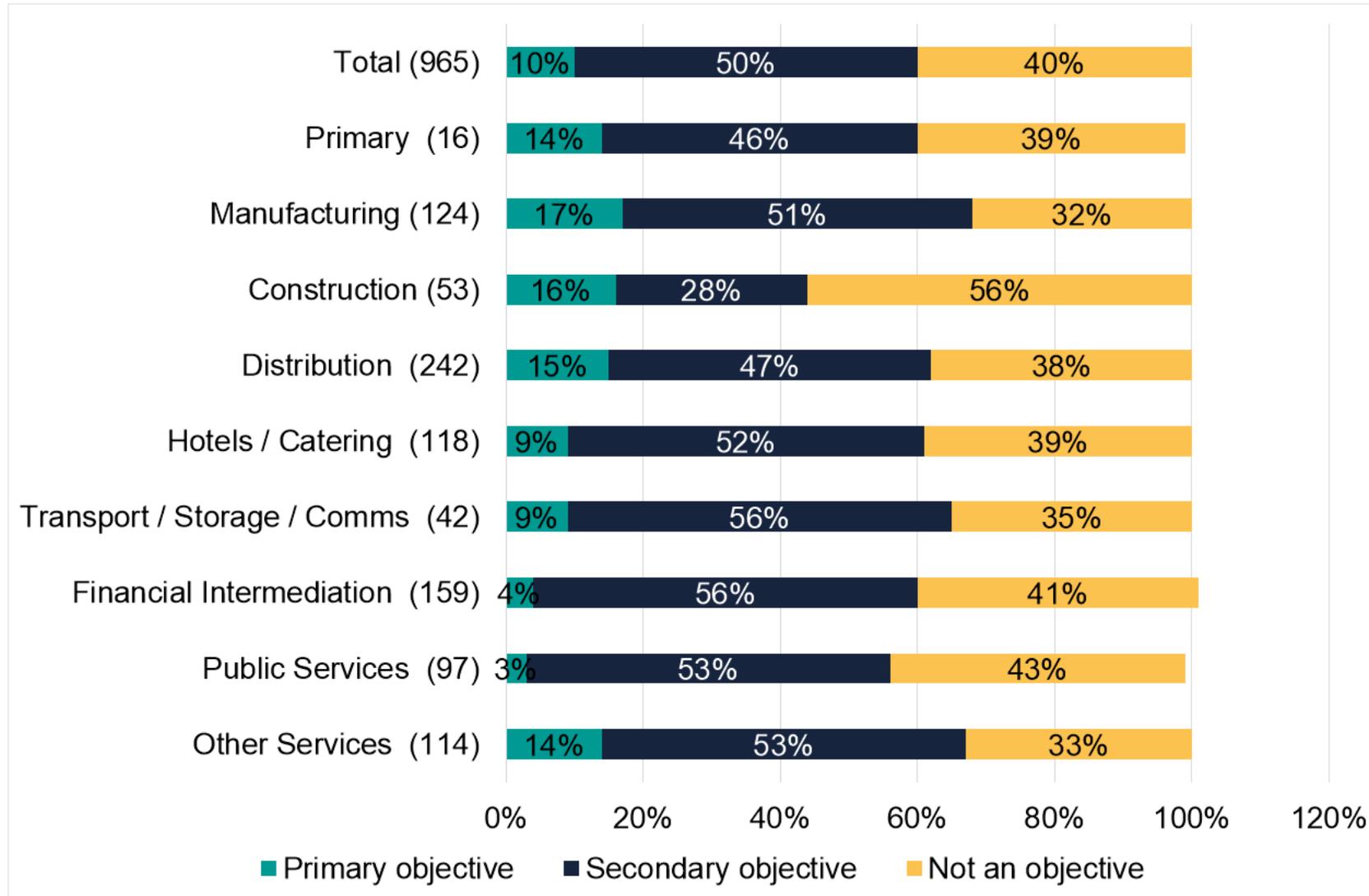
Figure: Which skills did you find difficult to recruit? All with hard to fill vacancies



# 60% of businesses see reducing carbon emissions as a primary / secondary objective

Figure: Is reducing carbon emissions or waste and water consumption a primary / secondary objective of your organisation?

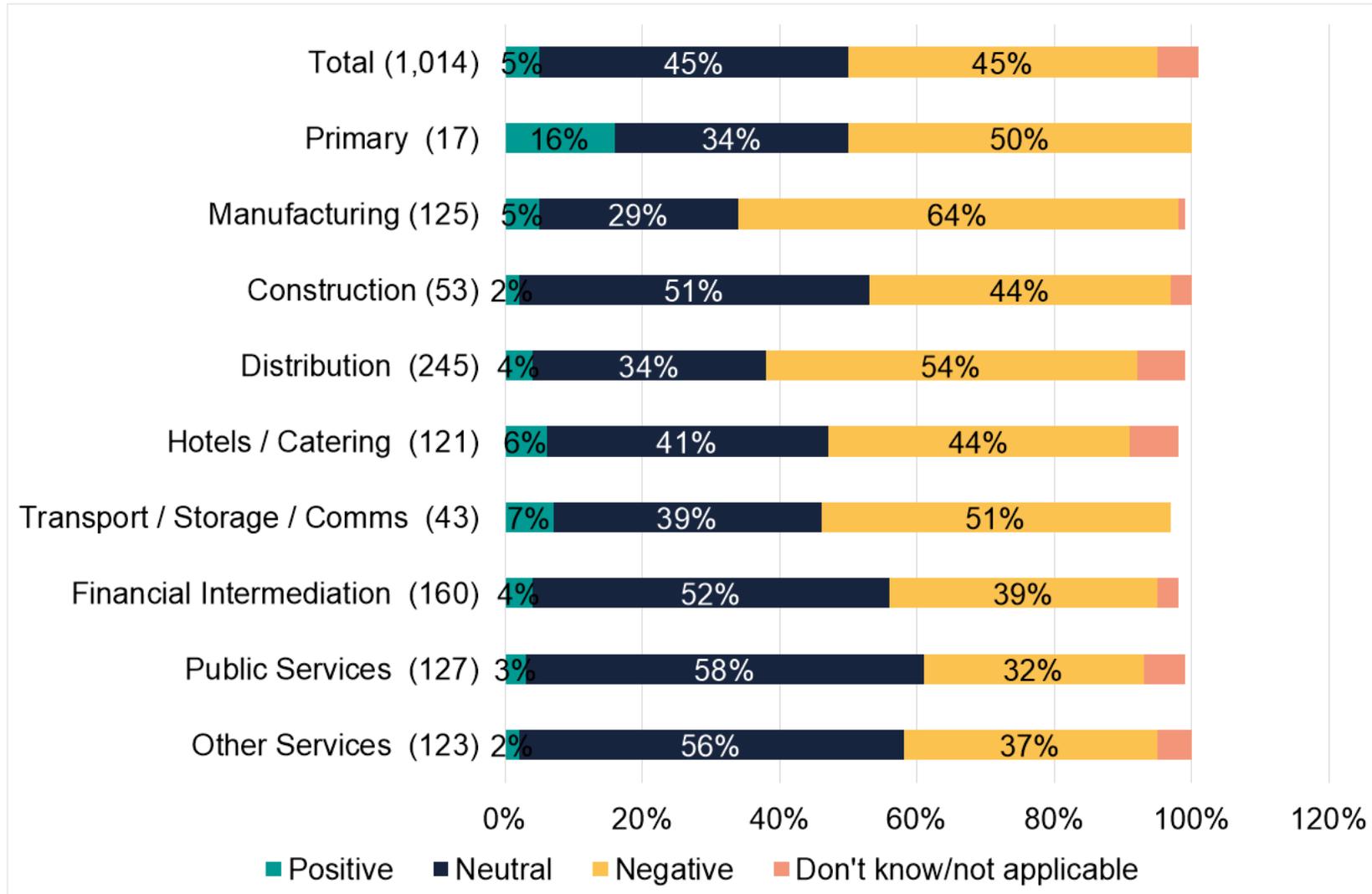
30



Source: West Yorkshire Business Survey

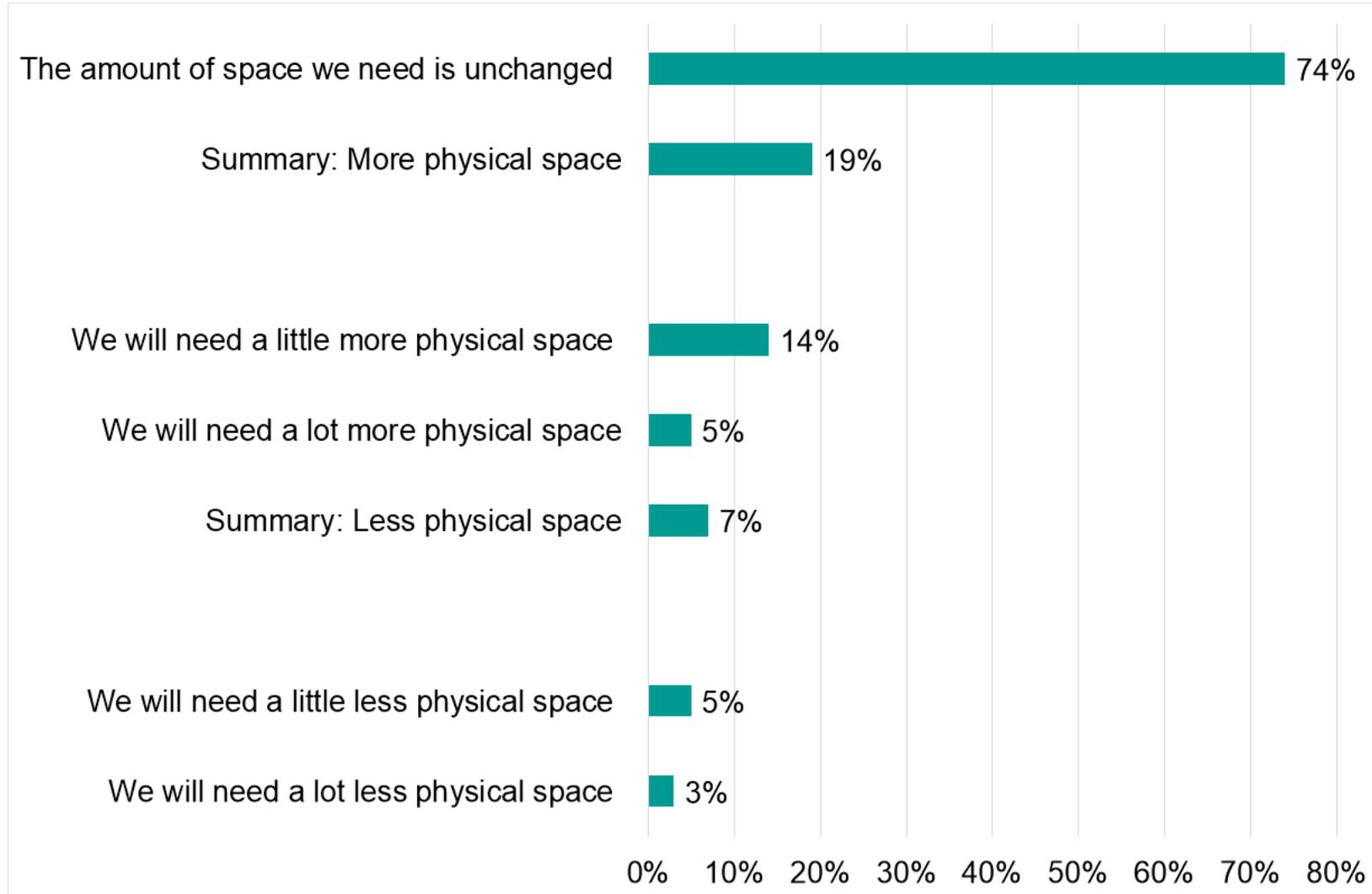
# Manufacturing businesses are most likely to say that Brexit has had a negative impact

Figure: To date, has the UK's exit from the EU had a negative or positive impact on your business/organisation?



# One fifth of organisations say they will need more space in the coming year

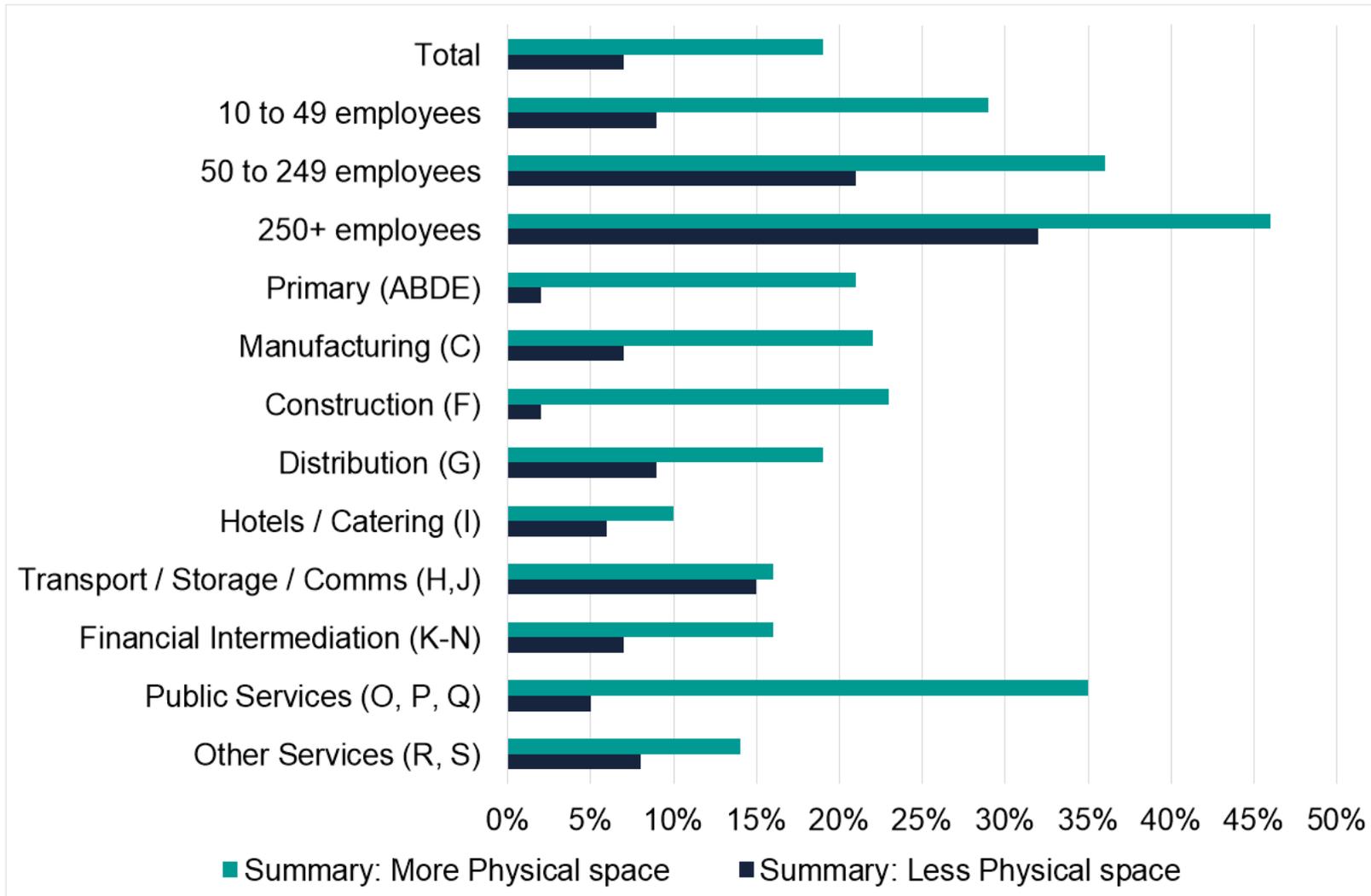
Figure: Over the next year, do you expect the amount of physical space needs to decrease or increase?



Source: West Yorkshire Business Survey

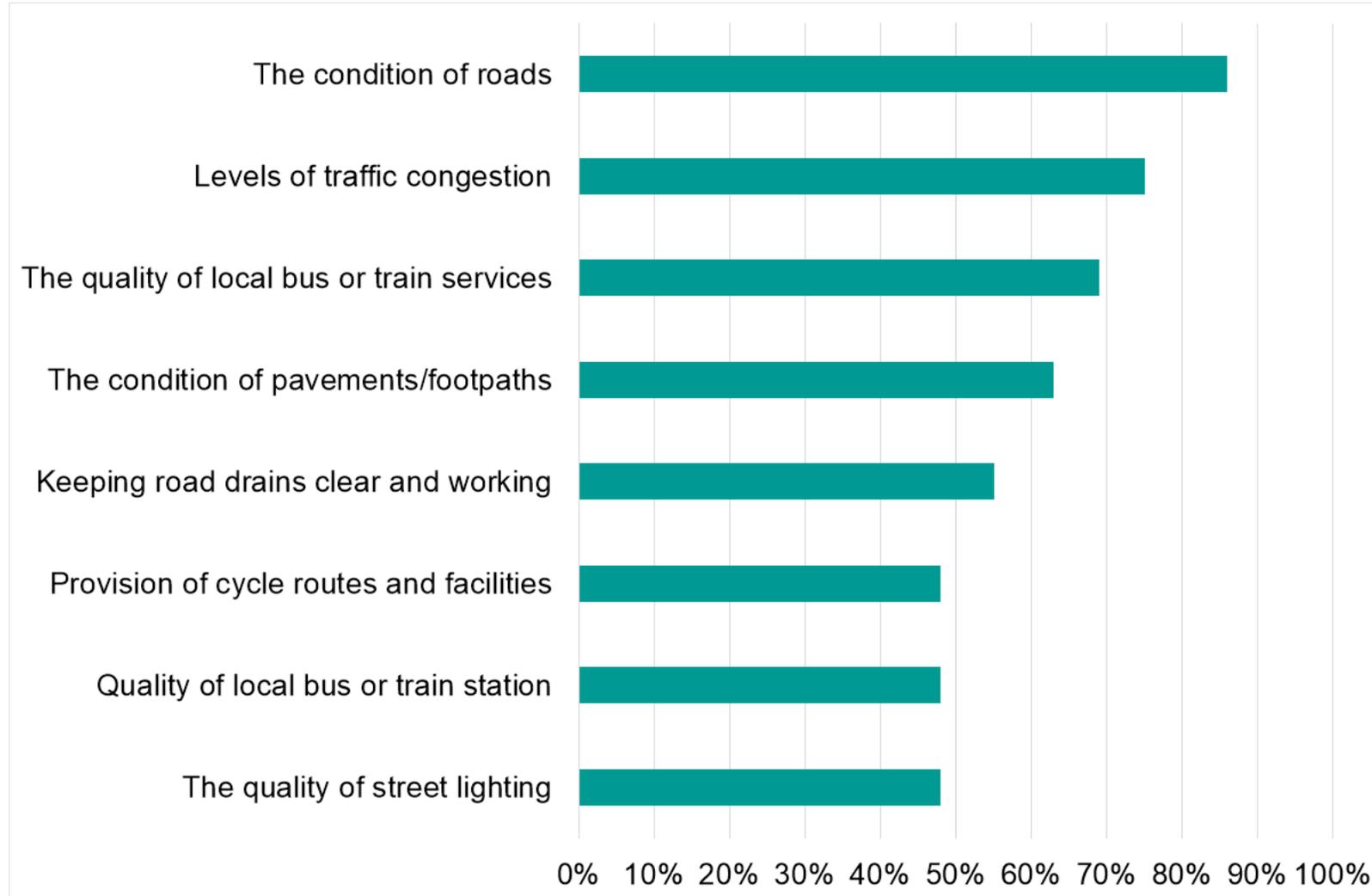
# Medium size and larger business plus businesses in Transport/storage/comms sector are most likely to say that they need less physical space

Figure: Over the next year, do you expect the amount of physical space needs to decrease or increase?



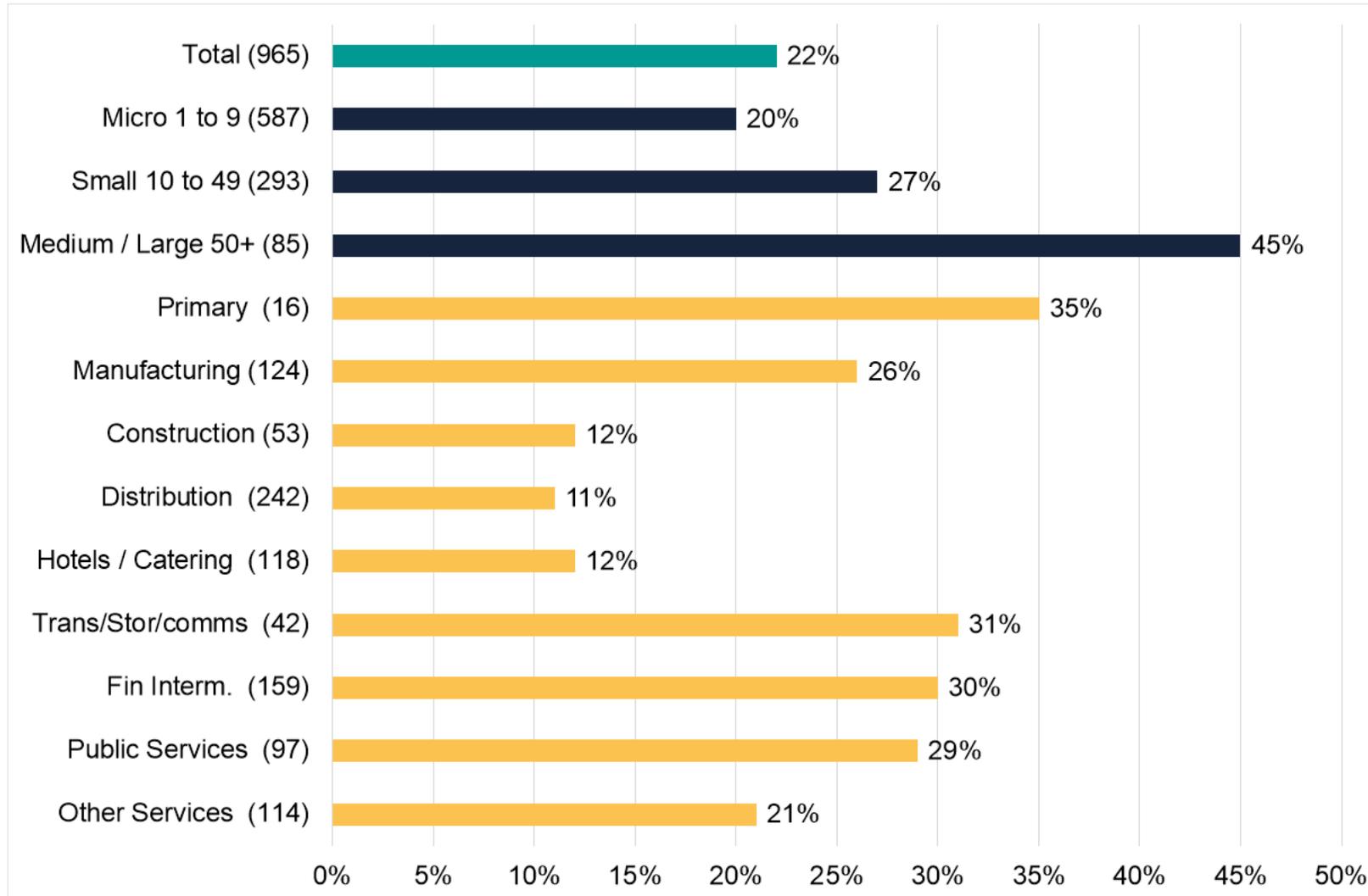
# Roads, congestion and bus / train services priorities for improvement in terms of infrastructure

Figure: Thinking about the quality of the local highways and public transport infrastructure immediately surrounding your business premises, which of the following do you think need improvement?

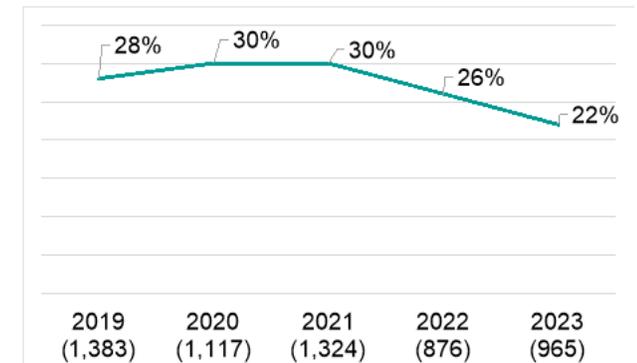


# Proportion of businesses who have sought advice has fallen in last 2 years

Figure: Has your business/organisation sought any independent advice, on issues such as finance, marketing, legislation or staffing?

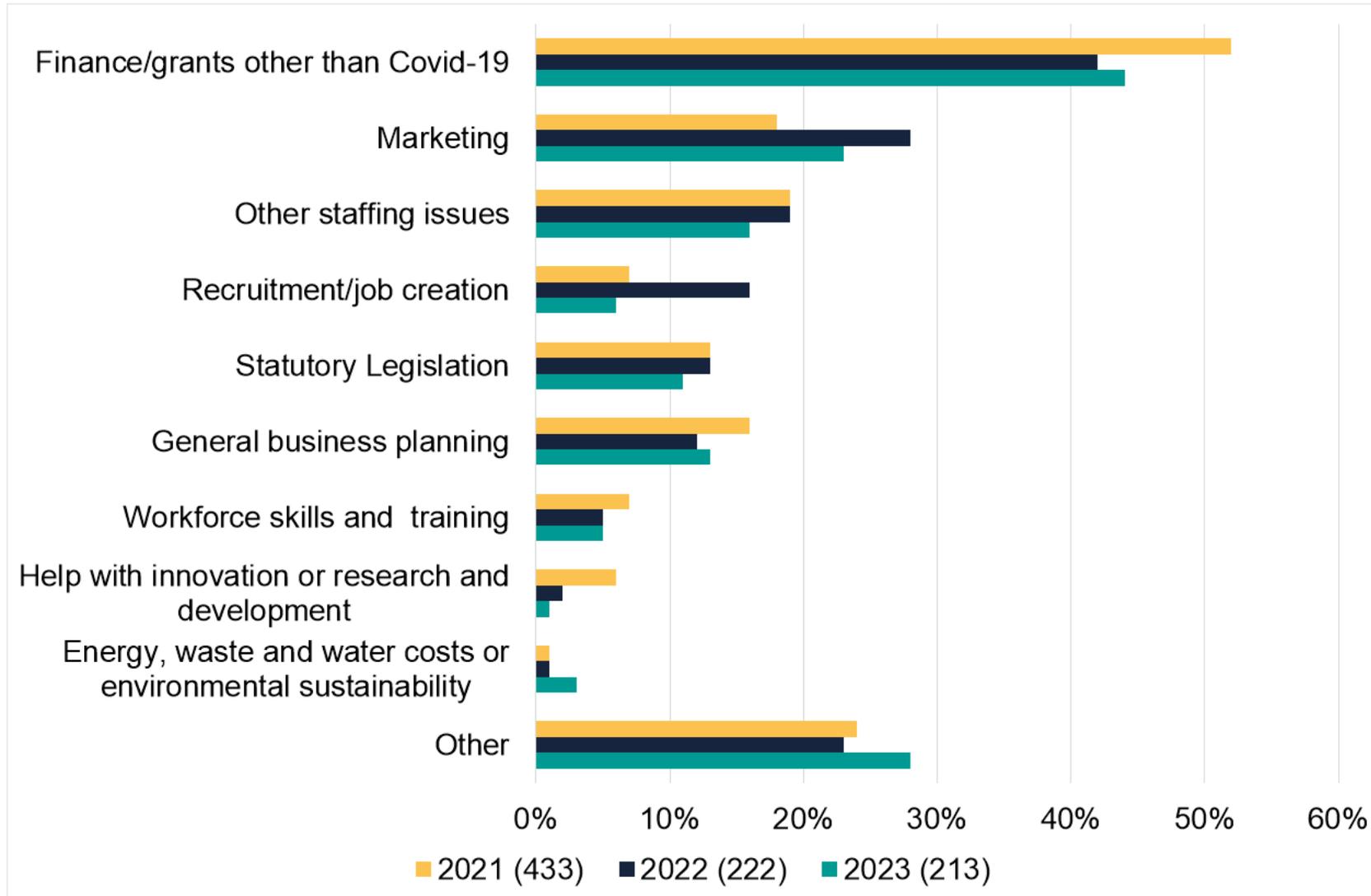


Any advice sought



# Businesses are most likely to seek advice on finance issues

Figure: For which areas of your business/organisation have you sought independent advice in the last 12 months?



<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Economic Strategy Update</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills and Culture
<b>Author:</b>	Jo Barham, Policy Manager

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

## 1. Purpose of this report

- 1.1 To provide members with an overview of the emerging evidence and draft priorities of the Economic Strategy and an early opportunity to steer the direction and emerging content.

## 2. Information

- 2.1 Members are aware that work is ongoing to develop a new Economic Strategy for West Yorkshire, reflecting the vision and missions of the West Yorkshire Plan. A framework for action is emerging from the evidence collection and stakeholder engagement. This framework will enable development of a set of priorities to inform the final strategy.
- 2.2 Appendix 1 to this report sets out a summary of the evidence that has been examined alongside a framework to guide drafting and priority setting. This will be developed further as strands of the work conclude, including an external commission on West Yorkshire cluster strengths and opportunities, and further engagement with stakeholders.

## West Yorkshire Economic Assessment

- 2.3 A comprehensive economic assessment considering the key drivers of productivity in West Yorkshire has been undertaken. The analysis considers the overall performance of the West Yorkshire economy over the past 20 years, exploring the economic geography

and local specialisms of the region. West Yorkshire is a self-contained labour market with around 90% of workers living in the Combined Authority area. Around 30 per cent of residents work in a different local authority to which they live. The evidence shows a **resilient, diversified, and polycentric economy that nevertheless has struggled to keep pace with national growth and productivity**. This has had an adverse effect on living standards.

- 2.4 While the productivity gap is growing and projected to continue, within sector specialisms such as within manufacturing, productivity is closer to or higher than the national average. Factors contributing to poor productivity performance of West Yorkshire include low investment and workforce skills.
- 2.5 Cambridge Econometrics is leading a cluster analysis study, commissioned by the CA, to understand the sectors where West Yorkshire has comparative advantage and the implications for inclusive growth. The study is exploring the overlaps between traditional sectors and emerging clusters. Initial analysis has identified three main (overlapping) groups, each of which represents an opportunity for the region:
- *Advancing Manufacturing*
  - Emerging Tech – Service Sector Crossovers
  - Net Zero.
- 2.6 The next stage of the work will analyse the opportunity for these groups in West Yorkshire, including ability to attract investment, provide jobs and meet national priorities. An expert panel is planned to review the evidence and provide input on emerging themes. Members of the panel will provide fresh perspective on the issues bringing international expertise and wide-ranging experience from academia, think tanks and major national bodies.

### Emerging Priorities

- 2.7 The framework for action for the Economic Strategy puts inclusive, sustainable growth, and equity, diversity and inclusion at its heart, promoting health in all policies. Priority areas to consider are set out below.
- 2.8 The Economic Strategy should set out an approach that **builds on strengths where West Yorkshire has a comparative advantage in established and emerging clusters**, including:
- Work with business leaders to overcome barriers and unlock investment
  - Working with cluster leadership bodies nationally and make links regionally including with universities
  - Support opportunities to drive export growth

- Delivering skills pathways aligned to cluster opportunities
- Working with local authorities to ensure the quality and availability of business premises.

2.9 There is a need to ensure that all areas of West Yorkshire's economy can **promote good work** but particularly in those sectors where there are high numbers of employment such as retail and hospitality, this will include:

- Capturing learning from the first year of delivery of the Fair Work Charter and building on the successes.
- Working with sectors to support uptake and embed good practice bringing together communities of good practice.

2.10 Work is underway to **deepen understanding of the finance landscape** and will include a focus on place-based impact investing and investment opportunities for under-represented groups.

2.11 It will be important to **simplify the business ecosystem** recognising the role of the Combined Authority as a convenor and raising awareness of all types of provision including:

- A clear, easy to access portal of information for businesses and professional services.
- Reaching out to informal networks and key individuals within these networks to broaden our reach and sign-posting activity.
- Celebrating and elevating the diversity of businesses in our region including in sectors not directly supported by Combined Authority programmes.

2.12 Further details are included in Appendix 1. Members are asked to consider the emerging priorities along with accompanying evidence and provide feedback.

### 3. Tackling the Climate Emergency Implications

3.1 Tackling the climate emergency is a guiding principle for the Economic Strategy reflected in the framework for action.

### 4. Inclusive Growth Implications

4.1 Mission one of the West Yorkshire Plan is for an Inclusive Economy with well paid jobs and is a driving principle of the Economic Strategy reflected in the framework for action.

### 5. Equality and Diversity Implications

5.1 Equality, Diversity and Inclusion is a driving principle of the Economic Strategy and reflected in the framework for action.

## **6. Financial Implications**

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

## **7. Legal Implications**

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

## **8. Staffing Implications**

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

## **9. External Consultees**

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

## **10. Recommendations**

10.1 That the Committee notes the content of the evidence summary included in Appendix One and provides feedback on the emerging themes and draft priorities.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 – Evidence Summary and emerging draft priorities.

# West Yorkshire Economic Strategy: Emerging Evidence Summary Pack

West Yorkshire Economic Strategy: draft policy in development



# A new Economic Strategy for West Yorkshire

West Yorkshire is a dynamic economy with a rich industrial past. Innovation and natural resources alongside investment in roads, canals, and then railways led to the towns and cities of West Yorkshire's woollen industry becoming a powerhouse of the industrial revolution and a driver of prosperity across Britain.

Today, the structure of our economy and broad business base means we have a resilient economy not dominated by a single sector. Manufacturing still plays a major role with specialisms in textiles and advanced manufacturing that sit alongside a strong knowledge economy underpinned by excellent universities, and a vibrant cultural offer.

The West Yorkshire Combined Authority has successfully grown as an organisation. From a Combined Authority working in partnership with the Local Enterprise Partnership delivering £0.5 billion of economic development and transport schemes, to a historic devolution deal and directly elected mayor.

Now is the time for a new Economic Strategy to unleash the potential of devolution using open and collaborative policy making with equality, diversity and inclusion at its heart to foster, in partnership, an inclusive, place-based strategy where all communities contribute to, and benefit from a sustainable and inclusive economy.

# An Economic Strategy to deliver the West Yorkshire Plan

Brexit, the COVID-19 Pandemic, and economic downturns have led to the emergence of new policy priorities in West Yorkshire.

These challenges sit alongside long-term structural issues on productivity, skills, and investment that are holding back the potential of the region.

Responding to these challenges and reflecting new policy drivers led to the vision and five ambitious missions of the West Yorkshire Plan.

The West Yorkshire Plan sets out major commitments on Net Zero and places a sustainable inclusive economy at its heart. The role of health as a driver of prosperity is reflected across the missions with equality, diversity and inclusion a driver across all activity.

## The West Yorkshire 2040 Vision and missions

### Our vision:

A brighter West Yorkshire –  
a place that works for all.  
An engine room of ideas and  
creativity, where anyone  
can make a home.

Our vision and missions put equity, diversity, and inclusion at the heart of everything we do. We will lead the way to embed these values across all our work.

### The West Yorkshire Plan includes:

- The West Yorkshire story – our region's unique identity
- The future of West Yorkshire – our vision and missions for 2040
- Working together – our partnerships for change

- 1** **Mission 1:**  
A prosperous West Yorkshire –  
an inclusive economy with well paid jobs
- 2** **Mission 2:**  
A happy West Yorkshire –  
great places and healthy communities
- 3** **Mission 3:**  
A well-connected West Yorkshire –  
a strong transport system
- 4** **Mission 4:**  
A sustainable West Yorkshire –  
making lives greener
- 5** **Mission 5:**  
A safe West Yorkshire –  
a region where everyone can flourish

# Monitoring Indicators

A set of monitoring indicators underpin the West Yorkshire Plan and will be key to the measuring the success of the Economic Strategy.



## Mission 1

- Productivity levels
- Number of jobs paying the living wage
- Living Standards
- Child Poverty
- Skill levels, apprenticeship starts and people without employability skills
- The employment rate and % of employees in quality work
- The employment rate gap for disadvantaged groups
- Growth in key sectors.



## Mission 2

- Healthy life expectancy
- Access to green space
- Activity levels / participation in sport
- Wellbeing levels
- Access to culture
- Broadband and mobile coverage
- Participation in sport and heritage
- Housing affordability sustainability and quality
- Housing supply including social housing
- Renting costs
- Building energy efficiency and reducing the percentage of households in fuel poverty.



## Mission 3

- Access to employment for deprived areas
- Punctuality and reliability of bus and rail services
- Mode share moving from car use to public transport information sources
- Satisfaction with affordability of public transport.



## Mission 4

- Reductions in greenhouse gas emissions
- Emissions intensity
- Access to green and blue infrastructure
- Biodiversity
- Transport and household emissions
- Electric buses and EV charging points



## Mission 5

- Reduction in neighbourhood crime
- Reduction in knife crime
- Reduction in overall reoffending rate
- Improved feelings of safety especially amongst women and girls

As reported in State of the Region

# Developing the Economic Strategy: Methodology

A range of activity is underway to develop the Economic Strategy which has fed into the framework and set of emerging areas for consideration outlined in the summary pack. This includes the following stages of work some of which are still underway:

- Economic Assessment
- West Yorkshire cluster analysis and sector strengths external research commission
- Literature Review
- Call-for-evidence with the Y-PERN network of academics
- West Yorkshire Scientific Advisory Group support on flexible working evidence map
- Your Voice Questionnaire
- Stakeholder engagement key group discussions.

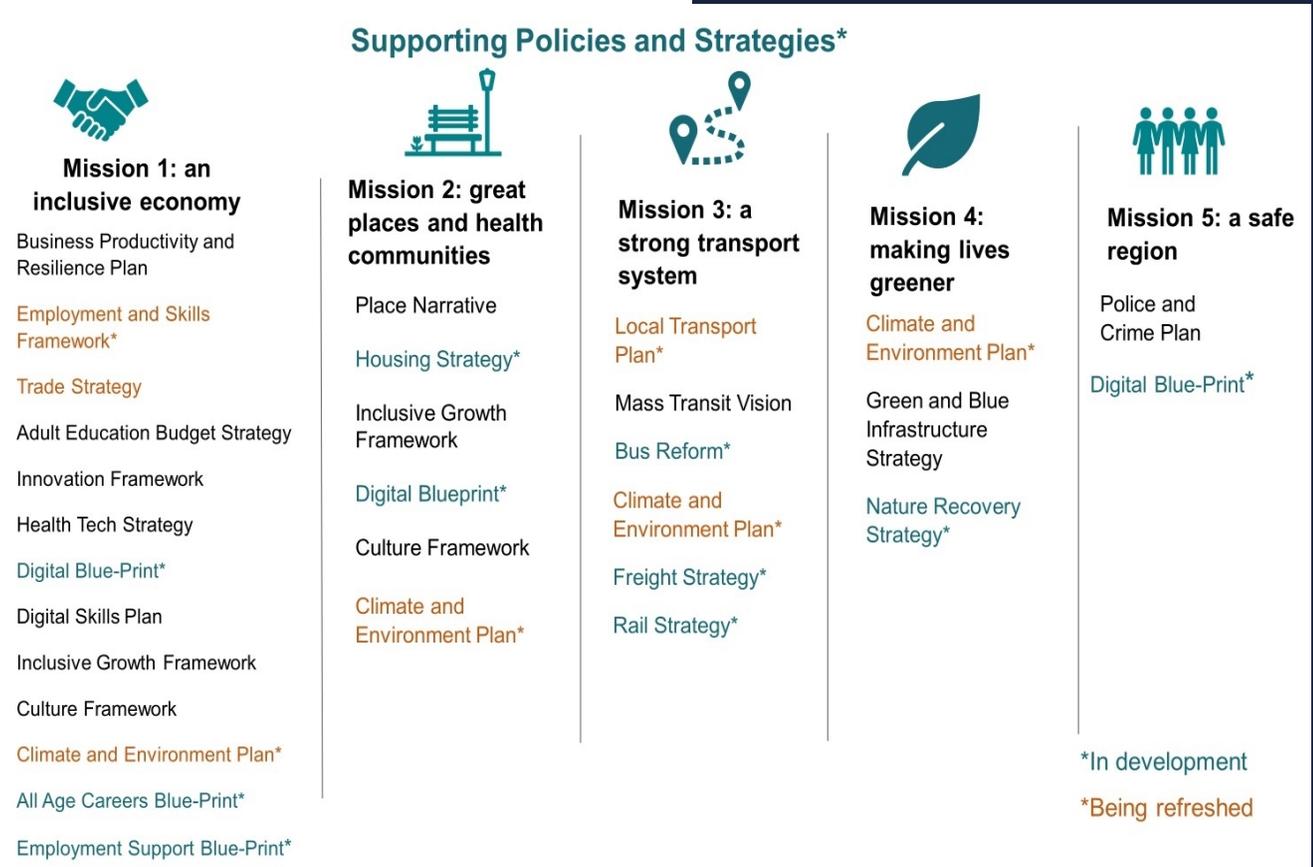
Further synthesis will be undertaken once all stages of development are complete.

# Supporting Policies and Strategies

The Economic Strategy is not starting from scratch. A range of existing policies and strategies and current delivery underpins development and will anchor delivery. Key policy developments aligning with the Economic Strategy will include:

- Local Transport Plan
- Digital Blueprint
- All Age Careers and Employment Support
- Climate and Environment Plan.

Alongside strategy development the Economic Strategy will build upon focused activity including the Mayor’s Manufacturing Taskforce and the Green Jobs Taskforce.



# Economic Assessment

West Yorkshire Economic Strategy: draft policy in development



# West Yorkshire Economic Assessment

A comprehensive economic assessment considering the key drivers of productivity in West Yorkshire is being undertaken. The analysis considers the overall performance of the West Yorkshire economy over the past 20 years, exploring the economic geography and local specialisms of the region.

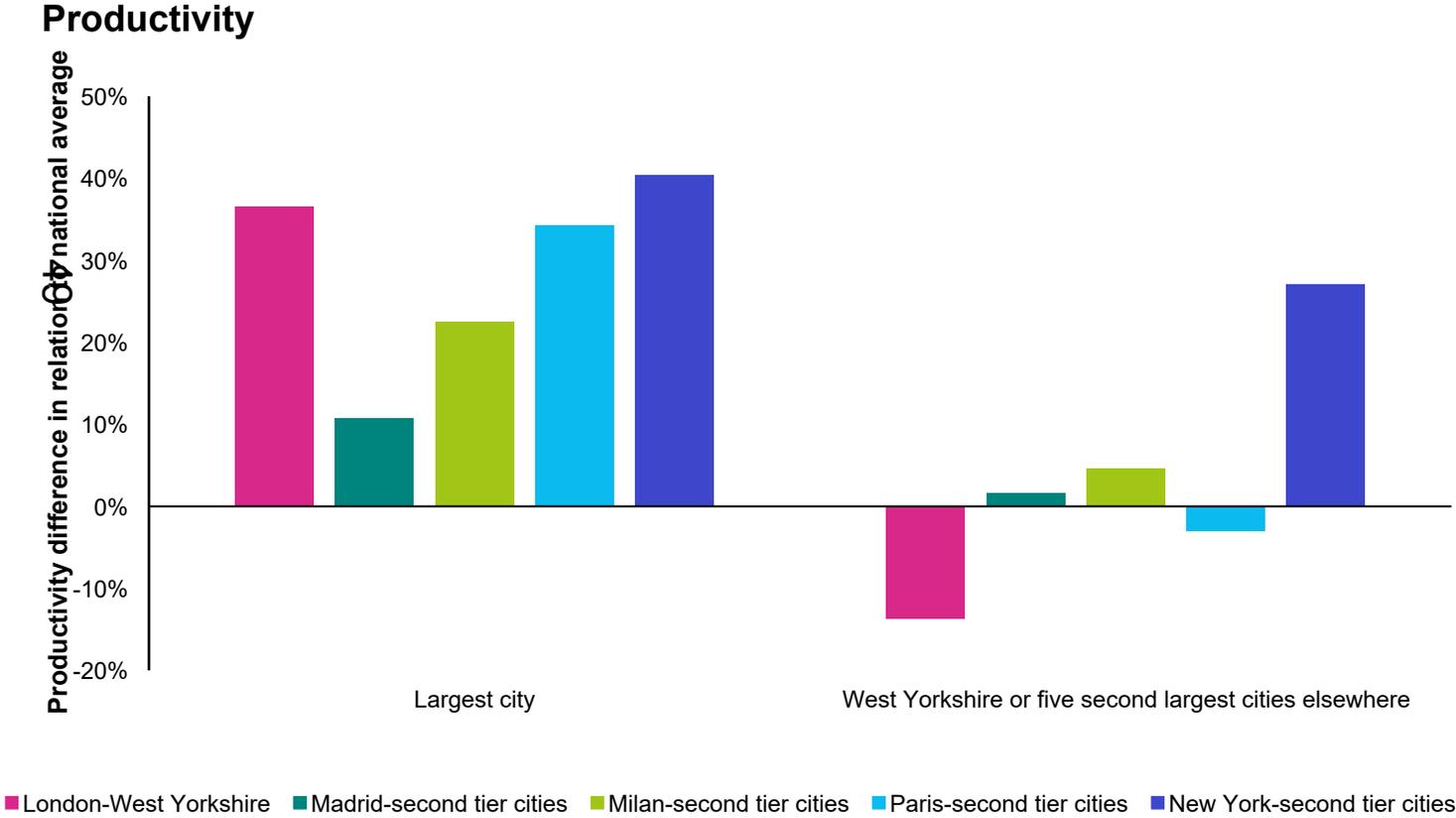
The evidence shows a resilient, diversified, and polycentric economy that nevertheless has struggled to keep pace with national growth and productivity, this has had an adverse effect on living standards.

While the productivity gap is growing and projected to continue, within sector specialisms such as manufacturing sub-sectors, productivity is closer to or higher than the national average. Factors in the poor productivity performance of West Yorkshire include low investment and workforce skills.

West Yorkshire is a self-contained labour market with around 90% of workers living in the Combined Authority. Around 30 per cent of residents work in a different local authority to which they live. These flows are not only driven by people going towards Leeds which accounts for fewer than half of the in-region commuters.

# Unlike its international peers, West Yorkshire productivity is below the national average and diverging

Figure 1: Labour productivity (GDP per worker in USD, constant prices, constant PPP, base year 2015)



- West Yorkshire underperforms the national average, while second tier cities in other countries tend to perform in line with the average.
- The gap in West Yorkshire has been widening since the financial crisis and accounts for **£9.6 billion in 2021 alone (around £4,100 per resident)**. Closing the gap would boost West Yorkshire living standards.
- Without action current projections suggest the gap will widen in the next decade and is estimated to reach £14.9bn (around £5,900 per resident) in 2042.

Source: OECD, Metropolitan areas, GDP per worker.

# West Yorkshire is a diversified economy

**Figure: Industrial specialisms within West Yorkshire**

Local Authority	Specialisms (based on job Location Quotients), 2021
Bradford	Textiles Machinery manufacturing Manufacturing of chemicals (detergents, soap and others)
Calderdale	Monetary intermediation Insurance Machinery manufacturing Furniture
Leeds	Office administrative and support activities Legal activities Activities auxiliary to financial services, except insurance and pension funding Head Office Activities
Wakefield	Logistics: transport and warehousing Textile Glass Manufacturing
Kirklees	Furniture Textiles Chemicals. Pesticides and paints

- West Yorkshire has a strong manufacturing sector with more than **100,000 manufacturing jobs** - the highest number of manufacturing jobs per capita in a Combined Authority; and 13.4% of GVA.
- The manufacturing base is diverse both geographically (mostly outside Leeds) and sectorally (textile, chemicals and machinery).
- Across all Combined Authorities, West Yorkshire has the highest number of jobs in “Financial service activities” and “Computer programming, consultancy and related activities” (2021).

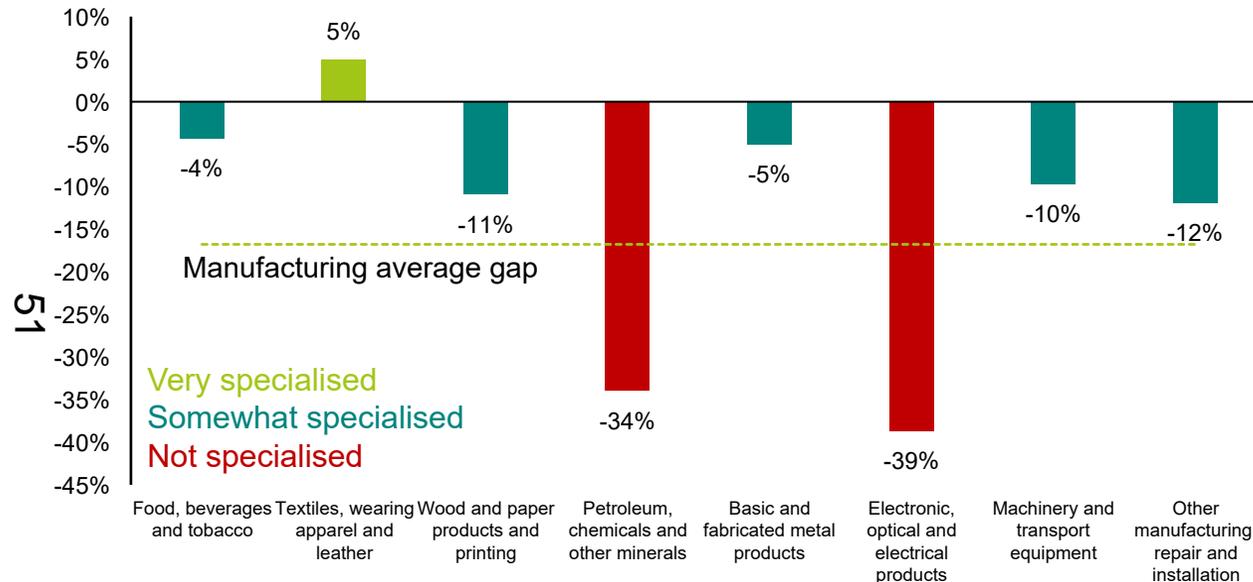
Source: NOMIS Note: The sectors selected are a combination of high Location coefficients and the employment share they represent.

# Closing the productivity gap will require new manufacturing specialisms in West Yorkshire and a deepening of existing specialisms in Leeds

Figure: Manufacturing productivity by ITL3 and industry, West Yorkshire 2019

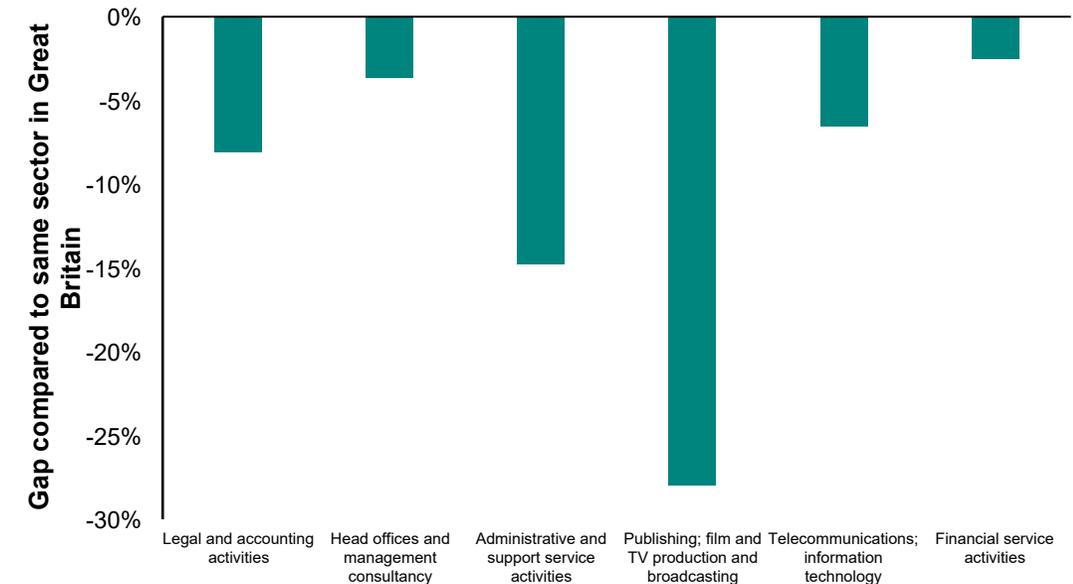
Figure: Services productivity in Leeds by its specialisms, 2019

## Productivity gap



Source: ONS, Regional gross value added (balanced) by industry: all ITL regions. ONS, Business Register and Employment Survey.

## Productivity gap



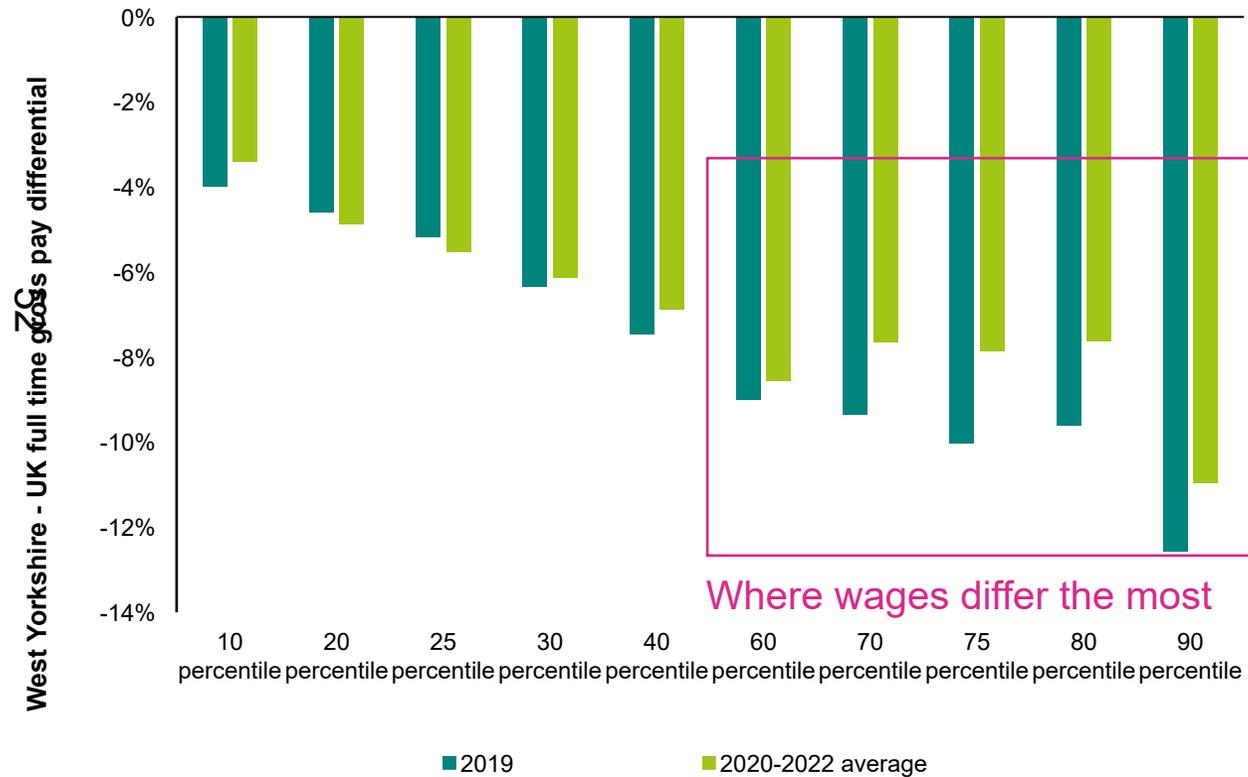
- Leeds underperforms in the services that it has a specialism. Closing the productivity gap requires making those sectors more productive. By attracting new businesses in these sectors and enabling the benefits of agglomeration.

- The main productivity differences are in sectors in which West Yorkshire is not specialised. The productivity gap is small in areas that West Yorkshire is specialised. The gap is driven by the absence of specialisms in highly productive industries like electronics (electric lighting equipment vs. electronic components) and chemicals (agrochemicals vs. pharma and petroleum).
- Closing the productivity gap will require new manufacturing-related specialisms. Closing (or widening) the gap in existing specialisms may not be enough.

# Closing productivity gap alone likely to boost wages at the top but unlikely at the bottom

**Figure:** Workplace median pay, full time workers by Metropolitan County 2019-2022

## Differences by wage distribution

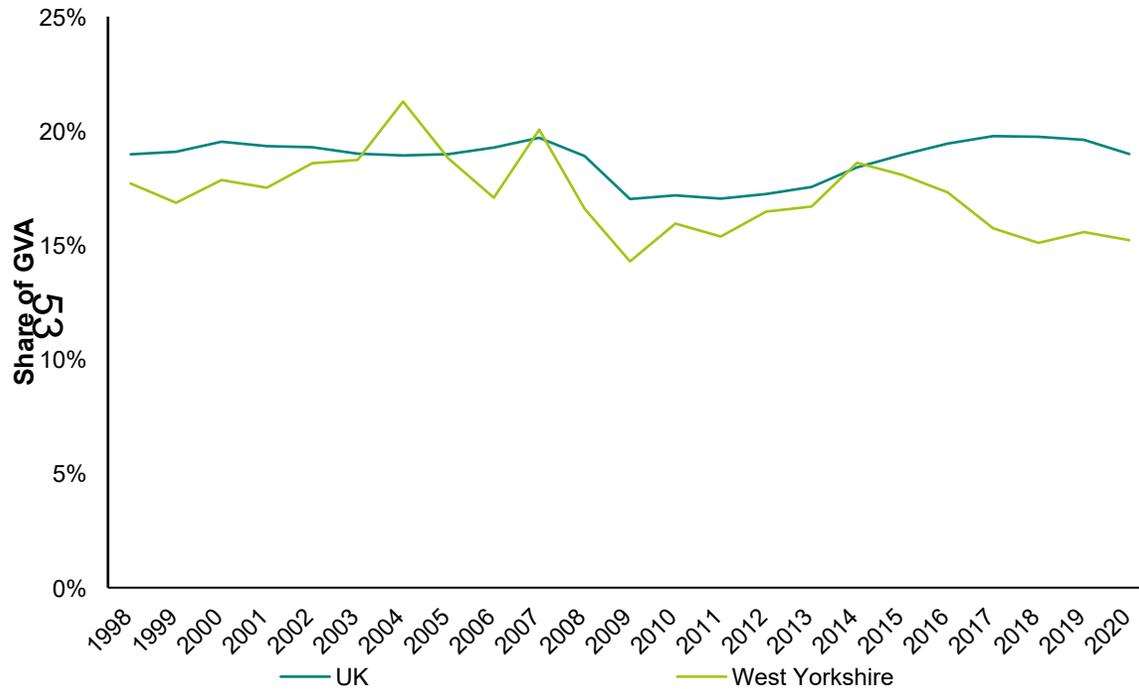


- The same way the productivity gap is driven by the lack of high performing firms, a similar trend is observed in wages, with the largest gap at the top of the distribution.
- The wage differences between West Yorkshire and the national average are **mostly driven by lack of highly paid jobs.**
- Under certain circumstances, closing this gap could lead to issues around housing affordability.
- This highlights the importance of **inclusive growth.**

# West Yorkshire's investment and skills profile is diverging from UK average

**Figure:** Investment at the subnational by ITL2 (1998-2020)

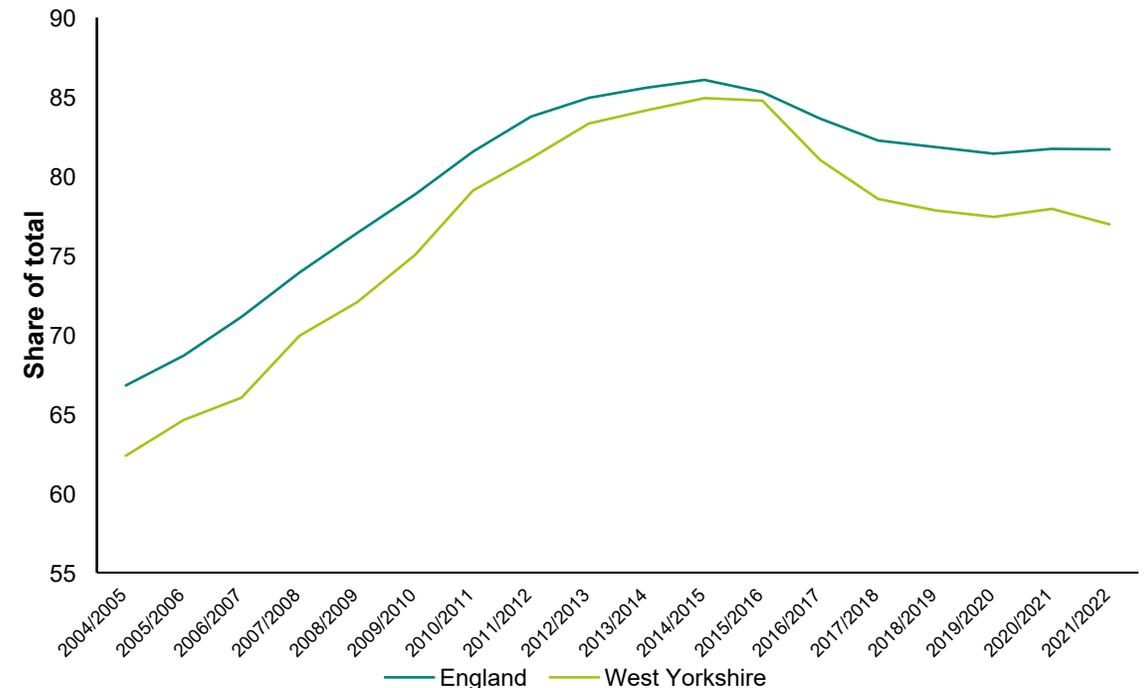
## Gross Fixed Capital Formation share of GVA



Source: ONS, Experimental regional gross fixed capital formation (GFCF) estimates by asset type: 1997 to 2020. ONS, GVA at ITL2, current price estimates: 1998 to 2020.

**Figure:** Share of who achieve level 2 and level 3 by the age of 19 (2004/05 and 2021/22)

## Who achieve level 2 by age of 19

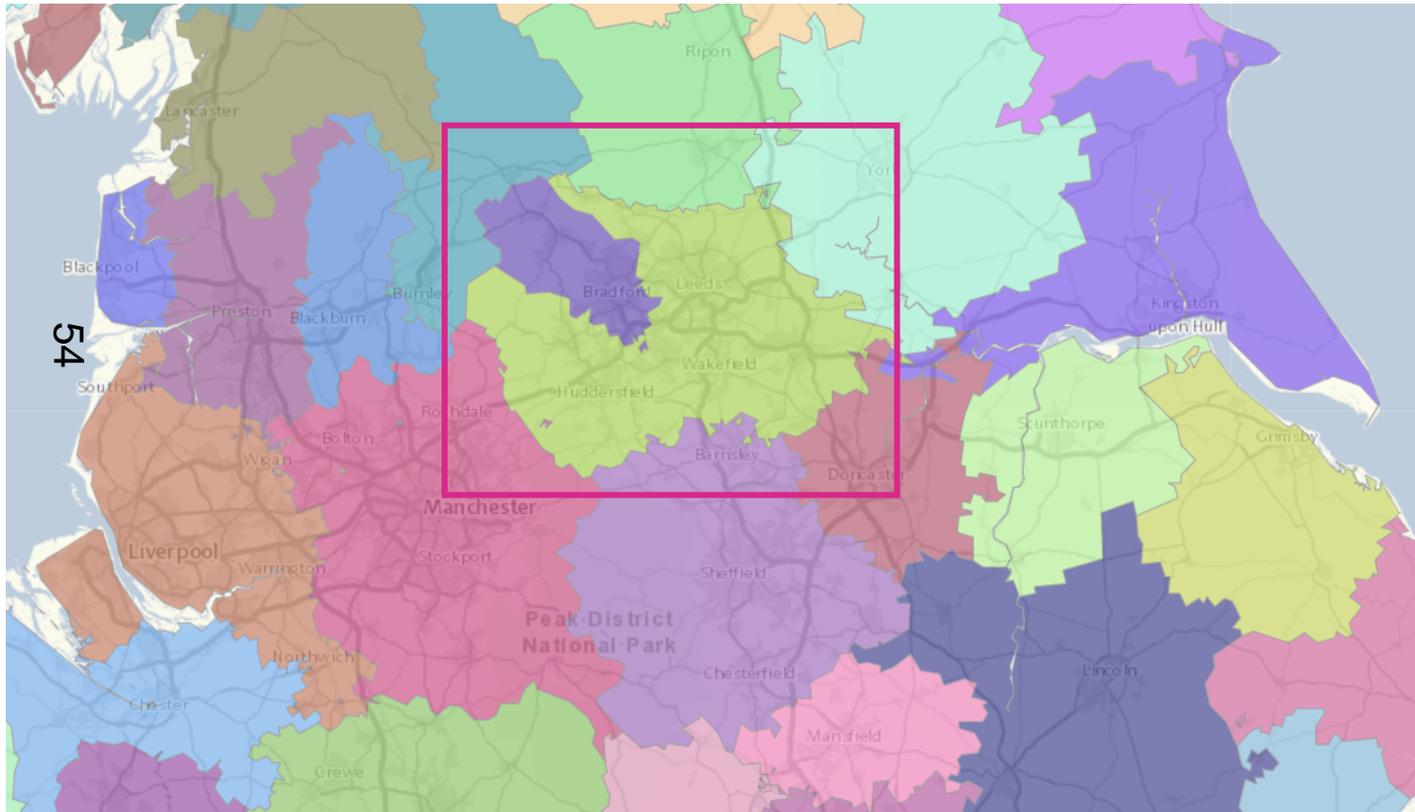


Source: DfE, Level 2 attainment age 16 to 25, Academic year 2021/22.

- The divergence takes place around the **time that West Yorkshire's productivity diverges from the national average.**
- This is a common feature across all local areas and asset types (buildings, ICT, intangibles, etc) in West Yorkshire similar to national average and there is underperformance in almost all industries.

# Interventions should contribute to the integration of the Combined Authority area as a labour market

Figure: Alternative Travel to Work Areas, Full time employed (2011)

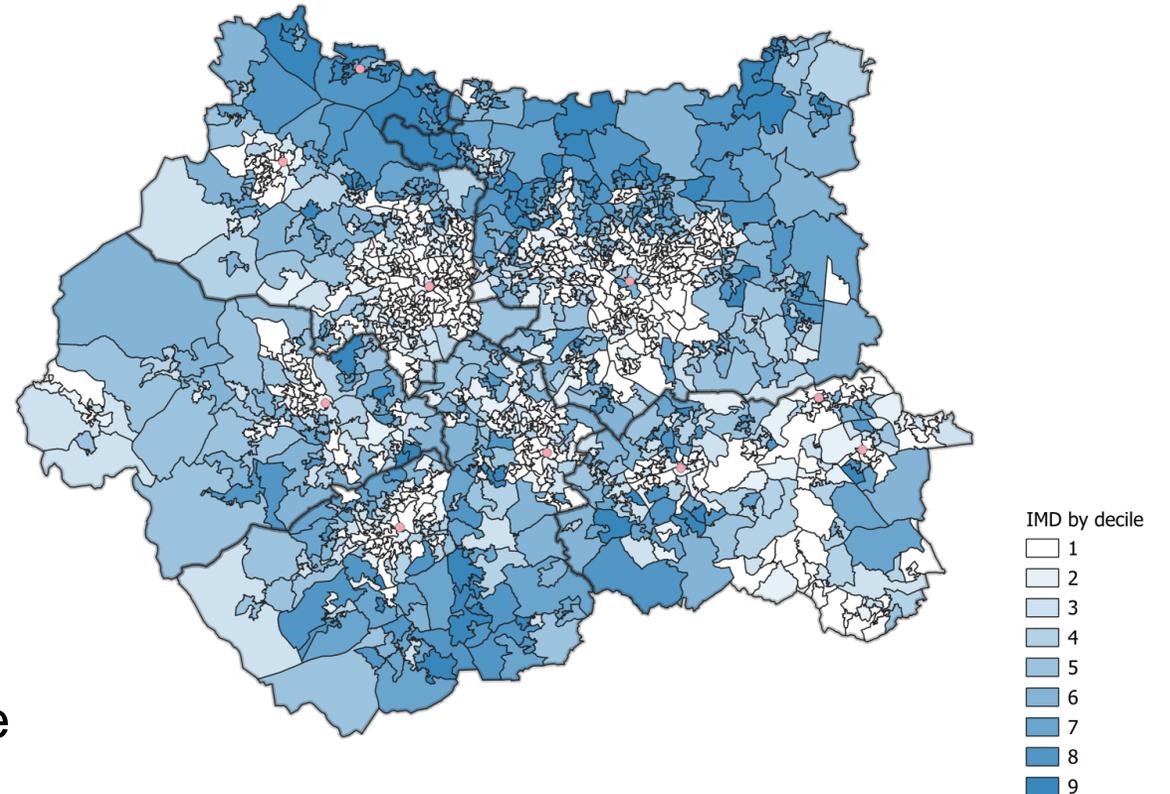


- Despite the census showing that there are plenty of flows between local authorities, analysis of Travel to Work Areas (2011) for full time workers suggest that Bradford's labour market is not as integrated into West Yorkshire as other areas.
- This is likely to be driven by a combination of factors like connectivity (road congestion and rail capacity) but also the level of skills of the workforce to benefit from longer commutes.
- Other CA areas do not necessarily match their TTWA (GM and Wigan, or Doncaster and Sheffield) but difference in Bradford seems more significant.

# Inclusive growth

- More than one in five people in West Yorkshire live in areas within the 10% most deprived in England, according to the Index of Multiple Deprivation (IMD). This is equivalent to more than half a million people.
- <sup>55</sup> Healthy life expectancy in West Yorkshire is below the national average for both males and females.
- Around 200,000 jobs in West Yorkshire, or 19% of the total, pay below the Real Living Wage.
- Around 350,000 people are economically inactive in West Yorkshire. West Yorkshire's employment rate gap with national average is due to economic inactivity.

**Figure: English Indices of Deprivation 2019 - LSOA Level, by decile**



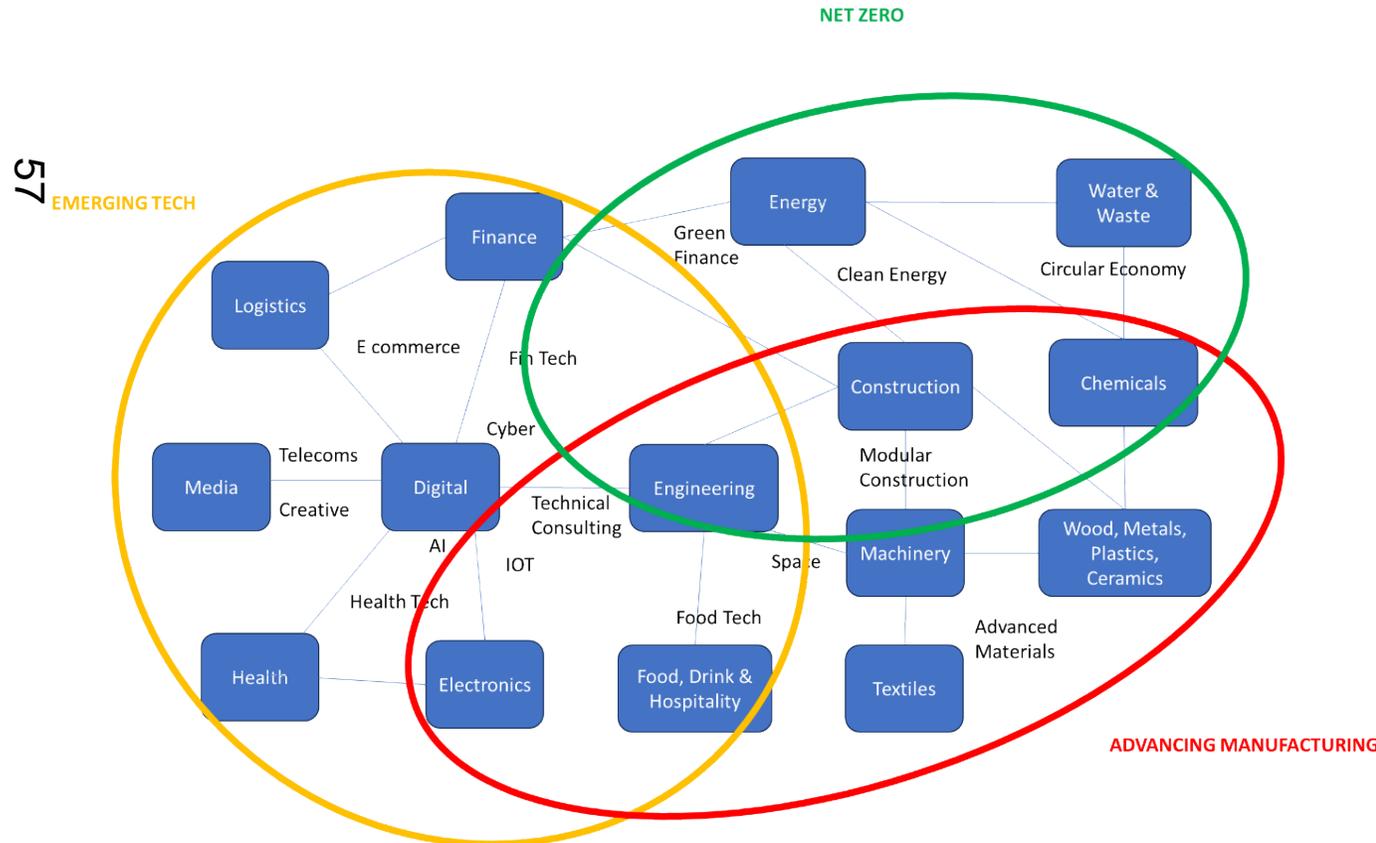
# Sector Analysis and Cluster Study

West Yorkshire Economic Strategy: draft policy in development



# Sector Strengths – cluster analysis

Cambridge Econometrics is leading on a cluster analysis study to understand the sectors where West Yorkshire has comparative advantage and the implications for inclusive growth.



The study is exploring the overlaps between traditional sectors and emerging clusters with 15 traditional sectors linked together with 16 emerging tech clusters (pictured).

The sector/cluster map can be divided into three main (overlapping) groups, each of which represents an opportunity for the region.

# Opportunities for Growth

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**Advancing Manufacturing:** All manufacturing value chains have the potential to be advanced: that is, to use innovative, cutting edge, high-tech, processes. The greatest opportunity for productivity enhancement through facilitation of adoption of modern technologies often lies in sectors such as food and drink, textiles, and materials processing. West Yorkshire has a lot of these categories of firms. These might include:

- Construction and Modular Construction
- Textiles and Advanced Materials
- Hospitality and Food Tech
- Machinery and Advanced Manufacturing.

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**Emerging Tech – Service Sector Crossovers:** There's clearly a synergy happening between Leeds' traditional service sector strengths in Finance, Legal, Education, Health, and its strong and innovative digital sector, leading to the emergence of a number of innovative cross-over sectors (fin tech, health tech, etc). These might include:

- Media, Telecoms, and Creative
- Health and Health Tech
- Electronics and IOT
- Digital and AI
- Logistics and E-commerce
- Fintech and Cyber.

# Opportunities for Growth

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**Net Zero:** Of the five main Net Zero initiatives (energy, transport, built environment, industry and land use), West Yorkshire has the sectoral specialisations to lead on two (built environment and industry) and to contribute to the technology supply chains of others (transport, energy and land use). The combination of strengths in manufacturing, other foundational sectors, digital, and professional services really puts West Yorkshire at the forefront of the national decarbonisation objective. These might include:

- Engineering and Technical Consulting
- 50 • Finance and Green Finance
- Clean Energy
- Chemicals
- Water, Waste, and Circular Economy.

## **Next Steps for the study:**

The next stage of this work will be to understand the place-based element and emerging opportunities. The groups will be analysed by, ability to attract investment into West Yorkshire, ability to compete internationally, and drive export growth, ability to provide good jobs, ability to help meet national priorities, for example addressing the challenges the UK faces around housing, climate change, infrastructure, health and social care, ability to produce local spillovers, for example by providing innovations that improve delivery of key foundational goods and services.

**Call for Evidence:  
engaging the region's  
academic community.**



# Building our understanding of an inclusive economy

A call for evidence was launched through the [Y-PERN](#) network of Yorkshire and Humber universities. A roundtable was held to shape the questions around three core themes for an inclusive economy. The following institutions were involved in the Roundtable and subsequent call for evidence:

- Leeds Arts University
- ~~Leeds~~ Beckett University
- Leeds Conservatoire
- Leeds Trinity University
- University of Bradford
- University of Huddersfield
- University of Leeds.

# Building our understanding of an inclusive economy

## Theme one: Childcare

**Background:** Childcare costs in the UK are amongst the highest in the developed world. This is having an impact on parents who would like to work but for whom it is no longer economically viable. Barriers to childcare are having a disproportionate impact on women's participation in the Labour market.

**Rationale:** to understand the size and scope of childcare provision in West Yorkshire including challenges facing the sector and where barriers exist, understanding costs to the economy including lack of childcare availability for lower income families.

**Findings:** Responses focussed on the interrelated issues of funding, infrastructure, childcare as work, and the implications of childcare issues for employment and the job market.

**Next steps:** Building on the call for evidence, funding has been secured for a structured deep-dive to map the system provision of childcare in West Yorkshire and the impact this has on the regional economy.

## Theme Two: The Informal Economy

**Background:** More research is needed to understand the informal economy of West Yorkshire and the implications this has for our policy programme. This includes wider networks across West Yorkshire.

**Rationale:** The call for evidence sought to understand how can small-scale entrepreneurs and informal small businesses can best be supported by local and regional government; how policy makers can 'win trust' and communicate with informal workers and to better understand the help they may need. This included the role of technology and artificial intelligence.

**Findings:** A wide range of responses were submitted including evidence on entrepreneurship, support for migrant Women in Yorkshire, effective ways for small-scale entrepreneurs and informal small businesses to be supported by local and regional government, and published research on flexible working practices.

**Next steps:** Further engagement on approaches for business support is being progressed. An evidence review on flexible working is being undertaken by the West Yorkshire Scientific Advisory Group and will be informed by evidence from this call.

## **Theme Three: Future of Work**

**Background:** Policy interventions to support the future workforce need to be considered as part of emerging trends in particular the impact of AI on the future economy and what this means across all parts of the region.

**Rationale:** The call for evidence sought to understand what opportunities and challenges recent and potential future developments in artificial intelligence, digitalisation and remote working pose for regional economies, and the West Yorkshire economy specifically. This included examples in terms of policy interventions at regional and local levels that have extended the social and economic benefits of new working practices.

**Findings:** Responses highlighted the opportunities of AI for the West Yorkshire economy to address long-standing challenges around productivity, alongside the risks including disruptions to traditional labour markets. Responses also highlighted the role for policy makers to proactively shape the opportunities of AI balancing employment practices.

**Next steps:** alignment of the evidence with outcomes of the West Yorkshire Scientific Advisory Group evidence map on flexible working alongside further input from officers at the Combined Authority.

A full Bibliography with report links (where available) is included at the end of this pack.

# A Framework for Action

- This framework for action puts inclusive sustainable growth, and equality, diversity and inclusion at its heart, promoting health in all policies building on our sector strengths in health tech as driving focus for the Economic Strategy.
- The framework aligns with the vision and missions of the West Yorkshire Plan against the pillars of productivity where we need to act. Prioritisation must unpick the relationship between prosperity and inclusivity ensuring that all areas can benefit from the region's strengths.
- Building on the evidence and stakeholder engagement, a series of emerging areas for consideration are set out below. These are draft and will be subject to further discussion and iteration as the evidence collection concludes, and stakeholder engagement continues. This is not an exhaustive list and once all stage of evidence collection are complete will be added to.

**The draft priorities below relate to the Business Pillar.**



# Draft Priorities

## Business

### Building on strengths where West Yorkshire has a comparative advantage in established and emerging clusters:

- Build on and work with business leaders to overcome barriers and unlock investment
- Working with cluster leadership bodies nationally and make links regionally including with universities
- Support opportunities to drive export growth
- Delivering skills pathways aligned to cluster opportunities
- Working with local authorities to ensure the quality and availability of business premises
- Build on the Investment Zones model to wider sectors / clusters of excellence across West Yorkshire linking to university expertise, national and regional bodies.
- Sector targeting for productivity growth must reflect our ambitions for an inclusive economy and consider synergies between sectors. We need to widen our understanding of productivity drivers to consider the impacts of issues such as childcare.

# Draft Priorities

**We want to ensure that the areas of West Yorkshire's economy can promote good work but particularly in those sectors where there are high numbers of employment such as retail and hospitality:**

- Capturing learning from the first year of delivery of the Fair Work Charter and building on the successes
- Working with sectors to support uptake and embed good practice bringing together communities of good practice
- 67 • Building on best practice of what works in boosting low productivity, especially in sectors of the West Yorkshire economy currently characterised by large scale, low pay employment.
- Supporting businesses to implement sustainability changes.

**We need to deepen our understanding of the finance landscape to include a focus on place-based impact investing and investment opportunities for under-represented groups.**

- Provision of grants will not be sufficient to address the investment gap in West Yorkshire. Our role to foster the right conditions for investment and leverage funding should be strengthened. Investment Zones provide a strategic opportunity to do this.

# Draft Areas for Action

**We must simplify the business ecosystem recognising the role of the Combined Authority as a convenor of support and raising awareness of all types of provision:**

- A clear, easy to access portal of information for businesses and professional services.
- We must consider informal networks and key individuals within these networks to broaden our reach and sign-posting activity.
- We must do more to celebrate and elevate the diversity of businesses in our region including in sectors not directly supported by Combined Authority programmes.
- Alternative business models should also be considered alongside an articulation of the role of the Combined Authority.
- The COVID-19 Pandemic has impacted upon the future of work, we must reflect these opportunities in our offer of business support reflecting the needs of different types of businesses and understanding more on the potential of the informal economy and informal support networks that exist.

# Draft Areas for Action

- Skills are a big driver of inequality between places and have central role to play in an inclusive economy. There is a need to move beyond just upskilling and understand where it might be more appropriate to focus support on lower-level skills with the opportunity to open-up progression routes.
- Our review of the skills system and further devolution will support our ambition to fully integrate business and skills working with local employers to understand their current and future skills needs and make sure our schools, colleges, universities and training providers deliver the right courses to meet these.

# Continuing to build the evidence base

## **We must recognise the scale of the challenge and ongoing need for evidence:**

- The Economic Strategy is being built on a strong evidence base, this must continue to be built on and utilised as a resource for partners across the region.
- Data sharing internally and externally is underdeveloped and should form a strand of activity emerging from the Economic Strategy, enhanced data sharing from Government through devolution should be part of this. This will build on recent agreements made with Innovate UK.
- We must continue to build on our evidence base and strategic academic partnerships to embed the best evidence in our policy making including addressing gaps and continuing to commission research where it's needed most.
- Citizen engagement panels and young person engagement in a more structured way should be a consideration.

# Outcomes and prioritisation

A robust monitoring and outcome framework must underpin the Economic Strategy, this will bring together programme and project reporting across the Combined Authority and partners. Key principles include:

- Building on the monitoring indicators of the West Yorkshire Plan
- Prioritization is key and it will be important to develop a robust framework decisions made about the Economic Strategy
- Work will take place to unpick potential trade-offs and support development of a framework for prioritisation.

## Call for Evidence: Bibliography

### A list of responses received is set out below:

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Ogbemudia, Joy. 2022. *The migration of professional women from Nigeria to the UK: Narratives of work, family life and adaptation*. Abingdon: Routledge.

Panesar, Ravinder and Niki Kyriakidou. 2023. *Economic development through business acceleration practices within local authorities*. Submission to the Y-PERN/WYCA Economic Strategy Call for Evidence.

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Refai, Deema, John Lever, and Radi Haloub. 2021. *A better future? Understanding refugee entrepreneurship*. Available at: [https://cees.leeds.ac.uk/wp-content/uploads/2021/04/12577\\_UoL\\_Refugee\\_Report\\_Online.pdf](https://cees.leeds.ac.uk/wp-content/uploads/2021/04/12577_UoL_Refugee_Report_Online.pdf).

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<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Digital Blueprint Draft</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills & Culture
<b>Author:</b>	Marianne Hewitt, Programme Development Lead (Digital)

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. This report provides a draft of the new Digital Blueprint. Committee members' feedback and endorsement are sought.
- 1.2. The Committee is requested to consider the following:
  - Is the content of the Digital Blueprint reflective of the strengths and challenges of businesses and organisations in the region?
  - Are the outcomes, as they relate to businesses and organisations, ambitious enough? If not, how could they be bolder?
  - Do you have any other feedback or advice on how the Digital Blueprint could be improved, ahead of going to design?

## 2. Information

### Background

#### Digital Blueprint

- 2.1 An update of the Digital Blueprint and the approach to its development was brought to the last Business, Economy, Innovation Committee on 9 November 2023 (as well as the Employment and Skills Committee on 19 October 2023 and the Place Committee on 26 October 2023.)
- 2.4 The Committee's feedback, which was largely positive, has been incorporated alongside the previous input from the then LEP Board members, private and public sector digital experts, private sector employers, academics and Local Authority members.
- 2.5 All private sector members of the Employment and Skills Committee (alongside Place Committee, Business, Innovation and Economy Committee, and LEP Board) were invited to a September 2023 workshop to help shape the themes of the Digital Blueprint.
- 2.6 A public consultation was live for four weeks from late October until late November 2023. This received 121 responses, and the results are embedded in the draft Digital Blueprint.

#### A Reminder of the Digital Blueprint's Approach

- 2.7 The Digital Blueprint focuses on the 'horizontal' or 'levers' of 'Place', 'People and Education' and 'Businesses and Organisations'.
- 'Place' refers to smart city initiatives, infrastructure development, connectivity and connected places.
  - 'People and Education' refers to digital: skills; inclusion; workforce development; educational pathways.
  - 'Business and Organisations' refers to digital: transformation; investment; entrepreneurship; innovation and research; trade and export promotion.
- 2.8 Interwoven with the horizontal, are 7 'vertical' or 'cultural' themes, all of which affect/are affected by the 'horizontal'. The verticals are as follows, in the order prioritised by the private sector committee member consultation:
- Ensuring that we are benefitting from **advanced technologies**, such as AI, VR, quantum.
  - **Showcasing** all the digital opportunities that West Yorkshire has to offer.
  - Ensuring that digital technologies make **day-to-day life** easier for West Yorkshire residents and businesses.
  - Tackling **digital exclusion**.
  - **Collaborative working** of digital stakeholders in West Yorkshire.
  - Understanding and using **data** to make West Yorkshire a well-connected digital destination.
  - Establishing digital as a method to help West Yorkshire work towards tackling the **climate emergency**.
- 2.9 Pending the endorsement of BEIC, ESC and Place Committees, the Digital Blueprint will be considered by the Combined Authority Committee, ahead of approval and publication.

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

- 3.1 The Digital Blueprint aims to tackle the climate emergency through inclusion of elements such as evolution of digital skills supporting sectors developing and innovating their sustainability, support of 'better jobs', skills training for retrofitters of fibre and copper (internet access) and smart homes.
- 3.2 The Blueprint will also cover elements of adoption of digital tech by businesses and organisations which will facilitate efficiency and reduce waste, and refer to the opportunities for remote working (which has implications on reducing travel and paper). Digital and smart infrastructure will contribute to reduced energy use, such as smart street lamps, electric vehicles etc. Data capture from smart infrastructure – and local area energy plans and grids - will help with efficient and sustainable planning. Asset mapping allows delivery alignment and strategic sequencing to ensure we 'dig once', which saves on carbon.

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

- 4.1. Recommendations outlined in the Digital Blueprint will have implications for West Yorkshire businesses and organisations, aimed at catalysing inclusive growth using digital.

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

- 5.1 Inclusion will underpin the Digital Blueprint, and is one of the 7 'verticals', and will be interwoven throughout other 'verticals'. The Blueprint will include and make recommendations regarding demographic information about those who are digitally excluded and reasons why e.g. skills, cost, or infrastructure. Stakeholders in community organisations and central government will be consulted on and included in recommendations around support those who are digitally excluded.
- 5.2 The Blueprint will consider EDI element such as digital as an accessibility tool for those with disabilities, e.g. working remotely. Regarding Business and Organisations, the Blueprint will take into consideration in recommendations elements such as the lack of diversity that is prevalent in venture capital investments. The Blueprint will map out the rural and urban 'not-spots' (areas without any internet coverage) to ensure that geography is not a barrier to participating in an increasingly digital society.

### **6. Financial Implications**

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

### **7. Legal Implications**

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

### **8. Staffing Implications**



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

## **9. External Consultees**

9.1. No external consultations have been undertaken.

## **10. Recommendations**

10.1. That the Committee endorses the Digital Blueprint, with current progress in mind.

10.2. In the case of outstanding feedback from members, that the Committee delegates endorsement to the Chair, ahead of the final design.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 – Digital Blueprint Draft.



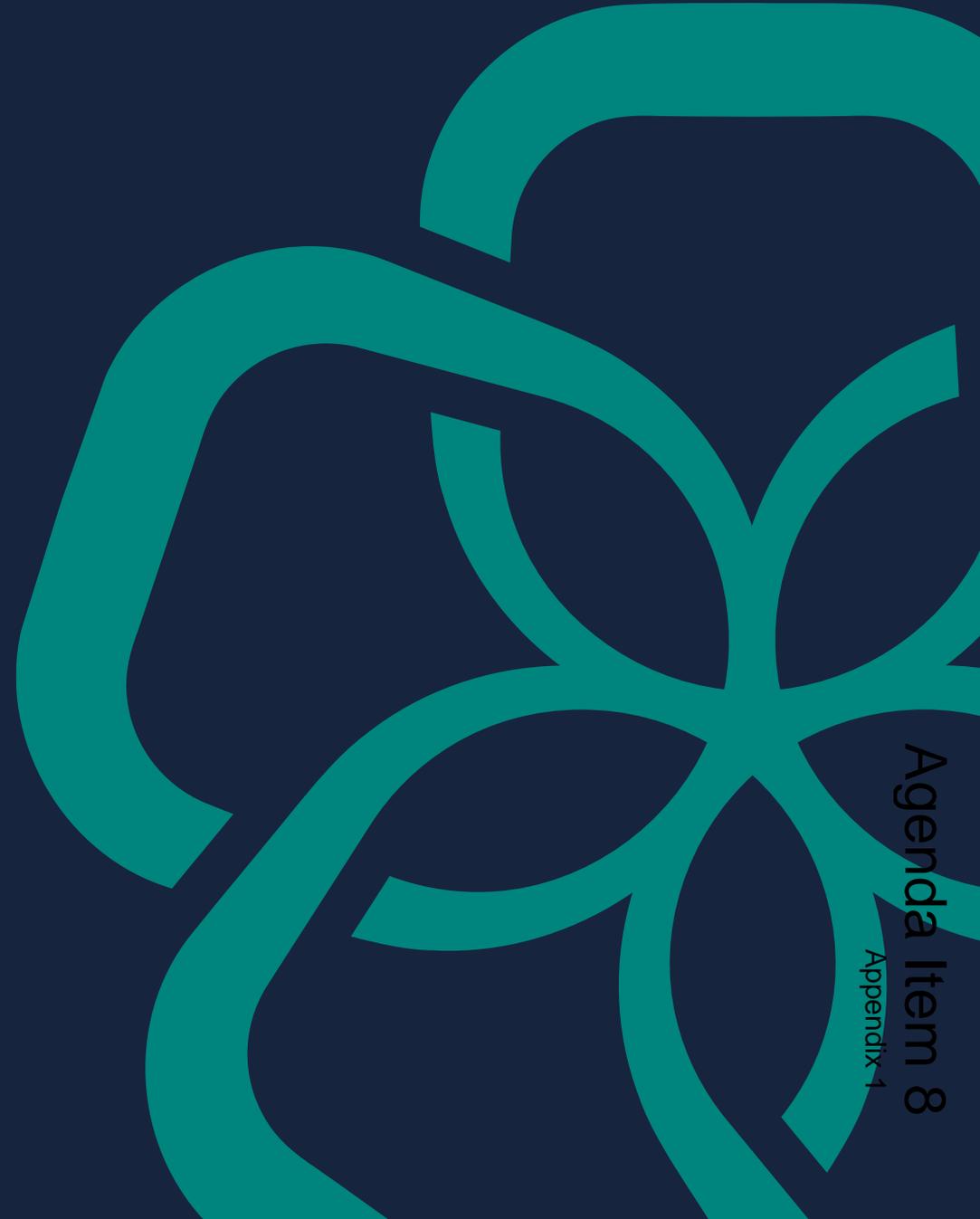
West  
Yorkshire  
Combined  
Authority

Tracy  
Brabin  
Mayor of  
West Yorkshire

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# West Yorkshire: Digital Blueprint

Agenda Item 8  
Appendix 1



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# Foreword from the Mayor

“West Yorkshire is the most inclusive place to be digital.”

## Aims

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- Create an inclusive society and thriving economy through the growth of digital skills for all.
- Be a leading region for high-speed gigabit-capable broadband connectivity and mobile coverage (5G) and be pioneers in our approach to connected places.
- Build one of the best digital sectors in the UK and grow the prevalence of digitally enabled businesses.



# One pager/Executive Summary

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## Guided by this Digital Blueprint, we will...

**Showcase** West Yorkshire as the UK's premier inclusive and digitally connected tech destination.

Elevate WY to become a global leader in **advanced technologies** and create a thriving ecosystem where businesses and communities flourish.

Empower West Yorkshire residents and organisations to embrace the **hybrid-digital era** and thrive in a hyperconnected world, where seamless connectivity fuels informed decision-making and unlocks a world of possibilities.

Foster a digitally **inclusive** West Yorkshire by embedding Equality, Diversity and Inclusion principles into digital skills initiatives, promoting inclusive practices among digital and tech businesses, and collaborating for universal high-quality connectivity.

Harness digital innovation to empower West Yorkshire as a global leader in **sustainability**, contributing to our aim to achieve net zero by 2038.

Transform West Yorkshire into a **data-driven** powerhouse, enabling businesses and individuals to harness the power of data for innovation, growth, and informed decision-making.

**Convene** an open and collaborative tech ecosystem in West Yorkshire and beyond, where best practices are shared, emerging challenges are addressed, and regional opportunities are coordinated and maximised.



Tom Loosemore

@tomskitomski

Digital: Applying the culture, practices, processes & technologies of the Internet-era to respond to people's raised expectations.

# Defining 'Digital'



## The YourVoice Survey

To create this strategy, a public consultation was circulated in October-November 2023. 121 respondents fed back their views on digital. These views are incorporated throughout this Blueprint. 72% of respondents were members of the public, giving their views as individuals. 23% were responding on behalf of, or as a representative of, a business or organisation. (5% other).

With regards to their digital knowledge, 7% consider themselves to be expert; 63% average; and 30% expert.

Full results and demographic splits of the respondents can be found in the appendix.

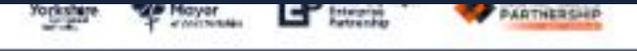
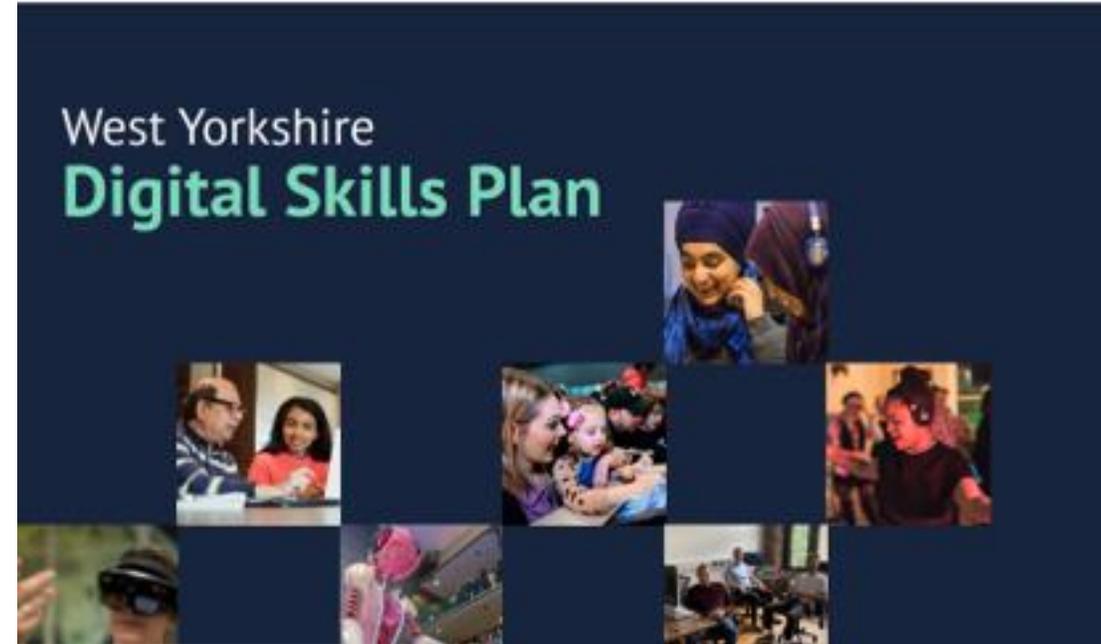
# Digital Skills Plan

This blueprint builds on the [Digital Skills Plan](#) (December 2022)

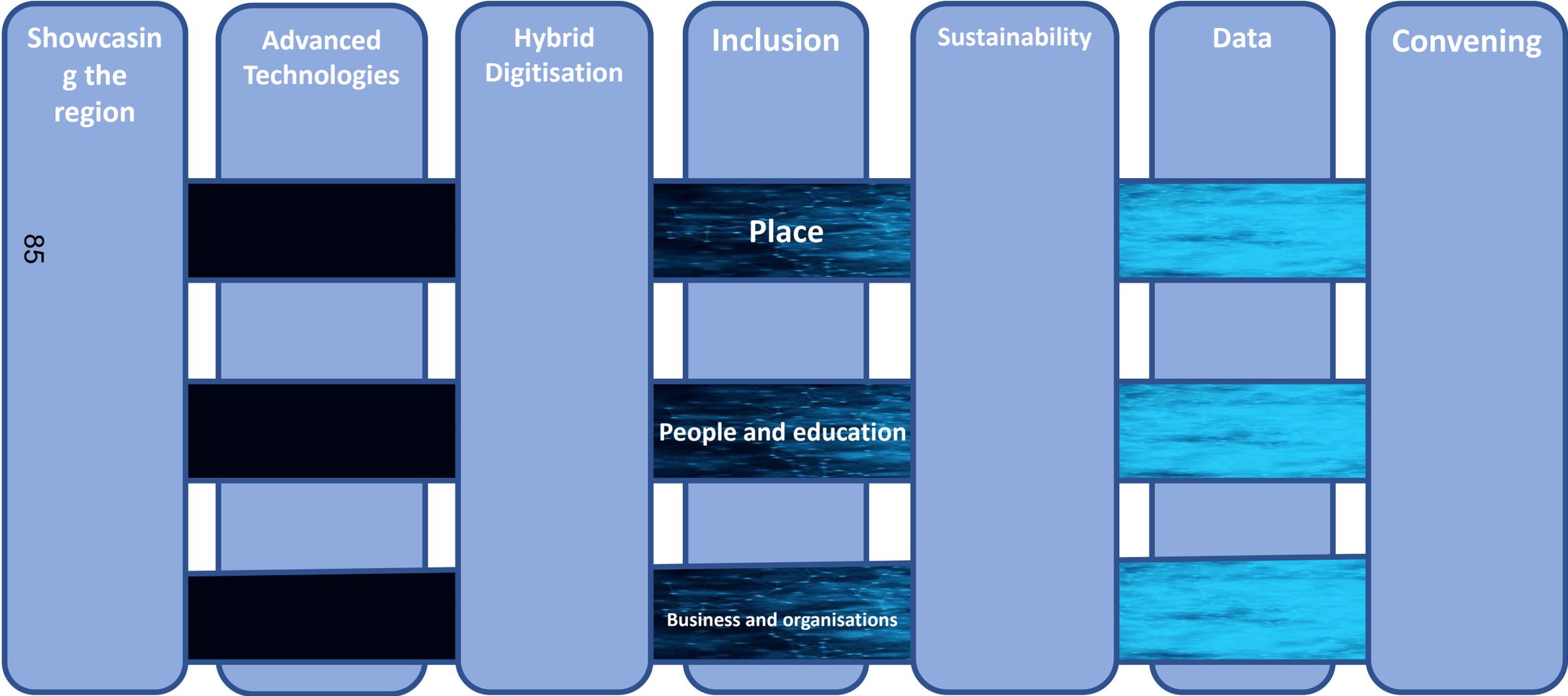
The West Yorkshire Digital Skills Plan outlines inclusive digital skills provision as a key priority for the Mayor. This Plan is our footprint for delivery to support everybody, from the residents who want to use digital to connect with their families, to the businesses looking to grow and innovate here, to the people looking for opportunities to work in our thriving tech sector. This Digital Blueprint updates the Digital Skills plan statistics and actions and considers the position of digital skills as enablers for the wider digital economy.

The Digital Skills Plan aimed to increase the numbers of residents with on Essential Digital Skills for Life (75%) and Work (59%) to match the leading region's 82% and 69%, respectively, by 2025 (data published in 2021). In line with the Equality Act (2010), diversity will be embedded throughout our targets. Over the last year, Lloyds and IPSOS MORI have removed the pre-requisites from the Essential Digital Skills Framework.\*

Within the new bands of the framework, the 2023 statistics are as follows: Essential Digital Skills for Life (95%), making Yorkshire and the Humber the leading region, and Essential Digital Skills for Work (85%), just 1% behind the leading region. Previously, an individual had to have the Foundation level to be eligible for EDS for Life, and had to have EDS for Life to be eligible for EDS for Work. Now, someone can start their digital journey in any of the framework areas and will be counted within the measure.



**Matrix of change – Across the 3 policy areas of Place, People and Education and Business and organisations, we have identified 7 priority themes to take action to influence change and to make West Yorkshire a digital destination.**





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# SHOWCASING THE REGION

# Why WY is a Great Place for Digital

*West Yorkshire is a region boasting a rich heritage in innovation and is now a place of high-level ambition and a digital destination for businesses, individuals and families:*

## PLACE

- West Yorkshire is a region boasting a rich heritage in innovation and is now a place of high-level ambition and a digital destination for businesses, individuals and families. The region outperforms the national average with statistics including:
  - 85% of premises have gigabit-capable internet connections, 7 percentage points higher than the national average. Bradford and Leeds have the highest proportion of properties connected to full fibre, and Calderdale the lowest.
  - 4G mobile coverage is growing in West Yorkshire and exceeds the national average. 91% of premises are covered by all providers, compared with 85% nationally.
  - Leeds has the highest coverage at 92% and Wakefield has the lowest, at 87%, but this is still 2 points above the national average (85%).
- West Yorkshire is a great place to live, work and raise a family, with a life satisfaction rating increasing by 0.25 points, compared to 0.15 points on average.
- Between 2015 – 2020, the West Yorkshire economy grew above the UK average (excluding London).
- West Yorkshire is strategically well-placed in the UK, with the M62, M1 and A1 running through the region. Major rail infrastructure secures links between West Yorkshire and major cities such as Manchester, Liverpool and Sheffield. This enables opportunities to collaborate, share information and access to supply chains and workforce.

# Why WY is a Great Place for Digital

## PEOPLE AND EDUCATION

- According to the YourVoice survey, people and education was of great significance. When asked, ‘What do you think is the biggest thing the Government can do to support the West Yorkshire digital sector 79% of respondents selected either ‘Ensure everyone has access to digital technologies, despite barriers such as cost, skills, infrastructure, location’ (Digital Inclusion) or ‘Increase the skills of our residents to increase the digital talent pool.’
- West Yorkshire’s biggest asset is its inclusivity within the digital system. Our skills programmes are set up to have a broad reach, ensuring a diverse talent pipeline and our businesses embody the theory that diversity in the workplace is better for innovation and productivity.
- In West Yorkshire, we understand that everyone has a role to play in creating a more diverse and inclusive tech industry. As of the latest census, 23% of the population of West Yorkshire now identifies as being from an ethnic minority. Across WY, approximately one third of households accommodate at least one disabled person. 49% of people in West Yorkshire are female
- In a sector that is typically dominated by men, a third of apprenticeship starts in West Yorkshire in 2021/22 were women, up from just 18% in 2017/18. People from ethnic minorities are well represented – 21% of digital apprenticeship starts are people from an ethnic minority
- Employment in specialist digital disciplines continues to grow strongly. Annual average employment growth for digital occupations has been 7% over the last decade in Yorkshire and the Humber, compared with 1% for the overall economy.
- The percentage of people in West Yorkshire with high digital capability is above the national average (65% vs 63%)

## BUSINESS AND ORGANISATIONS

- In Yorkshire, we're known for getting things done, doing them well, and then moving on to the next big project. Our region takes the lead in developing subsectors in line with the UK Government's goals for growth. This includes areas like geospatial information, space technologies, FinTech, AI, HealthTech, RegTech, AgriTech, and more.
- Just under half of respondents to the YourVoice consultation (46%) believed that more investment into the tech sector would positively impact their life, which can be encouraged with effective showcasing of the region.

**Leeds** – Consulting & Computer software. 99% of University of Leeds's computing research activity is either “world –leading” or “internationally excellent”.

**Bradford** – Strengths in EdTech and boasts highest postgraduate enrolments in applied artificial intelligence and data analytics in the UK.

**Wakefield** – Creative digital and gaming strengths. Home to Production Park, a live entertainment space which has hosted artists such as Beyonce, Ed Sheeran and Lady Gaga.

**Kirklees** – Home to the University of Huddersfield and 3M BIC. Centre for enterprise and innovation for businesses across the region, with a strong focus on SMEs. Strengths in Computer hardware and Computer software.

**Calderdale** – Strengths in consulting and computer software. Home to two very significant Digital Health organisations: The Health Informatics Service (an NHS organisation providing digital and IT services to health and care providers) and VISFO (makes evidence-based decisions for pharma and biotech).

# Showcasing – CASE STUDY

## West Yorkshire Innovation Festival

Created in 2020, the West Yorkshire Innovation Festival is a celebration of innovation across West Yorkshire. It brings together academics, businesses of all sizes, entrepreneurs and experts to share resources, showcase innovative ideas and to cast a spotlight on our region's most ingenious success stories. From workshops and panel events to masterclasses and talks, the festival is a great opportunity to learn about the latest trends in digital innovation, and to connect with other businesses and organisations that are working to make a difference in their sectors and the region.

# Showcasing intended outcomes

## **People and Education – Establish West Yorkshire as the most inclusive place for digital and tech**

Advocate for further devolution of employment and skills powers and funding in order to deliver best outcomes for West Yorkshire in digital skills

Celebrate as role models those in the digital sector who are embodying greater representation and diversity

Work with partners to maximise the skills in the region in terms of advanced technologies, digitisation of day-to-day services, sustainability, and data, all in a digitally-inclusive way.

Ensure promotion and positive narratives around the successes of the continued delivery of the region's first [Digital Skills Plan \(2022\)](#)

## **Business and Organisations - Promote West Yorkshire globally as an inclusive, thriving tech destination through trade missions, Mayoral events, and by supporting international businesses to invest here and supporting indigenous businesses to export.**

Establish a West Yorkshire tech representative on the Mayor's Business Board to act as a figurehead for all things digital in the region, appearing at events, presenting West Yorkshire as a great place for digital and expanding networking both in the digital space and other sectors.

Develop a West Yorkshire Inward Investment Strategy, establishing digital as a high opportunity area with potential policy interventions to boost investment into the sector. A digital focus would also be relevant to other strong areas such as the financial, health and creative sectors.

Form partnerships with leading digital hubs from around the world, which could facilitate trade missions, shared learnings and collaborative projects, showcasing digital in West Yorkshire on the global stage.

## **Place – Make West Yorkshire a well-connected region, with world class digital infrastructure, where businesses and communities thrive**

Ensure everyone has access to quality gigabit-capable broadband to enable people to work from home, for the self-employed, for businesses, schools and the public.

Work with our partners to support and highlight the community services already in place to increase reach and impact to ensure no one is left behind.

Work with our partners to support communities with access to myth busting terminology to help enhance understanding and take up of infrastructure products on the market.



# ADVANCED TECHNOLOGIES

# Advanced Technologies

*This displays how we are benefitting from advanced technologies such as AR/VR/AI/IoT. This includes higher level skills, sub-sector strengths and the role of smart cities and innovation.*

## **PLACE**

- West Yorkshire supports new and innovative advanced technologies and can shift to new opportunities to benefit the region.
- To be fully prepared for future technologies we need to facilitate the infrastructure and connectivity landscape to unlock opportunity. West Yorkshire is already in a great position with an average coverage of 85% across the region. Types of coverage are suboptimal, however.
- Fibre to the Premises (FTTP) figures in West Yorkshire are mixed with only 17% in Calderdale and 52% in Bradford. Having more FTTP coverage alongside other gigabit capable solutions would enable better connection speeds, meaning that individuals, businesses and communities can access more benefits from advanced technologies such as IoT, AI, AR, VR – all of which can play a part in supporting connected places.
- Having the infrastructure that enables connectivity and data transfer will unlock incredible opportunities for Connected Places infrastructure and ecosystem.
- According to the Your Voice survey 17% of people are excited by new technologies. Respondents felt that there was a potential for impact on individuals, communities, their work and day to day life.

# Advanced Technologies - Context

## PEOPLE AND EDUCATION

- West Yorkshire's higher-level skills provision is extensive with 9 universities, 7 colleges and numerous Independent Training providers.
- The University of Leeds is joint 9<sup>th</sup> in the country for Computer Science Research Quality (REF 2021). The University of Bradford has the highest number of Applied AI and Data postgraduates in the country.
- The Combined Authority (CA), working with employers, is building a talent pipeline. We have supported almost 200 schools and colleges to improve careers support and destinations for students, including teacher Continuous Professional Development (CPD), teaching resources for digital skills, and digital careers factsheets for students. The CA reaches 2.5 million people each year through our all-ages career platform, providing local knowledge on West Yorkshire's growing sectors, fresh job opportunities, and the best pathways into good, well-paid jobs. The Combined Authority also offer targeted, intensive employment support to people of all ages to help move those furthest from the labour market closer to, enter or return to work or progress within their current work, including linking residents directly to jobs in local businesses.
- In West Yorkshire, there were 1,370 qualifiers from digital courses in higher education in 2021/22. There were 3,120 enrolments on foundation level ICT courses in further education in 2021/22, 6% higher than in 2019/20. There were 170 Skills Bootcamp starts on ICT courses in the first half of the 2022/23 academic year. With 1022 digital apprenticeship starts in 2021/22, digital apprenticeship starts are well above pre-pandemic levels, growing strongly at Advanced and Higher Level.
- The digital skills gap prevails, with digital skills provision not meeting the growth of the digital sector. This national problem is estimated to cost the UK economy nearly £63 billion a year in GDP.

## BUSINESS AND ORGANISATIONS

- Advanced technologies are becoming pivotal in streamlining operations, enhancing productivity and driving innovation. West Yorkshire has the potential to lead in this area with institutions like NHS Digital and NHSC. The region also boasts over 600 health and life sciences firms, 250 MedTech companies and 65 digital health ventures.
- According to DCMS' 'Assessing the UK's regional digital ecosystems' report, Yorkshire's digital sector shows strong growth in economic output (6.5%, 2014-2019), faster than the UK's Digital Sector. The strong growth in digital sector employee jobs, at 8.2% per annum, surpasses any other UK region. The recent digital occupation growth rate, at 6.7% per annum, is also in the top quartile of UK regions.
- The CA has given free, impartial skills advice to over 1000 businesses and over £ 6 million pledged from businesses in apprenticeship levy transfers.

# Advanced Technologies - Context

## **BUSINESS AND ORGANISATIONS**

- West Yorkshire's prowess extends to sectors as varied as finance, logistics, manufacturing, and agriculture.
- The UK has up to 234,000 data vacancies, signalling a growing demand for machine learning expertise.
- Leeds has been ranked eighth outside London in AI-readiness, showcasing the region's commitment to digital advancement. The rapid adoption of AI is leading to growing emphasis on AI development to be transparent, ethical and responsible. This ensures that as the region advances technologically, it remains rooted in values that prioritise the well-being of its citizens.
- Despite the recent press surrounding AI, ONS found that between 3 to 16 April 2023, just 16% of businesses across the UK are currently using at least one of the AI technologies asked about in the survey, meaning more needs to be done to increase the appetite for businesses to engagement with advanced technologies.
- Areas advanced technologies could help include:
  - Decision-making: AI & ML helps businesses make smarter decisions. By analysing large amounts of data, they can offer calculable insights into future sales, customer behaviours and finance risks.
  - Operational efficiency: AI boosts efficiency. It can handle repetitive tasks, manage inventory, and predict when equipment needs repairs, reducing work delays.
  - Customer experience: AI improves customer service. Chatbots offer round-the-clock support, and ML tailors shopping experiences based on customer preferences.
  - Immersion: AR and VR revolutionises experiences. Retailers can create 3D virtual showrooms, and businesses can train employees in immersive environments. AR also lets customers virtually "test" products in real life. From product design to testing and customer interaction, AR & VR is the reinvention of environment
  - Innovation: AI and ML will enable smarter problem-solving and idea generation by analysing patterns and data that might be invisible to the human eye. These technologies not only redefine existing products and services but also pave the way for entirely new offerings. In this tech-driven era, businesses leveraging these tools are better positioned to lead in innovation, ensuring they're not just adapting to the future, but shaping it.
- 14.8% of business respondents to the YourVoice consultation said they were not looking to implement new software systems, AI, machine learning, digital machinery, or cloud-based services. There is potential to better present how one or more of these technologies can help all businesses and organisations in the region.

# Advanced

# Technologies – Case

# Study

## Skills Connect

The benefits of the Skills Connect programme is that the training is unaccredited, and employer endorsed, where the Combined Authority has the flexibility to commission activity based on labour market information and using intelligence gathered by employers and steering groups, without the need for commissioning an established qualification on the RQF.

Training is commissioned to support individuals to progress into new employment, or to support individuals to access increased responsibilities as a result of the training. Courses are delivered with a clear line of sight to improved labour market status for learners.

To date, over 1,000 learners have been supported via the Skills Connect programme, with delivery due to take place until March 2025.

**Examples of the digital courses are Essential Digital Skills, Creative Technologies, IT Roles, Technical Skills, Digital Management Roles, Ethical use of AI.**

# Advanced Technologies intended outcomes

**Place –West Yorkshire as a place that supports and encourages new and innovative advanced technologies and can shift to new opportunities to benefit the region.**

Increase gigabit capable coverage, including FTTP which is lower powered and future proof. Connectivity should be an essential utility that is resilient.

Develop a mechanism to explore how we prepare and future proof infrastructure projects and programmes to save public money.

Use existing assets in the region to catalyse growth in tech, research and data to improve access to facilities and services.

Explore how Smart Cities Infrastructure, including IoT technology can offer opportunities to make our places function better. Examples include using technology to enhance traffic management and road space allocation, as well as monitoring and mitigating climate impacts such as flood impacts, high temperatures and air quality.

**People and Education – Increase the higher level digital skills in West Yorkshire to support advances in technology for social, transport and career purposes**

Inspire school-aged students to consider digital careers, based on the four pillars of digital in schools, as advised by our education partners: Functional IT (e.g. Excel, Word), Media and creative, Computer Science (e.g. Software, coding), Tech support (Cyber security, networks, AI)

Encourage more digital apprenticeship starts among 16-18 year olds, as this age bracket is lower than other age brackets

Raise awareness of the availability and high-quality higher level skills courses in our region, and the increase in quality of life (high salaries in these sectors)

Support the use and culture of AI addressing concerns in communities. Educate and embrace, frame it as positive rather than negative.

Ensure promotion of AI and skills training that arise through the Investment Zone

Continue to encourage apprenticeship starts from diverse backgrounds with a focus on underrepresented groups

**Business and Organisations – Support businesses to increase productivity through embracing AI, and bolster businesses against the threat of AI**

Encourage businesses to use [New advisory service to help businesses launch AI and digital innovations - GOV.UK \(www.gov.uk\)](https://www.gov.uk) via the CA's Growth Hub

Develop challenge competitions focusing on solving advanced technology problems and creating innovative solutions, creating interest in advanced technologies and potentially providing businesses with the tangible benefits they bring.

Provide fiscal and non-fiscal support for businesses and organisations looking to adopt advanced technologies that may not have the required expertise to effectively implement them.

Integrate advanced technologies into Combined Authority services, which as well as modernises our offer to the region, acts as an example to businesses and organisations as to how advanced technologies can be utilised outside of their specific sectors.

Ensure promotion of AI opportunities for businesses that arise through the Investment Zone



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# HYBRID DIGITISATION

# Hybrid Digitisation

*How digital makes day-to-day life easier for West Yorkshire residents and businesses, and how we make day-to-day services more accessible (without removing the need for humans).*

## **PLACE**

- Digital is fully embedded in our society. In 2022, in the UK, 58% of people believed that on balance, digital technologies had made their lives better. As such, we need to better understand what this means for our communities, homes, leisure spaces and work.
- We understand that technology should never fully replace human-to-human contact. Instead, it should enhance, simplify and facilitate better communication and productivity between all.
-  West Yorkshire, we want to support our region and prepare all for change, whether that be systems or infrastructure.
- When it comes to ways digital technologies help you live your life, the YourVoice consultation showed that technology can help in many ways. Common responses included daily working, the booking and planning of travel, communication and shopping - with technology speeding up these activities.
- For transport, hybrid digitisation includes higher level of automation during ticket purchasing and journey planning, as well as broader connectivity with information relating to travel. For West Yorkshire this means the ability to purchase tickets and plan onward journeys whilst on the go. The digital transformation of transport works together with other services also. Digital technologies such as AI and IoT provide information needed to address transport problems such as traffic jams, utilisation of vehicles and pollutant levels. This data collection helps better identify causes of problems and find solutions such as new public transport services and routes.

# Hybrid Digitisation

## PEOPLE AND EDUCATION

- In an increasingly digital society, digital is often the solution to help people manage their careers, money, health, housing, leisure, career, and mental wellbeing.
- As of 2023, 95% of adults in Yorkshire and the Humber have essential digital skills for life. This is a significant increase from 75% in 2021. Essential Digital Skills for Life include using video call technology to socialise, searching for work via online platforms, or safely using comparison websites to help them save money when shopping for large-ticket items such as insurance.
- In 2023 data, 85% of adults in Yorkshire and the Humber have the full range of essential digital skills for work, up from 59% in 2021. Essential Digital Skills for Work include using the email address book in their organisation to 'cc' in colleagues; working remotely using a virtual private network (VPN); using document formats such as PDFs; using video-conferencing platforms.
- When it comes to behaviour, the YourVoice consultation showed that new technologies such as artificial intelligence 'means nothing' to 6%, 'scares' 19%, 'intrigues' 57%, 'excites' 18%. Ensuring that the one quarter who are scared or unsure of the benefits and threats of technologies such as AI and leveraging the excitement and intrigue of the remaining three quarters, will be key in supporting people to partake in society more effectively and efficiently.

## BUSINESS AND ORGANISATIONS

- Only 77% of SMEs within Yorkshire and Humber have high digital capability. The 23% of SMEs with low digital capability are less likely to: have Essential Digital Skills among their staff; offer their own website; use email to communicate with customers; use social media to interact with customers and suppliers; use government services; use Internet Banking; use online accounting software.
- Digital platforms have connected West Yorkshire businesses more than ever. UK-wide studies show that over 60% of SMEs collaborated with other businesses digitally in 2021, reflecting inter-business networking and growth.
- Digital tools have substantially improved operational efficiency. According to a 2019 UK report, businesses that adopted digital tools saw a 20% increase in productivity compared to those that didn't.
- Remote work saw a significant boost due to the pandemic. By mid-2020, 46.6% of people in employment in the UK did some work at home. This shift has allowed businesses in West Yorkshire and beyond to tap into a broader talent pool and offer greater flexibility, which often correlates with increased employee satisfaction. ONS data from 2022 tells us that around 25% of employees in the Yorkshire & Humber region work from home at least some of the time.

# Hybrid

# Digitisation –

# Case Study

## MCard

The MCard is one of the largest travel smartcard schemes outside London's Oyster card. It simplifies travelling across West Yorkshire. MCards can be loaded with a range of multi-operator bus and train travel products, including weekly or monthly tickets and day-savers. Over 11,000 people in West Yorkshire have downloaded the MCard app that enables them to buy and load travel tickets anytime, anywhere straight from any Android smartphone.

# Hybrid intended outcomes

**Place – Enable high-speed gigabit-capable broadband connectivity and mobile coverage capitalising on smart technology and connected places which allow people to navigate their surroundings making informed choices as they go.**

Continue to work for better quality and reliable infrastructure which will support the following:

Enable and support hybrid working, ensuring that the tech that enables this is a viable and preferred option, allowing for great flexibility in people's work/life balance.

Champion and continue to explore hybrid transport systems, including the tech that facilitates the rollout of Autonomous Vehicles but in a safe environment with driver operated traffic.

**People and Education – Enable the residents of West Yorkshire to benefit from the advantages of an increasingly digitised society**

Increase the percentage of residents who can access digital services (whether that's broadband access / skills) e.g. to apply for Universal Credit, housing, manage finances.

Ensure AI does not replace jobs, but enhances the workforce.

Enable education about new technologies for those who are scared or unsure of the benefits and threats of them.

Leverage the buy-in of those who are excited and intrigued by new technologies to promote the benefits to others in the region.

**Business and Organisations – Empower businesses to foster digital innovation and digitally upskill their workforces to increase productivity**

Increase the percentage of businesses and organisations engaging in digital transformation activities.

Enable access to digital transformation support – provide fiscal and non-fiscal support for traditional businesses to engage in digital transformation initiatives, measured by increased productivity, efficiency gains, or the development of innovative digital products and services.

Fund and promote hybrid workspaces, where businesses can access meeting rooms, digital tools and workshop space all in one building.

Ensure jobs are enhanced rather than replaced by new technologies.

Encourage use of new developments / empty buildings / retrofit older buildings and offices in the wider region.



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# INCLUSION

# Inclusion

*Going from digital exclusion to digital inclusion for all. Ensuring West Yorkshire has 100%, affordable internet connectivity and enables all communities to access and use the internet as they wish*

## **PLACE**

- Our definition of digital exclusion refers to those who are not able to use the internet to participate fully in modern society. Digital disparities are not only a moral obligation we need to tackle but are undermining efforts to “rebalance and grow the UK economy” and will mean “the UK will struggle to maintain competitiveness” as a result (HoL, Digital Exclusion report 22/23).
- Digital connectivity is a utility, yet, of households earning £25,000 or less, 1 in 5 never use the internet, rising to 1 in 3 with disabled people and 1 in 2 of those aged 65+.
- Digital Poverty is a vicious circle. Those without digital connectivity lose out and become financially poorer. According to ONS, 1 in 3 people are not using the internet due to cost, despite Internet providers being legally required to provide affordable ‘social tariffs.’ It is suggested that the tariffs offered by providers provide basic speeds which on many occasions are not viable for a typical family and can attract stigma.
- Digitally excluded groups: Disabled people, older people, those from BAME backgrounds must be represented in datasets that inform algorithmic decision-making. Increasing usage of digital tools and learning patterns and behaviour must result in redressing any imbalances and in-built biases in data.

# Inclusion

## PEOPLE AND EDUCATION

- Who is most likely to be digitally excluded? A homeless person trying to move into permanent housing while overcoming addiction and mental health challenges; An older person approaching end of life in a care home; An asylum seeker learning English and applying for settled status; A working person on a low income or a person who is unemployed; A person with health conditions or disability. Anyone facing and dealing with challenges in their everyday life.
- Nationally, the figures of those who regularly get online have fallen from 99% to 95% this year. Although the pandemic had accelerated the shift to digitally centred lives, the more recent costs of living challenges has further exacerbated the challenges with internet affordability – a key concern for many people.
- In Yorkshire and Humber 4% of people remain offline. 5% of adult residents of Yorkshire and Humber don't have Essential Digital Skills for Life.
- Up to 19 million people face digital poverty in the UK. There is a strong correlation with age, employment and housing status, and Digital Poverty. 1 in 2 older adults are in digital poverty, and 1 in 5 are in severe digital poverty. 20% of children are in digital poverty. Unemployed people are nearly 2-3 times more likely to be in digital poverty (West Yorkshire's official unemployment rate is 4%)
- The West Yorkshire Digital Inclusion initiative has responded to this urgent social and economic need to act. West Yorkshire will use devolved funding to deliver digital skills and access, via community organisations, to the digitally excluded.
- In the YourVoice survey, when asked 'Thinking about people you know that don't access things online, what are the reasons for this?', only 20 of the 120 respondents to this question selected, 'I don't know anyone that isn't online.' The remaining 83% of respondents know someone who is offline, for reasons such as behavioural: 'they don't know how/they are scared/they just don't want to' and related to access, 'an internet connection is too expensive for them/lack of available service where they live/they don't own a computer or smartphone'.

## BUSINESS AND ORGANISATIONS

- 23% of SMEs in Yorkshire & Humber have low digital capability. These businesses are missing out on the opportunity to improve productivity, cost efficiency, accessibility, innovation, increase customer base (83% of business have a website) and increase access to the talent pool (online recruitment).
- In West Yorkshire's dynamic third sector, an estimated 12,000 organisations and groups employ 29,700 full-time equivalent individuals. These organisations play a crucial role in addressing social disparities and delivering essential services to communities across the region, and their total economic added value is estimated between £3.1bn and £4bn. Serving as a lifeline for vulnerable groups grappling with poverty, homelessness, disability, or discrimination, these organisations are steadfast in their commitment to social inclusion and empowerment, including digitally-focused initiatives.
- There is a lack of diversity in venture capital investment. Digital inclusion includes breaking down the barrier female entrepreneurs face when accessing VC investment (only 3% of VC funding went to all female teams, compared to 68% to all male teams – report by Extend Ventures).
- Underrepresentation in the tech industry is still commonplace. For example, in the UK tech market, only 26% of workers are women. Tech has a marginally higher proportion of BAME people than the labour market as a whole, 11.8% for all occupations, and 15.2% for tech. However, this does not represent the UK population, where, according to the 2011 Census, 20% of people living in the UK are BAME. Around 19% of the UK's working population has a disability but this is not reflected among employees working in the tech sector. Tech now accounts for around two million jobs in the UK but only 9% of all IT specialists have a disability.

# Inclusion – Case

## Study

### Digital Inclusion West Yorkshire Leeds

The West Yorkshire Combined Authority is launching a regional offer to tackle Digital Inclusion across West Yorkshire.

Digital Inclusion West Yorkshire will be coordinated regionally to level up the region, provide support and wider context, enable the sharing of best practice and delivered locally to tackle local challenges and priorities. The programme will build on the success of 100% Digital Leeds, which is one of the most successful, high-profile and well-respected digital inclusion programmes in the country. Digital Inclusion Officers will be based in each Local Authority to help the voluntary, community and social enterprise sector across the region to tackle digital poverty.

# Inclusion intended outcomes

## Place – Work with partners to ensure high quality connectivity across West Yorkshire

Enabling accessibility of digital connectivity for all by addressing the not spots and understanding the reasons for market failure and working with the commercial sector to address.

Work with the commercial sector to drive low-cost internet access to ensure anyone, anywhere can access low-cost, high-speed internet connection.

Work with local authority partners to help expand methods for getting online, including opportunities to use public sector assets to get communities connected at home, in a digital hub or through public Wi-Fi.

Engage government to ensure there is ongoing new national approaches and funding to tackle digital poverty and the broader issue of digital inclusion.

## Skills and Education - **Continue to ensure Equity, Diversity and Inclusion are firmly embedded in any digital skills initiatives delivered in West Yorkshire.**

Tackle digital exclusion in West Yorkshire through the Digital Inclusion West Yorkshire programme and monitor the success of the Digital Inclusion West Yorkshire programme.

Address the problem of diversity in tech talent pipeline, through programmes such as the Mayor's Diversity in Digital Initiative, devolved Skills Connect digital courses and Department for Education digital bootcamps.

## Business and Organisations – Encourage digital and tech businesses in West Yorkshire to apply inclusive practices, and benefit from inclusive practices

Diversify VC investment and brokerage for access to finance for digital businesses.

Encourage businesses to advertise tech roles following inclusive practice e.g. a transparent salary and to describe the performance objectives of a role rather than a 'check list'.



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# SUSTAINABILITY

# Sustainability

*How digital is working towards supporting, accelerating and transitioning towards net zero goals in West Yorkshire, and how the West Yorkshire Combined Authority is enabling this:*

- The Combined Authority has a bold and ambitious target of reaching Net Zero by 2038. Digital sustainability and sustainable digital technologies can help to reduce emissions and improve resource efficiency.

## PLACE

- Digital technologies and data can make significant contributions to achieving our climate and environment goals. It was found by the World Economic Forum that digital solutions can reduce global emissions by 20% by 2050
- Sustainable forms of connectivity: fibre optic cables have a longer lifespan than traditional copper cables. They require less power to operate and have lower energy transmission which results in reduced carbon emissions. Digital therefore has a part to play in our target of West Yorkshire becoming a carbon free region by 2038. Evidently, fibre cables have a longer life span compared to traditional copper networks. They're durable, which minimises the need to frequent replacements, and will stand the test of time as we continue to experience changing weather patterns and more frequent heatwaves and flooding events.
- Work-place: high-speed connectivity opens the possibility of hybrid working. The hybrid model of working, accelerated in its implementation during the pandemic, is being adopted by many companies after finding employees were just as effective working from home, as they were in the office. Flexibility in working leads to a happier workforce.
- Applications: help us to better understand what activities and actions we can take to reduce or offset our impact on the environment. For example, often the biggest water waste is due to leaking pipes. Sensors and analytics could cut those losses by having better access to information. In fact, Beijing reduced deadly airborne pollutants by roughly 20% by tracking sources of pollution and regulating traffic and construction accordingly. Sharing real-time air-quality information with the public via smartphone apps enables individuals to take protective measures. This can reduce negative health effects by 3-15%, depending on current pollution levels.

# Sustainability

## PEOPLE AND EDUCATION

- The crosscutting work on digital, covering people, places and business will support work tackling the climate emergency. When it comes to sustainability, digital skills are an enabler, supporting movement into productive and emerging jobs within the region, such as those committed to by the Mayor's 1,000 Green Jobs Pledge.
  - Evolution of digital skills to support all sectors will be key to helping businesses develop their sustainability and therefore cut costs, cut carbon emissions, and enhance their productivity. This includes innovation skills required across the 'green sector' to tackle climate challenges.
  - The emerging technologies within Place will require a workforce that has the skills to implement and embed them. For example, growth in sustainable infrastructure will increase demand for people who can retrofit fibre and copper wiring (to improve internet access) and install smart homes safely (to help save energy and reduce waste). For this reason, the Combined Authority has approved a £7.5m package of skills support to focus on green and digital skills, for businesses and individuals.
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- West Yorkshire can ensure that it reaches its net-zero target by investing in digital skills. This is achieved through:
    - Digital skills plan will support 'better jobs' and more productivity.
    - Upskill people to retrofit fibre and copper infrastructure and installation of smart homes to help save energy and reduce waste
    - A £7.5m Gainshare programme focused on green and digital skills.

## BUSINESS AND ORGANISATIONS

- Digital Interactions: With over 70% of businesses in the region adopting online services, traditional customer-business interactions have changed. This shift has led to a potential reduction in regional travel emissions by up to 5%, making both business and leisure interactions more eco-friendly.
- Going Paperless: As the modern workplace in West Yorkshire evolves, there's been a significant 40% decline in paper usage. Beyond the immediate benefit of saving trees, this transition cuts down the broader environmental footprint associated with paper production.
- Cloud Storage Benefits: As about 60% of local businesses transition to cloud storage, the region experiences energy conservation. These centralised cloud solutions offer up to 30% more energy efficiency compared to conventional data storage, reflecting a broader shift towards green tech solutions.
- Efficient Deliveries: In a region with bustling trade and commerce, the use of digital mapping for deliveries has led to a marked 15% decrease in fuel consumption, optimising routes and making every trip count.
- Greater adoption of digital tech by business will facilitate efficiency and reduce waste e.g. WFH & hybrid work balance

# Sustainability –

# Case Study

## LoRaWan

As part of the West Yorkshire Flood innovation programme (WY FLIP), of which the CA is a contribution partner, one of the projects being led by Wakefield Council is the Digital surface water flood warning system – LoRaWan (Long Range Wide Area Network).

Surface water flooding is a growing problem across West Yorkshire, it can be unpredictable and fast flowing causing not only damage to properties but also health risks. The aim of this project is to improve the response to surface water flooding events by exploring the use of LoRaWan to provide a flood warning system which uses accurate, real-time information. Rolling out a network of sensors across West Yorkshire would evolve current flood responses to surface water flooding which are reactive to becoming proactive. The network of sensors would transmit real-time surface water levels to a central hub and create early warning systems of potential flooding, helping operational local teams to direct resources to where they are most needed to take preventative action.

# Sustainability intended outcomes

## **Place – Use digital capabilities and opportunities to create a more sustainable and climate ready West Yorkshire.**

Work with partners to promote the use of digital and smart infrastructure. Using innovative approaches to reduce energy use.

Work with partners to capture and use Data from smart infrastructure to help with planning and identify blockers to progress. Work towards and support more information sharing.

Build on GIS capabilities to help plan renewable deployment (Solar mapping) Asset mapping, allowing delivery alignment and strategic sequencing to ensure we 'dig once'.

Support the development of High-quality Local Area Energy Plans (LAEPs) using analysis of robust local, regional, and national datasets to digitally interrogate opportunities regarding energy performance certificates, insulation, and possibilities for heat pump installation etc.

Work with partners to share information and knowledge of the benefits of Smart energy appliances, smart tariffs (Kraken system), online advice.

## **People and Education – Create a West Yorkshire where everyone has the skills and mindset to innovate for sustainability.**

Promote awareness of the benefits of digital skills supporting growing sectors to develop and innovate their sustainability.

Promote schemes that offer green and digital skills training, such as WYCA's £7.5m Gainshare projects focused on Green and Digital

Work with industry to develop digital and green skills that are fit for purpose for the jobs and infrastructure of the future

Offer equitable access to advanced high level digital skills so that all in West Yorkshire have the skills and mindset required to innovate with sustainability as the goal, linking through to schemes such as KTPs

Use digital technologies e.g. social media, to raise awareness of sustainability issues and to encourage people to adopt more sustainable behaviours.

## **Business and Organisations – Establish West Yorkshire as a beacon of digital sustainability by setting ambitious regional targets, promoting sustainable practices, and incentivising eco-friendly technologies and waste management.**

Develop a regional digital sustainability target for businesses and organisations.

Promote digital sustainability initiatives as part of West Yorkshire's business offer.

Green technology incentives for businesses and organisations adopting energy-efficient digital technologies, such as renewable energy sources, low-power computing equipment and energy-efficient data centres.

E-waste recycling programmes for businesses and organisations to responsibly dispose and recycle electronic equipment.



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DATA

# Data

*'Data is the driving force of the world's modern economies.' It is important that we understand data, know how to use and collect it and store it safely. We need to also understand and support digital data skills, as well as understand the architecture of data.*

## PLACE

- Whether looking at 5 star reviews, to choosing a restaurant, data has transformed our everyday lives. But we need data and data sources to be secure, safe, good quality, timely to access, and, have integrity.
- Data infrastructure is the systems and services that store, process and transfer data e.g. cloud compute, data centres, servers. Data infrastructure is a vital asset and supports our economy, delivers public services and drives growth.
-  Smart Cities: use data and digital technology to improve decision making and improve the quality of life and resource efficiency. To ensure that data is appropriate and usable we need three layers
  1. A technology base e.g. smartphones, sensors, high-speed communication networks
  2. Specific applications e.g. data translation into alerts, insights and action.
  3. Usage e.g. cities, businesses can use smart technology to improve experiences.
- Data storage: we must have robust systems in place to protect people. We must also make our region data rich to respond to community and business needs.
- AI: Incomplete, insecure or biased data risks failing to solve problems and even worsening or entrenching disadvantage. AI and data will be useful if we ensure data sets are not misused, are transparent and the purpose and use of the data is transparent. Clear accountability, governance and oversight on any decision and projects are also key to ensuring fairness in data usage.

# Data

## PEOPLE & EDUCATION

- Data Analyst and Data Technician apprenticeship starts are in the top 4 digital apprenticeship starts in the region, demonstrating the strength of the talent pipeline for data in the area. Nevertheless, growth in specialism such as AI and cyber are driving demand for supply of broader data skills at foundational level to feed the pipeline of advanced skills and to provide businesses with foundational skills they need to work with data.
- As data and technology change the skills, knowledge and behaviours needed from people in different sectors also change, and simultaneously increases the demand for technology-driven roles e.g. data architects and scientists. This requires us to have a greater understanding of and support in place for data skills. In 2019 PwC reported that 69% of employers were predicted to demand data and analytics skills from job candidates in 2021, but only 17% of UK workers were “data literate”.
- There is significant demand for data skills with UK companies recruiting for 178,000 to 234,000 roles requiring hard data skills. 48% of businesses are recruiting for roles that require hard data skills but 46% have struggled to recruit for these roles over the last 2 years. The supply of graduates with specialist data skills from universities is limited. While many companies undertake to train their own workers internally, half of all workers surveyed reported they had not received any data skills training within the last two years despite considerable interest in undertaking training.
- Yorkshire and the Humber has better ‘machine learning’ and ‘data literacy’ skills compared to the rest of the UK. Yorkshire and the Humber is strongest, in ‘basic IT skills’ (83%), ‘industry/sector expertise’ (76%) and ‘data literacy’ (75%) skills.
- As of 2020, [DMCS-commission analysis](#) predicts data analysis will be the fastest growing digital skills cluster over the next five years. Exponential growth in the demand for advanced applications of data science and machine learning will occur in all sectors of the economy.
- Use of data and behaviour must be acknowledged. Fear of cyber hacks is one of the barriers stopping those who are digitally excluded from accessing the internet. In the YourVoice survey, when asked, ‘Thinking about people you know that don’t access things online, what are the reasons for this?’, the most common responses were ‘they don’t know how’, ‘they are scared to use the internet.’
- In the YourVoice survey, only 21% of respondents said they were ‘very confident’ to keep themselves safe online, even though 30% consider themselves to be ‘experts’. 13% of respondents said they are not confident to keep themselves safe online, yet only 7% believe themselves to be ‘beginners’ when it comes to using the internet. This shows a discrepancy in the perceived skill levels of general digital usage versus online safety.

## BUSINESS

- Effective use of data will benefit businesses through boosting productivity, encouraging competition, creating new businesses and jobs, improved public services and position the UK as the forerunner of the next wave of innovation. Overall, the UK will be highly attractive to multinational companies to situate or headquarter themselves.
- West Yorkshire was recognised as a High Potential Opportunity in Artificial Intelligence and Big Data by the UK Government. With expertise in data analytics draws a range of world-ranging organisations.
- 31% of SMEs in West Yorkshire do not use data to aid decision-making (FSB, 2021). Of the SMEs in West Yorkshire that use data to make business decisions, 59% said that data analytics has helped them to increase sales, 68% said it has helped them to improve customer service, and 64% said it has helped them to reduce costs.
- There is a large disparity in data analytics between small and large businesses. In Yorkshire and Humber, only 22% of businesses with fewer than 10 employees are using data analytics, compared to 63% of businesses with more than 250 employees. (2021)

# Data – Case Study

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## Data Bootcamp

Bootcamps offer intensive training, targeted at career changers, funded by the DfE. For example, a data bootcamp run by Generation. Generation Data Bootcamp helps build the roadmap to employment and aims to build confidence in its applicants. It provides participants with support via instructors and mentors in 1-1 sessions. Here participants can receive help with personal bio writing and interview preparation in order to help them secure a job. The support on-programme is followed by post-programme support.

# Data intended outcomes

**Place – Access and use good quality safe data to help make well informed decisions which will benefit West Yorkshire.**

Ensure data is collected for the right reasons and used in the right way.

Use place-based data to inform decision making, understanding limitation and biases.

Share data and information where appropriate to help partners and stakeholders to make informed robust evidence-based decisions. Support and lead ethical data usage, by examining our own approaches and building guidelines.

**People and Education – Make West Yorkshire the UK's leading region for data skills, supporting businesses and individuals to thrive in the data economy.**

Deliver and promote adult skills training and upskilling opportunities in data

Leverage the existing success of specialist data apprenticeships by further promoting the opportunities

100% Digital will deliver community-based interventions that increase confidence and motivation to start engaging with digital (such as cyber security training) as secondary learning.

Raise awareness and confidence of online safety and protection of data for the residents of West Yorkshire.

**Business and Organisations – Empower West Yorkshire businesses and organisations with data-driven innovation and collaboration**

Facilitate the development of regional data hubs and cloud-based platforms, providing businesses with secure and accessible data storage solutions.

Develop data-sharing agreements to facilitate secure and ethical data sharing among businesses, research institutions, and government agencies, fostering collaboration and innovation.

Promote open data initiatives that encourage businesses to make non-sensitive data available to the public and other organisations, fostering transparency and innovation.

Provide training and resources to help businesses, particularly SMEs, harness the power of data analytics for informed decision-making and improved competitiveness.

Develop initiatives for businesses to undertake data-driven research and innovation projects, encouraging the development of data-driven solutions and products.



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# CONVENING

# Convening

*The role of CA, district partners, central government, the private sector and the public need to be aligned, agile and pull in the same direction in order to fully embed digital in all of West Yorkshire*

## **PLACE**

- The West Yorkshire Plan sets out our vision of making West Yorkshire an engine room of ideas where anyone can make a home.
- Our region has many opportunities for growth and is a test bed of innovation and ideas. Our extensive, trusted and established partnerships will harness our assets to generate opportunities for the people and places of the region, thus creating a brighter West Yorkshire that works for all.
- West Yorkshire is ready to negotiate further devolution of funding and powers. The current system is time consuming and stifles innovation due to siloed, restrictive and competitive funding pots. Devolution will drive efficiencies by reducing and removing government bureaucracy. It will further empower the region by enabling local authorities more freedom to deliver for the people.

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## **PEOPLE AND EDUCATION**

- **Digital Skills:** The digital learning space is complex and dynamic; therefore, it is crucial to convene stakeholders and work with partners in the area to ensure West Yorkshire is offering comprehensive and navigable digital skills training for all.
- There is currently not a single-entry portal that includes all provision from online only providers, state funded colleges and training organisations, universities, and large employers.

## **BUSINESS AND ORGANISATIONS**

- A key aspect of unlocking potential in our region is to further develop our partnership with national government and the national and international private sector. These relationships can help shape our regional offer to businesses and organisations.
- There is not currently a provision map in one location for all digital initiatives for businesses and organisations in West Yorkshire.

# Convening – Case

## Study

### LDSP

The LDSP played an important role in convening, coordinating and influencing digital skills in West Yorkshire, especially during the pandemic, where the partnership ensured donation of tech to families who needed to get online. The LDSP was also the partnership responsible for the delivery of the Digital Skills Plan, which has influenced the development of £7.5 million of funding for digital, green and skills for business funding. The LDSP also formed a platform of digital advocates and experts to speak directly to central government to influence national policy. The funding for LDSPs has ended, leaving gaps in the landscape and a lack of regional representation to national policy makers, which West Yorkshire Combined Authority intends to fill.

# Convening intended outcomes

## Place

Support and highlight issues with regulators and central government.

Funding simplification.

Use the Mayor's leadership and relationships to implement positive change, to help service users and customer understand products and get more benefits from digital transformation.

Work with local authority partners and the commercial sector to ensure we deliver the best outcomes for our region.

## People and Education

Convene stakeholders and work with partners in the area to ensure that West Yorkshire is offering comprehensive and navigable digital skills training, accessible at all levels, leveraging the success of the Local Digital Skills Partnership.

## Business and Organisations

Provide one place for businesses, particularly SMEs and those which have potential to increase their digital capacity, to view digital-related business support information would simplify the vast array of existing platforms to provide this.

## Cross-matrix: Establish a group of digital stakeholders across West Yorkshire

This group will:

- Drive delivery of the interventions in development through the Digital Blueprint and oversee their implementation.
- Act as an open forum and intelligence hub where the West Yorkshire tech ecosystem can flag and troubleshoot emerging issues, concerns, or challenges.
- Share best practice by attracting national and global experts.
- Coordinate regional opportunities for the sector, relating to people and education, business and organisations, and place.

# INDEX

# Glossary

- **Data** – Information that has been processed into a format that machines can read and understand.
- **5G** – The fifth, and most recent, generation of cellular networks. Allows for faster data rates and less transmitting delays.
- **4G** – The fourth generation of cellular networks, preceding 5G.
- **FTTP** – Fibre to the Premises. A broadband technology that provides very fast internet speeds. Allows for a fibre-optic cable installed from the street cabinet into your home.
- **Digital Technologies** – Tools, systems and devices that can generate, create, store or process data. Examples include 5G, Artificial Intelligence, and Video Technologies.
- **Digital Transformation** – The process of using digital technologies to create or modify business processes to meet changing business and market requirements.
- **AI** – Artificial Intelligence. A simulation of human intelligence processes by machines (especially computer systems) to perform cognitive functions.
- **Cyber Security** – Protection of computer systems and networks from online attacks.
- **Hybrid** – A combination of digital and traditional methods.
- **Climate Emergency** – A situation in which urgent action is required to reduce or halt climate change in hope to avoid irreversible damage to our environment.
- **Smartphone** – A mobile phone with highly advanced features, and can perform many of a computer's functions.
- **Broadband** – Data connection that is able to support interactive services without the use of a telephone line.
- **Connected Places / Smart Cities** – Places which use information and communication technologies to increase operational efficiency.
- **Virtual Reality** – Computer-generated environment with scenes and objects that appear real.
- **Phone Service** – a company or public utility that provides reception in order to transmit information.
- **Smart Cities / Connected Places** – These are communities that make use of digital technologies to deliver new services. Examples of the benefits can include:
  - Improved transportation, traffic management and route finders.
  - Safer communities, such as smart street lighting, technology that captures information in real time (licence plate recognitions).
  - Data and information to help make better decisions such as quickest travel route that avoids traffic.
  - Quicker and easier engagement with businesses, local government and central government, such as getting better deals or access to services.
  - Reduced environmental footprint such as monitoring consumption, sensors to identify poor air quality. Access to technology driven amenities, such as booking tables or an appointment at a hair salon.
  - Economic growth and innovation, attracting investment, create jobs and training opportunities

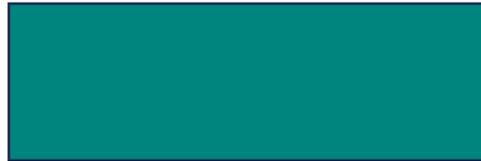
# Key

- Place



- People and Education

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- Business and Organisation



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<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Investment Zones</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills & Culture
<b>Author:</b>	Natasha Copp, 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## 1. Purpose of this report

- 1.1 To provide an update on the West Yorkshire HealthTech and Digital Investment Zone proposal.
- 1.2 To seek feedback on some of the emerging priority areas within the IZ package of investment.

## 2. Information

### Background

- 2.1 In Spring 2023, the Chancellor announced that West Yorkshire will become one of eight Investment Zones, focusing on driving up innovation levels, attracting further private sector investment and support the levelling-up mission.
- 2.2 Since then, West Yorkshire Combined Authority has been working closely with partners, particularly local authorities and universities, to develop a set of capital and revenue interventions that will propel the region's ambition to scale and support longer-term innovation plans, aiding delivery on high impact innovation-led transformational projects.

- 2.3 Aligned to local and regional spatial and innovation-based policies, capital proposals will concentrate around core areas in Huddersfield, Bradford and Leeds. Revenue programmes will be region-wide but support capital investment.
- 2.4 Potential capital projects have been identified and proposed. These include:
- **University of Huddersfield (National Health Innovation Campus) and Station to Stadium SPA** the University of Huddersfield is investing over £100m into the development of a new state-of-the-art campus comprising six-new facilities focusing on tackling health inequalities, specialist clinical teaching facilities and entrepreneurial academic activity. Potential Capital Investment from the IZ includes support for the development of an innovation hub in building two and to improve utilities access supporting this development and, alongside remediation and access works, unlock development opportunities for business investment adjacent to the campus supporting agglomeration and cluster expansion.
  - **Leeds Collaborative HealthTech Innovation Hub** – this pioneering project will deliver a dedicated health innovation cluster hub at the heart of the Innovation Arc. It builds on the momentum of Nexus and the LTHT Innovation Pop up, for the first time co-locating entrepreneurs, businesses, clinicians, academics and other stakeholders to accelerate the growth of this key cluster and drive change by co-developing a joined-up innovation pathway. This is a unique and time-limited opportunity which will significantly accelerate health innovation through new inward investment, business growth, new enterprise and investment in training and skills. Aligned to the New Hospital Programme investment this will unlock an unviable heritage building and enable the Leeds Innovation Partnership to deliver a pioneering new space in the city.
  - **Bradford Digitisation HUB and Tech Entrepreneur Eco-System Space** – University of Bradford's Analytical Centre, Digital Health Enterprise Zone, which leverages the University's own investments in research capital to support businesses and startups with product and service innovation. Potential for funding through the WYIZ to invest in new technology to enable expansion of the programme in scale and scope aligned to investment in unlocking additional innovation space in the city centre and development opportunities in the Knowledge Quarter and Southern Gateway areas for businesses investment and agglomeration.
- 2.5 Revenue projects will support the ambitions of the Investment Zone. Proposed areas of focus include:
- **Demand-led courses skills courses** will help employers in Healthtech and Digital Tech, providing businesses with an opportunity to build a skilled, adaptable, and innovative workforce. By investing in the ongoing development of their employees, organisations

position themselves to thrive in a rapidly evolving industry and contribute to positive outcomes in healthcare delivery and digital innovation.

- **Part funded Industrial PhDs** linked to sector strengths and RD&I grants to support innovation development will support business-driven research agendas, driving innovation, addressing industry-specific challenges, and creating a knowledge-based economy. This project will contribute to the development of a skilled workforce, the advancement of technology, and the overall competitiveness of industries in a rapidly evolving global landscape.
- **A Regional Accelerator** will support cluster-based activity such as research and development activity, mentoring and skills development for businesses/start-ups seeking growth-based support. Linked to the accelerator, there will be wraparound support for **the three place-based incubators** that support business development through local and university specialisms.
- A regional **co-investment pre-seed fund** which will primarily support high growth / potential Healthtech businesses with pre-seed equity.
- Funding to support an **Academic Brokerage Service** based out of universities. This service will offer personalised support to businesses, facilitating the transfer of innovations, knowledge, and technologies from academia to help businesses progress within or move towards commercialisation
- **An Inward Investment Resource** that will support businesses to locate and grow in the region, bringing innovative technologies to market, supporting the scalability of successful ventures, and ultimately contributing to advancements within the cluster. Although West Yorkshire is home to established place-based specialisms, there is a need to package, and communicate said specialisms to be more attractive.
- Part of the Investment Zone funding will go towards **capital and revenue delivery and coordination**. This resource will aid the delivery of interventions on both capital and revenue.

All interventions are caveated by the Department of Levelling Up, Housing and Communities official sign off, which is due in March 2024.

#### Policy Changes & Development

- 2.6 In the Chancellor's Autumn 2023 Statement, it was announced that the West Yorkshire Investment Zone, along with others, will be extended to 10 years and have £160 million worth of funding. The above sets out plans for the first five years, with development of the latter five years starting during 2024.

### Marketing and Communications

- 2.7 The WY IZ was announced by the Chancellor of the Exchequer, Jeremy Hunt, on a visit to Huddersfield based Paxman Scalp Cooling, showcasing a pioneering regional HealthTech company that has diversified, distributes to international markets and scaled through investment.
- 2.8 The Combined Authority, Bradford, Kirklees and Leeds Councils, and also Leeds, Bradford and Huddersfield universities have all made their own announcements at regional and local levels, championing strengths and opportunities the Investment Zone will foster.

### Next Steps

- 2.9 Creation of a marketing and communications strategy, providing cohesive and consistent messaging.
- 2.10 Re-engagement with stakeholders and business community. A workshop will take place on 7<sup>th</sup> February 2024 to shape the design and scope of the proposed interventions. All committee members will be invited to this.
- 2.11 Working through The Department for Levelling Up, Housing and Communities deadlines. The current Gateway (4 - proposed interventions) will be completed by the start of February and the final gateway (5 - delivery) will be finalised and submitted before programme initiation in April 2024.
- 2.12 Working through The Combined Authority's assurance process, taking a strategic case to the Combined Authority in March.
- 2.13 This Committee will receive a further update at its March meeting.
- 2.14 Questions for the Committee
- Are the revenue interventions proposed the right ones? Is anything missing?
  - If difficult choices have to be made due to resource limitations for example, where should the focus of activity sit – start up, scale up or attracting new companies to the region?
  - How do we maximise business investment leverage greater resources into the IZ?

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

- 3.1 Any interventions will be designed to ensure that there is no adverse impact on the region's ambitions to secure net-zero by 2038. Part of our proposal for IZs has the opportunity to support the green-tech / green-finance sector across the region which could support the transition to a low-carbon economy across West Yorkshire.

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

- 4.1 Inclusive growth is a cross-cutting theme across the Combined Authority's portfolio of business support programmes and these principles will be applied to any interventions which make up the Investment Zone proposal.

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

- 5.1 Any interventions (in particular any revenue funding) under the Investment Zone proposal will take into consideration EDI implications. This will include the likes of programme targets to ensure geographical representation across the region and to reach and support underrepresented members of the business community of the chosen sectors.

#### **6. Financial Implications**

- 6.1 Funding will be drawn from the £80 million as part of the Investment Zone offer. There is also the opportunity to leverage additional funding through the private sector.

#### **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 content of the report.
- 10.2 That the Committee notes the update on West Yorkshire's HealthTech and Digital Investment Zone proposal with members asked to provide theme-level feedback on the proposal.
- 10.3 That the Committee review and consider the capital and revenue interventions outlined in the report. Members are requested to evaluate the proposed projects and offer insights on their alignment with regional policies and potential impacts.

## 11. Background Documents

There are no background documents referenced in this report.

## 12. Appendices

None.

...or list:

Appendix 1 – TITLE

Appendix 2 – TITLE

Appendix 3 – TITLE (PRIVATE)

<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Fair Work Charter</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills & Culture
<b>Author:</b>	Jo Wilkinson, Programme Lead

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

## 1. Purpose of this report

- 1.1 To update the Committee on implementation of the Mayor of West Yorkshire's Fair Work Charter.
- 1.2 To provide an opportunity for the Committee to steer the implementation of the Charter.
- 1.3 Call to action to promote the Charter and encourage sign up across networks.

## 2. Information

### Background and Drivers

- 2.1 The Mayor of West Yorkshire pledged to introduce a Charter to recognise the many employers in the region that are committed to Fair Work.
- 2.2 Mission 1 of the West Yorkshire Plan sets out the region's ambition for "a prosperous West Yorkshire – an inclusive economy with well paid jobs". The Fair Work Charter is an important part of achieving this mission by ensuring a fair and just economy that works for everyone. It will help to ensure that everyone employed in West Yorkshire receives the greatest possible employment security, best working conditions, as well as promoting

greater employee wellbeing, workforce diversity, social mobility, and so accelerate Inclusive Growth.

2.3 The rationale underpinning the need to increase access to Fair Work includes the following:

- Too many people are working in poor quality jobs.
- Too many people are not paid enough to make ends meet.
- There are big pay gaps between groups of workers.
- Too many people are suffering from poor mental health.
- Too many working age people are not in work.

#### The Charter

2.4 The vision for the Charter is: “to promote a thriving economy where businesses of all sizes and sectors can meet their ambitions and work together to ensure all the diverse people and communities of West Yorkshire contribute to, and benefit from, economic prosperity”.

2.5 The Charter is focused around 5 themes which are summarised below:

#### *Opportunity*

Employers are working towards an economy where all pathways into employment are inclusive, organisations use the best recruitment practices, and all people have access to flexible working arrangements. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 3 areas:

- Inclusive pathways into employment and career progression
- Inclusive recruitment practices
- Flexible working arrangements

#### *Security*

Employers are working towards an economy where all organisations go beyond legal minimums to pay staff at least the real Living Wage and maintain working conditions that provide security and dignity to all workers. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 3 areas:

- Fair pay and working hours
- Secure contracts and conditions
- Safe working environments

### *Wellbeing*

Employers are working towards an economy where work helps all people to live healthy and happy lives, while contributing to the increased productivity of their employer. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 2 areas:

- Fostering good physical and mental health
- Support for wider aspects of wellbeing

### *Employee Voice*

Employers are working towards an economy where all workers are empowered to contribute towards the success of their employer through positive relationships and effective communication. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 2 areas:

- Consultation and engagement
- Recognition and support for trade unions, where requested by workers.

### *Fulfilment*

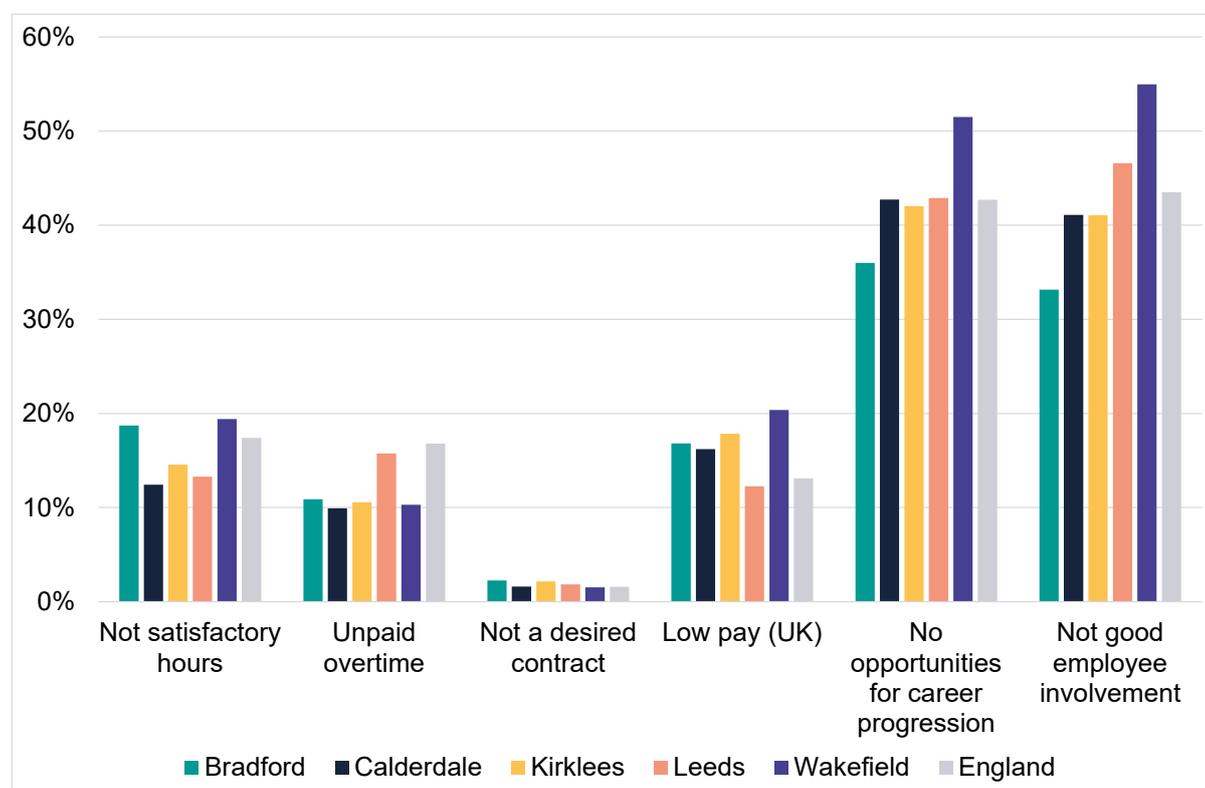
Employers are working towards an economy where work provides all people with the opportunity to learn, develop and meaningfully connect to a purpose that resonates with them. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised 1st step in each of the following 3 areas:

- Learning and development
- People management
- Supporting communities and good causes

### Current regional picture

- 2.6 Latest figures from ONS show that West Yorkshire has a relatively small proportion of workers who indicate that they work unsatisfactory hours or work unpaid overtime or have a contract that does not meet their requirements. Much bigger proportions of workers say that their workplace lacks opportunities for career progression and does not offer good employee engagement.

**Figure: Job quality indicators by local authority, January to December 2021**



Source: *Jobs quality indicators in the UK - hours, pay, contracts, opportunities, and involvement: 2021*, Office for National Statistics

## 2.7 Other key points include:

- Female employees and employees aged over 55 are more likely to work satisfactory hours.
- Unpaid overtime working has a higher prevalence among those working in highly paid occupations, and employees aged 35 to 54 years.
- Workers who are disabled, younger, or have lower levels of educational attainment are more likely to be in low pay.
- Men aged 25 to 44 years, employees with an undergraduate degree and those working in the finance and insurance industry are most likely to report good career progression opportunities.
- Employees with higher-level qualifications are more likely to feel involved in decision making in their workplace than those with no qualification. Disabled employees are less likely to report good employee involvement, compared with employees who are not disabled.

- 2.8 The above will be reported on annually via the State of the Region and we will also explore bespoke monitoring approaches that align with each of the themes of the charter.

#### Progress on implementation

- 2.9 The Charter was formally [launched](#) on 24<sup>th</sup> November 2023 in Bradford with 50 early adopters and Leaders sharing the stage to promote the benefits of Fair Work to employers and employees alike.
- 2.10 The marketing campaign went live on the 15 January 2024 and includes social media activity; digital (online) advertising; radio and podcast advertising; press/ PR stories. Six video case studies have been created for the website. An audio advert is currently being recorded and refreshed messaging will launch mid-February.
- 2.11 The delivery partner, Greenborough, is now in contract and delivery started on the 8 January 2024. This will run until the end of December 2024. Businesses will be able to sign up by registering on the CA website which will trigger a follow up from Greenborough.
- 2.12 There will be a 2-stage process to achieving the Charter. Those businesses early on in their journey will receive a badge identifying they are on the journey to achieving the Charter (specific wording to be agreed with the marketing agency). There will be minimum requirements set for those that have made significant progress who will then receive the full FWC badge and a certificate.
- 2.12 A dedicated portal is being developed to support the peer to peer aspect of the charter. This will house resources, toolkits and a platform to share best practice.
- 2.13 Various opportunities are being explored to provide additional support to businesses on the journey, including with the TUC and DWP.
- 2.12 A review point has been built into year 1 to evaluate impact and successes. Learning from this will shape future implementation.
- 2.13 All businesses that engage with the CA will be strongly encouraged to adopt the Charter.

#### **Role of private sector members**

- 2.14 The Mayor and Combined Authority strongly encourages all private sector members across thematic committees and Boards to consider signing up to the Charter and sharing the opportunity across their own networks and contacts.

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

- 3.1 There are no climate emergency implications directly arising from this report. However, it is expected that the sign up could positively, indirectly impact of net zero targets.

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

- 4.1 The development of the Charter is driven by the Combined Authority and the Mayor's ambition to deliver a fair and just economic recovery, which is central to promoting Inclusive Growth

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

- 5.1 The Charter has been designed to drive improvements in ED&I, e.g. in terms of inclusive recruitment practices, and ensuring employees have a voice in the workplace.

#### **6. Financial Implications**

- 6.1 Funding (£600k) has already been approved for the development and implementation of the Charter and the requirement for any further resources will need to be considered in the context of the business planning process.

#### **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 made to establish the Mayor's Fair Work Charter,
  - endorses and supports the proposed next steps
  - provides any comments on what else could be done to ensure the Charter is successfully implemented.

#### **11. Background Documents**

There are no background documents referenced in this report.

#### **12. Appendices**

Appendix 1 – West Yorkshire Fair Work Charter

## Appendix 1 - West Yorkshire **Fair Work Charter**

Thank you for your interest in being an early adopter of the new West Yorkshire **Fair Work Charter**.

The Fair Work Charter, which launches in Autumn 2023, is an important part of how we build a thriving economy where businesses of all sizes can meet their ambitions and work together to ensure the diverse people and communities of West Yorkshire contribute to, and benefit from, economic growth.

**Becoming an early adopter means your organisation will play a leading part in making that vision a reality, while gaining recognition for the many things you are doing to provide your workers with Opportunity, Security, Wellbeing, a Voice and a Fulfilling job.**

We don't expect you to tick every box. This is a journey, and the purpose of this first step is to mark and acknowledge where you are now. Once we have a delivery partner in place, they will work with you to support you take the next steps on your journey.

### **Opportunity**

We are working towards an economy where all pathways into employment are inclusive, organisations use the best recruitment practices, and all people have access to flexible working arrangements. Employers enrolling onto the Charter are required to confirm below they have taken at least **one** recognised first step in each of the following 3 areas:

- **Inclusive pathways into employment and career progression**
- **Inclusive recruitment practices**
- **Flexible working arrangements**

How does your organisation provide **inclusive pathways into employment and career progression**?

- Broadening your recruitment channels to seek out underrepresented groups (e.g., via school and community outreach programmes, such as the LEP's Schools Partnership Team)
- Using apprenticeships, paid internships, or work experience to widen access to employment opportunities (e.g. Change the Race Ratio and LEP support for taking on an apprentice)
- Using methods such as mentoring, coaching, skills training and development to diversify the pipeline into leadership roles for current staff

- Actively supporting relevant campaigns and voluntary standards and/or seeking support from relevant external bodies (e.g. Disability Confident scheme accreditation (or equivalent); supporting the Ban the Box campaign (removing criminal record tick boxes from application forms); signing the Armed Forces Covenant)

How does your organisation demonstrate **inclusive recruitment practices**?

- Using anonymised/name-blind recruitment procedures to ensure that candidates are judged on merit and not on their background, race or gender
- Using Positive Action measures to help people from under-represented groups overcome disadvantages in competing with other applicants
- Actively supporting relevant campaigns and voluntary standards and/or seeking support from relevant external bodies

How does your organisation offer **flexible working arrangements** to staff?

- Flexibility in where they work – e.g. agile working, working from home, hybrid working
- Flexibility in when they work – e.g. flexible start and finish times, compressed hours, adopting relevant schemes such as the Carer's Passport scheme
- Flexibility in how much they work – e.g., part-time, job shares, unpaid leave

## Security

We are working towards an economy where all organisations go beyond legal minimums to pay staff at least the real Living Wage and maintain working conditions that provide security and dignity to all workers. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised first step in each of the following 3 areas:

- **Fair pay and working hours**
- **Secure contracts and conditions**
- **Safe working environments**

How does your organisation provide **fair pay and working hours**?

- Increasing the proportion of employees, apprentices or contractors paid at least the real Living Wage over time
- For organisations with over 250 employees] Identifying, reporting and addressing ethnicity and/or disability pay gaps, alongside the gender and executive pay gap reporting required by law

- Increasing the provision, duration or replacement income rate of sick pay
- Providing clarity and good notice of working times to aid household planning
- Offering workers a guaranteed minimum number of hours per week

How does your organisation provide **secure contracts and conditions**?

- Reducing forms of insecure employment (except where specifically requested by workers/applicants), such as payment by task/minute, zero hours, temporary/self employed/agency where roles can be made permanent
- Using procurement and purchasing power to minimise the use of unnecessary forms of insecure employment in the delivery of services through contractors

How does your organisation ensure **safe working environments**?

- Ensuring accessible, trusted and responsive processes for dealing with employee grievances and disciplinary issues
- Actively supporting initiatives and campaigns that promote safe working environments, free from violence, bullying, discrimination, harassment and victimisation (such as the West Yorkshire Health and Care Partnership's Root Out Racism campaign)

## Wellbeing

We are working towards an economy where work helps all people to live healthy and happy lives, while contributing to the increased productivity of their employer. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised first step in each of the following 3 areas:

- **Fostering good physical and mental health**
- **Support for wider aspects of wellbeing**

How does your organisation **foster good physical and mental health**?

- Providing access to relevant occupational health services that prevent illness and/or boost physical and mental health,
- Providing staff training to increase awareness of how to improve physical and mental health, and reduce any stigma
- Promoting active travel and/or practical action to reduce sedentary working habits

1.

How does your organisation **support wider aspects of wellbeing**?

- Providing resources and support to help with money management and future planning (e.g. by working with the Money and Pensions Service)
- Promoting and signposting employees to relevant local support services and organisations (e.g. Citizens Advice, credit unions)
- Providing other financial benefits to help with the cost of living (e.g., personal loans, cycle to work schemes, specialist financial planning advice, season ticket / travel card loans etc.)

### Employee Voice

We are working towards an economy where all workers are empowered to contribute towards the success of their employer through positive relationships and effective communication. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised first step in each of the following 3 areas:

- **Consultation and engagement**
- **Recognition and support for trade unions, where requested by workers**

How does your organisation **consult and engage** with workers?\*

- Involving staff throughout the business in decision-making and managing change through effective engagement, consultation, communication
- Ensuring clear and effective mechanisms for responding to the views, ideas and concerns of staff
- Using surveys or other methods to regularly monitor the views, ideas and concerns of staff
- Actively seeking and considering the specific views of diverse groups and people with protected characteristics within the workforce (e.g. via supporting staff networks)

How does your organisation **recognise and support trade unions, where requested by workers?**

- Using induction, training and/or other activities to raise awareness of the opportunity to join a trade union or professional association
- Recognising and implementing collective bargaining agreements on pay and working conditions
- Providing time and facilities for trade union duties, training and activities

### Fulfilment

We are working towards an economy where work provides all people with the opportunity to learn, develop and meaningfully connect to a purpose that resonates with them. Employers enrolling onto the Charter are required to confirm below they have taken at least one recognised first step in each of the following 3 areas:

- **Learning and development**
- **People management**
- **Supporting communities and good causes**

How does your organisation promote **learning and development** of staff?

- Providing continuous learning and skills development opportunities for all staff
- Using training and development activities to make the organisation more inclusive (e.g. Equality, Diversity & Inclusion training, English courses, digital literacy, inclusive leadership and management courses, reverse mentoring)

How does your organisation provide effective **people management**?

- Using regular one-to-one conversations between staff and managers/supervisors, to ensure that (i) Staff feel they belong, are invested in, and developed; (ii) There are opportunities to discuss wider workplace issues (e.g. mental health), and the distinctive needs of the worker
- Providing training for all leaders, managers and supervisors in relevant aspects of people management including leadership development and line management

How does your organisation **support communities and good causes**?

- Considering requests from staff which enable their participation in civil society, such as volunteering; time and facilities for prayer/rituals; recognition and time off for religious holidays and festivals
- Providing funding, expertise and/or other in-kind support to charities and third sector organisations
- Using procurement and purchasing power to support local social enterprises and third sector organisations



**West  
Yorkshire  
Combined  
Authority**

**Tracy  
Brabin  
Mayor of  
West Yorkshire**

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<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Development and Delivery</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills and Culture
<b>Author:</b>	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 information on business support commissioned or delivered by the Combined Authority from April to November 2023, aligned to State of the Region report indicators, to demonstrate the economic impact on the business base of West Yorkshire.
- 1.2 To provide the committee with an update on provision in delivery around Skills and Creative Industries.
- 1.3 To provide an update on developmental activity around enterprise and business start-up in West Yorkshire and to seek views and input from the committee to shape this work.

## 2. Information

- 2.1 The State of the Region report outlines seven key indicators against which we are able to measure West Yorkshire's status and to compare the region on a national level. Using State of the Region (2022) as the most recent report, Appendix 1 outlines how regional business engagement is contributing to priorities outlined in the report:

- Driving economic growth and innovation to enable good jobs

- Championing culture, sport, and creativity
- Building a sustainable, nature-rich and carbon neutral region

### **In delivery**

#### **Skills support for businesses**

- 2.2 Skills, training and education are closely linked to productivity and innovation, and therefore economic growth. State of the Region reiterates that shifting the dial for West Yorkshire's skills deficit requires the local skills system to be responsive to economic needs.
- 2.3 The report specifically highlights digital skills as a significant requirement for people to operate in daily life. However, 40% of people in employment do not have essential digital skills for work.
- 2.4 The Skills for Growth programme was delivered between 2020 and 2023, supporting 544 employers to engage with the full breadth of the education and training landscape via an impartial diagnostic approach. The programme has now closed, and a full evaluation is being undertaken.
- 2.5 Early findings are that businesses supported through the programme have created an average of 5.7 jobs each, of which 41% (or 2.3 jobs per business) could be attributed to the programme. This results in £18.3 million of GVA and represents £10.18 of benefits for every pound spent delivering the programme, representing very high value for money.
- 2.6 Following the success of the Skills for Growth programme, eight Business Skills Advisers have been retained by the Combined Authority to provide impartial advice and support to employers to engage with education, skills, and training in order to create a pipeline of talent and address recruitment challenges. The advisers are fully embedded in the wider business support landscape, and work closely with business-facing staff in Local Authorities, as well as the Local Skills Investment Plan team currently being recruited by the Chambers of Commerce.
- 2.7 Funding of £1.5m has been secured to support emerging skills (particularly digital and green) through co-investment with businesses to March 2026.

#### **Creative Industries, Culture, Heritage, and Sport programme**

- 2.8 You Can Make It Here is a package of support for SMEs, freelancers and micro businesses, residents, and graduates, with an aim to support and grow the Creative Industries, Culture, Heritage, and Sport sectors, and diversify the regional talent pool.
- 2.9 This programme consists of several schemes, to be delivered between January 2024 and March 2026:

- 2.10 Freelance and Micro-Business Support will provide training for creative industries freelancers and micro-businesses and offer grants creative freelancer / micro-business networks in each Local Authority area, to support them to diversify their membership and engage a pipeline of Higher Education and Further Education graduates, establishing models to become more self-sustaining.
- 2.11 Building on the success of the Creative Catalyst programme, the Export Accelerator and Music Sector Capacity/Export programme will support creative industries businesses in the region to diversify revenue, grow new audiences, develop new business models and increase exports. The Export Accelerator strand will include an Export Grant Scheme to support businesses to attend international trade delegations and expos. The Music Sector Capacity/Export strand will build capacity in the West Yorkshire music sector by convening music industry professionals in the region to support knowledge sharing activities, identify sector needs, priorities and opportunities to support sector growth, raising awareness of funding, career and business development opportunities within the regional music sector, and signposting to resources. This scheme will also look to attract national music sector activity into the region (conferences and sector events), and represent West Yorkshire at music trade and international expo events.
- 2.12 The Create Growth Programme is a Department for Culture, Media and Sport (DCMS) funded package of support for high-growth potential creative industries businesses in the region, to enable them to become investment-ready, develop networks of equity investors, and broker finance opportunities for each participant business. The support will primarily focus on regional sector strengths of Screen/Convergent, Games, Music, and Textiles;
- 2.13 The Mayor's Screen Diversity Programme has been developed based on previous delivery, supporting young people (aged 18-30) who face barriers to entry into the Creative Industries sector, with TV and film production training and work placements;
- 2.14 Last year's Young Poets Laureate pilot was successfully completed and promoted literacy, oracy, and creative careers, along with a competition to find two Young Poets Laureate, supported by National Poet Laureate Simon Armitage. A new programme builds on learning from the pilot and aims to increase the number of schools engaged and raised aspirations and awareness of pathways to the wider creative industries.
- 2.15 West Yorkshire's cultural events and venues can access support to become more accessible to disabled artists and audiences, through a small capital grants fund, accessibility skills training, incorporating a series of face-to-face workshops in each Local Authority area, and provision of accessibility services, such as British Sign Language and audio description.
- 2.16 People who have or are working on Year of Culture programmes across the region will be able to access a new knowledge exchange opportunity, enabling them to share best practice, and learn from each other's findings, local knowledge, and insight.

- 2.17 A business support pilot for Asset-owning Heritage and Sport organisations will provide training and resources on governance, revenue diversification, fundraising, volunteer engagement, Equity, Diversity and Inclusion, accessibility, and low carbon heating and retrofitting measures. Support will also be available and tailored for different business models, including Community Interest Companies and non-profits.

### **In development**

#### **Enterprise and business start-up**

- 2.18 The Enterprise West Yorkshire programme is due to close at the end of 2024. This programme, funded by gainshare, was launched as part of the Covid economic recovery plan and aimed to unleash an entrepreneurial revolution in the region to support inclusion and growth post-pandemic.
- 2.19 Policy development work is now underway to review start-up provision across the region. This work will assess where gaps in enterprise provision exist and explore options around how these might be addressed, aligned to the emerging ambitions of the Economic Strategy. A workshop session will be held with committee members after the meeting to gather further insight.
- 2.20 As part of the development the Economic Strategy, work is taking place more broadly to explore and understand the wider West Yorkshire business support landscape, including the role of the Combined Authority in supporting a thriving and vibrant ecosystem. Further discussion items will be brought to future meetings.

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

- 3.1 This is a cross-cutting theme in all programmes and services; green skills is a focus of the new Skills for Business offer and there are a number of services offering decarbonisation diagnostics for businesses to reduce their carbon emissions.

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

- 4.1 This is a cross cutting theme in all regional support services, including those newly funded, and is bolstered by the Mayor's Fair Work Charter. Ten inclusive growth commitments have been made by businesses engaged with support services. Delivery commissioned by the Combined Authority also includes a social value element for suppliers to commit to.

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

- 5.1 Equality, Diversity and Inclusion targets are set for every business support service. To November 2023, progress against targets is shown below.

Group	Target	Actual (Nov 23)
Female	35%	51%
Ethnic minority	25%	27%
Disability	10%	14%

5.2 Focusing on the pre-start-up support in delivery, progress against the more stretching targets is shown below.

Group	Target	Actual (Nov 23)
Female	55%	64%
Ethnic minority	35%	43%
Disability	10%	16%

## 6. Financial Implications

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

## 7. Legal Implications

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

## 8. Staffing Implications

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

## 9. External Consultees

9.1 No external consultations have been undertaken.

## 10. Recommendations

10.1 That the committee notes the contents of the report.

10.2 That the committee assesses the impact of regional business engagement on key State of the Region indicators. Members are requested to contribute insights and recommendations on specific areas of focus, such as skills for business programmes, enterprise support in the creative industries, and the newly integrated flood resilience programme.

10.3 That the committee endorses work to continue to identify gaps and opportunities in support for entrepreneurs and business start-ups in West Yorkshire.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 - Business Support activity against State of the Region indicators

## Item 11: Appendix 1 – Business Support activity against State of the Region indicators

### Driving economic growth and innovation to enable good jobs

#### Economic output (GVA)

Service (completed 2023)	GVA	Notes
Growth Service	£38.6m	Independent evaluations, including economic outputs, were undertaken of services that completed delivery in 2023.
AD:VENTURE	£43.8m	
Connecting Innovation	£9.69m	
Digital Enterprise	£27.3m	
Energy Price Emergency Grants	£5.4m	
Skills for Growth	£18.3m	
<b>Total</b>	<b>£143.09m</b>	

Since April 2023, regional business support has leveraged private sector match funding worth £10,929,599.

#### Employment rate

Service	Jobs created	Notes
Regional Business Support / Trade & Investment (Apr - Nov 2023)	1,204	This includes jobs created through investment from Combined Authority / UKSPF programmes, and jobs to be created through inward investments to the region.
UKSPF projects (Nov 23 - Mar 25)	1,100	

The recently launched Mayor's Fair Work Charter encourages employers in the region to sign up to ensure better employment security and working conditions for employees in West Yorkshire, and promoting greater employee wellbeing, workforce diversity, and social mobility. This activity will support State of the Region indicators, *Proportion of jobs paying below Real Living Wage* and *Proportion of residents who are employees in quality work*.

#### Productivity

Service	No. businesses supported	Notes
Business Productivity Service	133	Businesses can access both advisory and financial support to improve their productivity.
Made Smarter	18	
UKSPF Rural Fund	61	
Digital Enterprise	183	
<b>Total</b>	<b>395</b>	

## Number of private sector businesses

Measure	No. businesses	Notes
Businesses engaged (Apr – Nov 2023)	3,115	Intensive support refers to a business onboarding to a programme and receiving advisory and/or financial support. Pre-start and start-up programmes contribute to the region's business birth rate.
Of which businesses receiving intensive support	1,037	
Of which pre-start and start-ups supported	782	
UKSPF new businesses created - projected (Nov 23 – Mar 25)	40	

## Proportion of West Yorkshire businesses engaged in innovation activities

Service	No. businesses supported	Notes
Connecting Innovation (Apr – June 23)	82	Innovation activity includes investment in Research and Development (R&D), knowledge transfer, and the creation of improved products and services
Innovation West Yorkshire (Apr 23 – Mar 26)	300	

## International trade

Activity	Number	Notes
Trade initiatives	10	Please see Item 13 for further information on Trade and Investment activity.
Businesses supported	195	
UKSPF projects businesses supported (Nov 23 – Mar 25)	240	

The Combined Authority secured £1million the UK Shared Prosperity Fund (UKSPF) to support West Yorkshire businesses to export. Following a competitive tender process, Exemphas has been appointed to deliver the export support. The West Yorkshire Businesses Boost Export strand will support businesses to develop and implement comprehensive Export Action Plans, and will provide access to a grant support programme to support delivery of the plans, consultancy, and attendance at trade shows.

## Championing culture, sport and creativity

### Employment in cultural, sport and creative activities

Programme	No. jobs created	Notes
Creative Catalyst (Apr – Nov 23)	100	84 jobs were created in the TV industry, and 16 in the Games industry.

## Building a sustainable, nature-rich and carbon neutral region

### Greenhouse gas emissions

Energy Price Emergency Grants (Nov 22 – Jun 23)	<ul style="list-style-type: none"><li>• 147 SMEs supported</li><li>• 496 tCO<sub>2</sub>e greenhouse gas (GHG) emissions saved</li><li>• 102 FTE jobs safeguarded</li></ul>
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### Greenhouse gas emissions by sector

Business Sustainability Service (Apr – Nov 2023)	<ul style="list-style-type: none"><li>• 3 SMEs supported</li><li>• Over 35 tCO<sub>2</sub>e greenhouse gas (GHG) emissions saved</li></ul>
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### Premises at risk of flooding

A flood resilience programme has been integrated into the new Business Sustainability Service that will support 100 SMEs whose premises are at risk of flooding. The fund will support businesses to recover quicker from flooding damage or prevent the risk of flooding.

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<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Private Sector Engagement</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills & Culture
<b>Author:</b>	Sobaan Ali, 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 seek feedback on the development of the CA's Business Engagement Framework.

## 2. Information

- 2.1 The CA is committed to strengthening engagement with the private sector and harnessing these relationships to grow an inclusive economy.
- 2.2 This work is already underway, as shown by the transition of the LEP Board into the West Yorkshire Business Board (WYBB) - a more discussion-based, policy-focused version of its predecessor, and the appointment of the Mayor's Business Advisor.

### A Framework for Business Engagement – Stronger Together

- 2.3 To formalise this new direction, the CA is currently developing a new Business Engagement Framework.
- 2.4 Whilst business engagement has always been an important feature of CA policy and intervention design, current arrangements are sometimes sub-optimal and do not always

allow business views/insights to be harnessed effectively across the whole range of CA agendas.

- 2.5 In addition, current business engagement does not always represent the entire business population and reflect the views of a representative cross-section of West Yorkshire businesses.
- 2.6 More diverse business engagement not only results in better policy design and programme development aligned to the needs of all our communities, but also provides the opportunity to develop a shared narrative across the public and private sectors for West Yorkshire.
- 2.7 At a private sector members engagement event on 15<sup>th</sup> November, this was discussed and the following recommendations/principles proposed:

Areas of focus include:

- Providing clear reasoning as to why businesses should engage with the Combined Authority e.g. key sector strengths, economic health of the region.
  - Look to existing networks and strengthen our connections rather than begin everything from scratch.
  - Appreciate the value of building relationships with the third sector, academic institutions and government departments.
  - Learning lessons from the successes and challenges of previous iterations of regional private sector engagement.
  - Developing a clear value proposition and “elevator pitch” for the region for business leaders, ambassadors and other allies to promote West Yorkshire.
  - Making sure there are workable actions for both the Combined Authority and private sector representatives.
- 2.8 In parallel, consideration is being given to the strategic relationship between the Combined Authority and the Voluntary, Community and Social Enterprise Sector, with discussion ongoing. A Memorandum of Understanding will be explored with the sector to define and agree roles and responsibilities and ways of working.
- 2.9 In developing a new Business Engagement Framework, the following principles have emerged and are being considered further:
- Keep the conversation relevant to business. Talk about what businesses want to talk about.

- Do not use jargon – for example, talking about ‘productivity’ can sometimes be unhelpful, depending on the audience.
- Focus on quality and diversity not quantity of engagement.
- Put time, effort and resource into business engagement. Engagement should be deliberate, planned, ongoing and a long-term process of relationship building.
- Help people connect. Convene and organise sessions that add value to businesses, e.g. networking with others that might lead to business opportunities, share best practice, as well as providing input to their work.
- Use the process itself to build networks that last. E.g. get firms in a growing cluster together and then ask if they want to keep meeting or if there are things on which they want to work together.
- Make it easy for businesses. Engagement can be difficult for businesses – especially SMEs. Think about interesting places to meet that perhaps offer networking / commercial opportunities, and venues that are convenient to get to. Try and put events on at different times of the day – breakfast sessions don’t work for parents doing the school or care run before work. Consider when in-person events are necessary or if online/hybrid is possible.
- Utilise an appropriate CRM system to keep track of relationships and key issues of importance to different businesses.
- Be mindful of not over-engaging, possibly by merging multiple meetings on similar topics into one meeting.
- Proactively feedback actions taken as a result of business views and ideas, moving away from the perception of a ‘talking shop’, demonstrating actions and explaining decisions.

2.10 The following engagement mechanisms are being explored to enact the above principles:

Formal mechanisms:

- West Yorkshire Business Board
- Mayor’s Advisory Council
- Business Representative Groups
- Thematic Committees
- Surveys and Consultation

Informal mechanisms:

- Private Sector Sessions
- Key Account Management (KAM)
- Business Visits
- Festivals, conferences, and other events

- Speaking & discussion invitations
- Joining existing networks, panels and groups
- Marketing, publications, and celebrations

2.11 Views are sought from committee members around the following areas:

- How to ensure active participation and representation of diverse businesses in shaping both policy/strategic direction and programme design?
- In your business experience, what methods of engagement have brought about the best results with public sector activity?
- Are there specific communication channels or methods that businesses in the region find most accessible?
- What can be added/taken away from the above principles and mechanisms?
- Are there any examples of good practice elsewhere?

2.12 The will have an opportunity to scrutinise the draft Business Engagement Framework at its March 2024 meeting.

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

3.1 Tackling the climate emergency will remain a key priority for private sector engagement.

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

4.1 Inclusive growth will remain a key priority for private sector engagement.

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

5.1 The focus on equality and diversity within the LEP constitution will remain a key priority for the WYBB and wider private sector engagement.

### **6. Financial Implications**

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

### **7. Legal Implications**

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

### **8. Staffing Implications**

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

### **9. External Consultees**

9.1 No external consultations have been undertaken.

## **10. Recommendations**

10.1 That the Committee notes progress being made to produce a Business Engagement Framework and offers feedback on the emerging guiding principles and engagement mechanisms.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

None.

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<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Trade and Inward Investment</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills & Culture
<b>Author:</b>	Jane Green, Trade and Investment Manager – FDI and Sectors

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

## 1. Purpose of this report

- 1.1 To provide the Committee with an update on the key trade and inward investment achievements since March 2023.
- 1.2 To seek the Committee's steer, input and support for planned inward investment activity from 2024/25 onwards, especially in the proposed areas of focus.

## 2. Information

- 2.1 Mission 1 of the WY plan sets out our ambitions for a prosperous WY – an inclusive economy with well paid jobs. Attracting investment into the region is a critical part of this, engaging with inward investors and foreign owned businesses currently in the region.
- 2.2 Foreign owned businesses are typically 69% more productive than domestic owned businesses according to ONS data, supporting regional ambitions to drive up productivity. While only 4% of business units in the UK are foreign owned, they account for 16% of total business employment and 36% of business turnover in the UK.

- 2.3 Foreign owned businesses provide more than 50% of UK exports of goods and services, even though they only make up 4% of business units, as stated above. This implies that there is significant untapped export potential within our diverse business community. With the appropriately designed and targeted interventions, a range of businesses could embrace international opportunities. This matters because there is a strong link between international trade and business productivity, innovation and resilience, and businesses who trade internationally also create higher quality direct and indirect jobs.

### **Key Achievements 2023/2024**

#### KPI performance

- 2.4 The table below sets out achievements against the core KPIs in the current financial year. Further inward investment projects are expected to land by the end of the financial year, and these will be reported in due course to the Committee.

<b>Performance indicator</b>	<b>Targets for 2023/24</b>	<b>Progress as of Nov 23</b>
New inward investment enquiries generated	100	49
Inward investment successes	25	19
Jobs created / safeguarded	1,750	1,120
R&D collaborations brokered between investors and universities in WY	10	15
Strategic international trade initiatives / programmes delivered	15	16
Businesses assisted with international trade initiatives	350	116

- 2.5 Although investment enquiries are lower than forecast, progress in the other KPIs is strong and spread across the region. The conversion rate from enquires is higher than the 25% projected at the beginning of the year, and this highlights the quality of support that an inward investor receives from the CA. The Department of Business and Trade

(DBT) has reported fewer enquiries UK wide as they shift their strategy to focus on high value enquiries. There are currently nine live high value enquiries from DBT for West Yorkshire.

- 2.6 To increase the number of enquires, there has been proactive engagement with international investors by attending events and conferences to meet intermediaries, property developers, universities and local authorities. Linking investors to the expertise within the region's higher education institutions has been a particularly effective way of landing new projects in the region this year. Much of the international focus this year has been on India, the US, Canada and the Nordics (informed by the EY Attractiveness Survey), including a market entry accelerator programme. The CA partnered with the DBT and Health Innovation Yorkshire and Humber to deliver a programme for Indian Health Tech companies called Propel. This has already led to two businesses taking up virtual membership in Nexus and a further two exploring the options in the region.

#### Inward Investment Successes

- 2.7 This year, to date, 19 businesses have been supported to invest in the region. This includes 13 foreign owned businesses who have been supported to expand, retain and also recruit more staff. As well as attracting businesses to Leeds as the core city, 42% of investment has been outside of the Leeds district.
- 2.8 This year, there has been particular success in the Health and Life Science sector through close working with Leeds Teaching Hospital Trust, Health Innovation Yorkshire and Humber and University of Leeds to support 5 businesses investing in the region. The investments will create 90 highly skilled jobs over the next 3 years.

#### Trade and Investment in-market activity 23/24

##### **Trade and Investment Mission to North America**

- 2.9 The Mayor, accompanied by her Business Adviser took part in a five-day mission to North America in November 2023, visiting Toronto, Boston, New York, and Lititz. The trip included 24 meetings and events with over 100 new contacts met. This visit focused on strengthening relationships with key cities and states in North America to share learnings and promote trade and investment activity. Key activity included strengthening relationships with major US and Canadian headquartered businesses to promote West Yorkshire as a welcoming region for businesses to invest in; and showcasing West Yorkshire businesses as providers of innovative and high-quality goods and services to the UK's largest trading partner.

##### **Outbound Mission to Ireland**

- 2.10 The Mayor, CEO and Director for Mass Transit visited Ireland primarily to share and exchange knowledge and to learn from our Irish equivalents across two key areas: Transportation and Culture. The delegation focused on outcomes that could deliver joint

programmes, opportunities for collaboration and strategic partnerships, especially in the delivery of mass transit, bus, and cultural programmes in West Yorkshire.

- 2.11 Visits were undertaken to the Guinness Enterprise Centre in Dublin to explore opportunities to forge ties with this centre and the wider Health and Life Science ecosystem in Ireland and to develop opportunities for high growth Irish businesses to enter the UK market. Several members of the Centre are already existing investors in the region and strengthening links may lead to further investment.

### **Outbound Mission to India**

- 2.12 Representatives from WY also joined a DBT delegation to Mumbai and Bangalore Tech Summit, to champion the region's strengths, build relationships with key stakeholders, and develop a greater understanding of the India market and the synergies with West Yorkshire.
- 2.13 Conference attendance:
- Web Summit, in Lisbon, which brings together 70,000 leaders from the digital and Tech industry, to gain further insight into the sector and meet with global businesses who could be interested in investing in the region.
  - UK Space Conference in Belfast with Space Hub Yorkshire to promote the strength of the sector in our region to key organisations from the sector. This was an opportunity to meet with leading businesses interested in the Space supply chain in the UK to explore opportunities for West Yorkshire businesses to get involved.
  - Money 20/20 in Amsterdam as part of a FinTech North delegation alongside Manchester, Liverpool and the North East. Having a joint stand amplified the strengths of the north in FinTech and the wider Financial and Professional Services sector to an international audience.
  - Arab Health, following on from Mayor's successful visit to Arab Health in 2023, WY will be represented at Arab Health in January 2024 as part of the Medilink delegation alongside key stakeholders from the region.

### **2024/25**

- 2.14 Proposed activity in 2024/25 is set out below for Committee's consideration. To underpin this, work is underway to explore priority sectors and markets as part of the emerging Economic Strategy. These findings will be presented at the March 2024 BEIC.

### **Venture Capital (VC) activity**

- 2.15 To support the ambitions of the WY Plan and the emerging Economic Strategy, work is underway to increase the supply of VC finance in the region to support SME business growth.
- 2.16 West Yorkshire has a low number of VC funds with a local office. There are only 36 funds with an office in West Yorkshire that are actively looking for new investments (Greater Manchester has 75). If West Yorkshire had the same amount of deals and investment as the UK when weighted to high-growth business populations, it would have had 785 extra deals worth an extra £2.8bn.
- 2.17 The gap in VC supply is at the venture stage, after businesses have had regulatory approval or have started generating turnover. Nationwide, 32% of deals are at this stage, compared with 27% in WY. Median deal size is £75k larger nationwide as a result.

#### Trade missions

- 2.18 Potential international activities for 2024/25 focus on key target markets including the US, Canada, India, and the Nordics:
- **US Trade Mission:** this trip will build on the links made with Boston by the Mayor and emerging markets such as Nashville, Tennessee and Houston, Texas. The focus will be on Health and Lifesciences with a view to signing a partnership with Nashville and a potential visit to the Texas Medical Centre. There is also an opportunity to work with DBT to partner on a trade mission to North America with a Space and Innovation focus.
  - **India Trade Mission:** Building on the Mayor's successful visit to Mumbai and Bangalore in 2022, a business delegation to India in 2024/2025 is proposed. This visit would align with relevant sector focused trade shows to maximise opportunities for business promotion.

#### Conferences

- 2.19 Potential conferences include the following:

The CA proposes to sponsor a select few strategic events which will deliver inward investment and trade opportunities, including Convention of the North and UKREiiF as detailed in the Key Strategic Events paper (Item 14)

#### Business, Financial and Professional Services

- Money 2020 (Amsterdam) –potentially partnering with Fintech North on hosting an event at the conference in 2024.
- Climb 24 (Leeds) –a West Yorkshire stand at the event with key speaking slots and discussions about opportunities in all sectors.

- Sifted Summit (London) – scoping trip to understand the opportunities at this international event, targeting the VC network.

#### Creative and Digital

- London Tech Week (London) – key activities to engage digital and Tech businesses and promote the region’s HPO in Data and AI.
- GaMaYo (Leeds) – there is an opportunity to sponsor this gaming event to raise the profile of the sector in the region to national and international attendees, and for the Mayor to award a prize.
- Mobile World Conference (Barcelona) – plan to scope this connectivity sector event with partners and possible activity to promote West Yorkshire with DBT.

#### Health and Life Sciences

- Hlth Europe (Amsterdam) – this event presents an opportunity to engage with healthtech firms from the US and other key markets looking to invest in Europe. It is proposed that West Yorkshire have a stand with local partners.
- Arab Health (Dubai)- a West Yorkshire stand has been organised for the last 5 years to showcase the sector expertise within the region and promote the SMEs based here to a targeted and significant international audience. Joint events are held in partnership with key regional stakeholders and DBT, identifying speaker opportunities for West Yorkshire organisations.

#### Advanced Manufacturing

- Food and Drink Trends and Innovation Conference (London) – there is an opportunity to launch the food and drink showcase with local producers at this event, bringing in partners.
- Ignite Space (Leeds tbc) – national SME event with Space Hub Yorkshire, sponsorship and speaker support.
- SmartCities (Barcelona) - there is an opportunity to work with our mass transit team to look at digital, transport and earth observation technology opportunities.
- Farnborough International Airshow – This show takes place every two years and hosts the aerospace, aviation and defence industries for the world’s best airshow to pioneer change, build new connections, engage with thought leaders and get access to unparalleled business development opportunities. A delegation of local SME businesses would attend to engage with potential customers.

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

3.1 There are no climate emergency implications directly arising from this report.

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

4.1 There are no inclusive growth implications directly arising from this report.

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

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

#### **6. Financial Implications**

6.1 Activities planned are within the proposed trade and investment budget however additional funding may be required to make the most of these opportunities.

#### **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 content of the report.

10.2 That the Committee notes the key trade and inward investment achievements provided in the update.

10.3 That the Committee evaluate the international activities and achievements of the Trade and Investment team in 2023/2024. Members are asked to provide feedback on the outcomes against key performance indicators (KPIs) and the success of in-market activities and offer insights on the planned international activities for 2024/25.

#### **11. Background Documents**

There are no background documents referenced in this report.

#### **12. Appendices**

None.

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<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	31 January 2024
<b>Subject:</b>	<b>Key Strategic Events</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills and Culture
<b>Author:</b>	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 this committee with an overview of key strategic events that took place during 2023 and which contributed to outcomes in Investment Priority 1 of the West Yorkshire Investment Strategy: *Good Jobs and Resilient Businesses*; Mission One of the West Yorkshire Plan: *A prosperous West Yorkshire - an inclusive economy with well paid jobs*; and State of the Region 2022 priority: *Driving economic growth and innovation to enable good jobs*.
- 1.2 To gather feedback on this year's proposed events and request suggestions, ideas, and insights for growing them for future iterations.

## 2. Information

### Context

- 2.1 As a convener of stakeholders across West Yorkshire, the Combined Authority leads on and supports some key strategic events that showcase the breadth of activity in each districts and in priority sectors.

- 2.2 The four events outlined in this report are Convention of the North 2024, Climb23, UK Real Estate Investment and Infrastructure Forum (UKREiiF) and West Yorkshire Innovation Festival.
- 2.3 Delivery and support of these events align with two actions sitting under the State of the Region priority, “Driving economic growth and innovation to enable good jobs”:
- Provide businesses with intensive support to boost productivity/innovation capacity.
  - Attract global investors to the region, creating jobs and boosting productivity within the regional economy.

#### UKREiiF

- 2.4 The UK Real Estate Investment and Infrastructure Forum is the UK’s largest property event, hosted by the Built Environment Networking. Last year’s event was held at Leeds Dock from 16-18 May.
- 2.5 Along with promoting the region to visitors from across the UK and beyond, the event is an opportunity to amplify key policy areas and priority messages for Local Authorities and the Combined Authority, including Mass Transit, Place making, and cultural events, underpinned by priorities around Net Zero.
- 2.6 Building on the inaugural event, approximately 7,500 delegates attended in 2023 (double the attendance of the previous year), with 500 speakers and 150 exhibitors from across the public sector, the development and house building industry, and investors.
- 2.7 The conference aims to “connect people, places, and businesses to accelerate and unlock sustainable, inclusive and transformational investment”. It attracts developers, agents, suppliers, and consultants across commercial, housing, and transport infrastructure and is a prime opportunity to promote the region to this audience. As part of the event, the Combined Authority ran the West Yorkshire Pavilion with three key themes: Innovation, Creativity and Connectivity.
- 2.8 An analysis of the 2023 event has been undertaken to highlight the overall impact to the local economy. Figures show the direct economic impact is over £7.1m and social value of £2.5m. Further analysis estimates the wider economic impact of the event to be over £12m. Please see Appendix 1 for an independent evaluation of the impact of UKREiiF.
- 2.9 The 2024 event will take place from 21 to 23 May. In November 2023, following intense competition, with regions and cities across the UK lobbying to host, it was announced that UKREiiF will remain in Leeds from 2025 onwards.
- 2.10 As Destination Sponsor for 2024, the Combined Authority will again host the West Yorkshire Pavilion in the “Investment Zone”, which will act as a platform for all West Yorkshire partners to collaborate, network and share key messages.

- 2.11 Through the event, The CA and partners will tell a story of how a brighter West Yorkshire is taking shape by focusing on three themes: business, people and place. This will be brought to life through a series of panel sessions, coordinated announcements, animated investable propositions, and strategic meetings – building confidence, a “can do” approach and a willingness to work closely with decision makers to deliver. There will also be a wrap-around campaign and refreshed collateral to showcase the region.
- 2.12 Regular collaboration is already underway with all partners to create an engaging, outcome focused programme. The programme will be specifically designed to resonate with key audiences (developers, investors and the property eco-system) and demonstrate momentum and confidence in the regional market to target potential investors, occupiers, and developers for key strategic sites. A joint aim to increase awareness of West Yorkshire as a location to invest, locate and grow has been agreed.
- 2.13 A summary of the emerging programme will be shared with the committee during the meeting and further information will be shared with as plans develop.
- 2.14 Committee members are requested to note the progress made so far and advocate the importance, benefits and impact of hosting major events, such as UKREiiF, to their peers and networks, garnering further private sector support and engagement from across the region and beyond.

### Climb23

- 2.15 Leeds has the second highest number of high-growth businesses after London, and as a Combined Authority region, West Yorkshire has the second highest number across the country. With recent announcements such as West Yorkshire’s successful application for an Investment Zone, the Innovate UK Launchpad, and Create Growth, the region is in a strong position to promote the region to potential investors and support more economic activity.
- 2.16 To grow this agenda, in May 2023, Climb23 took place at Leeds Dock for two days. Over 150 active investors attended, with over 1,000 delegates on each day. Sessions were held over four separate stages with over 200 expert speakers providing insights.
- 2.17 Climb24 will take place once again in Leeds on 4 and 5 June 2024. The Combined Authority is working closely with the organisers to take a leading role in the event to help showcase the wide range of opportunities available to investors across key sectors. The intention is that, through events such as Climb24, Leeds Digital Festival, and the West Yorkshire Innovation Festival, the local ecosystem will attract vital finance for high-growth businesses.

### Convention of the North 2024

- 2.18 The Convention of the North aims to build a thriving and well-connected Northern powerhouse that will unlock the region's full potential to deliver sustainable, healthy and inclusive growth.
- 2.19 Established in 2018, it is an influential annual event in the political and business calendar, a powerful shared brand, and a well-developed network of partners for information-sharing and collaboration.
- 2.20 Hosting of the event rotates around key northern locations. This year, it will be held in West Yorkshire for the first time. Convention 2024 takes place at the Royal Armouries, Leeds from 29 February to 1 March.
- 2.21 It will be an opportunity to hear from a wide range of speakers to help shape the future of the North. This is an inclusive event drawing on diverse voices, including young people. Key themes will be:
- Net Zero
  - Transport
  - Trade and Investment
  - People and Place
- 2.22 The West Yorkshire edition of the Convention is chaired by Mayor of West Yorkshire, Tracy Brabin and Clare Hayward, Chair of NP11. It is being coordinated and delivered by a cross-organisational team from the Combined Authority and the NP11.
- 2.23 The Convention is expected to attract 400 delegates on day one for a series of policy workshops and 800 delegates on day two. It is an invitation-only event that engages business, community, academic and political leaders for energetic, action-focused discussions to explore the challenges and opportunities facing the North. In what is a pivotal election year, it is vital the North sets out a clear, coordinated, cross-party offer and ask of the Government.

#### West Yorkshire Innovation Festival

- 2.24 Evidence shows that innovation is key to driving productivity, both of which West Yorkshire underperforms on in comparison to other regions of the UK. According to the State of the Region report (2022), in West Yorkshire the proportion of businesses engaging in innovation activity has fallen steadily over the last few years, with 42.5% of businesses stating they are "innovation-active" in 2022. Although it is likely linked to the pandemic, other evidence suggests a long-standing West Yorkshire deficit in innovation activity, compared to both national statistics and against South Yorkshire, Greater Manchester, and West Midlands.

- 2.25 Evidence also suggests that although Research and Development (R&D) activity in West Yorkshire appears to be fairly high by business population, the region has the lowest investment in R&D per £1m of GVA of any English region outside of London.
- 2.26 To go some way to addressing this lack of innovation activity in the region, the Innovation Festival aims to raise the profile, understanding and accessibility of innovation, in its broadest sense, for a range of sectors and services, and to a wide, diverse audience.
- 2.27 As part of the Combined Authority's Innovation West Yorkshire service and led by wider innovation partners via the West Yorkshire Innovation Network, the third annual Innovation Festival took place 13 to 17 November 2023.
- 2.28 The week-long festival saw 25 events, attracting over 800 attendees and spanning a variety of subject areas, including skills in the community, AI in the creative industries, construction, knowledge transfer activity, innovation in manufacturing, and wider business support as an entry point to innovation. Stakeholders delivering events included Northern Trains, universities across the region, Kirklees Council, Harrogate and District NHS Foundation Trust, Lloyds Banking Group, and Calderdale and Kirklees Manufacturing Alliance, amongst others.
- 2.29 Three initiatives were launched as part of the festival: Digital Inclusion West Yorkshire, the National Health Innovation Campus in Huddersfield, and the UK Shared Prosperity Fund funded Innovation in the Supply Chain programme.
- 2.30 The annual Innovate UK Local Day took place in Calderdale and attracted approximately 150 attendees to learn about the broad innovation support offers available to businesses across the region. This is the fourth year of the Innovate UK Local Day, previously held in Bradford, Leeds and Wakefield.
- 2.31 An evaluation of the festival is ongoing and full information will be shared with this committee. Planning for the next festival is underway, including strategic themes, and this committee is invited to provide insight, ideas and expertise to raise the profile of the festival to become a highly significant event.

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

- 3.1 This was a cross cutting theme in all events, both in the planning and subject matter, for example, the Combined Authority strives to hold events at locations that are accessible by public transport. It will continue to be a significant theme in all future events as the Combined Authority works towards West Yorkshire becoming a net zero carbon region.

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

- 4.1 We hold events in locations across West Yorkshire, aiming to attract visitors to all districts and to host and/or be accessible to people living in areas of deprivation.

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

- 5.1 Equity, Diversity and Inclusion are central to all key events. Considerations are made in terms of accessibility of venues, content being relevant and accessible to communities across the region, and diverse representation on panel discussions and in audiences.

## **6. Financial Implications**

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

## **7. Legal Implications**

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

## **8. Staffing Implications**

- 8.1 Events of this nature and scale require dedicated resource and investment of time from all partners involved in the planning and delivery.

## **9. External Consultees**

- 9.1 No external consultations have been undertaken.

## **10. Recommendations**

- 10.1 That the Committee notes information on the strategic events, Convention of the North, Climb23, UK Real Estate Investment and Infrastructure Forum (UKREiiF), and West Yorkshire Innovation Festival.
- 10.2 That the Committee endorses the role of these key strategic events in promoting economic growth, job creation, and innovation across West Yorkshire, promoting the benefits to their networks and advocating their significance.
- 10.3 That members provide feedback on this year's events and offer suggestions for enhancing future iterations.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 – UKREiiF Impact infographic

16TH-18TH MAY 2023

# LEEDS CITY CENTRE

300+ INTERNATIONAL VISITORS

750 INVESTORS ATTENDING

150 EXHIBITORS

600 YOUNG PROFESSIONALS AND STUDENTS

500 SPEAKERS ACROSS 20+ STAGES

800 FREE TICKETS GIVEN - BENEFICIARIES INCLUDE YOUNG PROFESSIONALS AND INDUSTRY GROUPS

7500 ATTENDEES

£12.1M WIDER ECONOMIC IMPACT

85% FROM OUTSIDE OF YORKSHIRE

11,663 HOTEL BED NIGHTS

LEEDS CITY

175 FRINGE EVENTS  
SPREADING THE ECONOMIC IMPACT AROUND THE CITY

500 OCCUPIERS ATTENDING

500 DEVELOPERS ATTENDING

£100,000 RAISED FOR CHARITY

40 PARTNERSHIPS WITH EDI GROUPS

PRODUCED BY ARUP

UKREiif HAS BECOME THE MUST-ATTEND EVENT IN THE INDUSTRY. THE SECOND UK REiif CONFERENCE AND ASSOCIATED FRINGE EVENTS ATTRACTED THOUSANDS INTO THE CITY, GENERATING SIGNIFICANT ECONOMIC AND SOCIAL IMPACT.

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