
Report to: Business Innovation and Growth Panel

Date: 24 November 2020

Subject: **Business Productivity and Resilience Plan**

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1 Purpose of this report

- 1.1 To seek feedback from Panel members on the proposal to develop a standalone Leeds City Region Business Productivity and Resilience plan.

2 Information

Background and rationale

- 2.1 In terms of business facing policy, the Leeds City Region has for a number of years taken its lead from the Strategic Economic Plan. With that plan to be removed from March 2021, and within the context of the recently agreed Strategic Economic Framework¹, there is a need to reassess policy priorities.
- 2.2 Over the past 18 months, a significant amount of input and engagement has taken place with partners, including the BIG Panel, on the development of a local industrial strategy, which contained specific priorities around how to increase productivity, and in particular on the foundation of business environment. However, there is uncertainty over the status of Local Industrial Strategies due to changes in the Government's approach and the implications of COVID-19.
- 2.3 This uncertainty creates a gap in our Strategic Economic Framework around our priority of boosting productivity. As discussed previously at the BIG Panel, closing the gap to the UK average in Leeds City Region would be worth £8.5bn to the UK economy. Whilst the Economic Recovery Plan contains very important links to this long-term agenda, and particularly the question of building economic resilience, its focus is restricted to the short-term implications of recovery from COVID-19. There is an opportunity therefore to develop a specific plan about how we will tackle those longer-term challenges.

¹ <https://www.westyorks-ca.gov.uk/growing-the-economy/strategic-economic-framework/>

Much of the work that has gone into development of the Local Industrial Strategy will be important for this proposed plan, as set out below.

- 2.4 Activity to drive business productivity in Leeds City Region will require a collaborative effort across different agendas, linking clearly to what we can do collectively to increase skills, innovation and investment. In a challenging environment, it will be critical to demonstrate the importance of productivity in building resilience, generating new opportunities for jobs and enterprises and improving long-term living standards.
- 2.5 Connected to this, developing a strong strategic narrative for the Leeds City Region on our approach to supporting businesses will also have a significant impact on connected priorities of enabling inclusive growth and supporting clean growth. There is a wealth of evidence that supports the fact that good work has a positive impact on productivity and that clean growth can increase resource efficiency and stimulate innovation. However, it will also be important to factor in trade-offs between priorities and to mitigate any negative impacts.

Business Productivity and Resilience Plan

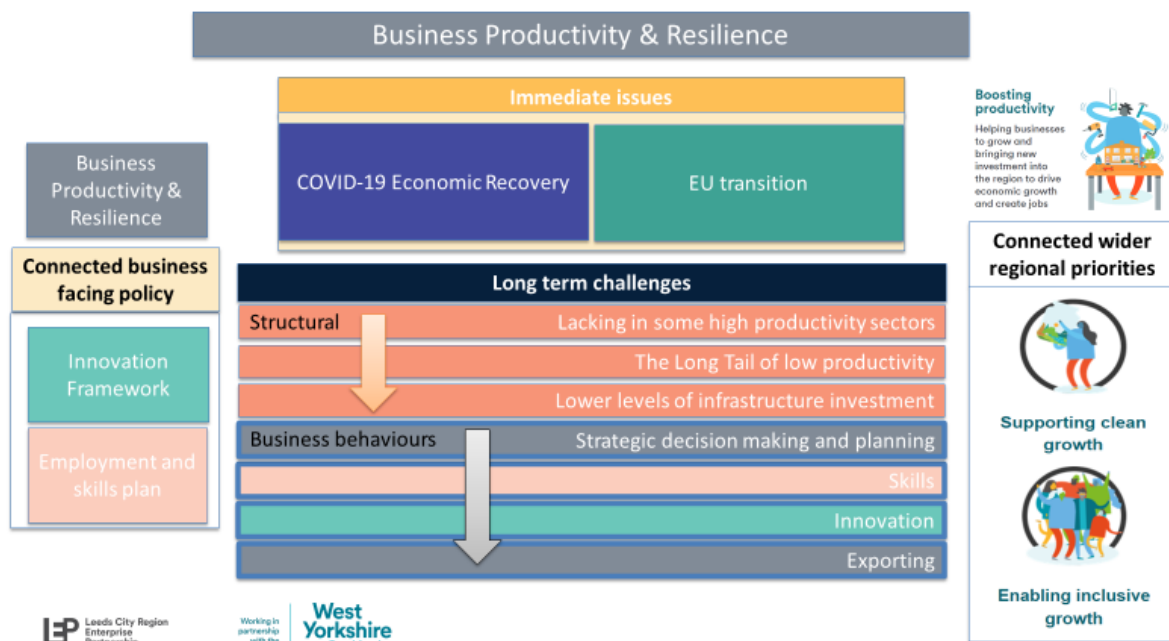


Diagram: Draft summary of issues for Business Productivity and Resilience

- 2.6 As highlighted above, much of the evidence base and emerging priorities on long-term productivity have already been identified through work to develop the Local Industrial Strategy: much of these are structural and included matters beyond the immediate activity of businesses. The proposal for the business productivity and resilience plan is to focus centrally on **matters of firm level productivity and resilience**. Previously with BIG Panel we discussed an approach based on business behaviours, and a starting point will be to reflect on that work.

2.7 There will need to be some recasting and a review of the work done for the Local Industrial Strategy in light of COVID-19 and to ensure alignment with the Economic Recovery Plan. Evidence and priority identification will also need to consider any specific issues associated with the UK's transition to an independent trading state outside of the European Union. As the primary focus is on the behaviours of businesses, external consultation and engagement will be vital, and the plan will need to clearly set out the impact and outcomes it is expected to achieve, linked to the indicator framework being developed for the Strategic Economic Framework.

2.8 It is proposed that the following timeline of activity be endorsed by BIG Panel:

Actions	Timescale
Stocktake by BIG Panel	November 2020
Review of evidence base and gap analysis	November / December 2020
Development of priorities	December 2020 / Jan 2021
External consultation	January 2021
Endorsement at BIG Panel	February 2021
Formal sign off by LEP and CA	June 2021 (following purdah)

2.9 Once agreed, the Business Productivity and Resilience Plan / Framework will form part of the Strategic Economic Framework.

3 Clean Growth Implications

3.1 There are no immediate clean growth implications directly arising, however business behaviours play a key role in tackling the climate emergency.

4 Financial Implications

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

5 Legal Implications

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

6 Staffing Implications

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

7 External Consultees

7.1 No external consultations have been undertaken specifically on this report.

8 Recommendations

8.1 That the Panel provides feedback on the proposal and supports the timescales set out.

9 Background Documents

None

10 Appendices

None