
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 21st September 2022

Subject: **West Yorkshire Economic Strategy 2022-2030**

Led by: Mark Roberts, Interim Chair

**Lead
Officer:** Liz Hunter, Interim Director of Policy and Development

1. Purpose of this report

- 1.1. The purpose of this report is to seek the LEP Board's views on our proposed approach to creating an Economic Strategy for the West Yorkshire Region from 2022 to 2030.
- 1.2. Following a period of significant economic uncertainty, during EU Exit and the Covid 19 Pandemic, we want to test whether a new economic strategy which moves us from reaction to resilience is necessary. This strategy could help us to navigate the current economic challenges facing the region as we recover from the pandemic, face geopolitical uncertainties, and the knock-on rising costs of living, whilst also guiding us towards a more resilient future.

2. Information

Background

- 2.1. A wider piece of work is underway to create a vision for the West Yorkshire region (working title the West Yorkshire Plan). This Plan will help tell the overall story for the region, capturing our strengths and opportunities. This will be the overarching Plan under which will sit our existing and new strategies and policies.
- 2.2. We already have a number of existing strategies that consider our economic objectives including the Economic Recovery Plan, Business Productivity and Resilience Plan, Innovation Framework, Digital Framework and the Healthtech Strategy. Each District Partner also has an economic strategy or plan.
- 2.3. We think these provide a solid base of evidence and objectives and have steered the current allocations of funding. Many of the structural challenges and opportunities our region has to offer have not changed. Improving our

productivity levels, increasing spend on research and development and focussing efforts on our strengths such as health technology should remain as our objectives.

- 2.4. There are a number of things that have changed however such as the demographics of the workforce, the prevalence of work from home and the impact this has had on towns and city centres, rising prevalence of wellbeing as a metrix, rising costs of living and energy, skills shortages and in particular the need for digital skills. These all suggest that we should update our economic scenarios so that we can better test our policy proposals against them.

There are also some gaps in our work to date, in particular on sectors. We therefore propose using this as an opportunity to address these gaps.

- 2.5. We are also designing new interventions to support businesses and entrepreneurs based on our current policies. The new economic strategy will help define interventions beyond the current allocations.

Proposed Approach

- 2.6. We propose reviewing existing policies to capture what has been achieved to date, and to analyse if the outstanding items are still relevant in the existing economic climate, including them where it is appropriate to do so. This will include a review of Local Authority documents as well as those produced by the Combined Authority. We want to acknowledge the significant work that has been done in this area before and look to consolidate and enhance rather than reinvent. In doing so we want to ensure that our approach is fit for purpose.
- 2.7. As part of the Economic Strategy, we propose that we will review our approach to sectors. A piece of work on our region's sectors was started prior to the pandemic but was never finalised, so we intend to build upon this so that we have a clearly articulated approach. This will help us to leverage funding, communicate more clearly with business and attract foreign direct investment.
- 2.8. Through a scenario planning exercise, we also intend to test current programmes and our pipeline against potential future scenarios. This exercise will help us to identify potential risks and mitigate against them in our approach to policy making. We feel now is an appropriate time to do this exercise given the significant number of programmes going through the assurance process for Gainshare and the Shared Prosperity Fund. We believe it is important to strike a balance of activity between proactively developing the conditions for a resilient economy and dealing with the immediate needs of business. The Economic Strategy will help us to do this.
- 2.9. Our proposal is to write the strategy in collaboration with Local Authority (LA) partners to ensure that it acknowledges and considers the economic strategies on a local level. We seek the LEP Board's views as to any other

organisations that should be invited to participate, to recommend timescales for conducting the work and for the level of engagement with stakeholders. The proposal is to complete the work by March next year, but this would depend on the level of engagement with businesses and whether and how to engage the public.

- 2.10. The proposal therefore is for a three-pronged approach;
- (a) Review existing policy and refer to the findings of the work underway to address the current cost of living crisis and use this to inform our approach to creating the right conditions for a thriving economy by 2030.
 - (b) Review our approach to sectors to ensure that we have a robust and resilient method to ensure economic growth and a thriving region by 2030.
 - (c) Conduct a scenario planning exercise to test our economy's resilience against possible scenarios to inform how we plan for mechanisms and interventions to help ensure economic resilience and capitalise upon opportunities.
- 2.11. The approach will draw upon existing policy approaches including the Mayoral Pledges, The West Yorkshire Investment Strategy, State of the Region Report, The Economic Recovery Plan, The Fair Work Charter for West Yorkshire, and Local Authority policies.
- 2.12. A key challenge to address in this strategy is our ambition is to create a net zero carbon economy by 2038. The economic approach will therefore explore opportunities available to us to green our economy and create more sustainable and resilient businesses. Our ambition is to create an Economic Strategy which results in a region where everyone benefits from the economic, health and environmental benefits of a net zero carbon economy.
- 2.13. Enabling inclusive growth is a key driver of the Economic Strategy. By this we mean enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns, irrespective of their background. Inclusivity and wellbeing will be used as lenses in which to assess the viability of our economic approach and will form key indicators as part of the scenario planning exercise. These lenses will also be applied during the sector analysis work to ensure that we are supporting both the foundational and frontier parts of our economy.
- 2.14. We seek the LEP Board's view as to whether you believe a strategy is necessary. If yes, what does a successful strategy look like? What outcomes would you like to see as a result of the strategy? Should it be called a strategy or is it a framework?

3. Tackling the Climate Emergency Implications

- 3.1. The Economic Strategy must consider the region's ambitions to achieve net zero carbon by 2038. Our economic approach will have an impact on the environment. Creating an Economic Strategy provides us with an opportunity to explore our economy through an environmental sustainability lens and develop policies which will enhance our abilities to achieve our net zero carbon ambitions. This is an opportunity to work with our businesses and stakeholders to create an economic environment conducive to environmental sustainability, green technologies, and innovation.

4. Inclusive Growth Implications

- 4.1. This is an opportunity to place the principles of inclusive growth at the heart of our economic approach. Whilst the Economic Strategy is focused on the economy, it sits in the context of the West Yorkshire Plan and a suite of other policies and pledges which make firm commitments to inclusive growth. A resilient economy fit for purpose supports the people of West Yorkshire to thrive.

5. Equality and Diversity Implications

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

6. Financial Implications

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

7. Legal Implications

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

8. Staffing Implications

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

9. External Consultees

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

10. Recommendations

10.1. The recommendations are that the LEP Board:

(a) Gives views on our approach to creating an Economic Strategy for West Yorkshire.

(b) Provides advice as to what success looks like for them and sets some expectations for the strategy, and

(c) Is involved in reviewing the strategy as it evolves.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.