

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

Date: 1 December 2022

Subject: **Economic Plan**

Led By: Mark Roberts, Interim Chair

Lead By: Phil Witcherley, Interim Director Inclusive Economy, Skills and Culture

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

1. Purpose of this Report

- 1.1. This report provides the LEP Board with a progress update on work to develop an economic plan for the region. This plan aims to cover the period 2022 to 2040.
- 1.2. In West Yorkshire, we have a long history of collaboration. We recognise the value of working together and the benefits this approach brings. We know that we can't realise our vision in isolation and will continue to work together in partnership to bring our ambitious economic plan to life. This plan will therefore build on, and not replicate, the existing economic plans and strategies of both the Combined Authority and in each of the districts.
- 1.3. Our approach will incorporate our existing live strategies and plans. This includes, for example, the West Yorkshire Skills and Employment Framework, our Innovation Framework and our Trade Strategy.
- 1.4. Developing of an economic plan will support and guide the Combined Authority's work to maximise economic opportunities across the region, target sector growth and build resilient business base and supporting infrastructure.
- 1.5. This work will incorporate thinking on a new approach to economic sectors as well as an outline of economic forecasts for the region.

- 1.6. It will also align closely to the wider West Yorkshire Vision that is being developed in collaboration with local authorities and partners. We will use the economic plan to create the right conditions to boost the economy in our region so we can see highly skilled people working in well paid jobs, able to access opportunities in a sustainable, carbon-free future and a great quality of life. An environment where entrepreneurial activity can flourish, where it is easy for businesses to start-up, grow, innovate, trade and invest. Where integrated infrastructure attracts the investment to create jobs in well-connected places with affordable homes.
- 1.7. An ambitious economic plan needs strong delivery mechanisms and clear policy direction. The plan is supported by a suite of policies and strategies that have been developed with strong collaborative leadership to give clear vision and direction for key policy areas. The policy and strategies underpin each of the regional outcomes. (Trade Strategy, Culture Framework, Digital strategy, Local employment plan, for example)

Progress so Far

- 2.1. Two activities have been in development, a review on our approach to sectors, and economic scenario forecasting.

Approach to Sectors

- 2.2. The Combined Authority has been developing a new approach to sectors for the region. Previously, under the former Strategic Economic Plan, we outlined a number of sectors that we would focus on for the region. This was key to securing inward investment and directing business support interventions.
- 2.3. Unlike other LEP areas, we have not previously outlined key sectors in our previous economic framework.



2.4. Following a private sector workshops on 7th November and the 15th November, we are progressing a sectoral framework which places sectors into three different strands:

- **Enabling Sectors:** significantly important sectors that are the catalysts for economic growth. They tend to

be high-growth and high-innovation enterprises. They have strong competitive advantage and link to key mayoral pledges.

- **Strategic Sectors:** strategically important to economic growth but may not be high-growth or high-innovation oriented. Some of these businesses retain a competitive advantage.
 - **Vital Sectors:** these are mostly foundational sectors of the economy. They employ a large number of people to support the day-to-day functioning of the economy. They are not high-growth or highly innovative and have relatively low competitive advantage. However, they do provide essential infrastructure on which other sectors depend.
- 2.5. These strands will be underpinned by our commitment to achieving carbon net zero targets, investing in technologies to improve productivity and inclusivity, and ensuring that we protect the most vulnerable.

Scenario Planning

- 2.6. The second piece of work relates to economic scenario forecasting.
- 2.7. Previously, the Northern Powerhouse Independent Economic Review (NPIER) characterised the north's economic position and identified opportunities for creating economic growth.
- 2.8. Our economy has significantly changed since 2016 when the NPIER was last undertaken. This includes demographics of the workforce, working arrangements, a growing focus on wellbeing, skills shortages (including digital skills), and the changing landscape of urban centres. In addition to this, political landscape of the north has also changed, where there are now seven combined authorities, of which six include metro mayors. The Chancellor reiterated his commitment to devolution in the autumn statement where he said "We are making progress towards trailblazer devolution deals with the Greater Manchester Combined Authority and West Midlands Combined Authority, and soon over half of England will be covered by devolution deals."
- 2.9. Recognising these changes, the Combined Authority has been working with academics from the Place-based Economic Recovery Network (PERN) to develop a series of economic scenarios that will help us identify risks and mitigate them in our approach to policy making.
- 2.10. PERN presented these scenarios and the wider research to the Business Representatives Group on 15th November
- 2.11. The economic scenarios provide four potential trajectories for growth in the region. Some are based on the optimism of the public services and businesses interviewed and some are based on the pessimism of the same survey's participants. The current trajectory of the region is also projected. These potential scenarios enable us to explore opportunity and mitigate

against risk. Helping the Combined Authority to determine where its resources would impact the best outcomes for the region.

- 2.12. The economic scenarios work will explore opportunities to build a low-carbon economy and create more sustainable and resilient businesses as well as ensuring inclusive growth by enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns, irrespective of their background. Work is underway with WYCA research and intelligence to unpick the findings of the Y PERN scenarios research and to further develop our approach.
- 2.13. On the 16th November the Business Representatives Group (BRG) met to discuss the economic plan including the proposed approach to sectors and scenarios. This workshop was structured in three parts: ambition, approach, and next steps. Yorkshire PERN attended the workshop to present the work they have conducted on behalf of WYCA and to present four potential economic scenarios based upon their research with businesses. The meeting was also an opportunity to situate the economic plan in the wider context of the West Yorkshire Vision a piece of work been led by the strategy team. Overall the BRG were supportive of the vision and approach to the economic plan and agreed to participate further in the ongoing shaping of the economic plan.

Proposed Way Forward

- 2.14. The Combined Authority will develop a short “Economic Plan”. This will be developed and presented to the next LEP Board in March 2023 for approval. This will include a synopsis of our plan for the next 2 years detailing the pipeline of proposed work and work underway.
- 2.15. The document will be codesigned based on collaboration with Business Representatives and the local authorities.
- 2.16. Given the short nature of the document, a high-level overview of the proposed content is outlined below. LEP Board members are asked to provide any comments on the proposals:
 - Outline our economic vision and priorities for West Yorkshire to achieve by 2030
 - Identify our priority sectors for investment and intervention – focused on emerging, strategic and vital sectors of the economy, and
 - Respond to economic scenarios developed by Yorkshire PERN and making the most of the transition to a low-carbon economy while simultaneously maximising the rewards of focusing on inclusive growth.
- 2.17. Given the scope of the document focusing largely on economic policy, the Business, Economy & Innovation Committee will act as the lead committee for this piece of work.

- 2.18. Between this meeting of the LEP Board and the March 2023 meeting, further input from the LEP Board would be welcome to help co-design the document to ensure that it has the support of the business community and wider ecosystem. To support this, we will set up a Task and Finish Group that will meet regularly to steer the development of the document. The Task and Finish Group will include representatives from both the private sector and our partner Local Authorities.
- 2.19. The below table outlines the intended programme of formal engagement, we will also work closely with key partners (including LEP board members and LA economic policy leads) in between these key stakeholder meetings:

Engagement / Meeting	Dates
Mayoral Discussion with Business Representation Group	15 November 2022
LEP Board	1 December 2022
Business Communications Group	18 January 2023
Business, Economy & Innovation Committee	24 January 2023
Mayoral Discussion with Business Representative Groups	TBC
LEP Board	8 March 2023 (PM)

- 2.17. In addition to the above engagements, Officers welcome further sessions with Local Authorities. We intend to form a task and finish group made up of colleagues from WYCA plus council colleagues and business representatives to help us to ensure the economic plan reflects the region and the existing policies and strategies in place and underway.

3. Tackling the Climate Emergency Implications

- 3.1. All sectors of the West Yorkshire economy will need to become net-zero carbon if we have any possibility of reaching our 2038 target.
- 3.2. The transition to a low-carbon economy will underpin and be embedded throughout this document – particularly in relation to both the scenario forecasting and sectors approach, recognising the opportunities available from creating new green-skilled jobs and business ventures.

4. Inclusive Growth Implications

- 4.1. Inclusive growth will be an enabling factor across the development of this document.

5. Equality and Diversity Implications

- 5.1. As part of the work on sectors, we have undertaken an analysis of the demographic make-up of the economy and will reflect this in the final document that will be developed.

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 LEP Board notes the update on the development of an economic plan publication.

10.2. That the LEP Board engages with, and helps shape, the content of the document over the coming months.

10.3. That members of the LEP Board come forward to help form part of the Task and Finish Group.

11. Background Documents

[Committee Report](#): Scenarios & Sectors to the Business, Economy & Innovation Committee (19 October 2022).