
Report to: Economic Scrutiny Committee

Date: 15 September 2023

Subject: **Economic Strategy**

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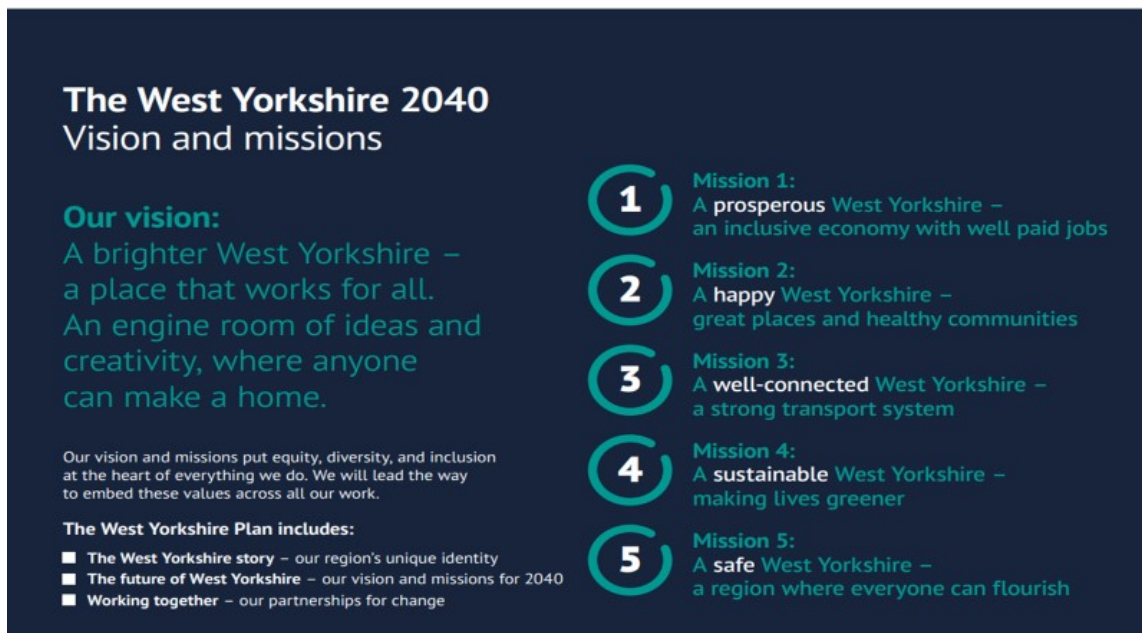
1. Purpose of this Report

- 1.1. To update members of the Economic Scrutiny Committee on development of an Economic Strategy for West Yorkshire.

2. Information

Background

- 2.1. In June, the Mayor and West Yorkshire political leaders launched the [West Yorkshire Plan](#). The West Yorkshire Plan sets out a vision and five ambitious missions for 2040.



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

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

- 2.2 The West Yorkshire Plan seeks to improve jobs, incomes, health, skills, transport, places, safety, and well-being across West Yorkshire. Progress will be demonstrated through measurement of regional monitoring indicators set out in annual [State of the Region](#) reporting.

Economic Strategy

- 2.3 The West Yorkshire Plan provides the framework for a new Economic Strategy. **The Economic Strategy will contribute to all missions of the West Yorkshire Plan with a particular focus on Mission 1.** The work will take a whole systems approach to the economy considering the enablers of transport, infrastructure, planning and housing. The Economic Strategy will be key to our ambition to be a net zero region by 2030.
- 2.4 The structure of the West Yorkshire economy and broad business base means we have a **resilient economy not dominated by a single sector**. Our region has seven universities, with specialist clusters in digital tech, advanced manufacturing, and a thriving cultural scene. The health sector employs the most people in West Yorkshire, directly accounting for almost 15 per cent of jobs (compared to 13 per cent nationally). West Yorkshire has more manufacturing jobs than anywhere in the North and is the country's leading regional financial centre outside London.
- 2.5 Despite many economic strengths, the region has long-standing challenges it must address. These have been exacerbated by recent events, most notably the COVID-19 pandemic. **West Yorkshire's relative performance as measured by productivity has not improved in recent years.** West Yorkshire faces a deficit in its skills base which is closely associated with its underperformance on productivity and innovation.
- 2.6 **More than one in five people in West Yorkshire live in areas within the 10 per cent most deprived in England.** The deprivation profile of our region has remained relatively unchanged between 2004 and 2019, reflecting the **persistent and entrenched nature of the challenge**. Healthy life expectancy in West Yorkshire is below the national average for both males and females. Around 19 per cent of jobs in West Yorkshire pay below the Real Living Wage increasing to 38 per cent for part-time workers.
- 2.7 Twenty-four per cent of the working age population are economically inactive compared with 21 per cent nationally. The economic inactivity rate people aged 50-64 is 29 per cent in West Yorkshire compared with 24 per cent nationally. Further contextual information on current and longstanding regional economic challenges are set out in paper xxx which will help frame development of the Economic Strategy. Appendix 1 to this paper sets out details on emerging evidence which is being considered as part of the development work.
- 2.8 **There is no single intervention that will deliver the change needed; partnership will be key to supporting bold action on investment, skills, innovation, and finance, that delivers a thriving net zero carbon economy by 2038.** The Strategy will embed our approach to equity, diversity, and

inclusion with a focus on an inclusive economy that tackles long standing issues of deprivation. The Economic Strategy will establish priorities for emerging policy work including a reflection on the role of health in the economy. The Strategy will also set out our approach to key sectors of the economy, highlighting the potential of growth clusters including strengths in green technology mapped against existing assets.

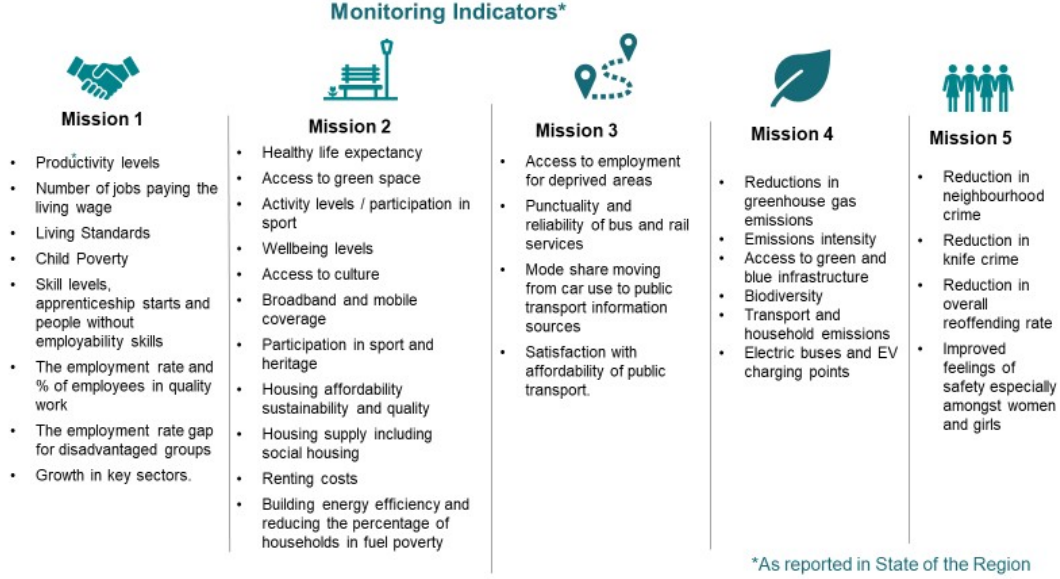
- 2.9 Local authority and Combined Authority officers are working closely with other partners to collect evidence for the strategy and develop priorities.
- 2.10 The Economic Strategy will draw on existing policies and strategies (see figure 1) and provide a framework for focused action plans and the design of investment programmes. Policy in development includes work on a Digital Blueprint which will ensure West Yorkshire is a ‘Smart Region’. The Digital Blueprint will update on how lives are transformed by digital technologies and will include a coherent strategy for delivery and partnership working. Work is also being undertaken to develop Blueprints on all age career support and employment support.

Figure 1: West Yorkshire Combined Authority policy framework by West Yorkshire Plan mission.



- 2.11 The indicators of the West Yorkshire Plan will be used to provide a high-level framework for monitoring progress with more detailed indicators sitting alongside performance data to track progress of key programmes and projects (see figure 2).

Figure 2: West Yorkshire Plan missions and monitoring indicators



Evidence Gathering

2.12 A range of activity is being undertaken to establish and update our economic evidence base. This includes cross cutting evidence collection on challenges facing the region which will need a range of policy action. Evidence gathering includes the following:

- Where new data is available, there will be updates to the 2019 West Yorkshire Economic Assessment which was undertaken as part of development of a Local Industrial Strategy and has informed a number of exiting policies at the Combined Authority.
- The Combined Authority has recently commissioned a new Regional Economic Model (REM) enabling scenario modelling to understand responsiveness of the West Yorkshire Economy
- An external commission to look at high growth opportunities for West Yorkshire including from the green economy and net zero
- Working with a specialist academic network (Y-PERN) on a call for evidence on topics impacting on an inclusive economy including childcare, the informal economy, and the future of work and the impact of AI.

2.13 In addition to the above, an advisory group of leading academics is being brought together to deepen our understanding of health and the impact of health on the broader economy.

2.14 The table below sets out an indicative timeframe for the work. This will need to be revised if any stages of evidence collection outlined above are subject to a

delay Once draft priorities have been written, a follow-up paper will be circulated to Scrutiny Committee.

Task	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Evidence Collection	█	█	█	█	█			
Survey								
Stakeholder Engagement	█	█	█	█	█			
Report Drafting			█	█	█	█	█	
Engagement on the draft					█	█	█	█
Final Draft								█

Consultation

2.14 Consultation is focused on diverse groups and communities. An online questionnaire will be available to a range of stakeholders with follow-up work to take place in different settings and with formats tailored to the audience.

Wider policy development

2.15 As set out in Figure 1 (above) in addition to the Economic Strategy, new policy development and reviews of existing policy including on transport, skills, housing, and climate is taking place. These pieces of work will be reflected in the Economic Strategy, and we will work closely with policy colleagues to ensure alignment.

3. **Tackling the Climate Emergency Implications**

3.1. Addressing net zero will be a key driver of the Economic Strategy and embedded across all our work.

4. **Inclusive Growth Implications**

4.1. Mission one of the West Yorkshire Plan is for an inclusive economy which will be a guiding principle of the Economic Strategy.

5. **Equality and Diversity Implications**

5.1. Equality, Diversity and Inclusion is embedded across each of the missions of the West Yorkshire Plan and will be a guiding principle of the strategy. This is reflected in the approach to consultation which is seeking to work with a diverse range of stakeholders.

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 Your Voice survey is in development. The survey includes open ended questions on the strengths and challenges of the West Yorkshire economy. The aim is to capture feedback from a range of voices, but targeted emails and follow-up activity being planned. In addition, a programme of consultation is being developed with stakeholders including local authorities, business groups and universities.

10. Recommendations

10.1. That members of the scrutiny committee note the remit of the Economic Strategy and discuss the key themes identified.

11. Background Documents

None.

12. Appendices

Appendix 1 – Economic Strategy Prospectus