

**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**

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.