



Report to:	Business, Economy and Innovation Committee
Date:	31 January 2024
Subject:	Economic Strategy Update
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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide members with an overview of the emerging evidence and draft priorities of the Economic Strategy and an early opportunity to steer the direction and emerging content.

2. Information

- 2.1 Members are aware that work is ongoing to develop a new Economic Strategy for West Yorkshire, reflecting the vision and missions of the West Yorkshire Plan. A framework for action is emerging from the evidence collection and stakeholder engagement. This framework will enable development of a set of priorities to inform the final strategy.
- 2.2 Appendix 1 to this report sets out a summary of the evidence that has been examined alongside a framework to guide drafting and priority setting. This will be developed further as strands of the work conclude, including an external commission on West Yorkshire cluster strengths and opportunities, and further engagement with stakeholders.

West Yorkshire Economic Assessment

- 2.3 A comprehensive economic assessment considering the key drivers of productivity in West Yorkshire has been undertaken. The analysis considers the overall performance of the West Yorkshire economy over the past 20 years, exploring the economic geography

and local specialisms of the region. West Yorkshire is a self-contained labour market with around 90% of workers living in the Combined Authority area. Around 30 per cent of residents work in a different local authority to which they live. The evidence shows a **resilient, diversified, and polycentric economy that nevertheless has struggled to keep pace with national growth and productivity**. This has had an adverse effect on living standards.

- 2.4 While the productivity gap is growing and projected to continue, within sector specialisms such as within manufacturing, productivity is closer to or higher than the national average. Factors contributing to poor productivity performance of West Yorkshire include low investment and workforce skills.
- 2.5 Cambridge Econometrics is leading a cluster analysis study, commissioned by the CA, to understand the sectors where West Yorkshire has comparative advantage and the implications for inclusive growth. The study is exploring the overlaps between traditional sectors and emerging clusters. Initial analysis has identified three main (overlapping) groups, each of which represents an opportunity for the region:
- *Advancing Manufacturing*
 - Emerging Tech – Service Sector Crossovers
 - Net Zero.
- 2.6 The next stage of the work will analyse the opportunity for these groups in West Yorkshire, including ability to attract investment, provide jobs and meet national priorities. An expert panel is planned to review the evidence and provide input on emerging themes. Members of the panel will provide fresh perspective on the issues bringing international expertise and wide-ranging experience from academia, think tanks and major national bodies.

Emerging Priorities

- 2.7 The framework for action for the Economic Strategy puts inclusive, sustainable growth, and equity, diversity and inclusion at its heart, promoting health in all policies. Priority areas to consider are set out below.
- 2.8 The Economic Strategy should set out an approach that **builds on strengths where West Yorkshire has a comparative advantage in established and emerging clusters**, including:
- Work with business leaders to overcome barriers and unlock investment
 - Working with cluster leadership bodies nationally and make links regionally including with universities
 - Support opportunities to drive export growth

- Delivering skills pathways aligned to cluster opportunities
- Working with local authorities to ensure the quality and availability of business premises.

2.9 There is a need to ensure that all areas of West Yorkshire's economy can **promote good work** but particularly in those sectors where there are high numbers of employment such as retail and hospitality, this will include:

- Capturing learning from the first year of delivery of the Fair Work Charter and building on the successes.
- Working with sectors to support uptake and embed good practice bringing together communities of good practice.

2.10 Work is underway to **deepen understanding of the finance landscape** and will include a focus on place-based impact investing and investment opportunities for under-represented groups.

2.11 It will be important to **simplify the business ecosystem** recognising the role of the Combined Authority as a convenor and raising awareness of all types of provision including:

- A clear, easy to access portal of information for businesses and professional services.
- Reaching out to informal networks and key individuals within these networks to broaden our reach and sign-posting activity.
- Celebrating and elevating the diversity of businesses in our region including in sectors not directly supported by Combined Authority programmes.

2.12 Further details are included in Appendix 1. Members are asked to consider the emerging priorities along with accompanying evidence and provide feedback.

3. Tackling the Climate Emergency Implications

3.1 Tackling the climate emergency is a guiding principle for the Economic Strategy reflected in the framework for action.

4. Inclusive Growth Implications

4.1 Mission one of the West Yorkshire Plan is for an Inclusive Economy with well paid jobs and is a driving principle of the Economic Strategy reflected in the framework for action.

5. Equality and Diversity Implications

5.1 Equality, Diversity and Inclusion is a driving principle of the Economic Strategy and reflected in the framework for action.

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 questionnaire distributed via the Your Voice tool has been analysed with feedback helping to shape the emerging areas for action set out in Appendix 1.

10. Recommendations

10.1 That the Committee notes the content of the evidence summary included in Appendix One and provides feedback on the emerging themes and draft priorities.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Evidence Summary and emerging draft priorities.