



Report to:	Business, Economy and Innovation Committee
Date:	31 January 2024
Subject:	Investment Zones
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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 an update on the West Yorkshire HealthTech and Digital Investment Zone proposal.
- 1.2 To seek feedback on some of the emerging priority areas within the IZ package of investment.

2. Information

Background

- 2.1 In Spring 2023, the Chancellor announced that West Yorkshire will become one of eight Investment Zones, focusing on driving up innovation levels, attracting further private sector investment and support the levelling-up mission.
- 2.2 Since then, West Yorkshire Combined Authority has been working closely with partners, particularly local authorities and universities, to develop a set of capital and revenue interventions that will propel the region's ambition to scale and support longer-term innovation plans, aiding delivery on high impact innovation-led transformational projects.

- 2.3 Aligned to local and regional spatial and innovation-based policies, capital proposals will concentrate around core areas in Huddersfield, Bradford and Leeds. Revenue programmes will be region-wide but support capital investment.
- 2.4 Potential capital projects have been identified and proposed. These include:
- **University of Huddersfield (National Health Innovation Campus) and Station to Stadium SPA** the University of Huddersfield is investing over £100m into the development of a new state-of-the-art campus comprising six-new facilities focusing on tackling health inequalities, specialist clinical teaching facilities and entrepreneurial academic activity. Potential Capital Investment from the IZ includes support for the development of an innovation hub in building two and to improve utilities access supporting this development and, alongside remediation and access works, unlock development opportunities for business investment adjacent to the campus supporting agglomeration and cluster expansion.
 - **Leeds Collaborative HealthTech Innovation Hub** – this pioneering project will deliver a dedicated health innovation cluster hub at the heart of the Innovation Arc. It builds on the momentum of Nexus and the LTHT Innovation Pop up, for the first time co-locating entrepreneurs, businesses, clinicians, academics and other stakeholders to accelerate the growth of this key cluster and drive change by co-developing a joined-up innovation pathway. This is a unique and time-limited opportunity which will significantly accelerate health innovation through new inward investment, business growth, new enterprise and investment in training and skills. Aligned to the New Hospital Programme investment this will unlock an unviable heritage building and enable the Leeds Innovation Partnership to deliver a pioneering new space in the city.
 - **Bradford Digitisation HUB and Tech Entrepreneur Eco-System Space** – University of Bradford's Analytical Centre, Digital Health Enterprise Zone, which leverages the University's own investments in research capital to support businesses and startups with product and service innovation. Potential for funding through the WYIZ to invest in new technology to enable expansion of the programme in scale and scope aligned to investment in unlocking additional innovation space in the city centre and development opportunities in the Knowledge Quarter and Southern Gateway areas for businesses investment and agglomeration.
- 2.5 Revenue projects will support the ambitions of the Investment Zone. Proposed areas of focus include:
- **Demand-led courses skills courses** will help employers in Healthtech and Digital Tech, providing businesses with an opportunity to build a skilled, adaptable, and innovative workforce. By investing in the ongoing development of their employees, organisations

position themselves to thrive in a rapidly evolving industry and contribute to positive outcomes in healthcare delivery and digital innovation.

- **Part funded Industrial PhDs** linked to sector strengths and RD&I grants to support innovation development will support business-driven research agendas, driving innovation, addressing industry-specific challenges, and creating a knowledge-based economy. This project will contribute to the development of a skilled workforce, the advancement of technology, and the overall competitiveness of industries in a rapidly evolving global landscape.
- **A Regional Accelerator** will support cluster-based activity such as research and development activity, mentoring and skills development for businesses/start-ups seeking growth-based support. Linked to the accelerator, there will be wraparound support for **the three place-based incubators** that support business development through local and university specialisms.
- A regional **co-investment pre-seed fund** which will primarily support high growth / potential Healthtech businesses with pre-seed equity.
- Funding to support an **Academic Brokerage Service** based out of universities. This service will offer personalised support to businesses, facilitating the transfer of innovations, knowledge, and technologies from academia to help businesses progress within or move towards commercialisation
- **An Inward Investment Resource** that will support businesses to locate and grow in the region, bringing innovative technologies to market, supporting the scalability of successful ventures, and ultimately contributing to advancements within the cluster. Although West Yorkshire is home to established place-based specialisms, there is a need to package, and communicate said specialisms to be more attractive.
- Part of the Investment Zone funding will go towards **capital and revenue delivery and coordination**. This resource will aid the delivery of interventions on both capital and revenue.

All interventions are caveated by the Department of Levelling Up, Housing and Communities official sign off, which is due in March 2024.

Policy Changes & Development

- 2.6 In the Chancellor's Autumn 2023 Statement, it was announced that the West Yorkshire Investment Zone, along with others, will be extended to 10 years and have £160 million worth of funding. The above sets out plans for the first five years, with development of the latter five years starting during 2024.



Marketing and Communications

- 2.7 The WY IZ was announced by the Chancellor of the Exchequer, Jeremy Hunt, on a visit to Huddersfield based Paxman Scalp Cooling, showcasing a pioneering regional HealthTech company that has diversified, distributes to international markets and scaled through investment.
- 2.8 The Combined Authority, Bradford, Kirklees and Leeds Councils, and also Leeds, Bradford and Huddersfield universities have all made their own announcements at regional and local levels, championing strengths and opportunities the Investment Zone will foster.

Next Steps

- 2.9 Creation of a marketing and communications strategy, providing cohesive and consistent messaging.
- 2.10 Re-engagement with stakeholders and business community. A workshop will take place on 7th February 2024 to shape the design and scope of the proposed interventions. All committee members will be invited to this.
- 2.11 Working through The Department for Levelling Up, Housing and Communities deadlines. The current Gateway (4 - proposed interventions) will be completed by the start of February and the final gateway (5 - delivery) will be finalised and submitted before programme initiation in April 2024.
- 2.12 Working through The Combined Authority's assurance process, taking a strategic case to the Combined Authority in March.
- 2.13 This Committee will receive a further update at its March meeting.
- 2.14 Questions for the Committee
- Are the revenue interventions proposed the right ones? Is anything missing?
 - If difficult choices have to be made due to resource limitations for example, where should the focus of activity sit – start up, scale up or attracting new companies to the region?
 - How do we maximise business investment leverage greater resources into the IZ?

3. Tackling the Climate Emergency Implications

- 3.1 Any interventions will be designed to ensure that there is no adverse impact on the region's ambitions to secure net-zero by 2038. Part of our proposal for IZs has the opportunity to support the green-tech / green-finance sector across the region which could support the transition to a low-carbon economy across West Yorkshire.

4. Inclusive Growth Implications

- 4.1 Inclusive growth is a cross-cutting theme across the Combined Authority's portfolio of business support programmes and these principles will be applied to any interventions which make up the Investment Zone proposal.

5. Equality and Diversity Implications

- 5.1 Any interventions (in particular any revenue funding) under the Investment Zone proposal will take into consideration EDI implications. This will include the likes of programme targets to ensure geographical representation across the region and to reach and support underrepresented members of the business community of the chosen sectors.

6. Financial Implications

- 6.1 Funding will be drawn from the £80 million as part of the Investment Zone offer. There is also the opportunity to leverage additional funding through the private sector.

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 Committee notes the content of the report.
- 10.2 That the Committee notes the update on West Yorkshire's HealthTech and Digital Investment Zone proposal with members asked to provide theme-level feedback on the proposal.
- 10.3 That the Committee review and consider the capital and revenue interventions outlined in the report. Members are requested to evaluate the proposed projects and offer insights on their alignment with regional policies and potential impacts.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.

...or list:

Appendix 1 – TITLE

Appendix 2 – TITLE

Appendix 3 – TITLE (PRIVATE)