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Report to: West Yorkshire Combined Authority

Date: 5 October 2017

Subject: Inclusive Industrial Strategy and Autumn Budget submission

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

1 Purpose

1.1 To update WYCA on:

- Progress in setting a more comprehensive approach to economic and social policy, tailored to the lives, challenges and opportunities of city region residents;
- The city region submission to government ahead of the Budget on 22 November; and,
- The next steps in bringing about an inclusive industrial strategy.

2 Information

2.1 WYCA, along with the Leeds City Region Enterprise Partnership, sets the strategic direction for economic and social policy. Partners have previously agreed to a single, bold top-level city region strategy owned by both the LEP and WYCA, with inclusive growth at its core. This will guide decision-making over a strategic programme of activity tailored to inclusive growth.

2.2 WYCA members agreed at the last meeting to expand the policy range to address the direct and indirect determinants of inclusive growth. Members also emphasised that such an approach must focus on the diverse lives of West Yorkshire residents – recognising that people have different ambitions, concerns and opportunities. The more local the decision-making, the better policies and programmes can take account of these factors.

- 2.3 LEP Board met in workshop format on 19 September to review emerging findings from a review of the evidence base, focussed particularly on productivity and earnings power, as key contributors to inclusive growth.
- 2.4 In respect of economic policy, the recent LEP workshop marked an important step in developing the city region's approach to inclusive growth. In reviewing the latest evidence base and opportunities, business and civic leaders identified that increasing the competitiveness and productivity of firms across the city-region offers the transformative potential to sustainably improve wages and living standards. The structure of the city region's economy provides different challenges and opportunities than elsewhere.
- 2.5 It follows, therefore, that bold sub-regional solutions are more effective than approaches set in London to addressing different economic and social conditions across the country. The following products help city region partners to bring those solutions to life, at different stages of development:
- City region submission to government ahead of the Budget on 22 November (attached as **Appendix 1**). Here, partners champion clear, costed short-term priorities such as the continuation of the Business Growth service, and the city region's HS2 Growth Strategy, along with bold longer-term ambitions that form the basis of further work on industrial strategy.
 - Projects and programmes being refocused to drive inclusive growth. For example, business engagement in schools could be focused on the most disadvantaged areas, or public grants being conditional on firms taking practical steps to be more inclusive organisations.
 - Ambitious new ideas, co-produced between government and city region partners. This sets the foundations for innovative devolution terms that could be used flexibly depending on governance arrangements and additional locally-controlled funding via a significant 'single pot'.
- 2.6 Understanding the impact of an inclusive industrial strategy is as important as the projects and programmes we deliver. City region partners are, therefore, developing a cohort approach that better reflects the 'real life' concerns of different groups in society and what can make a difference to their quality of life. As ambitious new ideas are developed, this allows decision-makers to better understand the impact and trade-offs in policy decisions.

3 Financial Implications

- 3.1 There are no direct financial implications as a result of this report. However, without putting forward the city region's costed and tested plans for development, there is a risk that funding will not be sustained which could lead to the closure of services that have proved effective.

- 3.2 WYCA has previously understood that bolder activity depends on resources and powers. Additional investment is, to a significant extent, conditional on a mayoral devolution agreement.

4 Legal Implications

- 4.1 There are no direct legal implications as a result of this report.
- 4.2 WYCA has previously understood that bolder activity depends on resources and powers. Additional powers are, to a significant extent, conditional on a mayoral devolution agreement.

5 Staffing Implications

- 5.1 This report has no direct staffing implications. However, failure to secure continued resources for some economic services would have significant staffing implications. Alternative resourcing options are also being pursued.

6 External Consultees

- 6.1 There are no external consultees.

7 Recommendations

- 7.1 That WYCA note and endorse:
- The city region's submission to the Autumn Budget (Appendix A);
 - The people-focused approach to an inclusive industrial strategy, based on bold local decision-making, backed-up by new powers and resources; and,
 - That existing projects and programmes be refocused more clearly on inclusive growth outcomes.

8 Background Documents

- 8.1 None