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West Yorkshire Revival Plan

A business manifesto for regional prosperity

February 2021

Regional Growth

Foreword

The COVID-19 pandemic has shown that empowering regions is as important as ever, especially for a sustainable recovery. CBI and its business members stand ready to support local leaders as they continue to play a pivotal role in backing people and businesses throughout the crisis and into the recovery. For West Yorkshire this means assisting in the development of the newest mayoral combined authority (MCA) in the country, something which acts as a huge opportunity to develop, deliver and promote a future vision for prosperity.

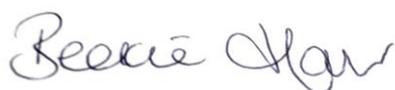
The metro mayor, to be elected for the first time in May 2021, will be the champion of this diverse, proud and vibrant region. A place with a strong history of industry, innovation and culture which shape its economy today.

The metro mayor will have the opportunity to build on this legacy, capitalising on the sector strengths that have emerged in health and care technologies, advanced manufacturing, professional and financial services, creative and digital sectors, and net zero innovations. All of which is underpinned by the entrepreneurial spirit that the region is known for and supplemented by established networks, which include higher and further education providers, the international renowned centres of innovation and R&D, and with the wider Yorkshire region.

However, a newly elected metro mayor will be entering office at an extremely challenging time. Not only will they have to address existing pockets of deprivation, and long-standing, low productivity rates, but also the impacts of COVID-19. If done right, the size of the prize is significant. Currently the productivity gap between West Yorkshire and the rest of the country is 13% but addressing this productivity gap could add £7.9bn to the region's economy.¹

To address the short-term challenges of COVID-19, and to turn West Yorkshire into a healthy, productive, and thriving region, the metro mayor must develop and champion a strong economic vision. This should be based upon the draft Local Industrial Strategy (LIS), as well as the recovery plan. It should consider how to turbo-charge recovery planning and focus on key projects and outcomes. This economic vision must enable businesses to succeed, focusing on key sector strengths that leverages public investment to support the private sector. This should recognise that a strong economy that delivers growth and good jobs can raise living standards and wages for all in the region.

To be a success, this requires a renewed partnership. The metro mayor should work collaboratively with businesses, neighboring authorities, unions and the third sector, as well as all parts of government to revive and thrive in the future. Business is ready to step up and support in this endeavor, working closely with the metro mayor to develop this economic vision, and to embed it across the region.



Beckie Hart

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Introduction

The metro mayor of West Yorkshire, once elected in May 2021, will oversee regional recovery and set the foundations to thrive in the future.

In the short term, the metro mayor will need to consider how to support businesses and their supply chains forced to close because of the pandemic. Provisions must also be made to support the mental health of business owners and workers. Not just for those who have faced the uncertainty of long periods of furlough, but also for those who have worked so hard to keep their businesses alive, kept their staff safe, all whilst trying to keep morale high across the firm.

Looking to the future, the metro mayor must consider how to drive productivity growth. An economic vision is needed to leverage private sector investment and strengthen the foundations of productivity, such as connectivity and skills, which make the region attractive for investment.

The challenges faced by the region and existing inequalities that have been exacerbated by the pandemic are not insurmountable. This manifesto sets out a way, where business and government can work together and ensure that West Yorkshire achieves its full potential in recovery and beyond. This is based upon three guiding principles:

Champion regional dynamism and global competitiveness to raise living standards

At the forefront of any plan to revive and thrive must be a strong economic vision that makes the region an attractive place for businesses investment. To succeed this should build on our distinctiveness and align with the transformational opportunities for West Yorkshire. These include med-tech, financial and professional services, advanced manufacturing, creative industries, and net zero, as set out within the economic recovery plan.²

Transform digital and physical infrastructure on the race to net zero

There must be a concerted effort to improve connectivity across West Yorkshire and beyond to give firms access to the widest pool of talent possible, and to transport goods more easily. Connectivity plans should be locally developed and delivered with an eye to new ways of working, and the future of towns and cities as we look to recover from COVID-19. They must also be cognizant of the race to net zero, as well as the important role digital connectivity has played throughout the pandemic.

Stimulate job creation and secure an inclusive workforce for the future

Low skills continue to be an issue for West Yorkshire. But over the years the region has also seen a hollowing out of the job market, which leaves little room for progression into middle- and higher-income jobs. This creates a risk where people are stuck in low-income jobs or leave to progress their career. Layered on top of this is the impact of COVID-19 on the local labour market. Whilst the future remains uncertain, some industries may remain unviable in the long-term creating a need to reskill residents. Therefore, the metro mayor must be prepared to take a multi layered approach to overcoming this challenge.

Champion regional dynamism and global competitiveness to raise living standards

The metro mayor should harness powers to promote the region, attracting and growing world-class businesses through a welcoming business environment. Priorities for the new metro mayor should include developing a strong economic vision focused on bridging regional divides and levelling up.

Use the recovery plan to provide a strong economic vision for the region

To turbocharge recovery and create a strong economic vision for the future the recovery plan should focus on key projects and outcomes. This includes dynamic business support that reflects the needs of, and is accessible to, local businesses. Vitally it should be the result of collaboration. The metro mayor is uniquely positioned to act as an advocate but also a coordinator, working closely with key stakeholders, and selling the potential of the West Yorkshire Combined Authority (WYCA) to central government and overseas investors.

Recommendations:

- Set out a strong economic vision which makes the case for public investment in priority projects, vital to leveraging private investment. This vision should be backed up with a clear delivery plan for each of the five local authorities, as well as regular performance reviews for the whole WYCA.
- Continue to engage with businesses, unions, the third sector, and local and neighboring authorities, and central government to develop this economic vision. Existing lines of communication and groups set up during the pandemic can be used and should continue to be adapted according to need, to ensure businesses of all sizes and sectors are represented in the development and delivery of an economic vision.
- Support and champion the role of social value in procurement, leading the way with how the combined authority procures goods and services. This should provide opportunities for businesses to engage with their corporate social responsibility and social value potential, going beyond the balance sheet to drive meaningful change.

Raise the international profile of the region and be pro-active in attracting new investment.

The metro mayor has a vital role to play in raising the profile of the WYCA nationally and internationally, pitching it as a great place to visit, live and work. This is vital to driving overseas investment but should also look to build on the strong brand recognition to increase both leisure and business travel, and subsequently increase spending in the local area. It should seize the opportunities presented in the year ahead, specifically the upcoming B7 and G7 conferences which are being hosted in the UK, and which provide a platform to promote West Yorkshire to overseas investors.

Recommendations:

- Attract inward investment by making the region more appealing to investors. A comprehensive investment prospectus, that acts as a landing package for inward investors and highlights key sectors and opportunities should be developed and maintained by the combined authority. The metro mayor can play a vital role in promoting this through existing channels overseas, such as consulates and embassies. This prospectus can be extended to support domestic companies planning to invest in the region.
- Lead trade missions, both inward and outgoing by working in partnership with business organisations and other stakeholders such as universities, utilising their experience leading overseas engagement. These trade missions should be tied to the existing sectoral strengths including health and care technology, professional and financial services, advanced manufacturing, and areas of international competitiveness including the race to net zero.
- Drive effective marketing of West Yorkshire to encourage domestic and foreign visitors, helping the region and the UK maintain its position as a leading global visitor destination as we look to recover from the pandemic. This includes maximising upcoming opportunities such as the upcoming Rugby League World Cup, and Leeds 2023 - which seeks to offer a range of cultural experiences within the city.



Promote export as a driver of prosperity and recovery.

Research undertaken by the CBI suggests as many as 11% of firms in Yorkshire are non-exporting “potential exporters”.³ With exporting a key driver of productivity, improving the consistency of exporting across the business community must be a top priority. Learning from the success of high performing sectors will be key. This is particularly important as we look to new EU and global trading relationships, where the metro mayor can support businesses understand the value of new trade agreements and navigate these new schemes.

Recommendations:

- Develop a fully integrated export strategy that sets out the benefits of trade alongside targeted business support. This business support should include identifying local and regional exporting champions who can act as mentors for businesses as well as programmes of support to help businesses grow international sales online. Support should help businesses identify marketing opportunities overseas, develop exporting plans and manage risk as they undertake these new endeavors.
- Ensure robust collaboration between the metro mayor, combined authority, the Department for International Trade, and new Northern Powerhouse Export Academy, alongside the Local Enterprise Partnership (LEP) and the Growth Hub to ensure businesses have a clear ‘one-stop-shop’ for all support services.
- Support existing exporters navigate new trading relationships with the EU, as well as diversify into new export markets as the UK strikes new global trading agreements. This should be delivered through improved information sharing on trade intelligence, and through the development of new trading relationships with priority markets.



Kickstart R&D investment through a long-term strategy for regional R&D investment and make the case for the creation of a Catapult Quarter.

When looking at innovation, the region performs below average. Only 1.02% of GDP in West Yorkshire is spent on R&D, putting it in the bottom half of the country on this metric.⁴ The low spend is consistent across both public and private sources of R&D investment.⁵ Beyond this, only 8.3% of business turnover in Yorkshire can be attributed to new, improved and novel products.⁶ The metro mayor should build new partnerships to drive further R&D investment across all sectors, with a focus on the development of commercially viable products.

Recommendations:

- Develop a long-term strategy for driving regional investment in innovation by working with partners including the LEP, universities and colleges, industry, and central government. This should build upon existing local strengths, and seek to strengthen business led innovation and deployment, and encourage knowledge exchange between industry and academia.
- Establish a West Yorkshire Innovation Programme to deliver joined up support for entrepreneurs and businesses to increase private investment in innovation. This should build on the success of the MIT REAP programme in the Leeds City Region and utilise existing assets such as Nexus, the Leeds Innovation District, and the Connected Places Catapult. This should sit within the aforementioned 'one-stop-shop' for advice, helping businesses and stakeholders access national programmes and support through bodies such as Innovate UK. It should also foster regional initiatives such as the Northern Gritstone Investment Fund⁷ and build on existing strengths in financial and professional services to develop a home-grown ecosystem to drive innovation.
- Lead way alongside industry and academia to develop a case for the creation of a Catapult Quarter within the region. This could be attached to anchor institutions like existing Catapults, Research Technology Organisations or applied university research facilities and would incentivise co-location and knowledge exchange through a targeted benefits and support package. The Quarter could be focused towards fostering industry innovation around areas of regional potential – for example building on existing health assets, and research such as Born in Bradford⁸ – and would create a brand for attracting international investment.



Transform digital and physical infrastructure on the race to net zero

As the country and region looks to recover from the impacts of COVID-19, considerations must be made to ensure WYCA plays its part on the race to net zero and is more resilient to future challenges. By focusing on a green recovery and the evolving nature of towns and cities there is an opportunity to improve equity within the combined authority.

Back a green recovery by ensuring projects and funding promote a more sustainable future.

Within West Yorkshire there are several areas of focus for a newly elected metro mayor, including ensuring that policy decisions are 'future proof' with net zero at the heart of a long-term economic vision. This will allow the region to maximise the value that comes from the net zero transition, and also improve living standards for those who live in the here. This includes through initiatives to tackle poor air quality and energy-inefficient housing.

Recommendations:

- Deliver projects that consider sustainability and promote a greener future by making use of government funding or initiatives, including the proposed UK Shared Prosperity Fund and Levelling Up Fund. As a priority this should include low-carbon methods of retrofit and construction to ensure all homes are energy efficient and future ready. This should be delivered in partnership with central government, working hand in glove to decarbonise heat and improve the energy efficiency of homes and buildings in the region.
- Develop a local energy plan that set out routes to decarbonise power, transport, and heat in the combined authority. The mayor should ensure the plan evolves to align with announcements within the Heat and Buildings Strategy, due from national government this year, and includes a strong role for local delivery mechanisms to decarbonise heat. This local approach will ensure the most appropriate heating solutions for West Yorkshire residents, that any advice on technology choices comes from a locally trusted body, and that local jobs and supply chains can be developed to match regional needs.
- Maximise devolved power to develop an integrated, low-carbon public transport system. This includes promoting and facilitating active travel options such as walking and cycling, working alongside transport providers to deliver integrated and sustainable travel options for businesses and residents, and deploying an electric vehicle charging network to facilitate the transition to net zero vehicles.

Amplify the opportunity presented by COP26 being hosted by the UK to showcase the opportunities from the net zero transition, and the role of West Yorkshire businesses in delivering it.

COP26 provides a unique opportunity for the country and for the metro mayor. Authorities across West Yorkshire have established clear commitments to the zero-carbon economy, and this year's conference provides the opportunity for the metro mayor to cement that reputation on behalf of the whole combined authority. Collaboration with businesses and leaders will be vital to selling the opportunities of investment in West Yorkshire.

Recommendations:

- Promote the region at COP26 and work in partnership with metro mayors, LEPs, and local authorities to promote the opportunities of West Yorkshire and the North in low-carbon innovations and solutions. This should be closely aligned with the work underway across the region's world-class universities and colleges, and within the business community.
- Act as a key voice in advocating for the transition to net zero, using influence to promote projects and initiatives, and convene local council and industry leaders to be bold and innovative. By setting out a strong, green economic vision and identifying areas that West Yorkshire can help in the race to net zero the metro mayor will attract investment.



Deliver a clear vision on the future of housing and connectivity that includes digital connectivity, that meets net zero ambitions, and improves health and wellbeing.

Devolution has provided a unique opportunity for West Yorkshire to develop a coherent economic vision. However, to be a success these must be incorporated with plans for housing and connectivity. In doing so the metro mayor can align ambitions for economic and business growth, with connectivity plans to ensure access to jobs for those with the necessary skills. To be a success this must be developed in partnership with local stakeholders and businesses. Plans should champion a more inclusive environment within West Yorkshire, recognising how access to transport, digital infrastructure and housing can impact opportunities.

Recommendations:

- Deliver a strategic vision for housing and connectivity, developed in partnership with local stakeholders and businesses, including West Yorkshire Housing. This should set out the important role it plays in driving economic growth, in supporting regeneration in the most deprived areas, and in achieving net zero targets. Plans should consider the opportunity for innovation, including new methods of construction to deliver affordable, low-carbon, environmentally sustainable, and high-quality homes at pace, and reflect our changing living and working patterns.
- Prioritise the roll-out of gigabit capable broadband and 5G by using convening and influencing powers to support local authorities This includes supporting local authorities to work closely with network providers and embed digital infrastructure in their economic development plans, and to identify a champion for digital connectivity at cabinet level.
- Champion the delivery of HS2 in full, including linking the project to Northern Powerhouse Rail and the Leeds-Bradford Airport expansion. The project is vital to improving local, regional and international connectivity and acts as a catalyst for new jobs. The metro mayor should highlight not only on the important role it plays in providing a route to net zero long distance travel in the future, but also by the fact it builds on existing innovation expertise within the High-Speed Rail and Systems Integration at the University of Leeds.



Stimulate job creation and secure an inclusive workforce for the future

To meet future needs, nine in ten workers will need some form of reskilling by 2030.⁹ With the new metro mayor set to control a devolved adult education budget, the region is at an advantage to be able to deliver a local response to jobs and skills needs, creating the optimal conditions to revive and thrive.

Focus on making the skills environment work for West Yorkshire, with an emphasis on aligning local skills provision with current and future needs.

Prior to COVID-19 the UK had a reskilling and retraining challenge. Research based on pre-COVID data showed that nine in ten workers will need some form of reskilling by 2030. This issue is likely to be compounded by the regionalised impacts of COVID-19 and Brexit, as well as the impacts of Artificial Intelligence and automation, which is set to disproportionately affect the North through job losses.¹⁰ WYCA can address some of these challenges, both by linking the local skills agenda with a regional economic vision, and through the devolved adult education budget.

Recommendations:

- Address the challenges within the local skills system by building on the priorities within the Future Skills Commission. This could be delivered through the creation of locally led Jobs and Skill Hubs, developed in collaboration with the Growth Hub and LEP, that align support for individuals seeking employment with opportunities to retrain. It should provide careers information, deliver a simplified business offer, use convening power to drive collaboration between businesses and education providers, and establish mechanisms for engaging with businesses to ensure they have influence over the design and delivery of local training.
- Deliver against local retraining and reskilling needs by using the devolved adult education budget. The mayor should bring together the region's higher and further education providers alongside businesses and bodies such as the Professional Skills Partnership¹¹ to identify and remedy skills gaps. This should consider where the WYCA's growth opportunities are and where skills gaps may emerge in the future.
- Build upon the current Apprenticeship Levy Matchmaking service with an increased focus on raising awareness and using business networks to help facilitate apprenticeship opportunities. The service should allow businesses with levy underspend, to redirect it. This could be particularly focused on supporting the SMEs within supply chains. This matchmaking service should look to extend to include those firms who are not headquartered here, but who have significant operations here.

Be a strong voice to encourage the creation of good jobs at pace.

Despite several high-quality academic institutions, graduate retention in the region is low. The job market in West Yorkshire has hollowed out, leaving very few middle- and higher-income jobs, forcing top talent to progress their careers elsewhere. The metro mayor should work to boost the creation of new employment opportunities in the region, helping to retain future talent, and becoming an attractive destination for future private sector investment.

Recommendations:

- Encourage the public and private sector to take part in a shared initiative to increase job opportunities. Focus should be on areas with high levels of deprivation in the first instance, followed by geographies and sectors where talent is often lost or hard to recruit due to existing skills deficits or a perceived lack of opportunities for progression and development.
- Champion diversity and inclusion within the combined authority itself, backing the use of recruitment best practice for encouraging diverse candidates to apply to positions. This includes work around local procurement and supply chains, and learning from and collaborating with initiatives such as the CBI's Change the Race Ratio¹², or the Good Business Charter.¹³
- Market West Yorkshire as a destination of choice for firms evaluating where their employees are based in the future. This includes showcasing the opportunities through a strong economic vision, as well as highlighting existing strengths including local academic institutions, growing cultural offer and strong connectivity. The mayor should ensure West Yorkshire is prepared for new investment, including through the development of high-quality, energy efficient office space that considers new ways of working and wellbeing, and is located near innovation and connectivity assets.



Create an inclusive environment for all, working to ensure sections of society are not left behind.

Addressing the challenges of a high number of low-skilled, low productivity jobs is one side of the coin for West Yorkshire. To thrive in the future, the newly elected metro mayor must also address the long-term skills gap and existing inequalities.

Recommendations:

- Champion education and training to improve youth employment, qualification levels and aspirations. The mayor should support industries that provide inclusive work patterns and boost youth employment, alongside learning opportunities and outreach that attract talent and diversity. The combined authority and associated bodies can set a strong example by creating opportunities for paid internships, apprenticeships and work experience.
- Promote a better standard of careers guidance in schools linked to labour market information and back stronger links between business and schools in the area. This includes building on the region's strong history of high-quality apprenticeships, continuing to work with business to support the creation of Kickstarter Jobs, and working closely with businesses, and higher and further education in the region to set out a clear path into work for young people.
- Seize the opportunities from the Integrated Care Systems Review to offer new solutions to health and social care within the region. This should utilise the strength of the sector, and maximise the opportunities to create a globally competitive advantage in health and med-tech. The mayor should recognise the vital role businesses have played throughout the pandemic, and the opportunities to continue to collaborate, particularly to drive innovation, and support the NHS in future infrastructure and digital needs.



References

¹ West Yorkshire Combined Authority, Strategic Economic Framework: Our Vision, September 2020

² West Yorkshire Combined Authority, West Yorkshire Economic Recovery Plan – Summary, August 2020

³ CBI, Unlocking Regional Growth, March 2017

⁴ CBI analysis based on ONS (2019) Gross Domestic expenditure on research and development, UK, 2017

⁵ Nesta, The Missing £4 Billion, May 2020

⁶ CBI, Unlocking Regional Growth, March 2017

⁷ New investment company founded by the Universities of Leeds, Manchester and Sheffield to invest in academic spin-outs <https://northern-gritstone.com/>

⁸ One of the largest research studies in the world, tracking the lives of 30,000 Bradfordians to understand what influences health and wellbeing on families <https://borninbradford.nhs.uk/>

⁹ CBI, Learning for Life, October 2020

¹⁰ CBI, Reviving Regions, November 2020

¹¹ Initiative developed through collaboration between Barnsley College, Bradford College, Leeds Trinity University and the University of Leeds to deliver consistent leadership and management qualifications across the Yorkshire regions.

¹² <https://changetheraceratio.com/> Campaign established to increase racial and ethnic participation in businesses at board level.

¹³ <https://www.goodbusinesscharter.com/>: Initiative to encourage responsible capitalism and celebrate good business practices.



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