



WEST YORKSHIRE INVESTMENT PLAN 2004

3RD FEBRUARY 2004

STRATEGIC ECONOMIC ANALYSIS

KEY ISSUES, IMPLICATIONS AND POLICY OBJECTIVES

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OBJECTIVE 1 – GROW THE REGION’S BUSINESS

ISSUE <i>(What is the issue of importance for the Investment Plan? If it has no relevance to the IP it should not be there. If it is, it must be justified)</i>	POLICY OBJECTIVE <i>(What do we want to achieve as a result of identifying the issue? If there is nothing we want to achieve, why is the issue highlighted)</i>
There is likely to be continued, if slowed, decline in traditional manufacturing, especially in employment terms. However there are other historic areas of concentration such as textiles in which innovation opportunities arise, and there are prospects to exploit growth in other public service sector areas such as health. Cluster development activity within manufacturing may diminish the extent of decline and generate new prospects, although this does not cover all parts of the sector.	<ul style="list-style-type: none"> • To identify and support manufacturing industry which has a sustainable future and growth potential. • To identify and support enterprise opportunities that will result from growth in public expenditure and investment. • To support the Voluntary /Community Sector to develop Enterprises which exploit these opportunities, especially in partnership with Businesses.
West Yorkshire has a strong financial and professional services sector in and around Leeds.	<ul style="list-style-type: none"> • To support the growth of financial and professional services encouraging e.g. wider dispersal taking advantage of good and developing communications and lower cost bases.
Despite above average levels of productivity in Leeds, West Yorkshire’s overall productivity levels remain significantly lower than national average. This threatens long-term business competitiveness. Other factors being equal, there may be a case for focusing on productivity improvements (e.g. based on new market niches and resource efficiency) that minimise potential negative impacts on jobs in areas where there remain relatively high rates of unemployment.	<ul style="list-style-type: none"> • Introduce additional measures to improve the competitiveness of local businesses (including in rural, and in key regeneration /renaissance areas)

OBJECTIVE 1 – GROW THE REGION’S BUSINESS cont’d...

<p>West Yorkshire’s performance on innovation - a major driver of economic success could be improved. Despite having a strong base of four universities, few links appear to be made between HE and business R&D; membership of industrial networks is below average; and application of IT is the lowest in Yorkshire and Humber.</p>	<ul style="list-style-type: none"> • Encourage innovation within existing businesses and business start ups • To encourage and support the involvement of Businesses in appropriate industrial and commercial networks. • Build on measures to increase propensity of businesses to apply IT including e business.
<p>WY is underrepresented in terms of exports compared to its size in terms of production and workforce.</p>	<ul style="list-style-type: none"> • Build on interventions that continue to encourage exporting by WY firms.

OBJECTIVE 2 - HIGHER BUSINESS BIRTH AND SURVIVAL RATES

ISSUE <i>(What is the issue of importance for the Investment Plan? If it has no relevance to the IP it should not be there. If it is, it must be justified)</i>	POLICY OBJECTIVE <i>(What do we want to achieve as a result of identifying the issue? If there is nothing we want to achieve, why is the issue highlighted)</i>
Levels of new business formation are below national average and have remained steady for some years. Increasing the level of start-ups is important in terms of addressing low aspirations and creating a strong enterprise culture, and presents a tough challenge.	<ul style="list-style-type: none"> • To introduce additional measures to increase the level of business start-ups, including for example high growth start ups, young people wishing to start in business, BME, women and social enterprises.
Survival rates for new businesses have improved since 1993 but are the lowest in the region. There is evidence that levels of self-employment are lower in areas of relative economic success - notably in Leeds.	<ul style="list-style-type: none"> • Enable successful business start ups (e.g. those surviving beyond the 78 weeks target) to move to the next level. • Focus Business Support on emerging clusters. • Provide support for an active aftercare programme • To increase support for new businesses during their first 2 years, including workforce development and future skills analysis. • Ensure provision of advice and support for those wishing to move from work into s/employment (as firms outsource or for individuals to improve job satisfaction)

OBJECTIVE 2 - HIGHER BUSINESS BIRTH AND SURVIVAL RATES cont'd...

<p>Levels of self-employment/business ownership are particularly low for the vast majority of the 20% most deprived wards.</p>	<ul style="list-style-type: none"> • To increase the number of self employed people from the 20% most deprived wards, eg via role models and mentoring. • To increase sustained packages of support to link to start ups in the deprived wards to aid survival with up skilling for the owner managers.
<p>3-Year business survival rates are low and national data suggests that rates are far higher in a business incubator environment. However, there is a lack of support infrastructure for business incubation identified in Sub-Region.</p>	<ul style="list-style-type: none"> • Support the development of business incubators, particularly those directed towards supporting existing or emerging clusters including those located in identified key regeneration/renaissance and rural areas
<p>Fragmented Support for Social Enterprises</p>	<ul style="list-style-type: none"> • Build upon and consolidate the partnership formed and early work undertaken by WY Social Enterprise Link.

OBJECTIVE 3 – MORE PUBLIC AND PRIVATE INVESTMENT

<i>ISSUE</i> (What is the issue of importance for the Investment Plan? If it has no relevance to the IP it should not be there. If it is, it must be justified)	<i>POLICY OBJECTIVE</i> (What do we want to achieve as a result of identifying the issue? If there is nothing we want to achieve, why is the issue highlighted)
There would appear to have been notable inward investment successes in most of West Yorkshire, especially in Leeds. However, the global market to attract FDI is currently challenging and uncertain. This may suggest a focus on embedding investments, for instance through aftercare, skills development, and linkages to clusters or key industrial growth sectors.	<ul style="list-style-type: none"> • To actively support new businesses that have been attracted into the region. • To increase partnership approaches in developing recruitment and skills packages to enable workforce recruitment. • To embed investments, for instance through aftercare, skills development, and linkages to clusters
Progress in the Sub-Region (Chapter 2) refers to the qualities of the sub-region for attracting inward investment – particularly development land, and the link to national transport networks.	<ul style="list-style-type: none"> • To increase inward investment into the sub region.
Housing is relatively affordable in most the region, although there are notable hotspots (e.g. north Leeds) as well as inevitable areas of low demand. Key worker housing will be particularly important for the growing health sector, or to satisfy the need generated by public sector relocations. High density and poor quality stock will act as a permanent brake in some areas.	<ul style="list-style-type: none"> • to integrate housing and environmental renewal into the wider regeneration framework; • Support investment in business and housing in areas of low demand • Support housing market renewal initiatives by ensuring complementary economic activity. • Invest in the existing housing stock especially for run down properties

OBJECTIVE 3 – MORE PUBLIC AND PRIVATE INVESTMENT cont'd...

<p>Levels of crime are above average for the region. – Crime is consistently highlighted in business surveys as a major issue affecting firms in the sub-region and has a significant impact on it's quality of life offer. The reality and just as importantly, the perception of crime has a major impact on the vitality of urban areas.</p>	<ul style="list-style-type: none"> • To reduce the level of crime within business districts • Educational and economic opportunities for the more deprived residents?
<p>Levels of health and limiting illness are poorer than average and may contribute to low productivity. Projected new health expenditure is significant</p>	<ul style="list-style-type: none"> • Encourage and support businesses to adopt worker friendly practices, combat stress, ensure the use of environmentally friendly practices. • Support Health/social/community initiatives to link with business sector for joint action (eg give new partnership possible access Single Pot funding) • Enable local Businesses and Community Enterprises to capitalise on the new opportunities presented by changes to expenditure on health. • Support occupational therapy and employment-linked skills re-training
<p>West Yorkshire has a rich and diverse cultural offer contributing significantly to the attractiveness of the sub-region as a place to both work and live, as well as accounting for around a quarter of tourism in the region. The challenge of modernising and refreshing the current cultural offer is important to the wider growth of the sub-region.</p>	<ul style="list-style-type: none"> • To maximise the contribution of West Yorkshire's cultural and leisure assets in the regeneration of the sub-region • To support the further development of cultural industry in the sub-region.

OBJECTIVE 3 – MORE PUBLIC AND PRIVATE INVESTMENT cont'd...

The sub region has a positive legacy of attractive architecture which gives the area a unique identity. (eg Piece Hall & Dean Clough in Halifax and Saltaire in Bradford) These assets have a role in attract new investment in the region

- To encourage new investment to maintain and enhance the areas unique heritage and to achieve the renewal and reinvigoration of the districts town centres
- Continue to support and develop rural and urban renaissance initiatives within West Yorkshire, raising the profile of the communities with an aim of attracting inward investment.
- To act as strong images of positive change in the wider regeneration of the sub-region, particularly in the city and town centres

OBJECTIVE 4 – IMPROVE EDUCATION, LEARNING AND SKILLS

<i>ISSUE</i> (What is the issue of importance for the Investment Plan? If it has no relevance to the IP it should not be there. If it is, it must be justified)	<i>POLICY OBJECTIVE</i> (What do we want to achieve as a result of identifying the issue? If there is nothing we want to achieve, why is the issue highlighted)
Learning performance in early years forms the foundation on which future learning can be built. If we are to avoid secondary and further education being remedial it is important that young people achieve this good learning base. The LSC WY must work with partners to improve key stage 4 attainment.	<ul style="list-style-type: none"> It is important to implement the 14-19 strategy locally. This will enable young people to be more highly developed/skilled at the point where vocational education and training or professional training commences, thereby making them more able to aspire to, and achieve, higher qualification levels.
Over a number of years it has become apparent that a sizeable mismatch occurs between what potential employers require and the perceived/expected future job opportunities. Therefore, through the Strategic Area Review process, we need to ensure learning opportunities meet the needs and aspirations of individuals and employers	<ul style="list-style-type: none"> The Skills Strategy will be implemented at the regional level and applied within the sub-regional area. The Strategic Area Review will be completed for West Yorkshire, but with Local Authority District editions.
Choice of career made by young people leaves much to be desired as individuals make decisions based on inadequate or poor advice. Individuals must all be able to confidently make an informed choice of learning for every individual at each stage.	<ul style="list-style-type: none"> It is essential for all Careers Advisers to have a well-informed and realistic view of the labour market in order to offer information, advice and guidance that is in the best interests of the individual concerned.

OBJECTIVE 4 – IMPROVE EDUCATION, LEARNING AND SKILLS cont'd...

<p>Levels of poor literacy and numeracy in West Yorkshire are higher than the regional and England average, so we must effectively raise the basic skills of individuals.</p>	<ul style="list-style-type: none"> • Targeted investment will focus on the most deprived wards and hard to reach groups, to ensure literacy, numeracy and social skills are delivered to raise the level of basic employability skills. • Learning based around ICT, will be key to this activity and links to the e-learning strategy are vital. • Workforce development packages will be developed and targeted to address basic skills in the work place.
<p>West Yorkshire has lower GCSE attainment (five or more passes at grades A* - C) than the England average, and a similar level to the regional average. There was a significant gap between Bradford (39.4%) and Calderdale (51.8%) in 2003. Indeed, there is a general need to increase the attainment of level 2 qualifications across the sub-region. The LSC WY must work with partners to increase level 2 attainment.</p>	<ul style="list-style-type: none"> • LSC WY and its partners to become more involved with schools in order to highlight issues that will aid improvement at “A” level (level 3). • Packages of support to have progression learning with first rung learning to enhance people skills in line with economic job vacancies.
<p>In terms of NVQ Levels 3 and 4, the sub-region’s overall performance is again close to regional average and below national average. Leeds performs the best within West Yorkshire, being consistently above the regional average. It is striking that whilst the best performer at NVQ Level 4+ in the sub-region, Leeds achievement takes it little higher than national average, whilst Bradford and Wakefield fall notably below it. Given that NVQ Level 4+ is linked to success in attracting and retaining graduates, the sub-region’s performance is disappointing given it has four universities. A combination of the right job opportunities and quality of place offer – and awareness of both of these - may be required to heighten retention.</p>	<ul style="list-style-type: none"> • Education with employers on the need of future planning for skill shortages, and higher level training placements. • 14-19 agenda and strategy to be driven by partnership working across education organizations, public and private companies and young people networks for sustained future skill development. • Enhance services for post 18 year old and over to achieve higher-level learning. Older workers promote adult apprenticeships.

OBJECTIVE 4 – IMPROVE EDUCATION, LEARNING AND SKILLS cont'd....

<p>Levels of workforce development are close to regional average and a little above national average. Calderdale, Leeds and Wakefield have higher levels of the working age population receiving job related training than the regional and GB average. We must continue to promote the competitive advantages of learning and skills to employers in order to stimulate informed demand.</p>	<ul style="list-style-type: none"> • Culture change packages for managers of SME's to value training and skill development in future planning. • Employment and training financial support packages for employers in retraining and upskilling the workforce. • To maximize participation in appropriate areas and methods of workforce development taking account of the needs and preferences of employers and employees by raising awareness of the benefits and providing practical help. • To ensure targeted support through education, training, advice and employer contacts. • To ensure that people are matched to employment opportunities and that accredited and informal learning guarantees a ladder of personal progression. • Ensure training establishments have access to reliable data on the likely skills needs of employers.
<p>Regeneration to communities, and to the physical infrastructure, remain vital elements within West Yorkshire. We must ensure that learning supports any planned regeneration of communities</p>	<ul style="list-style-type: none"> • The LSC WY to work closely with Local Authorities in their bidding processes to ensure that learning is planned/included as a part of regeneration proposals.
<p>We need to increase levels of participation in learning, with particular emphasis on specific disadvantaged/disaffected groups. These efforts will be enhanced if local learning provision is regarded highly and beneficial, therefore we must continue to develop excellence in all our learning provision</p>	<ul style="list-style-type: none"> • We need to establish learning participation levels amongst a wide range of communities etc. so that we can better understand where resource need to be targeted to increase participation. • All activities to contribute towards achievement of targets set in the FRESA.

OBJECTIVE 4 – IMPROVE EDUCATION, LEARNING AND SKILLS cont'd....

Education Business Partnership links to increase the workability of future young people to raise awareness of key shortages

- Targeted packages in education routes to develop career choices driven by business involvement.
- Inward investors should be encouraged to develop their employees not just recruit skilled/qualified staff.
- Encourage existing employers to develop staff and increase the qualifications of their workforce
- Addressing areas where skill shortages exist, for example in the transport sector, through partnership and skills alliances with activities such as awareness raising, publicity materials and work experience programmes.

OBJECTIVE 5 – CONNECT PEOPLE TO ECONOMIC OPPORTUNITY

<i>ISSUE</i> (What is the issue of importance for the Investment Plan? If it has no relevance to the IP it should not be there. If it is, it must be justified)	<i>POLICY OBJECTIVE</i> (What do we want to achieve as a result of identifying the issue? If there is nothing we want to achieve, why is the issue highlighted)
<p>There is a high level of deprivation within West Yorkshire. Whilst the sub-region does contain some relatively affluent areas, there are nearly two fifths of its wards that fall within the 20% most deprived in England. Deprivation is most extensive in Wakefield, and especially Bradford, however, hotspots also exist elsewhere, such as in the City of Leeds and in parts of Calderdale and Kirklees.</p> <p>Characteristics of deprivation in rural areas tends to feature in smaller communities. More concentration needs to be given on pockets of deprivation in rural area as opposed to ward level approaches.</p>	<ul style="list-style-type: none"> • To help local people access and make informed choices about appropriate education, training and employment opportunities, particularly young people and those from the most deprived neighbourhoods • To encourage the Development of the Voluntary and Community Sector to support the re-integration of socially excluded people as part of the process of tackling deprivation. • To develop programmes sensitive to the issues and needs of the economy in the smaller 'hot-spots'. • To develop more evidence of deprivation that features in smaller pockets, in particular in rural communities. • To identify barriers to accessibility and the accessibility needs of socially excluded people • To develop public transport initiatives aimed at improving accessibility and reducing social exclusion. • To ensure that accessibility planning is a key consideration in new development, regeneration and locational policies.

OBJECTIVE 5 – CONNECT PEOPLE TO ECONOMIC OPPORTUNITY cont'd...

Leeds and Bradford stand out as the largest two cities in the sub-region and between them their local authority districts account for over a fifth of the population in Yorkshire and Humber. Below that, Huddersfield is the largest town in the region. Wakefield and Halifax are smaller, but still sizeable. The urban renaissance/masterplanning approach in these areas has merits in terms of the population reached and there is a need to demonstrate how this will help to address deprivation and decline and enable the engagement of people in the labour market., Assets and heritage provide an important platform to build on in moving forward

- To develop the urban and rural renaissance programmes as a main vehicle to addressing deprivation the decline of urban and rural areas
- Through the West Yorkshire Local Transport Plan, to improve connectivity within the sub region, ensuring that transport is integrated with urban renaissance, masterplanning and regeneration themes.

West Yorkshire's large population and central position in some ways make it the heart of the wider region. It has strong connectivity with other towns and cities beyond – for instance to York, Harrogate, Selby, Barnsley, Sheffield and Manchester

- Be proactive in working cross boundary and education residents of the value of travel to work cultures across the sub region.
- Development of better transport links within Districts, the sub-region and to areas adjacent linking people to job opportunities.
- Look at funding levels across the region such that West Yorkshire can capitalize on its demographics and position.
- Ensure sub-regional Objectives enable all parts of sub-region to develop their potential (even where that may mean a 'smaller bang' approach

OBJECTIVE 5 – CONNECT PEOPLE TO ECONOMIC OPPORTUNITY cont'd...

West Yorkshire has a wide spread of other towns, some of which are urban in character, others of which are based in a more rural hinterland. It would be difficult to adopt a renaissance approach in all these settlements within a short time period, so there would be merits in prioritisation, for instance based on criteria such as population reached, level of need and market failure as well as looking at the opportunities for creating added value and achieving inspirational impact.

- To concentrate on delivering the renaissance agenda in the areas currently designated key urban and rural centres and prioritise future programmes in relation to need and availability of resources.
- To ensure that the other areas can benefit from the lessons learned and solutions found in the priority areas through information and mentoring

OBJECTIVE 6 – ENHANCED ENVIRONMENT AND INFRASTRUCTURE

<p>The sub-region's property market is split between rates (for office and retail in particular) that are close to the English average in Leeds – reflecting high demand - but substantially cheaper in the rest of the sub-region.</p>	<ul style="list-style-type: none"> • To support the economic growth of Leeds as an economic driver of the sub regions economy – but recognise the role local importance and complementarity of the other main towns of W Yorks. • To ensure that this support does not leave the needs of the rest of the sub-region behind • To identify market failure in the provision of new floorspace and support measures to increase the supply.
<p>Traffic levels are increasing, with most journeys made by car. Use of trains and buses is more prevalent than in other parts of the region, but limited by capacity issues. Congestion is especially obvious at peak hours around Leeds and Bradford and there will be a need to integrate better new development with transport links. Developments such as light rapid transport systems, greater rail capacity and improvements to conventional bus quality and provision are increasingly important. These measures will heighten access into town and city centres without adding to congestion.</p> <p>Transportation systems are essential to the development of a sub-regional labour market, particularly to support deprived communities in the sub-region facing social exclusion enabling people to access employment opportunities and in making the labour market more efficient.</p>	<ul style="list-style-type: none"> • To support measures to reduce congestion and hence improve economic performance • To improve Public Transport provision and promotion, especially in relation to Rail and Bus services. • Improve Bus stations and Rail stations and links between them where interchanges are not practical. ◆ Improve car parking provision generally and at bus/rail stations and support park and ride. ◆ To reduce the rate of traffic growth, encourage journeys to be made by alternate modes and improve integration between different modes, through supporting the implementation of the 2000 to 2006 Local Transport Plan. ◆ To support the development of the 2nd Local Transport Plan from 2006 to 2011. Through the development and implementation of the 2nd Local Transport Plan, improve policy integration between accessibility, land use planning, and economic development.

OBJECTIVE 6 – ENHANCED ENVIRONMENT AND INFRASTRUCTURE cont'd....	
<p>West Yorkshire benefits from connectivity to Leeds/Bradford airport and to Manchester airport. Access to these hubs is important, with further scope for improving public transport access to Leeds/Bradford airport. The airport hinterland still has enormous potential for development which should be considered as part of the Regional Spatial Strategy.</p>	<ul style="list-style-type: none"> • To seek to improve the connectivity of the sub region to international air travel. • To further improve direct public transport links to Leeds/Bradford and Manchester airport, with consideration of an extension to Supertram and improved bus services from both Leeds and Bradford. • To consider the improvement of the strategic road network to the airport from both Leeds and Bradford. • Ensure Leeds Bradford continues to expand • To ensure that the Regional Spatial Strategy fully recognises the economic potential afforded by Leeds/Bradford airport
<p>There are likely to be further opportunities to assist business through waste minimisation and energy efficiency, as well growing markets in the energy and environmental industries.</p>	<ul style="list-style-type: none"> • To assist businesses improve their environmental performance and competitiveness through supporting measures to minimise waste and to improve energy efficiency. • Support programmes to educate business in the benefits associated with environmentally friendly practices and support existing specialists
<p>Loss of Brownfield sites and buildings for housing purposes as a result of the strength of the housing market and corresponding reduction in investment opportunities for business development.</p> <p>There is a shortage of good quality readily developable land and suitable premises for new and expanding businesses, particularly in the western part of the region</p>	<ul style="list-style-type: none"> • To sustain a strong and diverse economy by focusing on increasing the supply of available land and property for employment. • To increase the supply of incubator space. • To fully engage with the Regional Spatial Strategy and ensure that planning policies are reviewed to ensure adequate supply of sites and premises.

