

Name of meeting: Cabinet
Date: 22 January 2019
Title of report: Kirklees Economic Strategy

Purpose of report:

To provide an update on the refresh of the Kirklees Economic Strategy (KES) and ask Cabinet for comments and approval of the final draft text, to take to Council for their approval.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Yes
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by Strategic <u>Director</u> & name	Karl Battersby - 14.01.2019
Is it also signed off by the Service Director - Finance (S151 officer)	Eamonn Croston - 08.01.2019
Is it also signed off by the Service Director - Legal Governance and Commissioning?	Julie Muscroft - 10.01.2019
Cabinet member portfolio	Councillor Shabir Pandor – Leader Councillor Peter McBride – Economy

Electoral wards affected: All

Ward councillors consulted: All councillors invited to the Picture of Kirklees event. Two discussions at Economy and Neighbourhoods overview and scrutiny committee.

Public or private: Public

Have you considered GDPR?

This report and the strategy contain only aggregated and/or anonymised data and no personal data that identifies a living individual, no sensitive personal data such as health, religion, sexuality and ethnicity and no information about members of staff, users of services, or details of Kirklees' citizens.

1. Summary

Reflecting the changing national and local economic context, a refresh of the Kirklees Economic Strategy (KES) has been progressed.

Cabinet are asked to review and comment on progress, and approve the draft economic strategy for finalisation and approval by full council.

2. Information required to take a decision

2.1 Background

2.1.1 The current Kirklees Economic Strategy was produced in 2014. A review of progress and scoping of required amendments was produced in July 2018. Details of the findings of the review are included in the background documents, in summary they suggested a need to:

- Raise the level of ambition.
- Make partnership in the strategy stronger and more effective.
- Use the opportunity for update and sharper prioritisation, based on the foundations of the existing KES.
- Be alert and flexible to respond to changing international, UK and City Region contexts.
- Link into other Kirklees Strategies and re-energise connection between health and economy.
- Make inclusive growth more prominent.
- Manage and monitor KES systematically and proactively.
- Make a higher value and more productive Kirklees economy a clearer goal.
- Review the approach to economic sectors while maintaining an Engineering & Manufacturing USP.
- Increase the emphasis on innovation.
- Support skills and progression across the whole workforce, including adults.
- Maintain and strengthen emphasis on place-based distinctiveness.
- Drive vision, action and investment in Huddersfield.
- Set high ambitions for transport, infrastructure and the environment.

2.1.2 From July to December 2018, the development of the strategy has included in depth economic analysis, engagement and consultation and the production of the final draft:

- Five engagement workshops (on evidence, business, people and communities, physical regeneration, and health and wellbeing).
- Presence and input from participants at the Picture of Kirklees event.
- One to one and small group meetings with businesses, 3rd sector representative groups, the education sector and others.
- Connection with other workstreams supporting economic wellbeing in Kirklees, including work around place branding, town centre masterplanning and inclusive growth and social value.
- Identification of shared priorities and relationships to other strategic documents (i.e. Joint Health and Wellbeing Plan, Kirklees Skills Plan, and Local Plan)

- Discussion of the refresh of the KES, connections to inclusive growth and social value, and next steps with timeline with Economy and Neighbourhoods Panel on the 5 September and 17 January.
- Draft strategy circulated to partners and stakeholders for comment Autumn 2018.

2.1.3 Critical to this approach has been the alignment of activity with work to support an inclusive economy and gain stronger social value returns from the Council and partners' spend, employment and asset decisions.

2.1.4 The Kirklees Economic Strategy and the Kirklees Joint Health and Wellbeing Plan reinforce one another as the two central strategic pillars in the district. Good health allows people to enjoy life to the full and to make a productive economic contribution. Meanwhile a strong, inclusive and sustainable economy has a positive influence on the determinants of health such as learning and skills, work, incomes and housing.

2.1.5 The strategy also responds to the UK Industrial Strategy, and the Kirklees contribution to raising the nation's productivity. But it does it in a way that is distinctive to Kirklees – putting inclusivity at the heart of an approach to economic success.

2.2 Final draft of the Kirklees Economic Strategy

2.2.1 The draft final version of the KES is attached for comments and to recommend to Full Council for approval.

2.2.2 Final amendments will be incorporated into the final designed copy of the strategy for Full Council approval.

2.2.3 The vision, focus and priorities of the draft updated KES are set out below for ease of reference:

Our vision is for Kirklees to be **the place to make it** in the North.

The draft updated KES has 5 priorities which will help to deliver our vision for an inclusive and productive economy:

1. Modern, Innovative Business - boosting business ambitions, best practice and innovation to drive productivity and good jobs

2. Skilled and Ambitious People - equipping people with the skills, talents and confidence they need to access good, well paid jobs and to contribute to the economy so that sharing the fruits of prosperity is the norm

3. Active Partnerships - building high impact partnerships across private, public and voluntary sectors, with a focus on how 'anchor organisations' can use their employment, procurement, assets and service delivery to build community wealth and achieve better outcomes

4. Advanced Connectivity and Infrastructure – securing and maximising benefits from Transpennine rail upgrade, a Huddersfield-Dewsbury Leeds Inclusive Growth Corridor, 10,000 new homes and excellent digital and green infrastructure

5. Revitalising and Promoting Key Centres – using a forward looking, place based approach across Huddersfield, North and South Kirklees to celebrate our district’s diversity

These priorities will be taken forward via 12 Action Programmes and 5 big wins against which we will be able to identify progress. These are summarised in the table below:

Priorities	Innovative Businesses	Skilled, ambitious people	Active Partnerships	Advanced connectivity & infrastructure	Revitalised centres
12 Action Programmes	Business ambitions & best practice Innovation uplift Engineering & manufacture	Aspiration uplift (skills) Health/care workforce development	Anchor organisations, social value and supply chains	Transpennine upgrade & inclusive growth corridor The Big Build Digital infrastructure	Huddersfield North Kirklees & Dewsbury South Kirklees & rural areas
5 ‘Big Wins’	Digital Innovation Zone	Integrated Care Workforce Initiative	Kirklees Anchors Network	Transpennine upgrade & Inclusive growth corridor	Masterplans, branding & development in Hudds & Dewsbury

3. Implications for the Council

3.1 Working with People

Strong communities and even stronger identities make up Kirklees. Increasing the health and wealth of all Kirklees residents, is a key way to help people help themselves, and enable people to be resilient in the face of economic and social change.

3.2 Working with Partners

The strategy seeks to harness the power of the public, private and third sectors together around the common goal of growing an inclusive and productive economy.

We know that we are stronger together, and are committed to building stronger partnerships across Kirklees and beyond. The strategy gives us the basis for joint action. Closer working within the Leeds city region, wider region and with cities and towns across the UK will help us deliver our commitments and contribute towards the nation’s wider economic success.

3.3 Place Based Working

This strategy builds on the strength that Kirklees is made of many distinctive places – from the large towns of Huddersfield and Dewsbury to a wealth of smaller towns, villages and rural areas.

It aims to support the varied economies of Kirklees, and identifies deliverables that work for all our towns, villages and rural areas and, via our excellent location, at the centre of the Leeds, Manchester and Sheffield city regions, support our vision of being the place to make it in the North.

3.4 Improving outcomes for children

This work contributes to the strategic aim that Kirklees is a district combining great quality of life and a strong and sustainable economy leading to thriving communities, growing businesses, high prosperity and low inequality and where people enjoy better health throughout their lives, including children.

4. Other (e.g. Legal/Financial or Human Resources)

- 4.1 Production of an economic strategy is not a legal requirement. However the Council's constitution requires approval by Full Council where one is developed, as it is part of the Council's policy framework.
- 4.2 The refreshed draft Kirklees Economic Strategy has been developed with the support of consultants commissioned to assist in the scoping review and subsequent engagement and drafting phases. West Yorkshire Combined Authority have also seconded a member of staff into Kirklees to help progress this work.
- 4.3 The realisation of the economic strategy will be pivotal to the future financial sustainability of the Council. Moving forward into the implementation of the 12 Action Programmes, if the revised KES is approved, the Council and partners will have roles to play in resourcing and supporting delivery. The Council's updated budget plans (revenue and capital) reflect a significant level of targeted investment across regeneration/economic development activity that supports the scale of ambition set out in this strategy.

5. Consultees and their opinions

- 5.1 This report has incorporated the views of those involved in revising the KES as highlighted in the **Background** section. The background papers to this report includes a summary of consultation responses in the engagement phase.

6. Next steps

- 6.1 To complete final drafting of the Kirklees Economic Strategy based on the recommendations of Cabinet, and further input from the next stage of the place branding work.

- 6.2 To produce a designed version of the KES, incorporating images, further case studies and other design elements in order to produce a final product which will assist in communication to partners and stakeholders.
- 6.3 To progress work to bring together key partners into an Economic Partnership which will lead on the implementation of the strategy.
- 6.4 To share this final version of the KES with full Council for approval.

7 **Officer recommendations and reasons**

- 7.1 For Cabinet members to note progress and provide comment and sign off of the revised draft KES for the consideration of Full Council.

8 **Cabinet portfolio holder's recommendations**

- 8.1 Sustainable economic growth requires inclusive growth. This strategy commits us to building an economy in Kirklees that will benefit all our communities. Too many people feel disconnected, too many do not feel the benefit of economic growth, and this strategy will help change that.
- 8.2 To recommend the draft strategy to full Council.

9 **Contact officer(s)**

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10 **Background Papers and History of Decisions**

[Economy and Neighbourhoods Scrutiny Panel, 05 September 2018](#), – Kirklees Economic Strategy

[Economy and Neighbourhoods Scrutiny Panel, 17 January 2019](#) – Kirklees Economic Strategy and social value / local wealth building

Appendix 1: Scoping review summary
Appendix 2: Consultation summary

11. **Service Director responsible**

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Appendix 1:

Kirklees Economic Strategy – Key Points from the Summer 2018 Scoping Review

In summer 2018, a ‘scoping review’ looked at how far the existing Kirklees Economic Strategy (KES) may need updating based on changes in the evidence and context, experience of delivery and strategic insights. Taking into account these factors it concluded that review of the KES was warranted and identified factors that should underpin its future development. This paper sets out the main changes in context and evidence, and key conclusions KES review should consider.

Context

The context has changed radically since the KES was developed. At that point, the economy was coming out of recession, youth unemployment was high, a different Government was in power, there was no national Industrial Strategy, a different Leeds City Region economic strategy was in place and Brexit was not yet a word in the English language. In Kirklees, the Council’s leadership has changed, a fresh corporate and partnership framework is in place and there is a new sense of ambition and vision. A new economic strategy should take account of these changes.

Evidence

The ‘absolute’ position on many indicators has improved compared to that when KES was developed – employment and output are higher for example. However, that it is not the case on all indicators (e.g. on some skills measures), and improvements in Kirklees are often not keeping pace with national average or neighbouring areas. Kirklees appears to be falling behind, especially on levels of skills, productivity and wages; and out-commuting to access higher skilled, higher paid jobs is common. More positively, business formation rates are relatively high, business confidence is improving and the number of deprived areas in Kirklees has fallen compared to other parts of West Yorkshire. However, the overall trend is towards becoming a lower value economy with lower value sectors and jobs. Sustained action will be needed to raise skills, innovation, productivity and progression in all sectors; to grow medium and high value sectors; and to support ‘inclusive growth’ that brings more and better jobs. Improvement of the physical environment in key centres (e.g. Huddersfield) will also be required to attract investment and skilled people.

Conclusions for Economic Strategy - Overall and Process Based Messages

1) Raise the level of Ambition. There is a desire to be more ambitious, bold and willing to take risk, and to push for quality and distinctiveness. The time is right to do this as the Council moves to a more optimistic, outward and stable position. The message is to think big and more strategically, focusing on key priorities and large scale, joined up programmes that cut across policy agendas and impact at city region level.

- 2) **Make partnership in the strategy stronger and more effective.** The KES should make partnership working central, including through a consultative strategy development process, and working with partners to generate shared ambition, ownership and commitment to action.
- 3) **KES has helpful foundations but also opportunity for update and sharper prioritisation.** The current KES is seen as a sound strategy and its direction and vision remain broadly supported. However, the changed context and raised ambition need to be reflected, and there is a case to revisit some of the priorities, headline initiatives and targets/indicators, and to produce a shorter, sharper and more focused document.
- 4) **Be alert and flexible to respond to changing international, UK and City Region contexts.** Government is not yet clear on what Local Industrial Strategies entail and this creates uncertainties in Leeds City Region. Hence it makes sense to do what is right for Kirklees, but to align to emerging themes as we know them – notably productivity, innovation and inclusive growth. Kirklees should seek to understand and respond to the local implications and opportunities from these themes, as well global trends and opportunities (e.g. around trade). And it should have programmes ready to be supported or taken forward at City Region level in order to maximise influence, impact and funding opportunities.
- 5) **Link into other Kirklees Strategies and re-energise connection between health and economy.** Kirklees has been successful in joining up its health and economy strategies, and there is support to strengthen this in terms of implementation and practical follow through.
- 6) **Make inclusive growth more prominent.** There is clear will within the Council to build on content in the current KES to make ‘Inclusive Growth’ more explicit and prominent, and to be clearer on how it links to outcomes for ordinary people – such as more and better jobs.
- 7) **Manage and monitor KES systematically and proactively.** Clear responsibilities should be in place for managing and monitoring delivery of KES actions and priorities, as well and progress against indicators and impact.

Specific Thematic and Place Based Messages

- 8) **A higher value and more productive Kirklees economy.** There is a danger of drift towards a low skill, low wage economy. The KES needs to drive a brighter future based on growth in both higher value sectors and good jobs, aligned with national and city region productivity goals. This could further be assisted by promoting outward looking business horizons, including international collaboration and exports to growing markets.
- 9) **Review the approach to economic sectors while maintaining an Engineering & Manufacturing USP.** There is a case for widening sector content in the KES to support growth and more/better jobs in sectors such as Health & Care, Creative & Digital and Construction; without losing focus on Engineering & Manufacturing as a distinctive Kirklees asset. Innovation and linkages across sectors are also key.

- 10) Increase the emphasis on innovation** – which is as a driver of productivity and a national and city region priority – with focus on collaboration, crossovers and good links to universities.
- 11) Support skills and progression across the whole workforce, including adults.**
There remains a need to address the labour market's 'missing middle', but also to drive uptake of higher level skills and promote progression and the retraining needed as automation and other trends change or displace jobs.
- 12) Maintain and strengthen emphasis on place-based distinctiveness.** An updated KES should embrace place distinctiveness and respond accordingly, including in Huddersfield (see 13), in developing work at programme level, and in facilitating action in smaller towns, villages and rural areas.
- 13) Drive vision, action and investment in Huddersfield.** While there are plans in the pipeline, the scale of challenges in Huddersfield has grown and the response needs to reflect that. Championing the town, repurposing its centre, masterplanning and enhancing its environment, and improved cultural/music, leisure and office space offers should be part of the solution.
- 14) Set high ambitions for transport, infrastructure and the environment.** The Local Plan will create new opportunities, and Kirklees needs to see through planned developments, have further options in place, and ensure that key sites support priority sectors. There is scope to exploit planned transport improvements and to push hard for more, to increase superfast broadband uptake, and to make environmental excellence and green infrastructure a distinctive feature.

Refresh of the Kirklees Economic Strategy – Main Messages from 2018 Consultation

Process

Consultation was carried out during September and October 2018 including through:

- Five workshops (on evidence, business, people and communities, physical regeneration, and health and wellbeing)
- Presence and input from participants at the Picture of Kirklees event
- One to one and small group meetings with businesses, 3rd sector representative groups, the education sector and others
- An online consultation exercise
- Connection with other strategic processes in Kirklees that are engaging with partners e.g. on skills, place branding and masterplanning

Key Consultation Messages

The table sets out the main messages that emerged, grouped into themes.

Main Themes and Issues	Messages
Overall Approach	
Ambition	<ul style="list-style-type: none"> • Frequent and strong message that this should be at the centre of everything. Need to raise levels of ambition across people, communities, businesses and agencies.
Inclusion/Inclusive Growth	<ul style="list-style-type: none"> • Consensus that Kirklees should adopt an economic model based on high quality, sustainable economic development that balances and integrates growth and inclusion
Health & Economy	<ul style="list-style-type: none"> • Strong agreement that continued joining of these agendas makes sense – need to make it real
Partnership	<ul style="list-style-type: none"> • Wide agreement that a partnership approach is essential and willingness to get this right – particularly in the business engagement/support arena. Some noted the role of the Council as a convener or stressed the importance of Kirklees punching its weight in Leeds City Region.
Places	
Overall place approach	<ul style="list-style-type: none"> • Most see Kirklees as not a ‘real place’ and support focus on enabling all places to develop their ambitions, identify and address issues, and use distinctiveness as part of development. A few noted the place standard tool in doing this or integrating culture into place development. Some also noted the value of Kirklees overall, combining the assets across it, and of place marketing for Kirklees when needed.
Huddersfield	<ul style="list-style-type: none"> • The most dominant place issue across the whole consultation with strong and wide consensus that action is needed to revitalise, repurpose and secure investment in Huddersfield (most notably in/around the town centre). A wide range of specific suggestions, with the most frequent including place marketing, a better music, leisure and culture offer, transforming ringroad sites

	(e.g. St George's warehouse), better connection to assets outside the ringroad (especially the University). Support for office/business space and accommodation and for re-using heritage buildings.
Dewsbury/North Kirklees	<ul style="list-style-type: none"> Continuing need for regeneration noted, with some acknowledgement of progress made, but lots more to do, including to take advantage of its position and proximity to Leeds and diversity and connect people to opportunities.
Small towns, rural and semi rural	<ul style="list-style-type: none"> Those who commented said that needs, values and opportunities have not been fully recognised in the past and want this to be corrected. Support for small scale, mixed use development, taking advantage of what's there, importance of tourism, culture and green industries. Digital also important; often poor but good opportunities.
Business	
Sectors	<ul style="list-style-type: none"> Support for work with a number of sectors. That was strongest around taking advantage of engineering and manufacturing as a distinctive sector with good jobs. But recognition that this is not the only sector of importance and will not tackle jobs needs on its own. The other main sector noted was Health & Care and its jobs/skills issues and opportunities. Creative and digital also noted as one to grow, and construction occasionally mentioned too. Locally pronounced sectors in specific places also noted, e.g. tourism, culture and green/land-based industries in South Kirklees.
Business practice and support	<ul style="list-style-type: none"> Despite some good businesses (including many involved in the consultation), a sense that many SMEs were quite traditional and needed to be more innovative, outward and modern in approach. That included aspects such as demand and use of high-level skills, application of digital and tech, exports and international, entrepreneurship, leadership and management, and supply chains.
Innovation	<ul style="list-style-type: none"> Calls for greater innovation, usually in business but sometimes directed to public bodies too. University noted as a major asset, and one which could further support innovation; creativity and innovation beyond high tech/R&D also supported.
People, Skills and Employment	
Skills	<ul style="list-style-type: none"> Raise skills and provide opportunities for social mobility. Business and social benefits. Specific aspects included work placements and education-business links, apprenticeships (including quality and degree level) and high-level skills. No single priority – overall progression, upskilling and retraining the key thing.
Employment	<ul style="list-style-type: none"> Often linked to skills, plus the need to address specific barriers. Role of 3rd sector.
Incomes	<ul style="list-style-type: none"> Sometimes noted as a key goal – but accepted as the product of other factors such as skills, business profits and productivity and inclusion policies, etc.

Infrastructure and Environment	
Transport	<ul style="list-style-type: none"> • A high priority for many. Improvements across modes sought, but with Trans Pennine rail upgrade singled out most often. Other aspects mentioned included tackling congestion on road links into Huddersfield, the opportunities around a Dewsbury-Huddersfield-Leeds corridor (and access to it) and Leeds Road as a priority road improvement. Future improvements to rail links to Sheffield and a direct rail service from Huddersfield to London also sought. Some thought there is too little attention on public transport and active travel and that this should be more prominent.
Sites & Premises	<ul style="list-style-type: none"> • Make best use of limited sites and focus on higher value sectors and dense employment for them. Improve the office offer, especially in Huddersfield. Convert/make good use of vacant or underused mills/heritage buildings across Kirklees – business hubs, apartments and cultural use, plus support positive identity.
Housing	<ul style="list-style-type: none"> • Noted a few times, with consensus that Kirklees needs more housing and good quality housing (design, energy, etc.) as well as affordability. The right locations, digital connectivity and features that would appeal to the Millennial generation also noted.
Green infrastructure & environment	<ul style="list-style-type: none"> • Emerged as an important thing to include quite often, with both built heritage and natural environment frequently noted as assets. Calls to include action on energy and fuel poverty, air quality (linked to health and transport), integrating green infrastructure into development, and taking advantage of green job opportunities.
Cross cutting/underpinning	
Anchors and local supply chains	<ul style="list-style-type: none"> • Strong support from those aware of the concept for anchor organisations to play a full and proactive role in supporting the local economy, inclusion, corporate social responsibility and social value – often linked to procurement
Digital	<ul style="list-style-type: none"> • Widely mentioned and lots of calls for improvements. Digital infrastructure was the most commonly mentioned element, but also seen as a golden thread encompassing uptake and application across businesses, digital skills and digital inclusion, and the digital sector - both its growth potential and role in supporting other sectors.

