

Name of meeting: Economy and Neighbourhoods Scrutiny Panel

Date: 5 September 2018

Title of report: Kirklees Economic Strategy

Purpose of report: Outline of Planned approach to producing a revised Kirklees Economic Strategy (KES)

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?	N/a
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	N/a
The Decision - Is it eligible for call in by Scrutiny?	N/a
Date signed off by <u>Strategic Director</u> & name	Karl Battersby - 15.08.2018
Is it also signed off by the Acting Service Director for Finance IT and Transactional Services?	Eamonn Croston – 16.08.2018
Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	Julie Muscroft – 21.08.2018
Cabinet member portfolio	Councillor Peter McBride – Economy

Electoral wards affected: N/A

Ward councillors consulted: N/A

Public or private: Public

1. Summary

- 1.1 Given the significant changes since its original publication in 2014, it has been agreed that the Kirklees Economic Strategy (KES) should be refreshed. This report covers the background and context to the revised KES, work that has already been completed in reviewing the original and scoping the refreshed strategy, and the planned activity for producing the refreshed KES. A further report on the draft refreshed KES will be brought to the panel's meeting on 10 October 2018.
- 1.2 A refreshed Kirklees Economic Strategy will support achievement of the Council's corporate plan outcome that "Kirklees has sustainable economic growth and provides good employment for and with communities and businesses". The initial scoping review completed by external consultants in July 2018 identified among other

recommendations that the refreshed KES should look to raise ambition, be built on partnership and have sharper prioritisation.

- 1.3 The second stage of work following the scoping review is now under way, with a focus on developing priorities, building the evidence base and consulting internally and especially with partners. This work will direct the writing of the final draft refreshed strategy, with a timetable for launch in December 2018 (see annex 1 for full timetable)
- 1.4 The refreshed KES sits alongside a number of other important economic policy initiatives, particularly in relation to inclusive growth and social value. These pieces are complementary, and work is happening to make sure they have consistent messages and language, as well as an organised approach to engagement with wider partners where there are overlaps.

2. Refreshing the Kirklees Economic Strategy

2.1 *Background and scoping review findings (Stage 1)*

2.1.1 The 2014 Kirklees Economic Strategy (KES) established a vision for Kirklees “to be recognised as the best place to do business in the north of England and one where people prosper and flourish in all of our communities.” While that vision remains relevant to Kirklees, the circumstances and environment that Kirklees and the country as a whole faces have changed significantly since 2014. The revised KES will take into consideration the implications of exiting the European Union, the importance of raising levels of productivity and the agenda on inclusive growth.

2.1.2 An initial scoping and review process was initiated in early 2018 following agreement to refresh the KES. This work was undertaken by external consultants in collaboration with members and officers of Kirklees Council and was concluded in mid July 2018. Key high level messages from the report:

1. Raise the level of ambition
2. Make partnership in the strategy stronger and more effective
3. KES has helpful foundations but also opportunity for update and sharper prioritisation
4. Stay alert and flexible to respond to National and Leeds City Region contexts and themes
5. Link into the Kirklees Strategic framework and re-energise connections to the Joint Health and Wellbeing Strategy
6. Manage and monitor KES systematically and proactively

2.2 *Strategy direction, in-depth analysis, key partnership consultation, and final draft production (Stage 2)*

2.2.1 In broad terms, the work of the second stage of the revised KES project will cover the following key objectives:

- Develop outline ideas for the direction of the strategy
- Identify shared priorities and relationships with other strategic council documents (i.e. JHWS, Kirklees Skills Plan, Kirklees Local Plan)
- Build up a strong base of evidence and analysis including on key themes

- Establish and manage a relationship with the emerging Economic Partnership, to ensure they take ownership of the development and delivery of the new KES.
- Produce a consultation roadmap and conduct consultation with key partners (including private sector)
- Brief elected members and relevant boards and committees
- Produce drafts (including a final draft) of the revised KES, that collate inputs, articulate options as a basis for consultation and finalise both content and text for sign off.

2.2.2 Stage two is proposed to be delivered through two collaborating resource elements: 1) Kirklees Council officer time (including officer support from WYCA) and 2) Commissioned support work. The following table outlines the leading responsibilities for the two resources, acknowledging that there will be areas of cross-over and collaboration on all elements.

Phase of work	Lead resource	
	Kirklees Council	Commissioned support
Develop outline ideas for the direction of the strategy		
Identify shared priorities and relationships with other strategic council documents (i.e. JHWS, Kirklees Skills Plan, Kirklees Local Plan)		
Build up a strong base of evidence and analysis including on key themes		
Establish and manage the relationship with external partners including business partners, to ensure wider ownership of the development and delivery of the new KES.		
Produce a consultation roadmap and conduct consultation with key partners (including the private sector)		
Brief elected members and relevant boards and committees		
Produce drafts (including final draft) of the revised KES		

2.2.3 An initial timetable and plan for the delivery of the second stage of the revised strategy has been produced and will be discussed with commissioned support providers before the beginning of September (see the outline timetable at annex 1).

2.3 **Connection to inclusive growth and social value**

2.3.1 The revised KES is being developed alongside other work being undertaken by the Council in connection to inclusive growth and social value. It is important that these

different projects are complementary and support a coherent message on the vision for the Kirklees economy.

2.3.2 In order to ensure that coherence, a number of steps are being taken:

- Sharing of information and data by the strategy and policy service
- A joint approach between the revised KES and work on Local Wealth Building & Social Value with Centre for Local Economic Strategies (CLES) on consultation – including the possibility for joint workshop sessions with partners
- Alignment to city region work being led through the Inclusive Growth and Public Policy Panel of the Local Enterprise Partnership (chaired by Councillor Pandor)
- Agreeing shared measures and language with these and other strategic documents in the final revised KES

3. **Information required to take a decision**

Report for information purposes only.

4. **Implications for the Council**

4.1 **Early Intervention and Prevention (EIP)**

The KES and the Kirklees Joint Health and Wellbeing Strategy reinforce one another. Good health allows people to enjoy life to the full and make a productive economic contribution. Meanwhile a strong and sustainable economy can have a positive influence on determinants of health such as learning, work and skills, incomes and housing.

4.2 **Economic Resilience (ER)**

The KES has a focus on resilience, be that of individuals, communities, businesses or the economy. The ability to seize opportunities, bounce back from times of adversity, and shape one's own destiny is central to health and to the economy. ER is the Council's way of implementing the priorities identified in the KES

4.3 **Improving Outcomes for Children**

At the heart of both the KES and the JHWS is the 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 childhood

4.4 **Reducing demand of services**

The KES sets the priorities by which growth and productivity in the district can be pursued. This is central to ensuring the health, wealth and well-being of Kirklees residents whilst also ensuring that tax base of business rates and council tax is improved to both reduce demand for services and provide income to pay for them.

4.5 **Other (eg Legal/Financial or Human Resources)**

The refresh of the KES requires both staff time and revenue support for consultancy services.

5. **Consultees and their opinions**

This report outlines the next steps of consulting externally and internally on the refresh of the Kirklees Economic Strategy and the outcomes of these consultations will be the subject of future reports

6. **Next steps**

The Overview and Scrutiny Panel for Economy and Neighbourhoods takes account of the information presented and considers the next steps it wishes to take, including what it wishes to discuss related to this matter at the meeting 10 October 2018.

7. **Officer recommendations and reasons**

- 7.1 That the Council carry out by the of 2018 the required work to produce a revised Kirklees Economic Strategy, including wide ranging consultation with partners and the private sector to achieve maximum buy in and agreement on the strategy's vision and implementation.
- 7.2 To consider in consultation with the Portfolio Holder, Economy, any further areas in relation to the revised KES that require further independent scrutiny.
- 7.3 Comments and views of the Economy and Neighbourhoods Scrutiny Panel on the content of the revised KES or the planned project activity to be shared with the Portfolio Holder for Economy.

8. **Cabinet portfolio holder's recommendations**

Cllr McBride has been briefed on the report and is content with the officer recommendations and reasons.

9. **Contact officer**

Alan Seasman – Theme Lead Place and Inward Investment
Alan.seasman@kirklees.gov.uk Tel: 01484 221000

Kate McNicholas – Strategy and Policy Service Manager
Kate.mcnicholas@kirklees.gov.uk Tel: 01484 221000

10. **Background Papers and History of Decisions**

Summary of Stage 1 KES Scoping Review - Appendix 1

Summary of Current Kirklees Economic Strategy 2014-2020 - Appendix 2

11. **Service Director responsible**

Karl Battersby – Strategic Director Economy and Infrastructure.



Kirklees Economic Strategy – Scoping Review

Strategic Summary Report

By Les Newby and Nicky Denison

4 July 2018

Executive Summary

The Kirklees Economic Strategy (KES) Scoping Review considers the changing context the strategy operates within so that any future refresh of the KES is swift and well informed. The full study comprises four elements:

- **Context review** – to assess the KES in the current local, regional and national context
- **Evidence review** – to look at changes in Kirklees' economic position and their implications
- **Delivery review** – to explore how far priorities/actions are being delivered and remain relevant
- **Strategic soundings** – to capture key points on evolving local frameworks, needs and priorities

This short report summarises the key messages from the context and evidence reviews (below) and sets out the overall conclusions that emerge taking into account all four elements of the study. It also includes the strategic soundings content from the review in full.

Context

The context has changed radically since the KES was developed, at which point the economy was coming out of recession, youth unemployment was high, a different Government was in power, Industrial Strategy was yet to be welcomed let alone written, the city region SEP was two versions behind the one now under development, and Brexit was not yet a word in the English language. In Kirklees, the Council's balance and leadership have changed, a fresh corporate and partnership framework is in place, and a new sense of ambition and vision – backed by a clearer financial position - is moving forwards. The scale of these combined changes warrant review of the KES and should underpin its future development.

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 more fundamentally, 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, backed by an improving picture of how confident businesses are for the future, and Kirklees has seen the number of deprived areas fall notably in contrast 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 build a stronger presence of medium and high value sectors; and to support inclusive growth and 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.

Strategic conclusions and key messages

Across the full scoping review, the following points emerge and should inform future KES review.

Overall, Contextual 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 current KES sought to be partnership based but lacked follow-through. The next KES needs to make partnership working central, including through a consultative (yet pacey) strategy development process, working with new partnership structures to generate shared ambition, ownership and commitment to action. The Council does not have to deliver everything. Instead it should facilitate, enable and broker collaboration and let others lead where right to do so.
- 3) **KES has helpful foundations but also opportunity for update and sharper prioritisation.** 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 for reworking some of the priorities, headline initiatives and targets/indicators to arrive at a shorter, sharper and more focused document.
- 4) **Stay alert and flexible to respond to international, national and Leeds City Region trends, contexts and themes.** Government is not yet clear on what Local Industrial Strategies entail and this filters to uncertainties in LCR. 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). A key message is for places to have programmes ready and to be bold in asserting their impact on LCR in order to influence LCR actions, programmes and funding opportunities.
- 5) **Link into the Kirklees Strategic framework and re-energise KES-JHWS connections.** This join-up has been a success; but implementation has been patchy. There is strong support for the connection to continue with a focus on practical follow through to make it real; and with alignment to work on *We're Kirklees*.
- 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. There are opportunities for Kirklees to play a leadership role on this (e.g. through the LCR Inclusive Growth and Public Policy Panel).
- 7) **Manage and monitor KES systematically and proactively.** There has not been a system or responsibilities in place for managing and monitoring delivery of KES actions and priorities, for systematically monitoring progress against indicators, or for assessing

and reviewing impact. This should be addressed as part of the KES review, alongside wider review of KES metrics.

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 sectors while maintaining an Engineering & Manufacturing USP.** There is a case for widening sector content 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 sector crossovers 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 and review the differentiated '3 levels' approach to places.** The '3 levels' have been valuable, especially in driving action in Dewsbury. 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. It should take stock of how this is best articulated in respect to the current '3 levels' approach.
- 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.

Strategic Soundings

Based on the strategic soundings, local context discussions and delivery review, the overall messages for a future KES are:

Overall, Contextual and Process Based Messages

Raise the level of ambition

- There is a clear desire – from the top and shared by officers across the organisation – to raise the level of ambition in Kirklees, and for this to be articulated through a future KES. The timing is good for this, with the Council moving out of a period of restructuring and internal focus to a more optimistic, outward and stable position, and with new partnership structures forming (see below) around which ambition can be debated, defined and ultimately shared.
- Part of that ambition is to be bold and take risks and to push for quality. Examples given by officers around this include reclaiming a trailblazer role on green and blue infrastructure, grasping the challenge on town centres, and delivering big ticket connectivity improvements. Finding distinctiveness and making the most of the USPs / identity of individual places that make up the district was seen as being a big part of that, with clear acceptance that a one-size-fits-all approach will not work.
- The call was for the KES to think big and more strategically, sharpening the document including through fewer actions and with a greater focus on key priorities and large scale, joined up programmes that cut across policy agendas and impact at city region level. The North Kirklees Growth Zone was seen as a strong model for doing the latter, helping to focus minds and gain traction with partners in and beyond the district. Across this was a view that pace would be essential and that now is the time to start getting things done.

Make partnership in the strategy stronger and more effective

- KES as currently constructed sought to be partnership based, using engagement at the development stage to help shape and include partner actions. Circumstances however led to a lack of follow-through and a general view that the KES was a Council document. The next KES needs to be partnership centred if it is to be effectively delivered in the new context, working with the grain of new partnership structures and current work to develop them further including via the re-configured Economic Partnership building on the seven shared outcomes already in place.
- The KES development process will be an opportunity to build and embed a new partnership ethos – giving ownership and buy-in from the off and allowing for a consultation and engagement process that, while pacey, gives time to generate shared ambition and commitment to actions by lead partners.
- The Council has moved away from a “do by delivery” default position to a focus on facilitating others to act. The onus is now on a mature, collaborative approach which accepts a role for the Council where appropriate alongside enabling, brokering, facilitating and letting others lead.

KES has helpful foundations but also opportunity for update and sharper prioritisation

- Overall, KES is seen as a sound strategy and its direction and vision remain broadly supported. Any refresh is not about wholesale change. However, the context and level of ambition has changed to such an extent that it must be reflected, and in so doing there

is a case for reworking some of the priorities, headline initiatives and targets/indicators (see below).

- There is appetite for a shorter sharper document, some of which will be achieved by reviewing and refining the 50+ actions for their continued relevance and in the context of a move to fewer, more strategic programme level interventions.

Stay alert and flexible to respond to international, national and Leeds City Region trends, contexts and themes

- Government is not yet clear on what Local Industrial Strategies entail (either in content or process) and that filters down into uncertainties at LCR level. Beyond some general themes and challenges - notably productivity, innovation and inclusive growth - we do not fully know how or when Industrial Strategy will play out in LCR, and whether a wide or narrow approach will be adopted. Hence it makes sense to play into the overall emerging concepts, to align with key themes, to understand likely or potential local implications and opportunities for Kirklees, and to exert due influence at LCR level as the process moves forward. The KES needs also to operate in the context of global trends and opportunities, including exports and supply chains.
- The emphasis for a new KES is therefore to do what is right for Kirklees but to reflect the key themes (see below) and be flexible and alert to the process as it evolves. From discussion with LCR as part of the strategic soundings, it is clear that the emphasis should be on places having programmes ready and to be bold in asserting their place and impact on LCR. This will help to shape LCR actions/programmes and to create or open up funding opportunities.

Link into the Kirklees Strategic framework and re-energise KES-JHWS connections

- KES-JHWS join-up was seen as a real success in the previous process and won wide support; however practical implementation has been unclear and patchy and so there is a sense that the join-up has been more in theory than reality – for example, awareness is very limited in respect to the 10 shared action points across the two documents.
- That said, there remains strong support for KES-JHWS join up in the future and a desire to reignite that connection through KES refresh and for the practical follow through needed to make it real.
- More widely, KES review needs to be linked into and part of the developing strategic framework in Kirklees. This includes shared 'We're Kirklees' partnership outcomes (see section 4) and a council that is committed to achieving outcomes by working with people rather than doing to them; working with partners; and recognising the importance of local identity and how needs differ in different places.

Make inclusive growth more prominent

- Poverty in the UK has worsened since the KES was produced. The national and LCR agenda on inclusive growth has evolved significantly in response. There is a much stronger narrative as to the case for better aligning economic and social policy in a way that all people can contribute to and benefit from growth, although much of the 'how to' remains a question.
- The current KES has a direction and much content that supports the good/inclusive growth agenda, but does not explicitly label it as such. There is clear will within the Council for inclusive growth to be more prominent within a new KES.
- The refresh offers the opportunity to reflect on what inclusive growth looks like and means for Kirklees, where there is specific need and opportunity, and a chance to meaningfully incorporate action that will make a difference to outcomes for ordinary people and specific cohorts in the district. It is also an opportunity to build on work underway on community wealth building and anchor institutions, and the council's leadership of the new Inclusive Growth and Public Policy Panel established to advise the LEP and Combined Authority.
- This aligns to points made on the need to shift Kirklees to be a higher value economy, focused on raising productivity and resisting a march towards low skill, low value and low pay sectors (with a clear link to the forthcoming refresh of the district's Skills Plan). It also resonates with points made below on revitalising places, transport and housing and on skills and education. There will also be scope to include wider actions e.g. on procurement, anchor institutions and the importance of early years.

Manage and monitor KES systematically and proactively

- There does not appear to have been a system or responsibilities in place for managing and monitoring the delivery of KES actions and priorities, for systematically monitoring progress against key indicators, or for assessing and reviewing impact. This has come to light specifically in relation to carrying out the delivery review section of this report, where assessments of progress made towards achieving individual projects or wider programmes is often more intuitive than empirical.
- This should be addressed as part of the KES review and adoption process, with overall and specific responsibilities allocated and regular progress reports aligned to new partnership structures where applicable and in an environment where lead partners are designated and made accountable for tracking change.
- KES review should include review of metrics and headline indicators, including tie in with new frameworks in Kirklees and measures such as GVA/capita and household disposable income.

Specific Thematic and Place Based Messages

Make Kirklees a higher value economy and focus on productivity as a central goal

- Evidence points to a local economy that is drifting towards low wages and low value sectors and this danger is recognised within the Council. Kirklees needs to be resolute in its ambition to avoid this, and clear in its understanding and strategy for how to do so and to instead support a higher value economy and sectors. Review of KES should identify the route forward.
- There is a danger that the value of key employment sites (e.g. new ones in prime locations) is watered down through occupation by low value, low paid sectors and jobs that are vulnerable to automation (e.g. warehousing/distribution). These sites could and should be instrumental to attracting higher value sectors. Despite pressures to allow sites to be used by any investor, there are good reasons and support for maintaining KES ambitions and applying Local Plan policies that insist on higher value sectors and a good number and quality of jobs at key sites.
- There is very strong emphasis on productivity in the Industrial Strategy nationally and at city region level. Evidence shows productivity is also a major challenge in Kirklees. KES review will provide an opportunity to make productivity more prominent and to identify the route to higher productivity locally, linked to skills, sectors, innovation and good jobs locally, and aligned with LCR and national programmes.
- Given inclusive growth goals, one area of focus could be promoting improvements in productivity through fully utilising the skills and potential of the workforce – linked to progression and good management (rather than purely through tech, which is also important but can displace people). This is likely to be most successful if joined up with work on this agenda at LCR level and taken forward in partnership with the private sector.
- A higher value economy also relates to other aspects of business growth, including supporting businesses to become more outward looking in their trade, export and supply chain strategies.

Review the approach to sectors while maintaining an Engineering & Manufacturing USP

- Evidence shows that engineering and manufacturing remains the most distinctively pronounced part of the local economy, and there is strong and senior support to maintain this as Kirklees' USP and to use it as a key asset – with focus on higher value, higher growth parts of the sector and on innovation. This should be factored into KES review, and may mean that the sector has the greatest prominence of any single sector.
- However, there is also a case for putting more emphasis on other sectors than the current KES does, as manufacturing will only produce a fraction of the jobs/output improvements needed and other sectors have a role to play too. Health and Care, Creative & Digital and Construction were all cited as examples. This potential for widening the KES sector focus also has a significant number of advocates.
- Striking the right focus and balance on sectors will be a key decision (e.g. whether to have a Priority wholly focused on engineering/manufacturing, a wider set of sectors as equal priorities, or no specific sector focus). One option is to focus on specific interventions to enable growth in specific sectors (and niches within them). This would link action on sectors to a wider or universal business support offer, that is itself joined up with the city region offer and reflects the evidence base and business needs. Within this model, a greater number of sectors could be highlighted and helped, while engineering

and manufacturing could still be the most prominent and have the greatest number of interventions focused on its needs.

- Examples of specific sector interventions could include those for Health and Social Care (on entry level roles and progression); Engineering and Manufacturing (on innovation, skills, investment and supply chains); Construction (skills/labour); and Creative & Digital and Business and Professional Services (suitable business/office space linked to a place-based approach).

Increase the emphasis on innovation

- Innovation is a key driver of productivity and a focus for action at many levels. There is wide support for KES review to increase the emphasis on innovation, linked to Leeds City Region, northern and national innovation activity, and with focus on collaborative approaches, sector crossovers and the whole value chain.
- Innovation is not just about products, technology and links to HE; it is also about processes, services and business models and about applying creative approaches in all businesses (and the public sector). Nevertheless, the University of Huddersfield is a key innovation asset. There is opportunity for stronger links to be made to its key centres and areas of expertise, and for its business and innovation collaborations to support business growth, productivity and a positive profile of Huddersfield and the wider district – e.g. with potential investors and as part of an anchor institution network.
- There are particular opportunities for innovation within engineering and manufacturing, linked to university strengths (in Huddersfield and beyond) and which connect to other sectors too – such as energy/low carbon, transport, health and creative and digital industries.

Support skills and progression across the whole workforce, including adults

- The ‘missing middle’ of the labour market identified in KES remains, but in addition, the proportion of positions in the top end of the labour market - higher skilled/paid jobs - is not growing as fast as elsewhere.
- There is pronounced out-commuting for better paid/skilled jobs and too few good jobs in Kirklees. A significant volume of out commuting is normal and accepted given Kirklees’ economic geography and transport links, but its volume here appears higher than in neighbouring areas. That highlights the need to promote demand for, and progression into, technical and higher level skills, leading to better jobs, incomes and productivity.
- There is consensus that a future KES should focus on the whole workforce (i.e. including adults) rather than the current KES focus mainly on young people, which reflected high youth unemployment in the post-recession period. Retraining of adults should be a particular focus given the need for progression and likely job losses or changes associated with automation. A new Skills Plan provides opportunity to cover the full range of skills issues and align with KES.

Places overview: maintain and strengthen emphasis on place-based distinctiveness and review the differentiated '3 levels' approach to places

- At an overall level, there is a widely shared recognition of Kirklees as the sum of separate places rather than a natural geography, and that a new KES should embrace, refine and reinforce an emphasis on local place-based distinctiveness.
- The tailored '3 levels' approach to places in the KES (transformational in the Dewsbury area, revitalisation in Huddersfield and areas with similar challenges, evolutionary elsewhere) has been helpful, certainly in focusing minds around the Dewsbury question. Most interviewees would favour keeping something similar.
- However, contexts and the realities of places have changed and a review is needed – both of the strategic approach to place-based distinctiveness and of whether the '3 levels' approach is the best tool to articulate this.
- Refresh should respond to a newer and greater Huddersfield challenge and ensure that KES connects to masterplan development for Huddersfield and Dewsbury centres.
- Place focus should be framed around joined up programmes of intervention – the North Kirklees Growth Zone has been very helpful in that regard. This approach will also help to meet Leeds City Region goals on programme level action that has city region impact - and hence to secure influence and funding.
- Consideration is needed around how the rural/small towns dimension is positioned. There is a consensus that while this is likely to remain a lower priority for investment than the main centres (given their economic position), KES could look to facilitate place-based strategies and action in smaller towns, villages and rural areas rather than wholly rely on an organic, evolutionary and community-led approach.
- Industrial heritage is noted as both a source of distinctiveness within places and a shared characteristic across Kirklees. It presents notable opportunities for regeneration and development, for example linked to business premises needs or investment in key places.

Places: drive vision, action and investment in Huddersfield

- As the main centre and economic asset in Kirklees, Huddersfield needs more radical vision, action and investment to capitalise upon its potential, arrest a potential cycle of decline and respond positively to big shifts in retail and consumer behaviours. This issue was often at the forefront of group discussions, making it a priority challenge in a way that it was not when the current KES was prepared.
- A number of investments are about to happen, if not always in the town centre, which will have a positive impact, if probably not a sufficient one on their own. A refreshed KES should reflect and help to drive these and wider developments, as well as the long-term vision for and repurposing of the centre. A new KES should build on current plans, champion Huddersfield, dovetail closely with the forthcoming new masterplan for the town centre and frame the Council's stated financial commitment and its ability to lever investment from elsewhere.
- Issues include how to better connect the centre to the university and its students; enhance the culture and leisure offer; improve office space options for the service sector (e.g. grade A space), and enhance green infrastructure and design quality. The lack of a

sizeable live music venue also emerged as a specific gap, while the St George's Warehouse building by the railway station was proposed as an emblematic opportunity.

Set high ambitions for transport, infrastructure and the environment

- KES has played a critical role in Local Plan development and in informing the policy approach for the economy, with links across all KES priorities and in particular priorities one and four in relation to jobs forecasting, subsequent land requirements and locational needs. Adoption of the Local Plan will create new opportunities and help to drive development, although there are risks with some sites and the KES process and document may play a role in identifying further options. Having a Local Plan in place will make a big difference to the next KES, providing a positive framework to help deliver on actions either through strategic employment allocations or through a supportive policy approach. Although yet to be adopted, the Publication Draft Local Plan is making a positive influence in determining planning applications – predominantly for housing, but also in defending employment land and supporting job creation.
- A number of current and planned transport improvements will present opportunities (e.g. TransPennine upgrade) that should be factored into KES review and exploited. There is also potential to push for more radical and big ticket connectivity improvements in the longer term (e.g. better rail to London and Sheffield) and to exert greater influence on priorities in LCR and the North. The KES process could open up radical ideas and thinking on this.
- Whilst digital infrastructure is very strong and a real success story of recent years, Superfast Broadband uptake is low relative to other areas and a new KES should respond to this.
- There is strong support for a 'clean and green' focus, including on energy and green infrastructure. Kirklees was noted as a previous leader in this field and there is potential for opportunity and distinctiveness related to it. The focus needs to be on converting a strong strategic position into delivery, impact and embedding in the priorities of others.

KIRKLEES ECONOMIC STRATEGY 2014 – 2020: A HEADLINE SUMMARY

Our vision is for *Kirklees to be recognised as the best place to do business in the north of England* and one where *people prosper and flourish in all of our communities*. This will translate into:

- improved resilience, competitiveness and profitability for business;
- enhanced employment prospects, skills and incomes; and
- a great quality of life and environment where all people are connected to economic opportunity and live in strong and thriving communities.

Kirklees' combination of assets and its excellent location at the heart of the North and the Leeds City Region mean that our vision is a realistic one. The fundamentals are in place and are driving business investment and growth. But we can do more to enhance performance and address existing challenges.

For Kirklees Council, the *purpose of this strategy is to create wealth and revenue streams that will enable quality service provision, enhance the district, and help to reduce inequalities into the future*.

Whilst the Council will play an enabling role, *this is a strategy for the whole of Kirklees*. The Council will work with the private sector and other partners including the University of Huddersfield, Kirklees College and the voluntary and community sector to achieve outcomes and generate wealth. And we will take a *proactive role in Leeds City Region*, aligning our priorities to maximise investment, for instance by leading a focus on innovative manufacturing and engineering.

This strategy and the Kirklees Joint Health and Wellbeing Strategy reinforce one another with a shared outcome at the heart of both. This is a commitment to ensure 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.

Kirklees is a large and diverse area and the required approach varies by place. Whilst overall we seek a substantial and sustainable economic upgrade, the degree of change needed ranges from *evolutionary improvement* in some areas; to *economic revitalisation* in Huddersfield; to *transformation* in Dewsbury.

Five priorities will deliver our vision:

- **Precision engineering and innovative manufacturing:** *strength in depth and excellence*
- **Innovation and enterprising businesses:** *championing creativity, entrepreneurship and resilience*
- **Workforce, skills and employment:** *extending opportunities and powering business success*
- **Infrastructure:** *making it easier for businesses to succeed and for people to access work*
- **Quality places:** *locations of choice for people, business and investment*

Six headline initiatives have been identified as having the potential to drive transformational change. These are large scale investments and will require integrated action across stakeholders to deliver in whole or good part by 2020. See overleaf for details of these and actions to implement the five priorities.

We will take a 'SMART' approach to delivering and monitoring this strategy, with measurable outcomes and indicators and clear responsibilities set out in an action plan. *Overall success will be measured against ten tests*. These include enhanced business perceptions of Kirklees; creating jobs, growth and new businesses; reducing deprivation and carbon emissions; and enhancing skills and incomes.

The Kirklees Economic Strategy 2014-2020: Strategic Priorities, Action Areas and Headline Initiatives

The Six Headline Initiatives

- Consolidate Kirklees as the heart of a growing innovative manufacturing and engineering cluster in LCR
- Maximise the impact of a suite of high quality innovation and enterprise assets
- Enhance enterprise, skills and opportunities for young people
- Strategic employment sites to stimulate jobs and growth, with focus on manufacturing and engineering.
- Revitalise Huddersfield town centre
- Kick start the transformation of Dewsbury



Guiding Principles

- Partnership
- No wrong door for business
- Proactive business engagement
- Wealth creation *and* less inequality
- Smart and sustainable
- Long term thinking
- Intelligence led, informed decisions

5. Quality Places

- Revitalise Huddersfield town centre
- Kick start transformative change in Dewsbury
- Neighbourhood level economic development elsewhere
- Deliver Leisure Tourism Strategy priorities
- Kick start transformational use of district's cultural assets

1. Precision Engineering & Innovative Manufacturing

- Lead on innovative manufacturing in LCR
- Supply chain development
- Innovation, intellectual property & exports
- Build sector profile and networks
- Inward Investment
- ...plus actions from other priorities on sites, infrastructure, skills, resource efficiency

2. Innovation & Enterprising Businesses

- Co-ordinated network of Innovation & Enterprise assets
- Deliver the Globe Mill Environmental Technology Centre & the Process Engineering Facility
- Kirklees Business Hub
- Integrated local, national & LCR business support
- Grow the social enterprise sector
- Local procurement opportunities
- Low carbon & resource efficiency
- Workplace wellbeing & health

3. Workforce, Skills & Employment

- Strong education & business links
- Enterprise skills ('Enterprising Huddersfield')
- Quality apprenticeships
- Higher level skills
- Quality employment
 - Enhance skills at all levels
 - Working Smarter framework
 - Information, advice & guidance
 - Young people into jobs
 - Quality affordable childcare
- Jobs/skills in health and care sectors

4. Infrastructure

- More, better & affordable housing supporting economic development
- Strategic employment sites
- Town centre premises
- Public transport & road improvements
- Agreement of the Kirklees Local Plan
- Green infrastructure, low carbon solutions and energy
- Transform the digital landscape
- Resource Smart Corridor Programme