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**Report to:** Inclusive Growth and Public Policy Panel

**Date:** 15 June 2020

**Subject:** **Covid-19 Economic Response and Recovery**

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## 1. Purpose of this report

1.1 To provide the Panel with an overview of:

- emerging key inclusive growth related impacts on the City Region during the pandemic; and
- current partnership working on developing an inclusive economy.

## 2. Information

### Background

2.1 The likely full consequences of the COVID-19 pandemic on the City Region's economy are still being understood in the context of the available data, research and intelligence. However, it is already clear that it will have significant long-term social and economic impacts. At the City Region level, work is taking place both to support the immediate economic response and to develop what might be required in recovery and in terms of future resilience.

### Data, intelligence and research

2.2 The City Region's economic response and recovery planning work to date has been informed by data, research and intelligence gathered on a number of issues and published in a weekly monitoring report. The reporting and other intelligence has included the following key findings:

- In April 2020 there were 108,000 jobless claimants in Leeds City Region, with 87,900 claimants in West Yorkshire. This is an unprecedented increase of 41,200 (+62%) across the City Region and of 30,800 (+54%) across West Yorkshire, though this is lower proportionately than the increase seen nationally of 66%. The claimant rate rose from 3.5% to 5.6% in the City Region and from 3.9% to 6.0% for West Yorkshire. The Institute

for Economic Studies (IES) has noted that younger people have been particularly impacted and that there are also high levels recorded for over 50s (and it is anticipated many of these will not go back to work).

- Districts with the lowest unemployment before the crisis saw the biggest percentage increases - Craven (+172%), Harrogate (+158%), York (+141%), Selby (+116%). These are all in York / North Yorkshire and rely more strongly on sectors like retail and hospitality. West Yorkshire districts fared better in percentage growth terms, ranging from 44% in Bradford and 61% in Wakefield. But these districts already had relatively high levels of unemployment and so their increases were the largest in absolute terms, ranging from 2,800 in Calderdale to 10,800 in Leeds.
- Most analysts agree that the initial employment impact would have been significantly higher without the ability to furlough workers. While forecasts suggest the unemployment rate could exceed 10% later in 2020, extending the Government's Job Retention Scheme should help limit the increase.
- According to an analysis of postings to the Adzuna job site undertaken by the IES, the number of online job postings in Leeds City Region fell by 18,600 or 64% between week ending 15th March and week ending 10th May (West Yorkshire postings also fell by 64%) – roughly corresponding to the lockdown period to 21<sup>st</sup> May. Harrogate and Leeds saw the largest percentage falls in vacancy levels, whilst Kirklees and Selby saw the smallest falls. The IES has also noted there are now 6 claimants for every vacancy compared with around 1.5 before the pandemic began, the toughest labour market for job seekers than at any time in living memory.
- Following the change in advice from the government, 84% of respondents to the Chambers' survey felt it would enable them to fully or partially restart activity, though this figure was lower in consumer facing industries. The Chambers' survey found three quarters of businesses were in a position to implement rules for physical distancing at their premises, and 70% felt they had or could implement provisions for remote working. There are signs that this may be starting to happen, with smart card usage increasing by 8% and Leeds station footfall up 11% in the w/c 11th May. In both cases however, activity is close to or over 90% down on pre-crisis levels.

2.3 In order to further support Panel members to identify and understand the specific socio-economic impacts on our most deprived communities and those with protected characteristics, it is proposed that the September meeting of the Panel receives a report on potential options, to be developed by the officer support group, including for the development of a suitable inclusive growth data dashboard and / or index. These options would reflect the Panel's shared working inclusive growth goals as discussed at their workshop in February (covered elsewhere on the agenda) around: wellbeing; connectivity and accessibility; transferable and relevant skills; and good work.

#### West Yorkshire Economic Recovery Board

2.4 Current partnership working on the regional economic response to the pandemic is being led by the West Yorkshire Economic Recovery Board. The

Board is a working group of the Combined Authority and brings together the region's local authority Leaders with the LEP Chair and representatives from key partnerships and stakeholders. At its first meeting in April, the Board agreed a strategic vision to grow a more inclusive, resilient and sustainable economy with more productive businesses, better levels of skills and entrepreneurialism, less inequality, and better environmental sustainability. In addition, the Board agreed three strategic priorities:

1. A recovery that produces resilient and thriving businesses, boosted by innovation, high skills and entrepreneurialism
2. A clean growth recovery that grasps the opportunity to deliver sustainability across all our places
3. A recovery that delivers inclusive growth and a decent standard of living, where good work and wellbeing allow as many as possible to contribute to, and benefit from the region's economy

2.5 At its meeting on 28 May, the Board confirmed its areas of focus as:

- Business, Innovation and Trade
- Employment and Skills
- Inclusive Growth
- Environment and Carbon
- Infrastructure and Capital Projects

All these areas will be linked into and align with plans being developed by others, including on transport and health. All committees and panels of the Combined Authority and the LEP will have the opportunity to contribute to the analysis and interventions being developed.

2.6 The Board recognises that it will be important for all panels to contribute to this work, with the Inclusive Growth and Public Policy Panel having a particular focus on the third of the above priorities.

2.7 To achieve the Board's vision, it is important that recovery related activities take place at the most local level possible. A West Yorkshire Economic Recovery Plan (the Plan) is therefore being prepared to focus on what is best done at a regional level, building on strong collaboration with local plans.

2.8 For each of the above core areas of focus, including on inclusive growth, the Plan will cover the following:

- Policy priorities
- Products and programmes
- Key regional strategies and frameworks (including identifying any areas where these need to re-focus)
- The regional voice to Government, identifying the key areas where engagement is needed.

2.9 Key questions being considered for the Plan against each core area, which Panel members are asked to consider, include:

- How should we measure a successful recovery?
- How targeted should interventions be?

- Where should we concentrate interventions?
- What is the priority for spending?

### **3. Clean Growth Implications**

3.1 There are no clean growth implications directly arising as a result of this report.

### **4. Inclusive Growth Implications**

4.1 The report identifies the opportunity for the Panel to contribute to the development of the proposed West Yorkshire Economic Recovery Plan, which will have a clear focus on delivering more inclusive growth across the City Region.

### **5. Financial Implications**

5.1 There are no immediate financial implications arising as a direct result of this report.

### **6. Legal Implications**

6.1 There are no legal implications arising as a direct result of this report.

### **7. Staffing Implications**

7.1 There are no staffing implications arising as a direct result of this report.

### **8. External Consultees**

8.1 No specific or official external consultations have been undertaken in relation to this report.

### **9. Recommendations**

9.1 That the Panel notes the emerging key inclusive growth related impacts on the City Region during the pandemic and receives a future report on potential options for monitoring inclusive growth as set out at 2.3.

9.2 That the Panel provides views on the developing work being led by the West Yorkshire Economic Recovery Board, and on the key questions set out at 2.9.

### **10. Background Documents**

There are no background documents referenced in this report.

### **11. Appendices**

None