
Report to: Inclusive Growth and Public Policy Panel

Date: 16 September 2020

Subject: **COVID-19 Impact and recovery update**

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1. Purpose of this report

- 1.1 To provide an update on the draft Plan for COVID-19 economic recovery and to provide context for subsequent items.

2. Information

- 2.1 The Covid-19 pandemic is a global health and economic emergency that has affected everyone in West Yorkshire in some way. In our collective efforts to stop the spread of the virus, businesses have been required to stop or reduce trading. Travel into our cities, towns and rural areas has vastly decreased. We have already seen large increases in unemployment and applications for Universal Credit, and a significant increase in the number of businesses that are struggling to survive despite support mechanisms locally and nationally. This will have a lasting impact on livelihoods across our region, and substantial investment and action is required to support people and businesses to recover and to build a more sustainable, inclusive economy.
- 2.2 The full implications of COVID-19 on the region are still to be understood. However, modelling commissioned by the West Yorkshire Economic Recovery Board demonstrates the significant impact this crisis will have on West Yorkshire businesses and communities. Even in the event of a relatively rapid recovery, the modelling concludes that the West Yorkshire economy will contract by £5bn in 2020. If we see a slower, more uneven, recovery economic contraction rises to £12bn in 2020, with the West Yorkshire economy shrinking by almost 30% by 2021. Beyond the direct cost to West Yorkshire, the modelling suggests that this economic downturn will result in a cost to the Exchequer of up to £2.4bn in 2020 alone. This modelling has been used to underpin our plans for recovery.

Economic Recovery – focussing on good jobs and resilient businesses

- 2.18 The longer-term planning for economic recovery for West Yorkshire is being overseen by a West Yorkshire Economic Recovery Board¹, which as reported in June is a working group of the West Yorkshire Combined Authority and brings together the five West Yorkshire Leaders and LEP Chair with partners from the private sector, trade unions, public bodies and the third sector, to develop robust plans for the region's economic recovery and to help build an inclusive and sustainable economy for the future.
- 2.19 Following input to the draft economic recovery plan from a wide range of stakeholders, including this Panel, a draft plan was endorsed by the Combined Authority on 27 July 2020, and a further version was discussed at meetings of the LEP Board and Combined Authority on 3 and 4 September. Links to the first full version of the Plan and supporting documentation are provided in the appendices.
- 2.20 The plan focusses on three action areas of: good jobs and resilient businesses; skills and training; and accelerated infrastructure, and has two overarching goals of inclusive growth and sustainable environment. The plan sets out what steps are required by national government, at a regional level, and how this aligns with local authority level activity, across three stages of rescue, re-imagining and resilience. Across the plan there are initial funding asks in the order of £1.4bn, which will be further refined and developed subject to future announcements and further understanding of the impact.
- 2.21 As the implications of COVID-19 continue to unfold, it is expected that the plan will be further updated, which will be tested with this Panel to make sure priorities remain relevant and are amended as required to meet the recovery needs of the region.

5. Financial Implications

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

6. Legal Implications

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

7. Staffing Implications

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

8. External Consultees

- 8.1 The development of the economic recovery plan has been led by the West Yorkshire Economic Recovery Board. Further to this, the LEP Board all the LEP Panels have been consulted on the emerging economic recovery plan.

¹ Further details on the full membership and terms of reference of the recovery board can be found at:
<https://www.westyorks-ca.gov.uk/erb>

There has been regular engagement with Local Authority officers developing local economic recovery plans, to ensure alignment.

9. Recommendations

- 9.1 That the Panel notes the update in relation to COVID-19 possible impacts and on the draft economic recovery plan, and considers items elsewhere on the agenda in light of how they contribute to its delivery.

10. Background Documents

- 10.1 There are no background documents referenced in this report.

11. Appendices

- 11.1 There are no appendices.