

# **DRAFT: West Yorkshire Economic Recovery Plan**

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## **1. Foreword**

The people of West Yorkshire are the lifeblood of its economy. That is why our regional plan for economic recovery from COVID-19 is focussed on our people. They have demonstrated over the last year of living with COVID-19 the resilience and sense of community that makes our region a great place to live, learn, work, visit and do business. And now we need a recovery that delivers for them, in the short term and in the years to come.

The impacts of the COVID-19 global pandemic have affected everyone and every place in the region. It is a health crisis that is producing a further economic crisis across the UK, but that could last longer in some parts than others. It is a pandemic that also underlines inequalities in our national economy, that is having a disproportionate impact on our most disadvantaged communities and strengthens the call for desperately needed levelling-up of the North.

That is why, as an economic recovery board in West Yorkshire, bringing together the five West Yorkshire Leaders and LEP Chair with partners from the private sector, trade unions, public bodies and the third sector, we have set our economic recovery plan firmly around two main goals. We must deliver an inclusive recovery that reduces inequalities. And we must deliver a recovery that is environmentally sustainable, recognising that we entered COVID-19 already in a climate emergency.

To get there, we have set three priority areas of focus. Firstly, we want people to have good jobs in resilient businesses that offer opportunities for pay and progression. Secondly, we want skills and training that give people the tools they need to get those good jobs. And thirdly, we want to deliver accelerated infrastructure, that gives people access to those jobs and to improved local communities. These connect to separate plans around health, transport and in each local authority for their own communities.

Whilst these priority areas recognise the central importance of economic recovery in terms of employment, we also know that jobs without community, without culture and without quality of life will not be enough. West Yorkshire is already a vibrant, welcoming and exciting place to be, and as detailed in our West Yorkshire cultural framework, as the new home of Channel 4, with Leeds 2023 and the bid for Bradford to be UK City of Culture in 2025, our cultural and creative places have even more to give.

We know that the full impacts of COVID-19 are still not known, and we will work together in partnership to ensure our regional and local recovery plans adapt. But we are certain whatever happens that the recovery efforts must be led locally if they are to be successful - focused on our local needs and led by local leaders who know the West Yorkshire people and its economy.

## **2. Update – February 2021**

Since the West Yorkshire Combined Authority endorsed a first version of this plan in September 2020, the region has seen its progress to recovery impeded by further local lockdowns and spikes in cases, with restrictions still in place at the time of writing. During this time the people of West Yorkshire have demonstrated incredible resilience. However, with the process of vaccinations now taking pace, it is now more important than ever that we set out an effective regional plan for recovery.

Although the central goals and priorities remain the same, the plan has been updated in a number of ways to take account of changes and further work since September 2020:

- The addition of a fifth West Yorkshire distinct proposition on Culture and creative industries – recognising the important contribution it makes to our places, quality of life and the economy.
- An update of the underpinning evidence – reflecting on the progress against our original scenarios, and the impact of Government interventions in relation to business performance, employment and household income.
- A greater focus on the need for stimulating job creation
- On Priority 1: Good Jobs and Resilient Businesses – an increased focus on the need for support for job creation, including through inward investment, following announcements of significant new programmes to work with those out of employment
- Priority 2: Skills and training for People – preparing for the potential implications of the end of the furlough scheme, and the implications of a number of additional new government skills and employment interventions, and particularly the need to support young people
- Priority 3: Accelerating Infrastructure and Capital Projects – incorporating further shovel ready flood infrastructure projects which can both help to increase community resilience but also stimulate the economy.

The plan has also been updated to reference where progress has already been made on implementation. Whilst Government are still asked to provide sufficient funding to deliver the entire plan as part of their March Budget, regional resources have been committed to permit the following interventions to begin delivery:

- **Employment Brokerage** to support those at risk of redundancy or unemployed, £7.5m to support 5,500 individuals through local Employment Hubs
- **Adult re-training / upskilling courses** to help people retrain quickly whilst in work or on furlough, £6m to support 4,500 individuals through the ReBoot programme
- **Business support** – 1,200 COVID resilience grants, 400 Digital resilience vouchers, 400 businesses supported to join

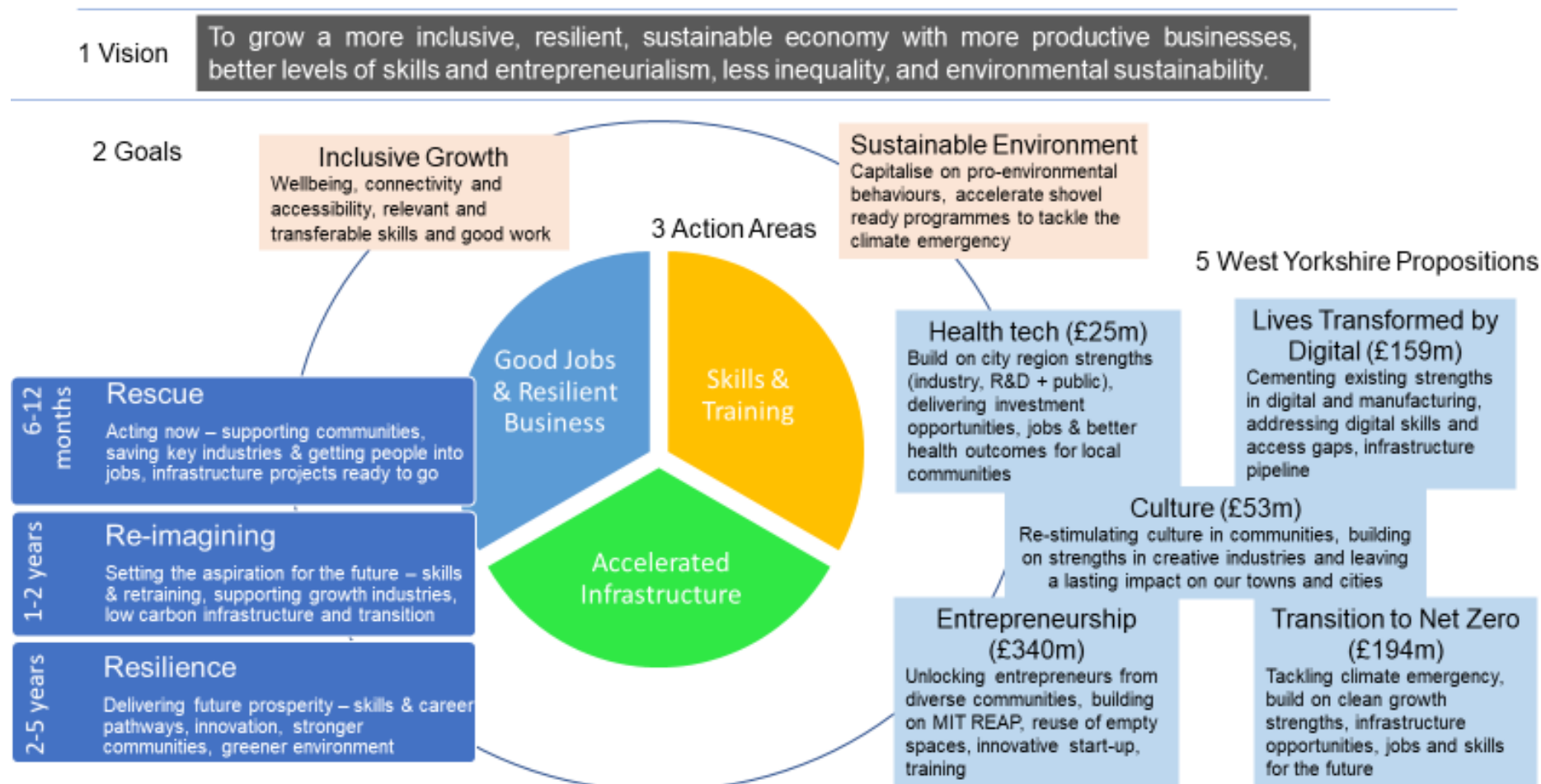
membership bodies for specialist support, 300 businesses supported on cybersecurity, peer to peer networks and resilience webinar programmes, 2000 growth manager engagements.

- **Local recovery projects** to support initiatives in each of the West Yorkshire local authority areas, £5m committed to projects proposed by local authorities, with a particular focus on culture.

Further programmes of support funded through regional resources are also being brought forward to the West Yorkshire Combined Authority for approval in March 2021, with a particular focus on support for initiatives that can create new employment opportunities.

### 3. Plan on a Page

## West Yorkshire Economic Recovery Plan – Plan on a Page



#### **4. Introduction and Vision**

This is an economic recovery plan for the people of West Yorkshire. It is focussed on supporting jobs for people in resilient businesses, on helping people get the skills they need to get jobs, and on the infrastructure so people can access opportunities. It is about reducing inequality and increasing inclusivity, and about creating the resilient and sustainable environment for our shared future. Both this and the linked transport recovery plan are a result of collaboration with partners committed to leading by example in promoting health, wellbeing, inclusivity and diversity, and working together to further these values by fostering our long-term regional partnerships.

The Covid-19 pandemic is a global health and economic emergency, that has affected all of us. 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 and our world class culture put mostly on pause. While the full impact on the West Yorkshire economy is still unknown, the economic impact on many people and their families has already been significant and, if action is not taken, potentially long term.

We have already seen large increases in unemployment and applications for Universal Credit, and with West Yorkshire in higher tiered restrictions for longer than other areas of the UK, a significant increase in the number of businesses that are struggling to survive despite support mechanisms locally and nationally. It is clear that 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. We must rescue, but only so we can re-imagine a better economy from that foundation – one that builds long term resilience for our communities, that delivers good jobs and meets our net-zero carbon targets.

The West Yorkshire economic recovery plan is about setting out what is required at a regional level to deliver a successful recovery, based on our regional strengths. To support that we have outlined initial asks of Government totalling £1.43bn, emphasising a focus on our local needs and providing strong accountability led by local leaders who know the West Yorkshire people and its economy. However it cannot wait only for Government funding, and so delivery has already begun to implement elements of the plan locally with existing resource.

Integrating with local authority plans and regional transport and health plans, it recognises the specific regional challenges and opportunities to the economy that are best dealt with in partnership across West Yorkshire. It is underpinned by a West Yorkshire Economic Recovery Board, bringing together local authority leadership, public partners, trade unions and the private and third sector.

The Board's **vision** for recovery sits at the heart of this plan: To grow a more inclusive, resilient, sustainable economy with more productive businesses, better levels of skills and entrepreneurialism, less inequality, and better environmental sustainability.

- A recovery that produces resilient and thriving businesses, boosted by innovation, high skills and entrepreneurialism

- A clean growth recovery that grasps the opportunity to deliver sustainability across all our places
- 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.

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## 1 Plan, 2 Goals, 3 Action Areas & 5 West Yorkshire Propositions for Rescue, Re-imagining, and Resilience

We do not know everything that will be needed for our economic recovery. Our original forecasts suggested the impact on the West Yorkshire economy would be between £5bn and £12bn in 2020, and evidence suggests we could be in the mid-range of that. We are clear however on what recovery must achieve. Recovery must actively reduce inequalities and contribute to a sustainable environment. These are the goals at the heart of our vision. To achieve them, the plan focusses on what is required across three action areas: Good Jobs, Skills and Infrastructure. For each action area the plan focusses on the Must Win Battles that will unlock the vision over the rescue (short), re-imagining (medium) and resilience (long) phases of recovery.

These action areas are critical for West Yorkshire but should also apply to the whole UK. That is why in each section of this plan we outline what is required at both national and regional level, setting out specific asks of Government. However, we believe there are also distinct contributions that West Yorkshire can make to national recovery, building on our diverse communities, industry strengths and institutions. These 5 propositions – health innovation, digital, culture, entrepreneurs and transition to net zero carbon – are our initial offer<sup>1</sup> to drive recovery and deliver Government's levelling up, with a collective ask of £770m. They too, are focussed on delivering our two goals of inclusive and environmentally sustainable growth.

### West Yorkshire Economic Recovery Plan

1 Vision	To grow a more inclusive, resilient, sustainable economy with more productive businesses, better levels of skills and entrepreneurialism, less inequality, better environmental sustainability.				
2 Goals	Inclusive Growth		Sustainable Environment		
3 Action Areas	Good Jobs & Businesses		Skills		Infrastructure
5 West Yorkshire Propositions	Health Innovation	Digital / Made Smarter	Culture	Entrepreneurship	Transition to Net Zero Carbon

<sup>1</sup> We know more will need to follow as the recovery develops. Depending on how the economic scenarios progress, there could also be further sector-based proposals, such as the one added to this version of the plan on culture. PERN (Place based Economic Recovery Network) a partnership with regional universities will support this with academic insight.



## 5. The West Yorkshire economy



An **internationally significant economy** with output of £55.4 billion – bigger than 9 EU countries - 2.3 million people, 90,000 businesses and a workforce of 1.1 million alongside 7 universities, 91,000 students and 30,000 graduates. But West Yorkshire has been **underinvested in as a region**, meaning recovery begins from a more challenging position than other parts of the UK.

A **mix of distinct places**, with cities, towns, and significant rural areas. These places are essential to the region's cultural and tourism offer, attracting millions of visitors each year. The core city of Leeds is the largest economic centre, contributing 43.8% of West Yorkshire's GVA.

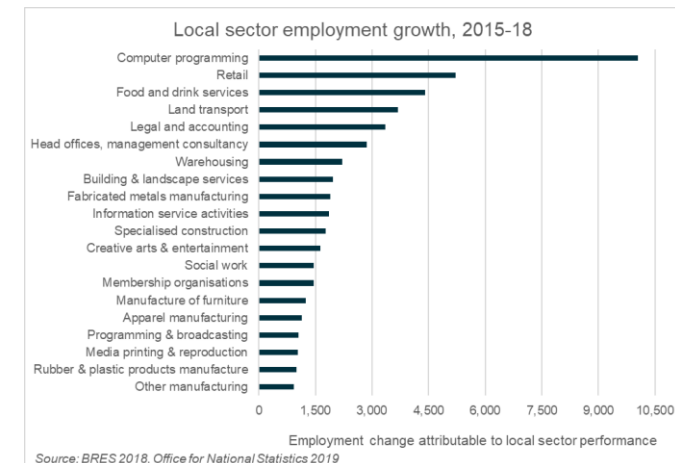
A **highly diverse population**, with 18% of people coming from BAME backgrounds (14.5% nationally). One in nine (11%) business owners/directors is from a minority background in West Yorkshire.

This reflects the area's diversity but also emphasises that people from

BAME backgrounds are under-represented in senior positions.

One of the **most diverse economies in the UK**, making it more resilient to sector-specific shocks but incorporating some key national **economic strengths**:

- UK's largest regional finance centre, with strengths in professional and digital services
- More manufacturing jobs than anywhere in the north (with specialisms in textiles, furniture, chemicals, machinery)
- The fastest growing digital sector in the country (e.g. computer programming), with areas of professional services seeing strong growth along with retail, hospitality and transport.

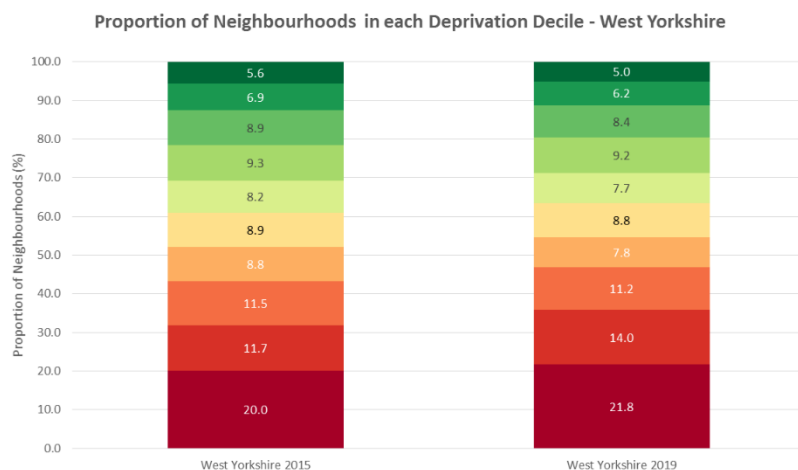


### Employment by sector (WY, 2018 BRES)



While the region's economy is resilient through its diversity, it also has **challenges**:

- Although increasing in absolute terms, productivity is persistently below national levels at around 86% of the UK average, with implications for earnings and prosperity.
- **Labour market** - Strong recent improvement but employment rates remain below UK levels, with disadvantaged groups most at risk of being out of work.
- **Jobs and wages** - Higher level occupations have been the main source of job growth in recent years, but 21% of jobs pay less than the Living Wage Foundation's Living Wage rate and 29% of employees are not in good quality work.
- **Deprivation** - More than 1 in 5 people (517,000 people) live in areas defined as being amongst the most deprived 10% in England. Relative levels of deprivation in West Yorkshire have got worse between 2015 & 2019.

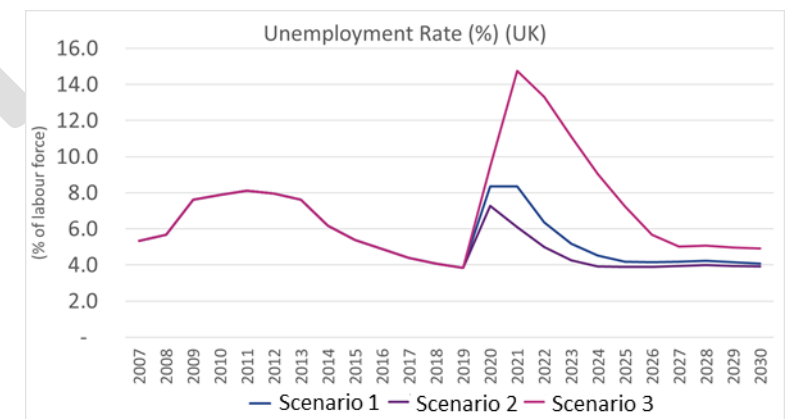


**6. Headline results from the Health Crisis Scenario Development work and impacts to date** (Recognising the level of uncertainty associated with the pathways to recovery in the economy, a set of scenarios were developed in spring 2020 to quantify the nature of the impact and sensitivities under a number of different assumptions. In broad terms, three key scenarios have been modelled (the infograph below sets the UK summary of the scenario):

- **Scenario 1:** consistent with the main OBR forecast, assumes that the national and local economy returns broadly to pre-crisis levels of activity by the end of Q3 2020.
- **Scenario 2:** flexes the OBR assumptions, assuming that recovery takes longer and isn't achieved until Q3 2021.
- **Scenario 3:** effectively a double dip recession based on the introduction of a second period of lockdown from Q4 2020, with similar restrictions and duration.

### Headline UK Results

	GDP growth	Unemployment rate	Real disposable household incomes	Employment growth
<b>Scenario 1</b>	2020: -9.9% 2021: +14.1%	2020: 7.3% 2021: 6.1%	2020: -4.9% 2021: +4.8%	2020: -2.6% 2021: +1.4%
<b>Scenario 2</b>	2020: -15.4% 2021: +14.9%	2020: 8.3% 2021: 8.3%	2020: -5.8% 2021: +3.9%	2020: -3.7% 2021: +0.2%
<b>Scenario 3</b>	2020: -22.5% 2021: -8.9%	2020: 9.5% 2021: 14.7%	2020: -7.7% 2021: -6.9%	2020: -5.0% 2021: -6.0%



## Headline West Yorkshire Results

- The contraction in the West Yorkshire economy across the 3 scenarios would be significant with **total GVA in 2020 contracting** by between 10% (£5.3bn) in scenario 1 and 22% (£12.1bn) in scenario 3. Whilst recovery begins in 2021 in scenarios 1 and 2, it declines by a further £3.5% in 2021 in scenario 3. All scenarios follow a similar trajectory in West Yorkshire to the national picture.
- The **fall in employment numbers** across the scenarios is greater the longer it takes for activity to recover, with between 30,000 and 58,000 jobs potentially lost in 2020 – a fall of between 2.5% and 4.8% across the scenarios. Local employment impacts are similar, though marginally smaller, than national impacts.
- The scenarios suggest the **unemployment rate would increase**, peaking at around 8% in scenario 1, 9.1% in scenario 2 and 10% in scenario three. These peaks are between 0.5 and 1 percentage point higher than UK levels, largely reflecting the different demographics in the respective labour markets at the start of the pandemic. Whilst unemployment rates would return to pre-pandemic levels in mid-2021 in scenario 1, this would not occur until mid-2023 in scenario 2 and 2027 in scenario 3.
- Per capita household income falls by a modest 1% in 2020, a number similar across all scenarios reflecting the varying effects of the income support provided by the government to households in different scenarios. Whilst it recovers quickly in 2021 to its pre-crisis level in scenario 1, this take longer in the other scenarios.
- The detailed modelling work provides local level insights across all the metrics shown above and shows differing impacts across West Yorkshire. For example, within **Scenario 2** with an overall GVA impact of 15% in 2020, local impacts vary between 14.6% and 17.7%. Differences in local GVA and labour market effects reflect differences in industrial structure and economic participation across the West Yorkshire local authorities. Those with higher concentrations of activity in sectors such as manufacturing and Business to Consumer sectors are seeing a slightly higher impact than those with higher representation in Business to Business sectors, such as finance, ICT and professional services.

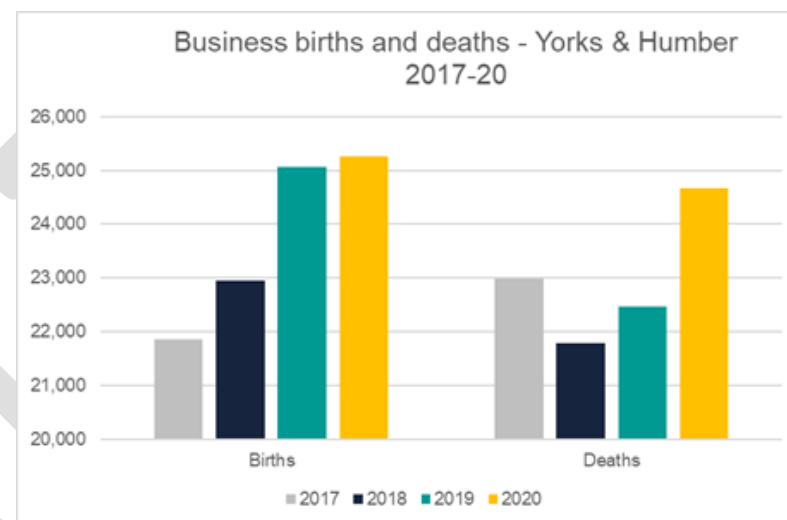
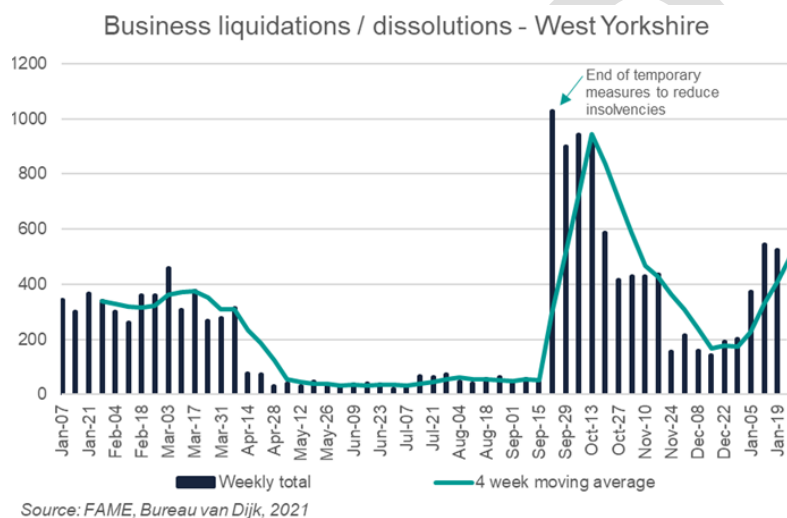
## Impacts to date

These scenarios as developed at the time broadly aligned with the Office for Budget Responsibility's (OBR's) May forecasts. However, as the pandemic has progressed the impact on the economy over the course of 2020 has become clearer. Whilst it will be some time before official data is available to provide an assessment of impact on these official measures across the course of 2020, data is available to provide insight on how the pandemic has affected the economy, labour market and household finances.

## Economy and business

Data from ONS suggests the UK economy contracted by 9% in the year to November. The majority of this fall came in the early months of the pandemic, followed by six consecutive monthly increases up to and including October. However, GDP fell by 2.6% in November as England entered a new lockdown, with contraction anticipated across Q4 2020 as a whole. The level of support available to businesses, and the time period for which this has been sustained, is longer than the scenarios initially anticipated. There is some evidence that this has helped to mitigate business failures.

Data from Bureau van Dijk's Fame business database shows 12,800 businesses were dissolved or liquidated in West Yorkshire in 2020. This is actually lower than the 15,300 seen in 2019, but this likely partly reflects the moratorium on liquidations in place over the summer, as well as potentially the impact of support measures in place.



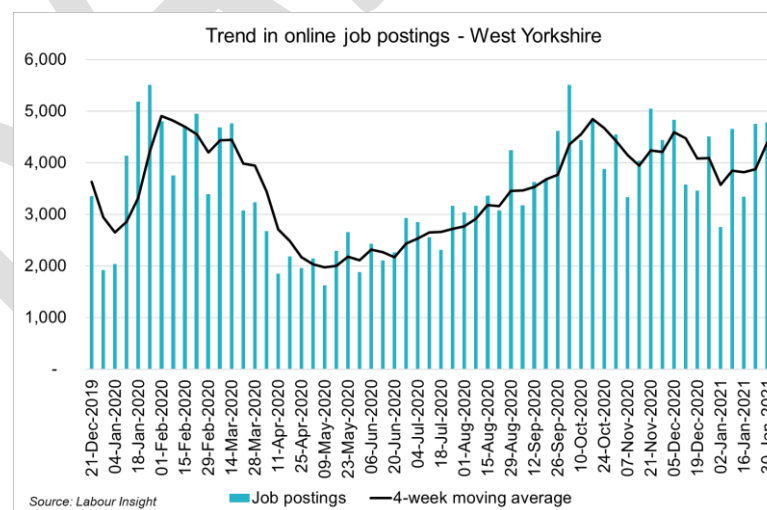
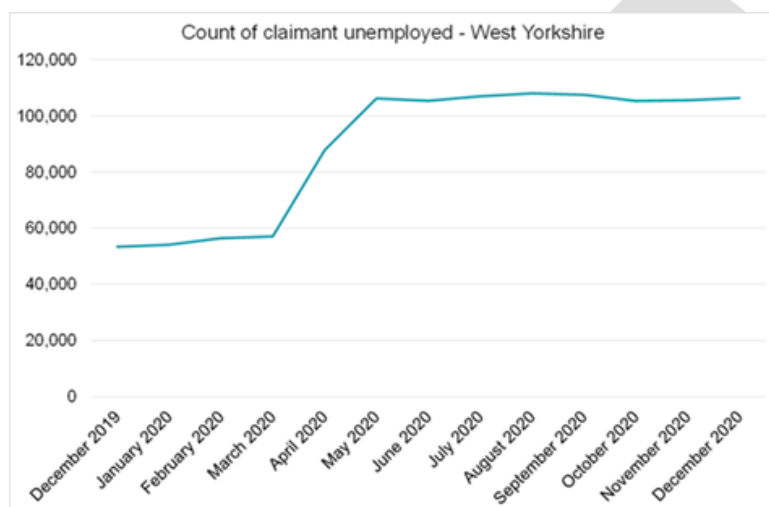
However, business failures in early 2021 are increasing, with failures in January 2021 45% higher than in January 2020. A third of West Yorkshire businesses said they had less than three months cash in reserve in January, a figure that had been fairly consistent since November but which still suggests significant challenges. Meanwhile separate data from the Office for National Statistics on business births and deaths, which is more limited in that it focuses more narrowly on businesses registered for VAT or PAYE, and has different conditions for removing businesses from the register (such as for reasons of inactivity), suggests business deaths were around 10% higher in Yorkshire & Humber and 13% higher nationally in 2020 when compared to 2019. This shows 24,670 business deaths in the Yorkshire & Humber region in 2020.

## Labour market

The ILO unemployment has remained lower than many forecasters anticipated, reaching 5% nationally in December 2020. The job retention scheme is likely to have substantially reduced levels of unemployment, with around a third of all eligible jobs being furloughed at some point in the pandemic, peaking in the summer. The picture was similar in West Yorkshire with 320,000 jobs furloughed up to August – 31% of eligible roles. As of the end of December, almost 113,000 jobs in West Yorkshire were furloughed – 11% of the eligible total.

Although official unemployment figures are relatively low compared to historic economic crises, the current West Yorkshire claimant count is 106,300, 86% higher than in March of this year, with most of this increase seen in the early months of the pandemic. Some people claiming such benefits are likely to be in work but experiencing a reduction in income during the pandemic. West Yorkshire's claimant rate (claimants as % of working age population) is currently 7.3% compared with the national average of 6.4%.

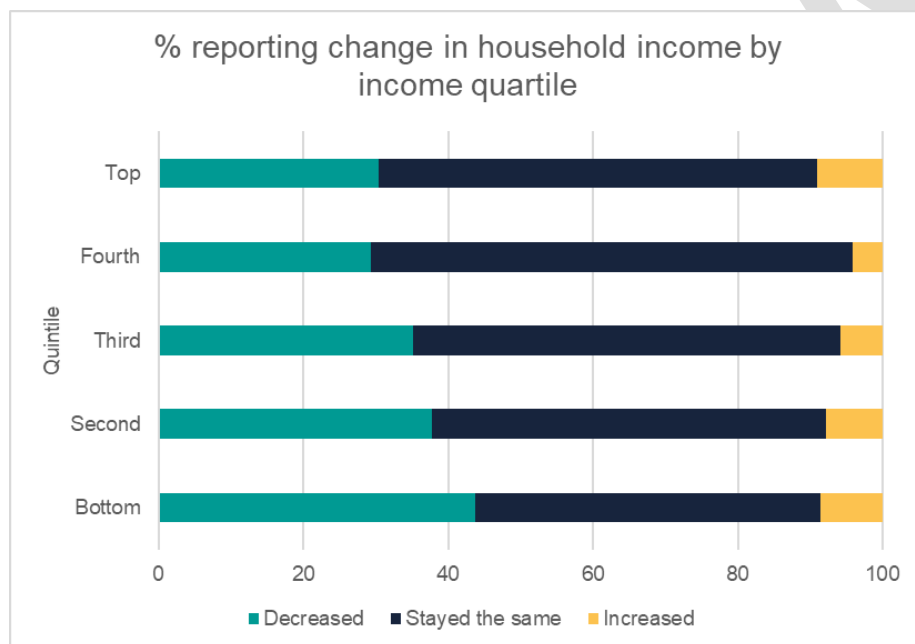
Job vacancies posted online also fell sharply during the spring and summer of 2020 before recovering to some degree. Although the subsequent lockdowns have dampened activity this has not fallen back to levels of the first lockdown. As of late January, postings are around 2% down on pre-lockdown level.



## Household incomes

Data from the ONS Opinions and Lifestyle Survey suggests that the impact of the pandemic on household incomes has varied across different cohorts and demographics. 44% of those in the bottom quintile of the income distribution prior to the pandemic reported reduced income between April and October, compared to 30% in the two highest earning quintiles. Other groups who were more likely to report reduced incomes include people aged 30-59 (compared to older and younger age groups), parents (compared to non-parents) and the self-employed (compared to other employed groups). However, younger people and those on low income were more likely to have seen reduced hours and/or not be paid in full if hours are reduced. Of those who have not been able to work (either because of being on furlough or for another reason), 52% of people in the top income quintile continued to be paid in full, falling to 28% in the lowest income quintile.

The proportion of people borrowing more than usual increased over the course of 2020, whilst the proportion able to save decreased. By December, 9 million people nationally had had to borrow more than usual. The proportion borrowing money rose from 10.8% in June to 17.4% in December.



## **Future paths**

There have clearly been substantial developments in the course of the pandemic since Experian's scenarios were developed. These have affected the direction of the health crisis and influenced its impact on the economy. It is anticipated that further work will be undertaken to review the scenarios developed in mid-2020 to account for these developments. Whilst little analysis is available which forecasts impacts and accounts for the latest developments such as the emergence of new variants in late 2020, the OBR's November scenarios present a more recent assessment of potential trajectories. Their latest assessments factor in more recent developments in the economy (prior to the third lockdown in January). These include the fact that government had taken a more accommodating position in terms of debt to support the economy through the pandemic than had previously been anticipated, but also considered the likelihood of restrictions remaining in place for a longer period. Their central forecasts now assumes that restrictive public health measures remain in place until Spring 2021, and the downside scenario assumes that vaccine ineffectiveness means these measures are extended yet further.

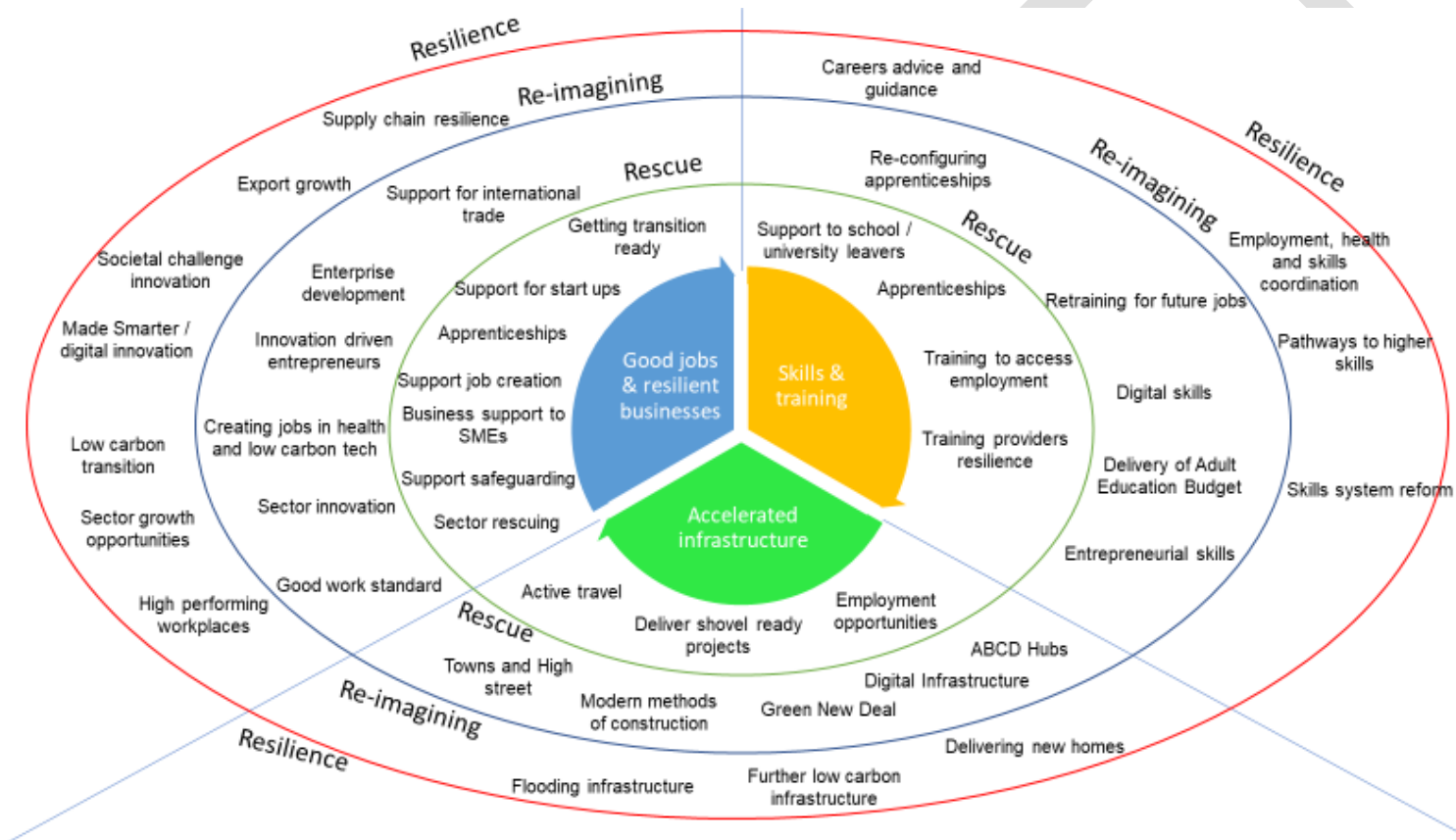
These scenarios suggest a drop in GDP in of between 11.3% and 15% in 2020 (in their central and downside scenarios). Numerically, this is broadly in the range of scenario 2 developed by Experian, though in terms of the course of the pandemic more closely resembles the W scenario. OBR's latest central forecast anticipates that activity will return to pre-pandemic levels in Q3 2022, but not until late 2024 in the downside scenario. Unemployment peaks at 7.5% in their central scenario, but rises to 11% in the downside estimates.

However, the future path clearly remains highly uncertain, and will be influenced by both the course of the pandemic, domestically and internationally, and the support measures in place to mitigate current impacts and support the recovery. Whilst data for 2020 suggests measures to date have mitigated some of the potential impacts so far, and this is reflected in the latest analysis by OBR, it is uncertain how long measures to retain jobs, sustain businesses and support the housing market. There are also additional factors to consider, like the impact of the pandemic on educational attainment and school and university leavers attempting to enter the labour market. Further work will be needed to refine and sensitivity test the local forecasts to account recent and ongoing developments with regard to the pandemic itself and its impact on the economy.



## 7. Three stages to recovery

Lasting economic recovery from COVID-19 is going to require moving in stages, particularly as the process of vaccination continues in 2021. Whilst these stages may take place, at times, simultaneously, they will provide a different focus to support recovery:



6-12 months

### Rescue

Acting now whilst a vaccine is rolled out – supporting communities, saving key industries & getting people into jobs, infrastructure projects that can be delivered

1-2 years

### Re-imagining

Setting the aspiration for the future – skills & retraining, supporting growth industries, low carbon infrastructure and transition

2-5 years

### Resilience

Delivering future prosperity – skills & career pathways, innovation, stronger communities, better environment

## 8. Reducing Inequality / Inclusive Growth

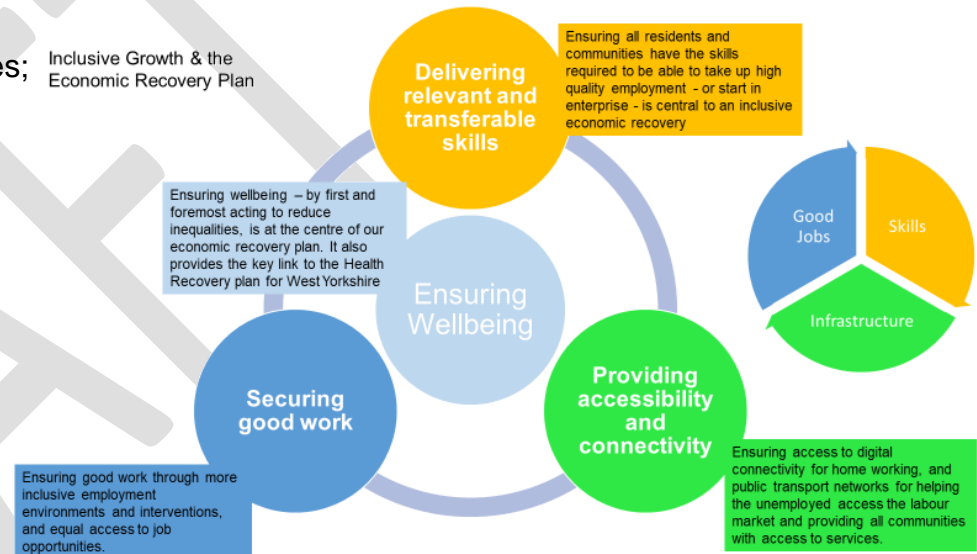
The impact of COVID-19 has demonstrated starkly the range of inequalities and injustices that permeate our region, as well as nationally and globally. We are determined that the interventions contained in this Plan make a positive impact in not just reducing, but eliminating, the unfairness individuals and communities in our region face in relation to the following Inclusive Growth goals:

- Wellbeing - including good physical and mental health;
- Connectivity and Accessibility – including to economic opportunities;
- Relevant and transferable skills - to enable social mobility; and
- Good work - which offers sustainable, high-quality employment

Our proposed measures of success will be critical in demonstrating what impact we have had. And the fulfilment of these goals is central to the achievement of our related Inclusive Growth ambitions, such that:

- Our Individuals and communities become Socially Mobile because they are inspired, confident, and engaged
- Our Employers provide Good Work because they: value and benefit from diversity (at all levels); actively promote employee welfare; and invest in their workforce.
- The region delivers an Inclusive Economic Recovery, for both regional and national benefit because delivery of our Goals ensures that economic and social disparities are not just reduced, but eliminated.

It is recognised that all sectors will play an important role in terms of delivering an inclusive economic recovery and ongoing resilience. For example, the crucial role played by the Voluntary, Community and Social Enterprise (VCSE) sector during the pandemic has been recognised in terms of connecting with the people and communities that have needed the most assistance. It is therefore proposed that the role of the third sector should be further enabled<sup>2</sup>, to ensure (including by working with the private



<sup>2</sup> Supporting the approach described by Andy Haldane in [The Third Sector and the Fourth Industrial Revolution](#)

and public sector) that our most excluded individuals and communities benefit fully from recovery. This model is within proposed activities across each of our three priorities, including in employment and apprenticeship brokerage, in delivering entrepreneurship, and through intervention directly linked to our inclusive growth framework such as good work standard, coordinated employment, skills and health offer for long-term unemployed, social prescribing pilot, and community hubs capital projects.

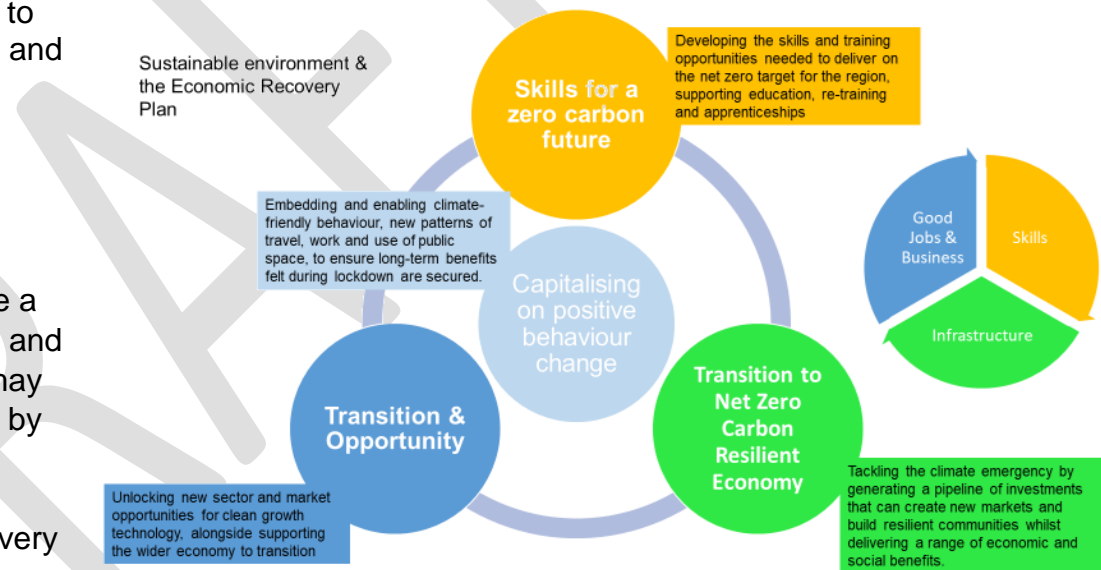
Culture and sports will also play a vital role to play in delivering an inclusive economic recovery. As recognised in our regional cultural framework, experiencing arts and culture and actively taking part can transform the quality of life for individuals and communities. Culture, cultural and sports-based organisations can assist in delivering inclusive growth through their ability to reach and benefit disadvantaged areas and to bring communities together. Community-led cultural and sports-based activity promotes a sense of belonging and social cohesion, which helps to inspire people and build a collective sense of identity and endeavour.

## **9. Tackling the Climate Emergency and Environmental Sustainability**

Even before COVID-19, we were facing a climate emergency. Whilst lockdowns have temporarily made a significant positive contribution to reduced emissions and nature recovery, long term the impacts of Covid-19 may adversely affect achieving our net zero carbon target by 2038 with CO2 emissions (and wider emissions) not declining at a pace and scale to meet our target.

Therefore, it is essential that all elements of our recovery plan make positive long-term contributions to a tackling the climate emergency and wider environmental sustainability.

As is detailed in the proposition on Transition to Net Zero Carbon Resilient Economy, the transition will unlock significant economic benefits, new jobs, new training and upskilling opportunities and a range of new business opportunities. It will also reduce harmful emissions, help nature to recover and improve our region's longer-term climate resilience. Up to 70,000 new jobs in West Yorkshire could be created through climate investments by 2050 (LGA 2020).



Our planned measures:

- Create new business, jobs and training opportunities through accelerating a range of planned zero emission capital projects
- Development of an initial zero-carbon pipeline and funding proposition including low carbon, energy, flooding and nature recovery projects
- This pipeline will guide how to shape 1) new net zero skills programmes including a new partnership and workforce pilot 2) business support programmes including supporting over 150 businesses to decarbonise and bespoke support for industry.
- Setting up a home retrofit hub to support whole house retrofits with data, information, advice, assessments and promotion

These planned measures make up our Transition to Net Zero Carbon Economy proposition. This proposition is only part of the region's current and future plans to tackle the Climate Emergency. To fully achieve a net zero carbon economy by 2038 will require system level changes and billions of pounds of investment.

## **10. Priority Areas for Action**

### **Priority 1: Good Jobs & Resilient Businesses**

Part of the vision of the recovery plan is for a recovery that produces resilient and thriving businesses, boosted by innovation, high and diverse skills and entrepreneurialism and that takes advantage of the untapped opportunities decarbonisation of our economy can offer. This will be the foundation for Good Jobs. Our Must Win Battles for this action area describe what is needed to deliver this through recovery.

To achieve this will require significant national intervention, leadership from the private sector, and working closely across West Yorkshire with local authorities, trade unions and the LEP. We must start from the industry strengths we have already in manufacturing, financial services, digital, health tech and clean tech.

#### **Must Win Battles**

##### ***Rescuing and building resilience across strategic regional sectors***

Whilst parts of our economy need support to thrive, many supporting and facilitating sectors (Retail, accommodation, transport, arts, entertainment & recreation and transport equipment) employing 262,000 people in West Yorkshire (24% of all jobs) have been hard hit by COVID-19 restrictions and must be rescued and supported to become more resilient. Depending on the scenario, this will look different across our key sectors. Whilst this resilience we be needed to safeguard existing jobs under ongoing restrictions, our major focus is on what can be done to generate the numbers of new good job opportunities that will be needed in rescue or re-imagining, which means looking at growth, inward investment and new market possibilities.

##### ***Support the under and unemployed back to work***

Creation of new job opportunities is also essential to counter the rising numbers of those without employment, During the first lockdown in April and May 2020, jobless claimants increased by an unprecedented 87% in WY (94% in LCR) and have remained at this level over the course of the year. In scenario 3 of our modelling there could be up to 58,000 jobs lost in 2020 with the local job market not returning to its pre-crisis employment level until Q3 2025. With job postings down by almost two-thirds, further support will be required to stimulate demand for jobs through wage incentives, particularly during the rescue phase as the CJRS

#### **Headlines**

- The COVID-19 impacts to date on jobs and businesses have been severe, and could have a long-term impact on productivity
- In rescue, we need Government to support the safeguarding of our existing Good Jobs, and we will locally support businesses to create jobs that individuals can access. (Asks £85m)
- In re-imagining, we have opportunities to support new and growing strengths, and to boost entrepreneurialism in our communities (Initial asks £292m)
- In resilience, we can make jobs healthier and greener, with Government backing regional infrastructure (Initial asks £131m)

and furlough support tapers. This is already being seen to impact young (18-24) and older people (over 50s) more. As we move into re-imagining, this focus should increasingly look to promote social mobility by moving people into longer-term career progression pathways, offering support to access growing good employment opportunities in digital and clean growth roles.

***Deliver levelling up through increased productivity in good work***

The region had the fastest growing digital sector in the country prior to Covid-19 (employment growth of 48% between 2015 and 2018), and previously identified strengths in health tech and food production are at the forefront of work on the recovery. Yet output per hour worked is largely unchanged since 2010 in West Yorkshire once the impact of inflation is removed, and remains about 14% lower than UK levels. Productivity remains the key long-term route to improved living standards, but must be done in a way that unlocks good work - 271,000 WY employees (29% of the total) were not in good quality work (ONS definition based on Taylor Review) before COVID-19 and response has shown just how important relationships between employers and employees can be. Whilst rescue may focus on retaining the good work that already exists in the region, reimagining and resilience should encourage new employers who are committed to Good Work and support employers who currently don't to engage through more inclusive employment environments and interventions, recognising the role played by Trade Unions and other employee bodies.

***Making supply chains more resilient***

COVID-19 has meant disruption to supply chains across the West Yorkshire economy, impacting the ability of business to operate as lockdowns and restrictions have continued<sup>3</sup>. The end of the transition period for the UK's membership of the EU further reinforces the need for resilient supply chains both for businesses and consumers to thrive. Analysis of trade flows for West Yorkshire<sup>4</sup> shows that electronic and industrial machinery is a key import and export for the region, emphasising our critical importance to supply chains in industries such as automotive, even with no OEM (Original Equipment Manufacturer). Medicinal and pharmaceutical products also feature in the top 10 commodities imported and exported, reflecting the area's role in the health supply chain. As the EU-UK Trade and Cooperation Agreement has now been signed, our focus for rescue must be to ensure supply chains can transition, and re-imagining and resilience must seek the opportunities West Yorkshire has within new trading policy.

***Increasing digital & innovation driven entrepreneurialism***

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<sup>3</sup> Leeds City Region / Chambers of Commerce Quarterly Economic Survey, Q2 2020

<sup>4</sup> Yorkshire and the Humber trading relationships, MDST Transmodal, 2020

Entrepreneurialism has been a critical driver of economic growth out of difficult times, and West Yorkshire has the ingredients. Annually the region generates more than 10,000 start-ups. There are also more scale-ups in the wider Leeds City Region than anywhere in the North (258), according to data from Beahurst. Many of these businesses are already innovating in response to Covid-19, in sectors identified as local strengths pre-Covid, including food & drink, health tech, creative & digital and professional services. In a scenario where there may be higher levels of unemployment and fewer job opportunities initially, digital skills, mission led innovation and a renewed focus on pre-start and start-ups will be critical to kickstart the region, as will be attracting talent and investment into the region from elsewhere. Supporting survival beyond the first year will be a key success measure.



**Must win Battles:** Rescuing and building resilience across strategic regional sectors, Support the unemployed back to work, Deliver levelling up through increased productivity and good work, Making supply chains more resilient, Increasing digital & innovation driven entrepreneurialism

Rescue	Re-imagining	Resilience
<p>Government need to focus on: Financial support to the unemployed, finance to safeguard jobs and businesses in the most affected sectors, support post-Brexit transition for businesses facing new barriers.</p> <p>At West Yorkshire level we will deliver:</p> <ul style="list-style-type: none"> <li>• <b>Employment and apprenticeship brokerage</b> supported by £7.5m invested in Employment Hubs to help 5,500 individuals</li> <li>• <b>Re-training</b> for people on furlough/at risk of redundancy (see skills section)</li> <li>• <b>Business Support and access to advice</b> to get SMEs operational safely and creating job opportunities</li> <li>• <b>Support those trading internationally</b> as part of the city region's major role as a UK manufacturer and service provider as we adapt to new trade relationships</li> <li>• <b>Stimulate innovation and investment</b>, and support new digital ways of working</li> <li>• <b>Creative catalyst programme</b> to support creative industries accelerate and grow</li> </ul>	<p>Government need to focus on: Providing patient capital for investment in industry and innovation, setting trade policy goals</p> <p>We will deliver (subject to funding):</p> <ul style="list-style-type: none"> <li>• <b>Regional support for businesses seeking investment to grow, innovate or explore new market opportunities</b> particularly to grow jobs in areas of regional strength — like health and clean growth tech.</li> <li>• <b>Support for retraining</b> in sectors/occupations with growth potential (see skills section)</li> <li>• A <b>Good Work Standard</b> for West Yorkshire, focussing on commitments that drive positive employment, diversity &amp; inclusion and productivity</li> <li>• Inward investment and skills packages to support <b>on-shore and re-shore</b> of industry that can unlock good jobs</li> <li>• Support to build <b>innovation driven start up and scale-up enterprises</b> (including social enterprises), particularly in disadvantaged communities</li> </ul>	<p>Government need to focus on: financial incentives to support industrial transition, unlocking key long-term infrastructure projects for the North e.g. NP Rail</p> <p>We will deliver (subject to funding):</p> <ul style="list-style-type: none"> <li>• Support and access to finance to <b>grow jobs and productivity</b> in growth sectors</li> <li>• Deliver a coordinated <b>West Yorkshire innovation ecosystem</b></li> <li>• Help businesses to develop <b>more resilient supply chains</b>, working to reduce carbon footprints of trade</li> <li>• <b>Skills brokerage service</b> to stimulate demand from employers</li> <li>• <b>Support for those looking to become exporters</b>, or to explore new opportunities beyond UK markets</li> <li>• <b>Mission based challenges</b> for solving key social and environmental issues</li> <li>• <b>Support businesses to grow back greener</b> to maximise new business opportunities and increase good jobs.</li> </ul>
<p>Government ask: £60m to deliver employment support for 30,000 people (to 2025) £10m to support 9,000 business to get back operating, productively and innovatively, safeguarding 25,000 jobs in West Yorkshire in the process, flexible £15m Trade and Investment Fund</p>	<p>Government ask: £220m for a wide-ranging entrepreneurial revolution, £20m Made Smarter programme, £10m for ActEarly North, £15m for skills packages to create new jobs, £20m Digital Enterprise, £2m health accelerator, £5m creative industries network</p>	<p>Government ask: £30m flexible strategic business investment fund for growth sectors. £1.3m for green business support, £100m Innovation deal</p> <p><b>Note:</b> Given the uncertain nature of COVID recovery, we will need to add and refine as impacts become clear. We urge Government to engage with us on this process.</p>



## **Priority 2: Skills and training for people**

Depending on the eventual scenario, we face the risk of a perfect storm in the labour market – with elevated unemployment, a slow recovery in vacancies, winding up the CJRS leading to increased exits from work, a collapse in apprenticeship numbers related to overall labour market changes. Those in compulsory education have missed a significant part of a year's education and may need to 'catch-up', resit and stay in formal education for longer. Around 800,000 young people leave education and enter the labour market nationally each academic year. Our Must Win Battles for this area focus on making sure we have the training, re-skilling and education in place across partners in the region to be able to respond to these challenges.

### **Must Win Battles**

#### ***Prevention of NEETs and youth unemployment***

Youth unemployment increased by 109% between December 2019 and December 2020. Historically, unemployment has a greater negative impact for young people economically and on their wellbeing, particularly BAME communities. For example, Young British Pakistanis are 25% more likely to be NEET than their peers. Urgent action is required to prevent young people disengaging from employment, education and training ('NEET levels'), which had fallen significantly over the past few years. The impact on young people is likely to be greater if they are excluded from the labour market as competition for jobs increases. In rescue, there is an immediate need to protect apprenticeships as a route to employment for young people. Apprenticeship starts amongst young people have already seen a decline since the introduction of the levy. As we approach almost a year of disrupted formal education for students of all ages we need to build further capacity in the system to deliver a blended approach to learning and undertake preventative work that seeks to assure young people and their parents and carers about their future study, training and work options. This will help to ensure that there is intensive and targeted support available for those at risk of becoming NEETs as they leave the education system, with the aim of turning this risk into an opportunity to stimulate demand for apprenticeships and other high-quality skills and training programmes.

#### ***Address inequality of access to learning***

#### **Headlines**

- Depending on the scenario, we may be facing unemployment levels up to 14.7% in 2021
- In rescue, we need Government to support financial support to the unemployed and to training providers, and regionally we will focus on support for employers and job seekers, retraining and skills for education leavers (Asks £65m)
- In re-imagining, we will build the regional skills offer for the future labour market (Initial asks £100m)
- In resilience, we need to see implemented the recommendations of the Future Ready Skills Commission (Initial asks £308m)

Disadvantaged / pupil premium learners in schools trail their peers by 18.1 months in attainment. Twice as many people in professional occupations undertake training as in manual occupations. Nearly a quarter of people in Yorkshire and Humber lack essential digital skills for life, with the elderly, low-skilled and those on low income highly represented in that group. The shift to online and small group learning has further highlighted the inequality of access as an issue that will worsen the divide. Significant action will be required to support individuals to access learning through different formats and settings, whether that be school age, college and universities or adult learning. This includes places of learning; community settings, buildings adapting to social distancing measures, as well as investment in the IT equipment, infrastructure and digital skills that allows a more equal access to blended learning.

### ***Building a strong skills offer for the West Yorkshire labour***

The lockdown has led to a collapse in participation in traditional skills programmes, with the first college redundancies and closure of a specialist training provider both announced in the region. Apprenticeship starts for under-25s were down 22% on the previous year, with Q3 start down by 49%, this is across all subject areas with the exception of construction. This could mean that many Independent Training providers may not survive financially at a time when we are seeing greater devolution of adult skills funding to Mayoral Combined Authorities. Providers need support to shift towards new ways of curriculum delivery, delivering a fast response to the sharply rising demand for online and flexible learning, including for new T-Level qualifications, traineeships and apprenticeship work placement elements are completed. There is an opportunity to reverse the sharp decline of adult participation in learning, and influence provision to respond to employer training needs. The devolution of the Adult Education Budget and delegation of L3 entitlements as part of Lifetime Skills Guarantee will bring opportunities to align provision with the skills needs of the Region.

### ***Delivering relevant and transferable skills***

Ensuring all residents and communities have the Skills required to be able to take up high quality employment - or start in enterprise - is central to an inclusive economic recovery. West Yorkshire is home to great, diverse communities. During the lockdown phase these communities, and the third sector, have been at the heart of response, coming together in positive ways to support, encourage and sustain, particularly the most vulnerable. This has taken different forms in our diverse West Yorkshire communities, and because recovery will also impact communities differently, it will be important that communities - and the third sector itself - are supported to become more resilient and sustainable.

### ***Improved skills utilisation in the workplace***

Around 9% of employers demonstrate high performing workplace practices nationally, a range of practices that lead to more productive workplaces. Employers will need support to identify opportunities to retain and increase the skills of their existing workforce to drive innovation and productivity, including diverse leadership and management, supporting individuals to stay in fulfilling work for longer, more inclusive employment practice so that they survive and come out of the crisis stronger and more resilient. Employers need to proactively manage job design and skills so that organisations can respond effectively to continuing challenges like automation.

**Must win Battles:** Prevention of NEETs and youth unemployment, Address inequality of access to learning, Building a strong skills offer for the West Yorkshire labour market, Improved skills utilisation in the workplace

Priority 2: Skills

Rescue

Government need to focus on: financial support to the unemployed, supporting job retention and job creation, support to the education and training sector, national job guarantee scheme, free up ESF funding in order to maximise local investment, top-up AEB and offering careers support and advice

At West Yorkshire level we will deliver:

- **Employment Brokerage** to support those at risk of redundancy or unemployed [EH has £7.5m SIF for 5,500 + kickstart]
- **Adult re-training / upskilling courses** to help people retrain quickly whilst in work or on furlough [£6m SIF for 4,500 + national bootcamps via NSF]
- **Coordination of Apprenticeship and work placement support for employers**
- Careers tools for summer **graduate and school leaver programmes**
- **Digital skills** programme coordination for individuals and SMEs through Digital Skills Partnership
- **STEM skills / green recovery** programme
- **Health workforce planning** programme

Government ask— e.g. £30m for 10,000 adults re-trained over lifetime of the plan, £10m for green skills partnership, £10m for digital skills partnership £15m for health and social care workforce and support for LT unemployed with complex health needs.

Re-imagining

Government need to focus on: skills system reform, including alignment of skills funding including NRS, NSF and SPF, supporting transitions and well-being of young people & long term unemployed, capital investment

- Apprenticeship and job creation wage subsidies to complement national kickstart and restart - targeted at young people, and other disadvantaged / under-represented groups and to stimulate individual and SME business demand,
- Upskilling / re-training in emerging sectors [national bootcamps and £6.5m SIF]
- Strategic and responsive commissioning of Adult Education Budget and L3 Lifetime Skills Guarantee entitlements for 21/22 onwards, focussed on areas of unemployment need
- Education/careers targeting disadvantaged learners, extended to EY and primary and build resilient virtual careers and skills development support
- Skills and capacity building for entrepreneurs – focussed in communities
- Pilot approaches to High Performing Working Practices
- Digital/STEM/Green/HSC Skills Partnership delivery with workforce fund to support re-training / upskilling and new entrants
- Support for older workers, aged over 50, to stay in fulfilling work for longer

Government ask: £3m for skills utilisation pilot, £35m FE/post-16 implementation funding, £20m for careers destinations & work placements, £5m virtual careers infrastructure, £17m 3,000 Apprenticeship/work placements, £10m Enterprise Skills programmes & start-up support, £10m 100% Digital roll-out.

Resilience

Government need to focus on: skills system reform, including alignment of skills funding including NRS, NSF and SPF high quality employer led technical training including digital, increase AEB funding

We will deliver (subject to funding):

- Work with Government to implement the Future Ready Skills Commission recommendations
- Deliver entitlements and commission 'test pilots' as part of AEB strategy to ensure equal access
- A coordinated employment, skills and health offer for long-term unemployed

Government ask: Devolve work and health programmes, adults and careers funding, £8.6m creative skills programmes, £300m flexible skills fund (see also rescue)

**Note:** Given the uncertain nature of COVID recovery, we will need to add and refine as impacts become clear. We urge Government to engage with us on this process.

### Priority 3: Accelerating Infrastructure and Capital Projects

Infrastructure has a critical role to play in recovery, both in unlocking economic opportunities with good jobs and skills, and in delivering longer term resilience for West Yorkshire, both for our communities and for our environment. Our Must Win Battles focus on moving quickly to deliver physical infrastructures in public realm, digital, flood risk management, transport, housing and low carbon and other supporting infrastructure. However, they also emphasise that we must ensure that this delivers for the people of our communities, and that we also retain and build the social infrastructure and culture that makes our distinct places environments where people want to live, work and visit.

#### Must Win Battles

##### *Levelling up the City Region*

Covid-19 has diverted attention from the levelling up agenda for the north but has now become even more acute in terms of deprived communities that already needed targeted investment to deliver resilience for the future. Public spending per head on economic affairs in Yorkshire was around 70% of UK levels in 2017/18 (£565 in Yorkshire vs. £802 in UK). This is down from 92% in 2015/16, and 81% in 2016/17. Meanwhile Gross Disposable Household Income is 81% of UK levels in West Yorkshire. Capital investment (including on transport) is needed in the north, providing confidence in a pipeline of West Yorkshire projects. But it must be done with existing communities, and address the needs of people both to have a role in the development (through design, jobs & training) and to genuinely benefit from its results (through healthier, inclusive and greener places).

##### **Post Covid Ready Places**

Recovery offers the opportunity to accelerate a process already begun to transform our towns and cities into successful, sustainable places. The challenges will be different for our major urban city centres Leeds, Bradford, Wakefield, compared to our smaller town and rural locations. Around three quarters of businesses expect measures such as social distancing to be in place for between three and twelve months<sup>5</sup>. In rescue, we will need to focus on addressing social distancing requirements as opening up of

#### Headlines

- 64% of people expect to work from home more after COVID-19
- In rescue, we need Government to take the rapid decisions needed to unlock our shovel ready capital projects, and we will support communities to utilise existing space (Asks £76m)
- In re-imagining, we can begin our work to healthier, digital and greener places, utilising our strengths in clean tech and MMC (Initial asks £94m)
- In resilience, we must secure the future prosperity of our communities, including through flood resilience (Initial asks £276m)

<sup>5</sup> Leeds City Region / Chambers of Commerce Quarterly Economic Survey, Q2 2020

the economy proceeds and confidence in safe public places needs to be rebuilt. In the longer term, analysis by Cushman & Wakefield<sup>6</sup>, JLL<sup>7</sup> and others suggests that whilst remote working and lower density office space will remain desirable, companies and workers will still demand spaces that promote collaboration, interaction and wellbeing. In re-imagining, therefore, Towns Fund, Future High Street and other programmes need flexibility to respond to a potential further rapid contraction of retail and commercial use in towns and cities using transitional uses to try and test what works best for different places, including how culture can be play a central role in making cities, towns and high streets places people want to be. And in resilience, some places will need large scale interventions to create future markets, with brownfield sites (largely within urban cores) brought forward to provide a good quality affordable housing offer, alongside the social infrastructure to make good places to live.

### ***Resilient Communities***

COVID-19 has reinforced powerfully the need for holistic approaches to developing resilient, healthy, safe communities with local green space for all communities to use. 64% of people expect to work from home more in the future than prior to lockdown according to our transport survey, whilst more than a fifth (22%) of businesses expect the move to home working to be in place permanently. We need to strengthen existing places, and we can build on learning from district Streets for People pilots, and the opportunity to increase flood resilience for the communities that have faced devastating impacts in the events of 2015 and 2019. But with building opportunities also central to recovery, we need to apply this also when creating new developments, giving priority to the design of future-proof homes, including space for working/study, and homes that allow individuals to be shielded when necessary.

### ***Accessibility and Connectivity to Communities***

COVID-19 has demonstrated what a radical shift in work, transport and community activity means for our current infrastructure. In the coming weeks 49% and 62% of respondents to our transport survey said they would use the bus and train less, respectively, and 34% said they will walk more. If positive behaviours for our environment of reduced car usage, more active travel, greater home working and more local spending are to be retained in a sustainable way, then our connectivity infrastructure needs to support that. Linking closely to the work in our regional transport recovery plan, we are committed to both the short term requirements in rescue to keep communities connected, particularly to work and training opportunities, and also to long term strategic planning and an integrated approach to investment to connect communities digitally, socially and through sustainable modes of transport. To reduce

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<sup>6</sup> The Future of Workplace, Cushman & Wakefield

<sup>7</sup> The Future of Global Office Demand, JLL

inequalities, we must act specifically to tackle the fact that only 69% of properties in the 20% most deprived areas have access to Superfast Broadband and only 3% to Full Fibre.

### ***Addressing New Challenges***

Recovery offers a specific opportunity to both support the transition and meet our net zero carbon target and to stimulate jobs and skills opportunities, through addressing existing issues in our housing stock through public investment. Producing high performing energy efficient homes is an opportunity to build on the existing strengths of the region in Modern Methods of Construction (MMC), stimulating MMC home building programmes linked to training and investment in new technology. Alongside this, retro-fit energy efficiency programmes are needed for existing buildings, offering a long term solution to tackling fuel poverty in the region (fuel poverty affects more than 20% of households in 100 of our communities) and an opportunity to create high numbers of skilled jobs. Analysis by Ecuity for the Local Government Association suggests that West Yorkshire could have more green jobs than any other area by 2050 as the UK transitions to a net zero carbon economy (72,000 jobs), which we set out a route for in our proposition on Transition to Net Zero.

**Must win Battles:** Levelling up the City Region, Post Covid Ready Places, Resilient Communities, Accessibility and Connectivity to Communities, Addressing New Challenges

Priority 3: Infrastructure

Rescue	Re-imagining	Resilience
<p>Government need to focus on: rapid decision making on capital spend, facilitating regions to deliver infrastructure projects, protecting key culture assets, financial support for social infrastructure (including the third sector), support places which are adapting at pace</p> <p>At West Yorkshire level we will deliver:</p> <ul style="list-style-type: none"> <li>£52m of our core plus proposition of shovel ready projects and delivery of the £67m Brownfield Housing Fund allocations – linked to protecting jobs and local job creation, supporting supply chains</li> <li>Provide support to help communities and businesses utilise suitable vacant space for temporary and transitional use</li> <li>Support for broadband access across the most deprived parts of the city region</li> <li>Facilitating regional social-infrastructure, including a regional social prescribing pilot</li> <li>Support for short-term green infrastructure initiatives, including cycling and walking</li> <li>Support shovel ready nature recovery and energy efficiency retrofit programmes</li> </ul> <p>Government ask— £50m for shovel ready energy efficiency schemes, £25m extension of Towns Fund and vacant space pilot to support places undergoing rapid change, including arts and cultural activity, £1m social prescribing pilot</p>	<p>Government need to focus on: longer term funding programmes to deliver capital and green infrastructure pipelines, re-working the Green Book appraisal programme, devolve greater infrastructure decision making</p> <p>We will deliver (subject to funding)</p> <ul style="list-style-type: none"> <li>Develop a net zero carbon pipeline of projects (including energy efficiency, GBI), implementation plan and skills offer</li> <li>Utilising the rail network to rapidly deliver full fibre broadband &amp; 5G mobile coverage in rural areas</li> <li>Identify and/or develop a suitable framework to stimulate and advocate MMC home building programmes</li> <li>Deliver inclusive urban design, building on learning from district Streets for People pilots to produce high quality places to live</li> <li>Join up and maximise the opportunity between infrastructure requirements and local skills and training opportunities</li> <li>Deliver flood schemes with Yorkshire Water.</li> <li>Deliver a skills capital programme</li> </ul> <p>Government ask: £680k develop an initial pipeline of low carbon / climate investments, with £3.3m skills programme. £80m skills capital investment, £10m healthtech capital</p>	<p>Government need to focus on: funding future community resilience, including flood alleviation, zero carbon housing programmes to provide long term regional capital programmes, delivering major national infrastructure to the benefit of West Yorkshire</p> <p>We will deliver (subject to funding)</p> <ul style="list-style-type: none"> <li>Accelerating delivery of Flood Risk Management schemes</li> <li>Ensuring a long-term future proofed housing pipeline that delivers on the needs of West Yorkshire</li> <li>Using the ABCD model, support capital projects to develop and maintain community hubs</li> <li>A West Yorkshire Long Range Wide Area Network (LoRaWAN) to deliver smart city solutions for the region</li> <li>Rollout a 100% Digital West Yorkshire programme to support digital access and skills support</li> </ul> <p>Government ask: £108m Digital Infrastructure, £120m Flooding Programme (2021-2027) and £5m for schemes delivered with Yorkshire Water, £3m Health innovation hub, £39m visitor and citizen experience.</p> <p><b>Note:</b> Given the uncertain nature of COVID recovery, we will need to add and refine as impacts become clear. We urge Government to engage with us on this process.</p>



## 11. WY Kick-start Recovery Propositions

WY Proposition 1: Health Innovation (£25m)	<p>Why West Yorkshire?</p> <ul style="list-style-type: none"> <li>• <b>National leadership and spending power</b> – the decision-making centre for national policy and c.£130bn in funding</li> <li>• <b>Industrial strength</b> - there are substantially more value-adding med-tech firms here than in any other LEP area</li> <li>• <b>Strength in innovation</b> - some of the most accessible and forward thinking routes for businesses into the NHS</li> <li>• <b>World-leading Research and Development</b> – investing £100m plus for medical technology research, 8.9% of medtech patents submitted by UK</li> <li>• <b>Strength in Data</b> - distinctive longitudinal patient population cohorts (e.g. Born in Bradford) and the unique 'Leeds Care Record'</li> </ul> <p><u>The Ask</u></p> <p><b>Levelling up:</b> the rebalancing of public R&amp;D spend to unlock private investment (£540m needed in Yorkshire and Humber to level up per person spending (Nesta, 2020)).</p> <p><b>Act Early:</b> initial investment to unlock a new £10m institution of people-powered, data linked population laboratories to co-produce, implement and evaluate novel early life interventions to prevent disease, improve health and reduce inequalities, including a digital skills programme for young people.</p> <p><b>The place for healthtech &amp; health innovation:</b> £15m commitment to support the infrastructure needed for West Yorkshire internationally as the centre for health tech.</p>
WY Proposition 2: Lives Transformed by Digital (£158.9m)	<p>Why West Yorkshire?</p> <ul style="list-style-type: none"> <li>• <b>Unrivalled digital strengths</b> - fastest growing digital sector in the country prior to Covid-19 (employment growth of 48% between 2015 and 2018)</li> <li>• <b>Coordinated leadership</b> – regional Made Smarter Board and Digital Board have identified key digital priorities, building on our existing assets and strengths</li> <li>• <b>Delivery in progress</b> - a new digital voucher scheme focused on remote working and cybersecurity for micro and smaller businesses, 100% digital pilot in Leeds, WY superfast broadband</li> </ul> <p><u>The Ask</u></p> <p><b>Made Smarter Adoption Pilot</b> - £20m to further scale up and exploit / capitalise on opportunities particularly linked to the region's manufacturing strengths.</p> <p><b>Digital Enterprise</b> - £20m to scale the already successful programme delivering digital support to SMEs, including to meet demand for hardware and cybersecurity investments.</p> <p><b>Digital skills and exclusion:</b> £10.5m over three years to roll out the successful 100% digital pilot in Leeds across West Yorkshire.</p> <p><b>£108.4m digital infrastructure fund</b> – to unlock multiple shovel ready projects - Rural Gigabit Voucher, West Yorkshire Rail Network Fibre Delivery, Extension to West Yorkshire and York Superfast Broadband, West Yorkshire Long Range Wide Area Network (LoRaWAN).</p>

<p>WY Proposition 3: Entrepreneurs (£340m)</p>	<p>Why West Yorkshire?</p> <ul style="list-style-type: none"> <li>• <b>Building on our diversity</b> - One in nine (11%) business owners/directors is from a minority background in West Yorkshire, reflecting our area's diverse population</li> <li>• <b>A vibrant scale up ecosystem</b> - with more scale ups in the wider Leeds City Region than anywhere in the North</li> <li>• <b>Innovation Driven Entrepreneurs</b> – the region has been through the globally recognised MIT REAP programme – with a unique focus on solving societal challenges leading to two pilots ready for delivery – LEAP and BUILD</li> <li>• <b>Capacity to do more</b> - 7 universities, 91,000 students and 30,000 graduates, 10,000 new businesses formed each year, but only 1.4% of GVA spent on R&amp;D</li> </ul> <p><u>The Ask</u></p> <p><b>Kickstart Start-Ups:</b> £20m to deliver an entrepreneurial revolution, beginning in the short-term with easily accessible entrepreneur support, with the long-term aim of doubling of annual start-ups (20,000) with £10m of skills support.</p> <p><b>Unlocking Innovation Driven Enterprises:</b> building on the above, £200m for targeted and focussed support for high growth potential pre-start entrepreneurs (including seedcorn investment) and £100m for a LCR Innovation Deal.</p> <p><b>Transforming empty spaces:</b> £10m funding to unlock capacity and support for identifying and utilising suitable vacant space for use by entrepreneurs, building on the findings of the WY One Public Estate Temporary Use commission and particularly the role of culture</p>
<p>WY Proposition 4: Transition to Net Zero Carbon (£192m)</p>	<p>Why West Yorkshire?</p> <ul style="list-style-type: none"> <li>• <b>Job opportunities</b> - Climate investments can support 42,000 good jobs in West Yorkshire rising to 71,291 by 2050 (LGA 2020)</li> <li>• <b>Industry strengths</b> - West Yorkshire has unique strengths in low carbon transport, clean agri-tech, construction and circular economy that could support 40,000 jobs by 2036</li> <li>• <b>Climate challenges</b> - Around 11 million tonnes of carbon produced annually, 1 million tonnes through energy intensive industry in West Yorkshire, and a range of energy inefficient, hard to treat housing stock and high levels of fuel poverty, Over 63,000 homes and more than 27,000 businesses with flood risk</li> </ul> <p><u>The Ask</u></p> <p><b>Stage 1</b> £50 million to <b>accelerate over 25 schemes</b> (£30m energy efficiency schemes improving 3500 homes, £20m for over 150 public buildings by 2022).</p> <p>£680k to <b>develop an initial pipeline of climate investments</b> (including White Rose Forest, nature recovery)</p> <p><b>Stage 2</b> – Commence delivery of the pipeline (see stage 1) including £125m to support range of <b>flood alleviation programmes</b> over 6 years, with £21.5m to be provided for 'shovel ready' flood risk schemes by December 2022</p> <p><b>Maximising economic opportunities</b> - £10m - develop a <b>skills programme</b> and £1.3m to deliver a <b>net zero business support packages</b> to over 150 businesses + energy and carbon intensive industry support.</p>

WY Proposition 5: Culture and creative industries (£52.9m)

Why West Yorkshire?

- **Building on our assets** - a rich cultural heritage in textiles and world class sculpture to a more modern music, gaming and production chain of industries, with a young and vibrant population
- **Creative industries with scale** - the creative & cultural sectors employ 47,000 people across 7,000 businesses and has saw employment increase by 30% between 2015 and 2018
- **Local commitment** – our cultural framework sets a clear ambition for culture in the region, and through our devolved funding we have already committed to a number of local recovery culture projects through a £5m fund.

The Ask

**Maximising Creative Business Potential:** £5m to create a dedicated network of culture growth managers routed in local areas, and a mentoring and peer support programme, with improved links to mainstream business support including access to finance (see priority 1)

**Creative Skills:** linked to wider skills and training support under priority 2, £8.6m for a dedicated creative skills package focussed on re-imagining opportunities for young people, and ensuring creative industries have the skills to grow.

**Visitor and Citizen Experience:** £39.3m to catalyse large scale festivals (including Leeds 2023 and Bradford 2025) and cultural interventions in empty spaces, including through extending the successful Producers Hub and stimulating community led culture groups.

## 12. Summary of Transport Recovery Plan

Our approach to recovery recognises that for the people of West Yorkshire, our economic and transport recovery need to deliver against the same priorities. Therefore, alongside the economic recovery plan, at West Yorkshire level we have also developed a transport recovery plan that shares the same vision and goals.

### West Yorkshire Transport Recovery Plan - 1, 2, 3, 4



### 13. Links to Other Plans

Public sector partners across West Yorkshire are working closely to ensure respective plans are aligned, complementary and not duplicative. As partner plans develop, this section will be updated to summarise the key interactions across:

**Health:** the health response to both this crisis and in planning for future crises is a fundamental consideration for the economic future of West Yorkshire. In addition, the crisis has highlighted and exacerbated already recognised health inequalities, often linked to economic and social inequalities, meaning partners across the region have a role in addressing for the future.

**Local Authorities:** the priorities in this plan need to be appropriately addressed through both regional and local plans and interventions, which need to complement each other.

**Tourism** - recognising the importance of tourism to the West Yorkshire and wider Yorkshire economies, this economic recovery plan is supportive of the plan developed by Welcome to Yorkshire for the sector and the need to reopen, recover and rebuild<sup>8</sup>

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<sup>8</sup> Welcome to Yorkshire's Recovery Plan for the tourism sector: <https://industry.yorkshire.com/media/79935/wty-covid-19-recovery-plan-full-report.pdf>

## 14. Measuring Success

The overall success of our approach to economic recovery will be seen through the indicators we are developing against our wider Strategic Economic Framework, for example relating to productivity and economic growth, incomes, quality of life, resident satisfaction and carbon emission.

This plan identifies the Must Win Battles in each of our priority areas for action. We will monitor progress against them through a range of indicators, aligned with our overall vision and goals.

	Economic indicators	Social indicators	Environmental indicators
<b>Good Jobs and Resilient Businesses</b>			
Increased Productivity	<ul style="list-style-type: none"> <li>• Output per hour worked</li> <li>• Technology adoption</li> </ul>	<ul style="list-style-type: none"> <li>• Gross disposable household income</li> </ul>	<ul style="list-style-type: none"> <li>• Money saved through resource efficiency in businesses supported through REBIZ</li> <li>• Reduction in CO2 and Emissions Intensity Ratio</li> <li>• Reduction in energy consumption</li> </ul>
Support for unemployed	<ul style="list-style-type: none"> <li>• Overall unemployment rate</li> </ul>	<ul style="list-style-type: none"> <li>• % of people unemployed for 6m+</li> <li>• % in good quality work</li> <li>• [% of workers in insecure work]</li> </ul>	<ul style="list-style-type: none"> <li>• Jobs in the clean growth sector</li> <li>• % attending green skills training sessions</li> </ul>
Strategic sectors	<ul style="list-style-type: none"> <li>• Total employment / share of employment in relevant sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Share of employment in disadvantaged groups</li> <li>• Diversity in strategic sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Jobs in low-carbon sectors</li> <li>• Numbers supported through RE-BIZ/ Access Innovation</li> </ul>
Supply chain resilience	<ul style="list-style-type: none"> <li>• Supply chain disruption risk</li> </ul>	<ul style="list-style-type: none"> <li>• Local/SME procurement spend</li> </ul>	
Entrepreneurialism	<ul style="list-style-type: none"> <li>• Number of start-ups / scale-ups</li> <li>• % of healthtech start ups</li> <li>• 1 year survival rate &amp; confidence</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity of start ups</li> <li>• Number of innovations for social good, especially health innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Start-ups tackling environmental challenges / innovation</li> </ul>

	Economic indicators	Social indicators	Environmental indicators
<b>Skills</b>			
Relevant & transferable skills	<ul style="list-style-type: none"> <li>• Employment and pay gap for disadvantaged groups</li> <li>• Working age without qualifications</li> <li>• Skills shortages and gaps</li> <li>• Economic activity rate</li> <li>• Claimant unemployment count for deprived neighbourhoods</li> </ul>	<ul style="list-style-type: none"> <li>• Access to skills development for disadvantaged groups</li> <li>• Social mobility (attainment at KS4 by FSM eligibility and access to HE by social status)</li> <li>• Employers engaging with schools</li> <li>• Levels of digital exclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Access to net zero skills development for disadvantaged groups: apprenticeships, HE</li> <li>• Jobs in the clean growth sector</li> <li>• Attendance at green skills training</li> </ul>
Prevention of NEETs	<ul style="list-style-type: none"> <li>• Number of NEETs / post-education destinations</li> <li>• 16-24 / 50+ unemployment</li> </ul>	<ul style="list-style-type: none"> <li>• NEETs in disadvantaged groups</li> <li>• 16-24 / 50+ unemployed in disadvantaged groups</li> </ul>	
Equal access to learning	<ul style="list-style-type: none"> <li>• Participation in employment and skills programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in disadvantaged groups</li> </ul>	
Strengthened skills offer	<ul style="list-style-type: none"> <li>• Vacancies (online job postings) – level and occupational profile</li> </ul>	<ul style="list-style-type: none"> <li>• Programme participation in demand / growth sectors</li> </ul>	<ul style="list-style-type: none"> <li>• % with access to net zero / clean growth sector opportunities</li> </ul>
Skills utilisation	<ul style="list-style-type: none"> <li>• Prevalence of "flexible" employment modes</li> <li>• % qualified at L4+ or degree level employed in non-graduate roles</li> </ul>	<ul style="list-style-type: none"> <li>• Variation across disadvantaged groups</li> </ul>	

	Economic indicators	Social indicators	Environmental indicators
<b>Infrastructure</b>			
Levelling up the City Region	<ul style="list-style-type: none"> <li>• Increased government investment</li> <li>• Increased investment in R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>• Earnings / GDHI per head gap to UK</li> <li>• Other health and wellbeing metrics</li> </ul>	<ul style="list-style-type: none"> <li>• Homes and public buildings improved with energy efficiency measures</li> <li>• Peatland restoration</li> <li>• Number of trees planted.</li> <li>• Innovation in clean growth sector</li> <li>• Reduction in CO2 and NOx</li> <li>• Emissions Intensity Ratio</li> <li>• Properties with reduced flood risk</li> <li>• Priority flood schemes delivered</li> </ul>
Post-COVID ready places	<ul style="list-style-type: none"> <li>• New homes completion</li> <li>• Commercial property occupancy</li> </ul>	<ul style="list-style-type: none"> <li>• New affordable homes completed</li> <li>• Increase in stock available for rent</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in CO2 and NOx</li> </ul>
Resilient Communities	<ul style="list-style-type: none"> <li>• % satisfaction with homeworking</li> <li>• Number of days lost to sickness</li> <li>• % workforce with chronic health condition</li> </ul>	<ul style="list-style-type: none"> <li>• Household access to green space</li> <li>• Households living in fuel poverty</li> <li>• Physical activity levels</li> <li>• Wellbeing metrics</li> </ul>	<ul style="list-style-type: none"> <li>• See Levelling up metrics</li> </ul>
Connecting communities	<ul style="list-style-type: none"> <li>• Number of premises connected to gigabit capable broadband.</li> </ul>	<ul style="list-style-type: none"> <li>• Jobs accessible by public transport from deprived communities</li> <li>• Households in transport poverty</li> <li>• Access to gigabit capable broadband in deprived areas</li> <li>• % without basic digital skills</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in CO2 and NOx (other air quality where relevant)</li> <li>• Increased mode share for active / sustainable modes</li> </ul>
Addressing new challenges	<ul style="list-style-type: none"> <li>• Number / share of green jobs</li> </ul>	<ul style="list-style-type: none"> <li>• % of households in fuel poverty</li> <li>• Health and wellbeing metrics</li> </ul>	<ul style="list-style-type: none"> <li>• Money saved through resource efficiency in businesses</li> <li>• Reduction in CO2 and Emissions Intensity Ratio</li> <li>• Reduction in energy consumption</li> <li>• % of people working in the clean growth sector (new)</li> <li>• Attendance at green skills training</li> </ul>