

Report to: West Yorkshire Combined Authority

Date: 9 December 2021

Subject: **Economic Recovery**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide the Combined Authority with an update on developments around the COVID-19 pandemic and economic recovery in West Yorkshire.

2. Information

- 2.1 The COVID-19 pandemic continues to be a central factor in the lives of the people of West Yorkshire and economic recovery a key consideration for businesses and the wider economy. The latest Omicron variant and the reintroduction of some measures related to international travel, the use of face masks and an acceleration of the booster programme reinforces the need to continue to carefully monitor the situation and its impact on economic recovery in the region.
- 2.2 However, as reported in previous reports, in terms of the response of the Combined Authority and Local Enterprise Partnership (the LEP) to supporting businesses during the pandemic, the majority of interventions are now completed, or are transitioning into delivery of our economic recovery plan and to the business as usual of the Combined Authority and its decision-making committees.

- 2.3 The following sections provide an update in terms of the latest intelligence picture in the economy followed by a brief overview of next steps regarding the West Yorkshire Economic Recovery Plan.

COVID-19 economic monitoring

- 2.4 The latest COVID-19 Economic & Transport Insights Report is attached as a background paper for this report, outlining the latest monitoring on the impacts of COVID-19 in West Yorkshire up to 17 November.
- 2.5 Headline findings from the available intelligence demonstrate the following trends relevant to the progress of economic recovery:
- There were 34,000 employees still on furlough in West Yorkshire on 30 September - the point at which the Job Retention Scheme came to an end. This was down from 40,300 at the end of August.
 - Despite this, the claimant count (covering people on out-of-work benefits) continued to decline in October, whilst employment (in terms of PAYE employees) continued to increase beyond pre-pandemic levels.
 - Recruitment activity is growing strongly across West Yorkshire, led by Leeds and Calderdale. Occupational areas hardest hit by the pandemic, such as hospitality and clerical, continue to rebound in terms of their vacancy counts.
 - There were 398 business liquidations in West Yorkshire up to the week ending October 26th, based on a four week moving average. With the latest figures showing a slight decrease of 1% from the previous four week previous. This trend has been seen across all districts in the West Yorkshire region.
 - Data from Bank Search shows the number new business bank accounts opened in the West Yorkshire region during the course of a month. During September the number of new bank accounts opened was 808, with Leeds having the most new accounts with 301. At West Yorkshire level there has been slight growth since the month previous of 2%.
 - West Yorkshire house prices reached a record high in August 2021
- 2.6 The Combined Authority will continue to monitor the situation regarding economic recovery and report back to future meetings as required.

Economic Recovery Plan

- 2.7 As we monitor the impacts of the trends outlined above, and of the interventions delivered as part of the West Yorkshire Economic Recovery Plan, it is proposed that the recovery plan be kept under review, and further updates completed and brought back to the Combined Authority as required. This will also include reviewing the underlying forecast and assumptions, with consideration being given to how best this can be achieved.
- 2.8 Each of the Committees of the Combined Authority will also take forward discussions on relevant elements of the Plan, and how they will be delivered through the work programmes of those Committees. This will help support

further refinement of the Plan if required, particularly in relation to the actions that will be supported through regional intervention and collaboration with partners.

- 2.9 As reported previously, long-term planning for the economic recovery of West Yorkshire has been overseen by the West Yorkshire Economic Recovery Board¹, which met as a working group of the Combined Authority bringing together the Mayor, five West Yorkshire Leaders and LEP Chair with partners from the private sector, health, trade unions, business representative organisations, public bodies and the third sector.
- 2.10 The Board met on 30 November for the last time in its current format, recognising the role that they have played collectively over the last 18 months in steering the region's recovery plan and the transition that is now taking place to deliver that recovery plan. The Board reflected on lessons learned in terms of the way of working of the Board and the collaboration between partners, and considered areas where a similar group might be useful in the future. They also discussed areas for monitoring over the next phases of recovery and how announcements from the Comprehensive Spending Review and upcoming Levelling Up White Paper might affect the regional recovery plan.

3. Tackling the Climate Emergency Implications

- 3.1 Tackling the Climate Emergency is identified as one of the overarching goals and golden threads of the Economic Recovery Plan. It also includes a dedicated chapter outlining the Combined Authority's efforts to reach net-zero carbon by 2038 and creating 1,000 green jobs for young people.
- 3.2 In developing and delivering the future interventions as a result of implementing the plan, schemes will be required to demonstrate how they specifically contribute positively to Tackling the Climate Emergency, whether that be through green skills and jobs, reducing emissions of buildings or contributing to wider climate resilience.

4. Inclusive Growth Implications

- 4.1 Inclusive Growth is embedded as an overarching goal in the Economic Recovery Plan. The impact of the pandemic on inequalities make the ambitions for inclusive growth around wellbeing, good work and relevant and transferable skills critical to a fair, just and lasting recovery. The plan also includes specific deliverable activity that is shared with the West Yorkshire Inclusive Growth Framework, such as the Fair Work Charter.
- 4.2 The Economic Recovery Plan recognises that a lasting recovery needs to be felt across both towns and cities, and villages and rural areas. Each of the actions and co-investment propositions identified will need to be designed and

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

delivered in a way that recognises that each and every place presents distinct opportunities in terms of jobs, businesses and infrastructure.

- 4.3 The plan also identifies the importance of Social Value to inclusive growth, and achieving this in delivery of the plan will include setting out how social value will be enhanced through contracts, including that any businesses that receive grants from the products delivered as part of the plan would be required to contribute to Inclusive Growth actions and outcomes via their funding agreements.

5. Equality and Diversity Implications

- 5.1 The Economic Recovery Plan recognises the disproportionate impact of COVID-19 on certain groups within West Yorkshire, and in its vision for a fair and just recovery plans to make sure its interventions respond particularly to the needs of those most disadvantaged. By focussing particularly on the role of our response interventions, it is also important to recognise that many of the inequality challenges faced prior to the pandemic remain, and therefore should not be lost when responding to the additional effects of the pandemic.
- 5.2 Specific interventions delivered in connection to this plan will be expected to set targets about how equality and diversity will be achieved, for example in the entrepreneurship programme, employment hub and adult skills framework outlined in this paper, targets for BAME and female led businesses are being written into delivery criteria.

6. Financial Implications

- 6.1 There are no financial implications directly arising from this report. However, co-investment opportunities with the public and private sector are outlined within the document, and delivery of the Economic Recovery Plan will require additional financial resources, subject to prioritisation of activities.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No specific or official external consultations have been undertaken in relation to this report. However, it has been informed by ongoing dialogue and consultation particularly with the West Yorkshire Economic Recovery Board and a wide range of partners, including universities and colleges, business representative and membership bodies, and direct with some individual businesses.

10. Recommendations

- 10.1 That the Combined Authority notes the update on Economic Recovery in West Yorkshire.

11. Background Documents

- 11.1 Draft [West Yorkshire Economic Recovery Plan](#), presented to Combined Authority on 9 September.
- 11.2 [COVID-19 Economic & Transport Insights Report](#), 17 November 2021

12. Appendices

None