



State of the Region 2021 **Executive Summary**



Background and Context

State of the Region 2021 is the first annual review of the performance of West Yorkshire against key socio-economic and environmental indicators. It provides a stocktake using indicators developed as part of the Combined Authority's Strategic Economic Framework. As West Yorkshire takes up its devolved powers

COVID-19 has had a huge impact on all aspects of the West Yorkshire economy during 2020 and 2021, although in many cases this is not directly captured by the indicators because of issues with the timeliness of the available data and the lagging nature of annual reporting. The key implications of the crisis for progress against the priorities are considered within the report but it is not primarily intended to be an assessment of the impact of COVID-19.

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with the direct election of its new Mayor, it is an opportune and appropriate time to assess the progress the region is making.





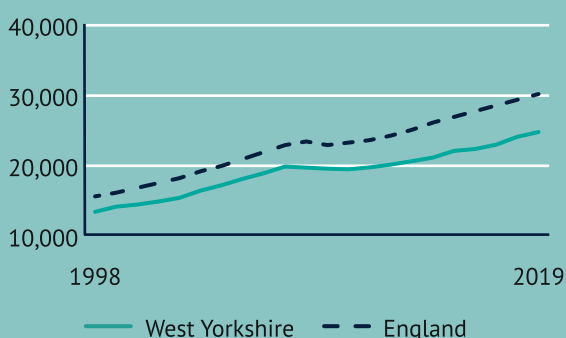
Boosting Productivity

Helping businesses to grow, and invest in the region and their workforce, to drive economic growth, increase innovation and create jobs

West Yorkshire's **economic output** (GVA) grew at a similar rate to the UK average but the relative position on GVA per head did not improve.

Economic output (GVA) per head GVA per head (balanced) at current basic prices

Source: ONS, Sub-regional GVA data



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Output (GVA) per head in West Yorkshire is below the national average and is growing at a slower rate.

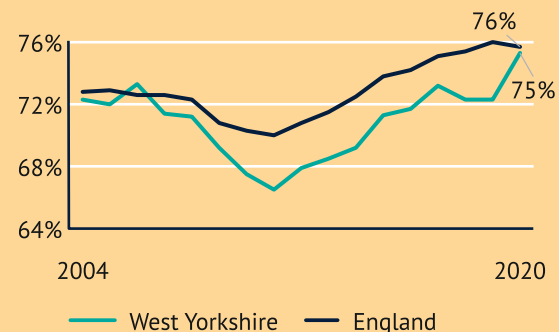
The region's job creation performance has also been positive in recent years, as reflected in the upward trend in its **employment rate**.

Although there is still a gap with the national average against this measure, the region compares favourably with most other Combined Authorities.

Employment rate

Employment rate for all aged 16-64

Source: ONS APS



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West Yorkshire's employment rate is growing and outperforms many comparator areas; the gap with the national average has narrowed.

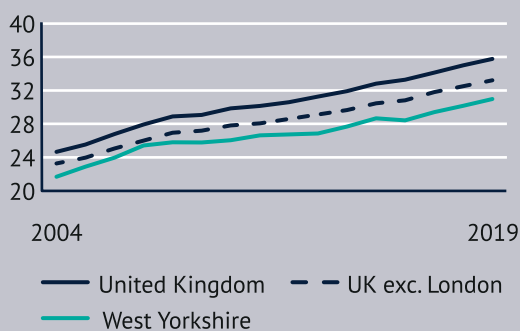
West Yorkshire's **business base** is relatively under-sized, however: it has fewer private sector businesses per head of population than the national average.

The main challenge facing West Yorkshire in this sphere is its **productivity deficit**. Although productivity is increasing in absolute terms there remains a significant gap with the UK as a whole and the gap which opened-up around the recession of 2008 has not closed significantly in recent years. This needs to be tackled if living standards in the region are to be raised.

Productivity

Nominal unsmoothed GVA per hour worked

Source: ONS, Sub-regional productivity data



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Productivity is increasing in West Yorkshire but not quickly enough to make significant inroads into the gap with the UK average.

The region's underperformance on productivity can be traced to a number of factors that constrain its productive capacity. The value of **exports** is relatively low, the proportion of businesses engaging in **innovation** has remained flat in recent years and fewer people have higher level qualifications than nationally.

There are also some bright spots: for example, West Yorkshire has recorded strong growth in **exports of services** in recent years and the proportion of people with **higher level qualifications**, although still below the national average, has improved strongly.

The performance of West Yorkshire's **local authorities** varies, across many of the indicators. Leeds performs relatively strongly on a number of the indicators, including economic output per head, employment rate, productivity (output per hour worked) and higher-level qualifications. But other local authorities can also point to positives; for example, Calderdale's economy has seen the fastest rate of output growth of any in West Yorkshire in recent years.

Whilst the national economy is seeing high growth at the outset of the recovery, there is uncertainty about the **long-term structural impacts of COVID-19** on the type and location of economic activity in future. For example, it is unclear whether the shift to remote working seen during the pandemic will persist in the medium to long term, while the implications of such a change for future productivity are poorly understood.





Enabling Inclusive Growth

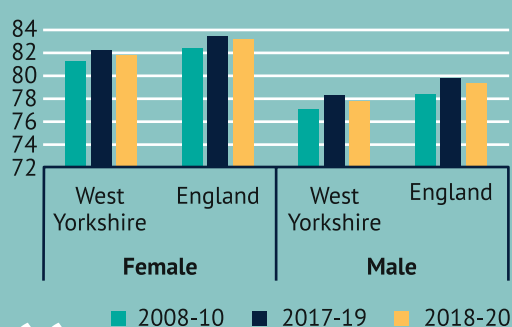
Enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns, irrespective of their background

West Yorkshire underperforms against the national average in respect of many inclusive growth indicators. Perhaps more importantly, there is considerable inequality between

Life expectancy

Male and female life expectancy at birth

Life expectancy by sex, age and area, ONS, September 2021



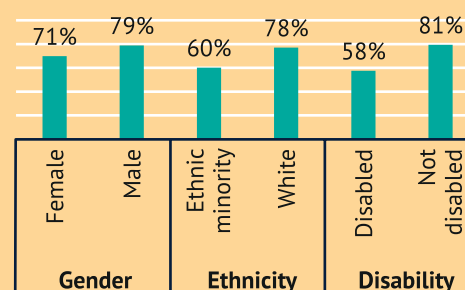
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Life expectancy in West Yorkshire remains lower than the England average. The most recent data shows a fall in life expectancy (the first drop in 20 years) due to high mortality rates (Covid-19) in 2020.

Employment rate gap for disadvantaged groups

Employment rate for all aged 16-64

Source: ONS APS



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Members of some groups are much less likely to be in employment. Prior to the pandemic there were signs that the employment rate gap was narrowing for disabled people and people from ethnic minorities but there is evidence that progress has been affected by the health crisis.

population groups and areas within the region.

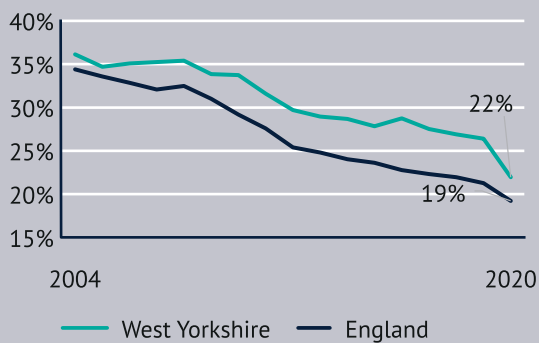
Life expectancy, which to a large extent reflects socio-economic conditions, is lower than the England average in West Yorkshire. In parts of the region there is acute inequality in life expectancy between the most and least deprived neighbourhoods.

The proportion of people with no / low qualifications is falling and the deficit with the national average narrowed in 2020

Supporting good quality **employment** is a key way in which we can promote an inclusive economy. Prior to the pandemic the region was performing well in terms of getting people into work and reducing unemployment; nonetheless some groups, including disabled people, people from ethnic minorities, older people and women were less likely to be in employment.

People with no / low qualifications Percentage of people aged 16-64 qualified below level 2 or with no qualifications

Source: ONS APS



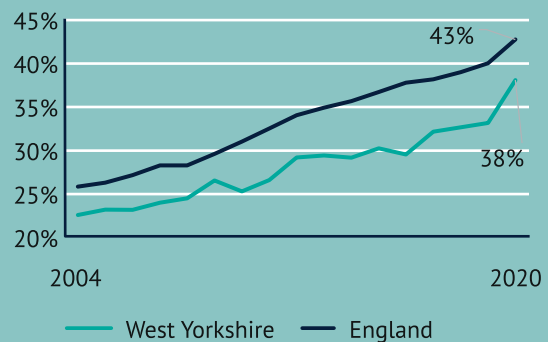
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The proportion of people with no / low qualifications is falling and the deficit with the national average narrowed in 2020.

Not all employment is of good quality. Aside from Leeds, all local authorities in the region have a relatively low proportion of people in **quality work**, based on a combination of pay, hours and preferred contractual status. Looking at pay specifically, one fifth of jobs in the region pay below the Real Living Wage – the hourly rate of pay that offers a decent standard of living.

People qualified at level 4 and above People whose highest qualification is at Level 4 or above - all aged 16-64

Source: ONS APS



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The proportion of people qualified at this level is on an upward trend in West Yorkshire but there is still a significant gap with the national average – albeit narrowing.

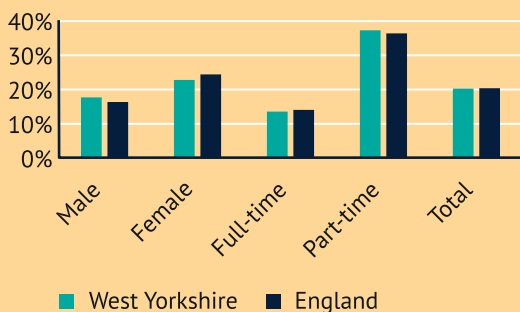


Supporting good quality employment is a key way in which we can promote an inclusive economy

Jobs paying below Real Living Wage

Jobs paying below Real Living Wage by gender and status

Source: Annual Survey of Hours and Earnings, 2020



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The proportion of jobs paying below the Real Living Wage has fallen in West Yorkshire and is now on a par with the national average. Women and part-time workers are more likely to be paid below the Real Living Wage.

Access to employment and career progression to a large extent rely on people having the right **skills**. A lack of skills among the population has long been a key weakness for the region, in terms of individuals having no qualifications or being qualified at a low level. Recent improvements in performance in this area run the risk of being undermined by the negative impact of the pandemic, with a reduction in the

number of apprenticeships and an increase in the number of young people who are NEET (not in education, employment or training).

Household incomes in West Yorkshire are some way below the national average on a per capita basis and the gap is widening. There is a mixed picture on living standards in the region.

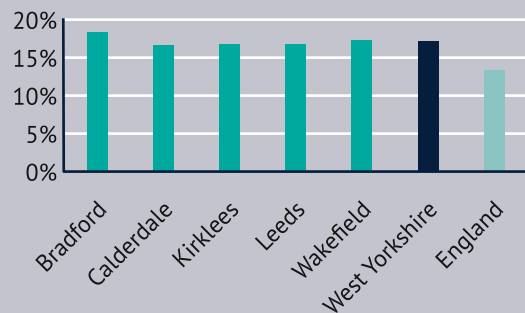
The **housing stock** is growing, **house prices** are affordable and **rents** comparatively low. But there are issues around housing quality: fuel poverty is a key challenge, for example.

There is a risk that the legacy of the **pandemic** could undermine progress and exacerbate existing disadvantage and inequalities in West Yorkshire across a range of dimensions.

Fuel poverty

Proportion of households in fuel poverty, 2019

Source: Fuel poverty detailed tables, Department for Business, Energy and Industrial Strategy, 2021



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Around 169,000 households in West Yorkshire (17% of all households) are in fuel poverty, a prevalence that is above the national average (13%).

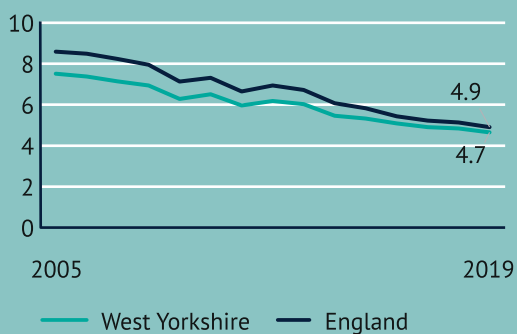


West Yorkshire has declared a climate emergency and is committed to becoming a net zero carbon economy by 2038

Carbon dioxide emissions

Per capita carbon dioxide emissions (t CO2 per head)

Source: UK local authority carbon dioxide emissions estimates 2019, Department for Business, Energy and Industrial Strategy, 2021



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Per capita emissions in West Yorkshire are below the national average and are on a downward trend. The rate of reduction needs to be accelerated to achieve net zero by 2038.

Tackling the Climate Emergency

Growing our economy while cutting emissions and caring for our environment

West Yorkshire has declared a climate emergency and is committed to becoming a net zero carbon economy by 2038 and to making significant progress against this challenge by 2030. Net zero carbon means emissions produced and emissions taken in are balanced.

The latest data indicate that CO2 end-user **emissions** in West Yorkshire stand at around 10.8 Mt CO2. This equates to 4.7 tonnes per capita, slightly below the national average of 4.9 tonnes.

Carbon dioxide emissions have fallen less quickly in West Yorkshire than nationally over



the last decade for which we have data, but West Yorkshire's starting point was lower in per capita terms.

A continuation of current rates of **emission reduction** in West Yorkshire will not be sufficient to achieve the target of net zero by 2038. It is projected that current policies will only achieve a fraction of the further reductions required to meet the net zero target.

Over the last decade, emissions from the industry, commercial and domestic sectors of the regional economy fell substantially but **transport emissions** did not register a sustained reduction.

Carbon dioxide (CO₂) **emissions intensity** measures the level of emissions per unit of gross value added (GVA) and can be used to examine the relationship between economic growth and emissions. The emissions intensity of the West Yorkshire economy, in terms of CO₂ emissions (kt) per £m of GVA, is slightly above the national average and is higher than most of the comparator areas. The region's emissions intensity fell by 40% between 2005 and 2019.

National data show that there was a significant fall of around 11% in the **UK's CO₂ emissions** in 2020, linked to the effects of the pandemic. This was manifested in a large reduction in the use of road transport and a fall in emissions from the business sector.

Buildings are responsible for almost 40% of the UK's energy consumption and carbon emissions. Improving the **energy efficiency** of properties is an important lever for reducing emissions but also for helping households to manage their

The region's emissions intensity fell by 40% between 2005 and 2019.

living costs. The average Energy Performance Certificate rating for domestic properties in West Yorkshire is D (using a scale of A – most efficient to G – least efficient). This is similar to the national average but significant progress is required to meet the government's target to upgrade as many homes as possible to EPC Band C by 2035.

Providing local people with access to nature is vital to health and quality of life. Currently, just over a fifth of West Yorkshire's population have easy access to local **natural greenspace**.

Flooding is likely to become a more frequent occurrence as a result of climate change. Around 4% of residential properties in West Yorkshire fall within a flood zone, rising to more than 6% in Calderdale. A significant proportion of neighbourhoods in Bradford and Calderdale are acutely vulnerable to the effects of flooding.





Delivering 21st Century Transport

Creating efficient transport infrastructure to connect our communities, making it easier to get to work, do business and connect with each other.

A key purpose of an effective transport system is to connect people to better living standards and higher earning jobs. There has been good progress against our key indicator in this area: West Yorkshire's **access inequality ratio** has improved substantially: 85% of jobs that can be reached

within 30 minutes by car from the most deprived neighbourhoods are also accessible in that time via the bus network, up from 68% in 2016/17.

The West Yorkshire Transport Strategy sets out an ambition to reduce **reliance on private car journeys** and substantially grow the number of trips made using sustainable transport. Sixty-one per cent of trips in West Yorkshire are made by car (slightly above the national average) but the car's share of total trips was falling even before the COVID-19 crisis, just as walking was increasing its share. The bus plays a vital role for those who lack access to a car but its share of trips is also falling, although it plays a more important part in the transport mix in West Yorkshire than nationally.

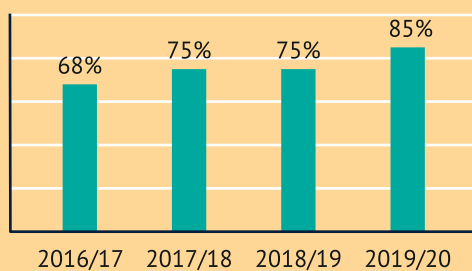
The transport system must play its part in creating clean, safe, healthy places for communities and businesses. Ensuring the safety of all users of our streets and highway network is essential to this as well as enabling people to feel confident to walk or cycle more. For the key indicator of reported **road casualties**, there is a mixed picture. The number of killed or seriously injured casualties arising from traffic accidents has fallen in West Yorkshire in recent years but is still higher than the national average relative to vehicle miles travelled.

¹ This is the ratio of number of jobs accessible in 30 minutes using frequent bus network from most deprived areas in West Yorkshire, to the number of jobs accessible by car in 30 minutes from same areas, during the morning peak

Access inequality ratio

Access inequality ratio (employment)¹

Source: Combined Authority analysis

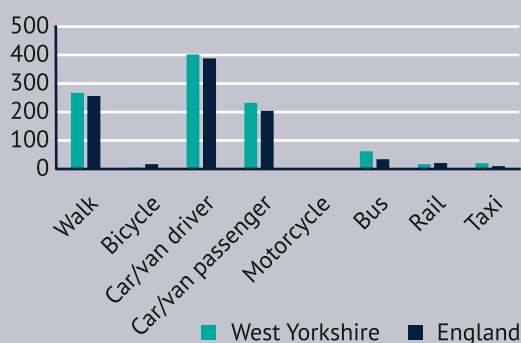


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Inequality of physical access to employment from the most deprived areas in West Yorkshire improved substantially in 2019/20

West Yorkshire mode share

Average trips per person and year by mode
(2017/19 average) *National Travel Survey,
Department for Transport, 2020*



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Before the pandemic West Yorkshire saw a decline in trips made by car and an increase in walking but West Yorkshire is still more reliant on the car than nationally

Better planning and management of West Yorkshire’s transport networks is essential and smart ticketing products like **MCard** contribute to this. Around 18m bus trips were made using the MCard during 2019, improving the affordability, ease, and experience of bus travel in West Yorkshire. The proportion of travel tickets bought through the MCard mobile app rather than traditional outlets has increased to 35% since its introduction in 2017.

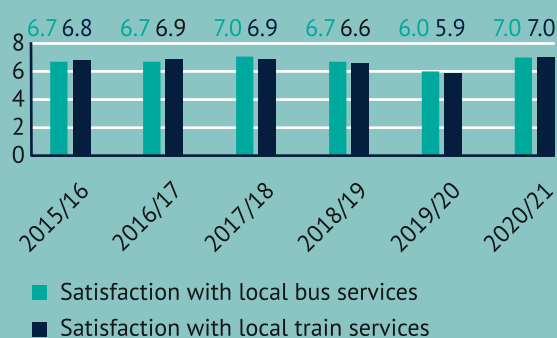
Satisfaction with transport infrastructure, is a key measure of performance and public perceptions. In spite of an improvement in ratings in 2020/21, public satisfaction with highway infrastructure remains relatively low, with road maintenance elements having the lowest levels of user satisfaction.

Satisfaction with local public transport in West Yorkshire is high, when compared with other aspects of the transport system. The level of satisfaction increased in 2020/21, despite the impact of the pandemic on the operation of the system.

It is uncertain what patterns of travel will emerge over time following the pandemic, particularly around the potential for a sustained shift to home working. There is an opportunity to consolidate the changes in travel choices seen under lockdown and support a shift away from carbon-intensive travel to sustainable modes as the economy recovers and grows, to meet the challenge of becoming a net-zero carbon city region by 2038.

Satisfaction with public transport

Satisfaction with bus and rail services in the region *Source: Residents’ Perceptions of Transport Survey*



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Satisfaction with public transport services increased in 2020/21 in spite of the effects of the pandemic. But the broad trend over time is flat.



Securing Money and Powers

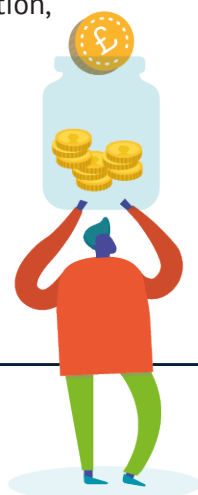
Empowering the region by negotiating a devolution deal and successfully bidding for substantial additional funds.

Major progress has been achieved against this priority. In March 2020 the West Yorkshire Combined Authority and the Leeds City Region LEP agreed a substantial devolution deal with government to unlock significant long-term funding of at least £1.8 billion and give our region greater freedom to decide how best to meet local needs. The election of the West Yorkshire Mayor, Tracy Brabin, in May 2021 provides greater accountability in the exercise of these powers.

One of the measures of success in exercising the devolved powers will be the region's ability to grow its economy and make an increased **net contribution to HM Treasury**.

Before the pandemic West Yorkshire was making a small positive net fiscal contribution, the only Combined Authority area in the North of England with a positive net fiscal balance.

The additional public expenditure and reduced tax

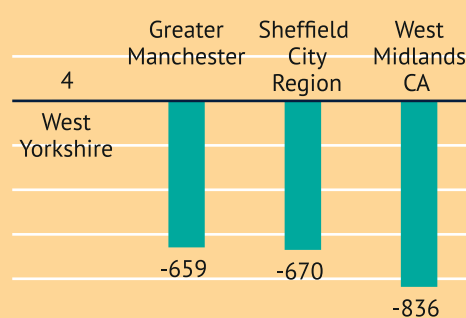


receipts associated with the pandemic will have impacted on the region's fiscal balance but the previous performance against this indicator shows that West Yorkshire has the potential to make a positive contribution in future, subject to achieving a strong economic recovery as we emerge from the pandemic.

Net contribution of local area to exchequer

Net difference per head between tax generated and public sector expenditure, 2017/18

Source: Espresso area comparison tool, GMCA



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According to the latest (pre-pandemic) figures West Yorkshire achieved a positive net fiscal balance in 2017/18. It is the only northern Combined Authority to do this. COVID-19 will have had a significant impact on the public finances since then.

Find out more

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