

## Investment Priority 1 - Good jobs and resilient businesses

### KEY DRIVERS – ADDRESSING INEQUALITIES AND CONTRIBUTING TO A ZERO CARBON ENVIRONMENT.

On 11th August 2020 it was confirmed that the UK economy had entered an official recession for the first time in 11 years, suffering its biggest slump on record between April and June 2020, with GDP shrinking 19.8% compared with the first three months of the year. Forecasts predict it may take between 2021 and 2024 to return to pre-crisis levels. Although there are some potential green shoots, the Bank of England's Chief Economist estimates the UK has already recovered "perhaps half of its losses", going on to state that the recovery in jobs will take longer but the risks to jobs have receded as spending and business confidence has picked up. Some sectors have been hit harder than others - retail sector furloughed the highest number of people, totalling over 1.9 million; 77% of those working in the hospitality sector have been furloughed; and nearly half a million people working in the cultural sectors have also been furloughed throughout the pandemic. There has also been a disproportionate impact on freelancers, home-based businesses, businesses with a dependency on face-to-face contact and the self-employed who were ineligible for Government support. Locally although the majority of businesses say they are now open as normal, almost a quarter (24%) continue to report significantly reduced operations.

ALIGNMENT WITH SEF	HEADLINE CHALLENGES	OUTCOMES TO BE ACHIEVED	WYIS - PRIORITY AREAS FOR INVESTMENT	HOW WE WILL MEASURE SUCCESS	
				Outputs	Results
<ul style="list-style-type: none"> <li>▪ <b>Business Productivity &amp; Resilience</b></li> <li>▪ <b>Enabling Inclusive Growth</b></li> <li>▪ <b>Tackling the Climate Emergency</b></li> <li>▪ <b>Employment and Skills</b></li> <li>▪ <b>Digital</b></li> <li>▪ <b>Economic Recovery</b></li> <li>▪ <b>Innovation</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Rescuing and building resilience across strategic regional sectors</b> - hard hit by COVID-19 - existing jobs will not be safeguarded or and new good job opportunities will be created which are needed as part of the rescue or re-imagining of the West Yorkshire economy.</li> <li>• <b>Support the under and unemployed back to work</b> - April and May 2020 saw an unprecedented increase in jobless claimants in West Yorkshire and the number of claimants has remained fairly steady since then. The current West Yorkshire claimant count for May 2021 of 108,815 is <b>93% higher (+53,420) than its pre-crisis level</b> (in February 2020). Young people (18-24) have been worst affected.</li> <li>• <b>Deliver levelling up through increased productivity in good work</b> - prior to the pandemic the region had the fastest growing digital sector in the country (employment growth of 48% between 2015 and 2018), and previously identified strengths in health tech and food production which are now at the forefront of 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.</li> <li>• <b>Making supply chains more resilient</b> - a third of businesses say disruption to their supplier base poses a risk to their business operating successfully as lockdown eases</li> <li>▪ <b>Increasing digital &amp; innovation driven entrepreneurialism</b> - 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. Many of these businesses are already innovating in response to COVID-19, in sectors identified as local strengths pre-COVID, including food &amp; drink, health tech, creative &amp; 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 the region new opportunities as they arise and attracting talent into the region from elsewhere.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Safeguard jobs and create new job opportunities.</li> <li>▪ As we move into re-imagining our economy, the focus should increasingly look to moving people into longer-term career progression pathways, offering support to access growing employment opportunities in digital and clean growth roles.</li> <li>▪ Good Work through more inclusive employment environments and interventions, recognising the role played by Trade Unions and other employee bodies.</li> <li>▪ Coupled with recovery from COVID-19, the UK's transition to a post-Brexit independent trading status makes it more important than ever that the region has the resilient supply chains needed both for businesses and consumers to thrive.</li> <li>▪ Innovation as a key route through recovery – adaption, diversification and innovation for survival and future growth and make WY the best place in the UK for businesses to innovate and export.</li> <li>▪ Increase the size of the WY business base relative to population - supporting survival beyond the first year will be a key success measure.</li> <li>▪ Improve skills and boost employment and productivity in growth sectors.</li> <li>▪ Increase employer and individual investment in skills.</li> <li>▪ Enable those out of work to compete in the labour market by ensuring that they have the necessary skills.</li> <li>▪ Create an aspirational, innovative enterprise and inclusive culture to reduce levels of deprivation.</li> <li>▪ To connect vulnerable groups and residents living in deprived communities to economic opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support the creation of good quality jobs in sectors with growth and higher productivity potential (in line with the Business Productivity and Resilience Plan) including through inward investment. Promote good work through the development of a good work standard, Focus on those jobs which offer social mobility, sectors/businesses with decarbonisation plans and growth in high skills roles and 'green' businesses.</li> <li>▪ Support entrepreneurs by providing appropriate support to help people to create and grow businesses – including promoting and facilitating Social Enterprise / 'quality' self-employment as an option for disadvantaged groups and individuals in our most deprived communities, providing appropriate support mechanisms to do this.</li> <li>▪ In line with the Innovation Framework, provide support for businesses seeking investment to innovate, explore new market opportunities or adopt new technology, particularly to grow jobs in areas of regional strength or tackle societal challenges, prioritising health innovation and clean growth tech particularly to close health and wellbeing inequalities.</li> <li>▪ Support for project development costs as required to progress the Investment Priorities proposed above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number of businesses receiving support.</li> <li>▪ Number of start-ups/scale ups.</li> <li>▪ Employment increase in supported enterprises</li> <li>▪ Number of unemployed (including long-term unemployed) participants supported;</li> <li>▪ Number of inactive participants supported;</li> <li>▪ Number of employed (including self-employed) participants; and</li> <li>▪ Estimated GHG reduction.</li> <li>▪ Number gaining a qualification.</li> <li>▪ Number gaining employment, engaging in positive activities that address barriers to work or widen participation in training.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase in productivity.</li> <li>▪ Increase in jobs created paying at Living Wage.</li> <li>▪ Increase in business start-ups.</li> <li>▪ Supporting the move to a low carbon economy.</li> <li>▪ Improved income levels and poverty reduction.</li> <li>▪ Increase output per hour worked (productivity)</li> <li>▪ Technology adoption</li> <li>▪ Total employment /share of employment in relevant sectors eg. low carbon</li> <li>▪ Share of employment in disadvantaged groups.</li> <li>▪ Diversity in strategic sectors</li> <li>▪ Overall unemployment rate</li> <li>▪ % of people long term unemployed in to work</li> <li>▪ % into good quality work</li> <li>▪ % attending green skills training sessions</li> <li>▪ % of Health tech start ups</li> <li>▪ 1-year survival rate &amp; confidence</li> <li>▪ Number of innovations for social good, especially health innovation</li> <li>▪ Start-ups tackling environmental challenges / innovation</li> </ul>