

# **West Yorkshire Economic Strategy Prospectus**

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**DRAFT POLICY IN DEVELOPMENT**

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# **1. BACKGROUND AND CONTEXT**

# About the Prospectus

By developing our economic strategy, we have an opportunity to change our economic future, setting out our approach and providing clarity across the region of our shared purpose with the private sector. Covid-19 has shown us the importance of resilience. There is a clear emerging opportunity for West Yorkshire to grasp the potential of innovation-driven growth and build upon existing assets and infrastructure to enable new enterprise, research, skills and employment for an inclusive economy that works for all.

**This prospectus provides background to the development of an Economic Strategy for West Yorkshire.**

The core principles of the Economic Strategy will be:

- Based on robust evidence, demonstrating a clear understanding of the key strengths, assets and challenges in West Yorkshire
- To reflect our expanded policy remit following devolution
- To ensure all relevant Combined Authority strategies are aligned with a clear focus on the missions of the West Yorkshire Plan
- To place West Yorkshire on the front-foot with an ambitious policy platform that improves competitiveness and ensures benefits are shared fairly.

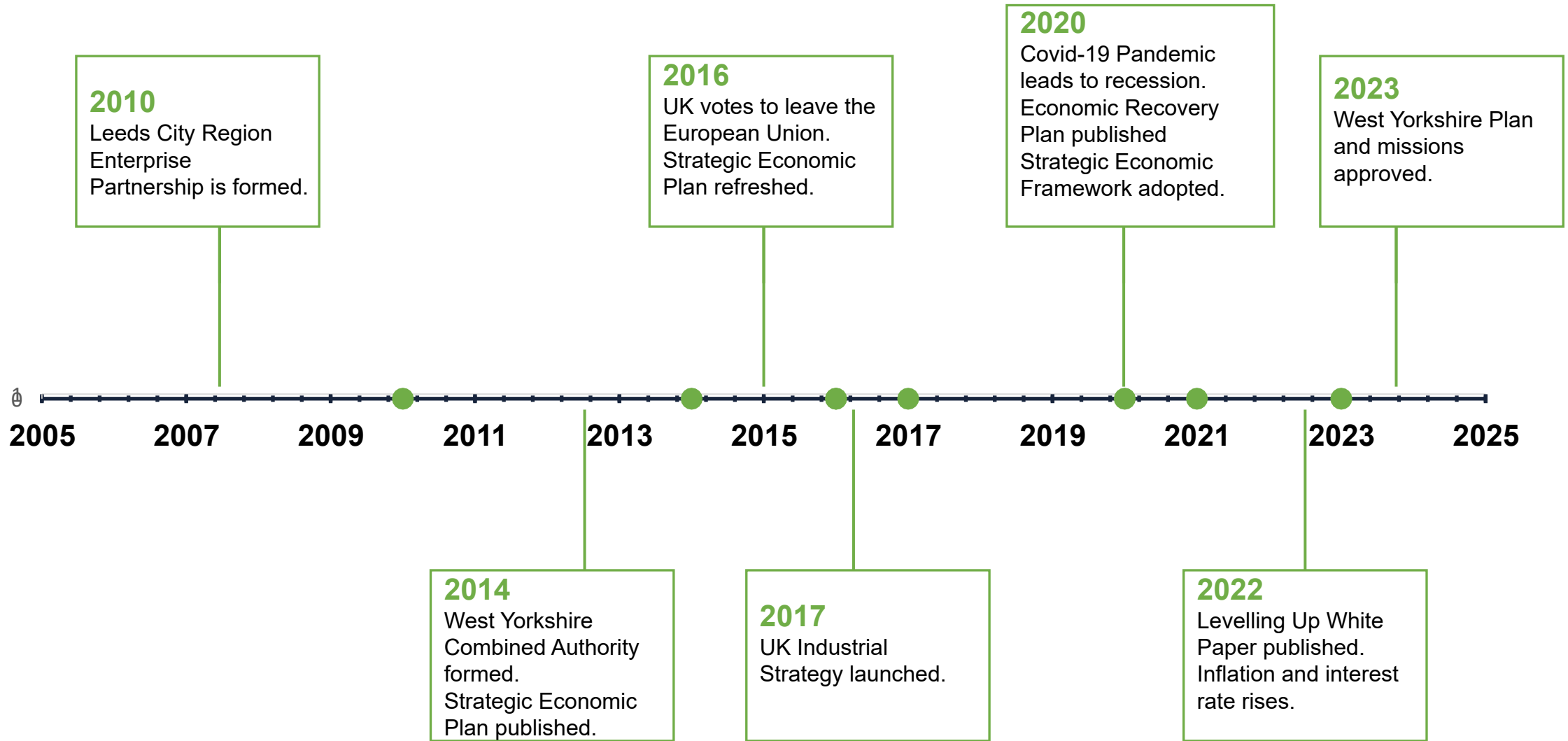
# Our Policy Programme

West Yorkshire has undergone a period of evolution. With the agreement of a historic devolution deal and more powers and funding, we now have an opportunity to develop new ways of working. Major political events such as Brexit, disruptions from the Covid-19 pandemic, and the cost-of-living and doing business crisis have impacted all our communities and our policy programme has adapted.

The Combined Authority has embraced commitments on sustainability to become a net zero region by 2038, boosting inclusive growth and embedding equality, diversity and inclusion in everything that we do. These commitments have taken place alongside long-term structural challenges on productivity, investment, living standards and deprivation that will require change.

**OUR APPROACH:** Open and collaborative policy making with equality, diversity and inclusion at its heart. Foster, in partnership, an inclusive, place-based strategy where all communities contribute to, and benefit from sustainable growth.

**The publication of the West Yorkshire Plan and the five supporting missions crystallises our approach and provides the framework for a new Economic Strategy to be developed.**



## **2. THE WEST YORKSHIRE PLAN AND SUPPORTING STRATEGIES**

# The West Yorkshire Plan

**The West Yorkshire Plan is the overarching strategy for West Yorkshire, setting the trajectory for the longer-term up to 2040.**

**Vision: A brighter West Yorkshire – a place that works for all. An engine room of ideas and creativity, where anyone can make a home.**

The Economic Strategy will be critical to achieving this vision, helping to build an inclusive economy for all to prosper. The West Yorkshire Plan sets out five ambitious missions for the region each with a set of targets that will drive our work to transform lives and communities across the region.

The missions have been informed by our values and ambitions, whilst being underpinned by robust evidence. They will focus all our work for the long-term and set the framework for our strategies and investments for the future. The Economic Strategy will set out how we will deliver the economic aspects of the vision and missions.

The missions represent a long-term focus on positive outcomes. There is no simple solution or stand-alone initiative that will deliver the change we need. Each mission requires focused action in partnership between the public, private, voluntary and community sectors. The projects and programmes that we develop, deliver, support, and champion will all be geared towards the missions. Our progress will be demonstrated by a set of targets underpinned by detailed indicators measured annually in our State of the Region report.



# The Missions

Our vision and missions put equity, diversity, and inclusion at the heart of everything we do. We will lead the way to embed these values across all our work.

**Mission One:** A **prosperous** West Yorkshire – an inclusive economy with well paid jobs.

**Mission Two:** A **happy** West Yorkshire – great places and healthy communities.

**Mission Three:** A **well-connected** West Yorkshire - a strong transport system.

**Mission Four:** A **sustainable** West Yorkshire – making lives greener.

**Mission Five:** A **safe** West Yorkshire – a region where everyone can flourish.

**The Economic Strategy will have links across all five of the missions and a role to play in contributing to the ambitious targets of each one, but with a particular focus on mission one.**

# Monitoring Indicators\*



## Mission 1

- Productivity levels
- Number of jobs paying the living wage
- Living Standards
- Child Poverty
- Skill levels, apprenticeship starts and people without employability skills
- The employment rate and % of employees in quality work
- The employment rate gap for disadvantaged groups
- Growth in key sectors.



## Mission 2

- Healthy life expectancy
- Access to green space
- Activity levels / participation in sport
- Wellbeing levels
- Access to culture
- Broadband and mobile coverage
- Participation in sport and heritage
- Housing affordability sustainability and quality
- Housing supply including social housing
- Renting costs
- Building energy efficiency and reducing the percentage of households in fuel poverty



## Mission 3

- Access to employment for deprived areas
- Punctuality and reliability of bus and rail services
- Mode share moving from car use to public transport information sources
- Satisfaction with affordability of public transport.



## Mission 4

- Reductions in greenhouse gas emissions
- Emissions intensity
- Access to green and blue infrastructure
- Biodiversity
- Transport and household emissions
- Electric buses and EV charging points



## Mission 5

- Reduction in neighbourhood crime
- Reduction in knife crime
- Reduction in overall reoffending rate
- Improved feelings of safety especially amongst women and girls

\*As reported in State of the Region

# Mission One: A prosperous West Yorkshire – an inclusive economy with well paid jobs

By 2040 we will have:

- Closed the productivity gap between West Yorkshire and the UK.
- Living standards above the national average, with no child growing up in poverty.
- Good quality work available for all.
- A diverse and inclusive workforce, where everyone who wants to work can.

## Actions for change

Raising the prosperity and real term living standards of all parts of West Yorkshire can only be achieved sustainably by increasing productivity. To do this we will create the conditions to boost the economy so we can see highly skilled, healthy people working in well-paid jobs growing the presence of high productivity businesses and sectors. We will support an environment where entrepreneurial activity is nurtured and can flourish, where it is easy for businesses to start-up, grow, innovate, trade, and invest.

We will support businesses to be resilient, meeting the challenges of the future and embracing the opportunities of digital transformation. We will attract investment and jobs from overseas into our communities and support our businesses to export so that what's made in West Yorkshire is sold to the world.

The Economic Strategy will have a particular focus on Mission One of the West Yorkshire Plan.

We will ensure our employers recognise the value of a diverse workforce and invest in talent to develop the skills and progression we need. Where lifelong learning is part of our culture and flexible opportunities meet the needs of business.

We will build integrated infrastructure, attracting investment to create jobs in well-connected places. We will lead on innovation, continuing to build an open, inclusive, and thriving innovation ecosystem, connecting people to stimulate ideas for new products and services, driving investment to meet the challenges of the future.

We will address inequalities experienced by people, communities, and businesses, putting this at the forefront of decisions, whilst celebrating the breadth of equity, diversity, and inclusion in the region.

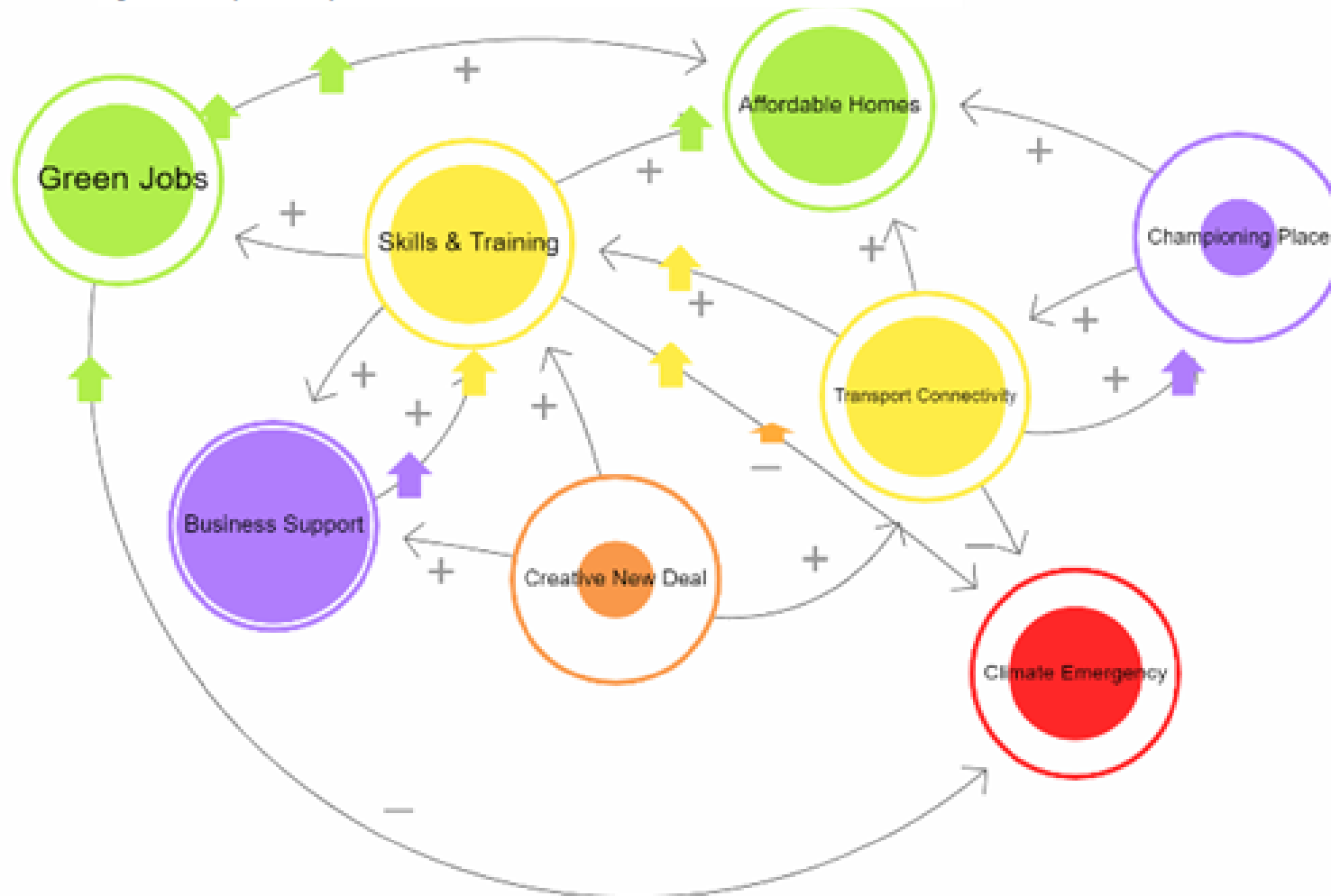
Progress will be demonstrated by improvements in:

- Productivity levels
- No. of jobs paying the living wage
- Living standards
- Child poverty
- Skill levels, apprenticeship starts, and people without employability skills
- The employment rate and percentage of employees in quality work
- The employment rate gap for disadvantaged groups
- Growth in key sectors.

# Systems Change Approach

Our approach must be broad, long-term and affect whole systems change to meet the bold ambitions we have for West Yorkshire.

Figure 7: A dynamic systems-based model



*“The above simulation demonstrates a long-term connectivity between the policy areas and the relationship between the fair and just recovery policy and the lasting recovery interventions.”*

Source: PERN, University of Leeds Business School, 2022

# **3. DEVELOPING THE ECONOMIC STRATEGY**

# Developing the Economic Strategy

The Economic Strategy will bring together detailed evidence and data about our region's strengths and weaknesses, examining how our businesses innovate, the make-up of skills across our workforce with an emphasis on creating an inclusive economy with well paid jobs. **It will be an action focused strategy to guide the use of local funding streams and any spending from national schemes and should help make choices among different options for investment and support.**

Development of the Economic Strategy will incorporate the following stages (timeframes are indicative):

- **Building the evidence base:** work is being undertaken to refresh and update the economic evidence base
- **Stakeholder engagement:** delivery of the West Yorkshire Plan missions and implications of the emerging evidence discussed with stakeholders
- **Reviewing priorities:** bringing together strands of activity to develop priorities and themes
- **Drafting:** development of a focused document
- **Further Consultation:** draft document shared with stakeholders.

# Building the Evidence Base

## How we are building our evidence base:

- **Economic Assessment:** updating and refreshing core economic indicators for West Yorkshire.
- **Cluster Analysis:** enhancing our understanding of new areas of the economy at the frontier of growth alongside the foundational economy opportunities. Commissioning support to understand growth opportunities including in the green economy and net zero.
- **Regional Economic Model:** Economic forecasts to understand future implications for the economy.
- **Call for Evidence:** working with West Yorkshire's Universities to access key research undertaken on childcare, the informal economy and the future of work.

Emerging themes from the evidence are set out in this prospectus to inform stakeholder discussion.



# Expert Support

Developing the Economic Strategy will tap into the existing evidence base of academic experts across West Yorkshire.

- The Yorkshire Place-based Economic Recovery Network (Y-PERN) is led and driven by academics, primarily located in West Yorkshire universities, but with connections elsewhere in the region. The group brings academics together with specific expertise and interest in local and regional development and governance.
- Work is ongoing to bring together experts in the field of health and economics with policy makers in West Yorkshire to provide independent and scientific support and challenge on policy development. There will be a particular focus on health inequalities and growing a sustainable, inclusive economy.

# Stakeholder Engagement

A range of stakeholder engagement events are taking place to discuss the evidence base and shape mission-based projects to meet aims of the West Yorkshire Plan, sessions to include a mix of stakeholders and thematic areas:

Stakeholder Group	Scope
Businesses and business groups	<ul style="list-style-type: none"><li>• Share emerging evidence and discuss priorities</li></ul>
Local Authorities	<ul style="list-style-type: none"><li>• Share emerging evidence and discuss priorities</li><li>• Discuss with range of specialist policy area groups relevant to the mission of the West Yorkshire Plan</li></ul>
Universities	<ul style="list-style-type: none"><li>• To include engagement with the Y-PERN network including on call for evidence</li><li>• Discuss implications of the West Yorkshire Plan missions</li></ul>
Voluntary and Community Sector	<ul style="list-style-type: none"><li>• Engage with the sector to align priorities and ensure proposals for an inclusive economy are met.</li></ul>
Combined Authority Committees	<ul style="list-style-type: none"><li>• Engage and keep committees up-to-date</li></ul>
Community Consultation	<ul style="list-style-type: none"><li>• A range of options are being considered for community engagement to shape the Economic Strategy including engaging diverse voices and groups including young people.</li></ul>

## **4. FOUNDATIONS FOR GROWTH**

*“West Yorkshire has always been a place bursting with ideas, energy, and creativity. We are a family with a long history of collaboration borne out of our shared priorities and strong partnerships.”*

## West Yorkshire Plan

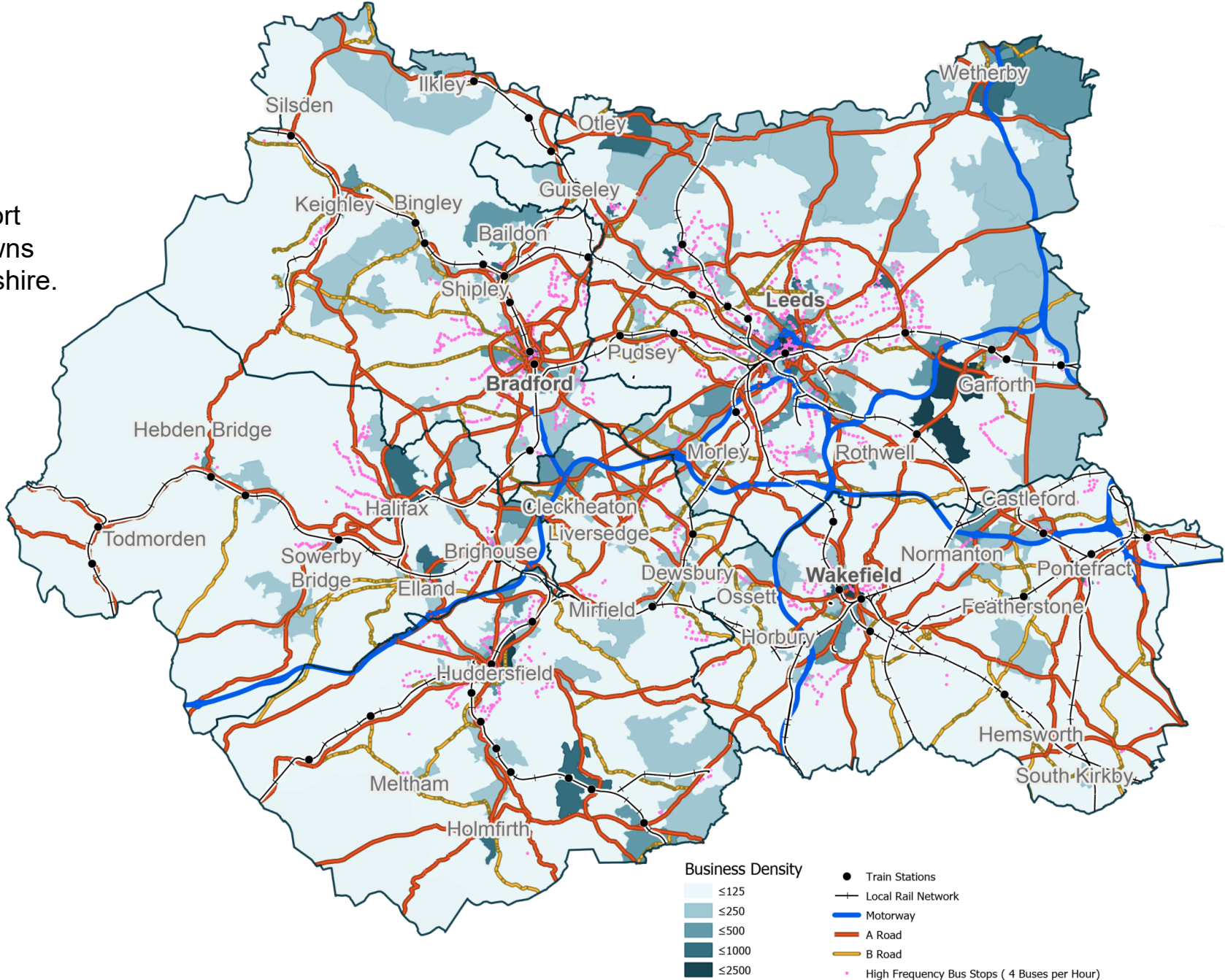
West Yorkshire is a dynamic economy at the heart of the North. The globally competitive city of Leeds sits alongside the vibrant cities of Bradford and Wakefield, together with lively towns, stunning countryside, and outstanding rural communities. West Yorkshire boasts an array of attractions and world class cultural assets:

- Economic output (GVA, or gross value added) of £60.1bn
- A highly diverse population
- Around 95,000 businesses and a workforce of 1.2 million
- World-class universities delivering leading research
- Leading innovation clusters on health and digital
- Home to a large and growing population of 2.4 million people
- At the centre of the UK, within one hour’s drive of 7 million people.
- 4,600 hectares of national parks.



# West Yorkshire

This map highlights the network of local transport links connecting the towns and cities of West Yorkshire.



# Our Strengths

*“West Yorkshire has a long history of innovation and industry, delivering economic success alongside social progress. Industrialists such as Sir Titus Salt had a vision for the model village of Saltaire, supporting people out of poverty and into skilled work. Betty Beecroft's courage and ambition developed Kirkstall Forge, one of the oldest most continuously used industrial sites in England. Benjamin Gott revolutionised the production of woollen cloth and with his success invested in the cultural and civic life of Leeds.”*

*West Yorkshire Plan*

- The structure of our economy and broad business base means we have a resilient economy not dominated by a single sector.
- Our seven world class universities attract and retain talent from around the region and around the world, creating a magnet for international businesses who flock to our region to pioneer innovations in transportation, digital, health, and manufacturing.
- West Yorkshire is home to world class universities delivering leading research with innovation clusters including Healthtech and Advanced Manufacturing.

*“Here in West Yorkshire, we are different. We are single-minded pioneers, determined and hard-working, ambitious, and creative, and not afraid to take on challenges. These traits put us at the forefront of the Industrial Revolution and made us a manufacturing powerhouse of the world.”*

**West Yorkshire Plan**

# Our Places

- West Yorkshire contains five cities and major towns, including the core city of Leeds. Leeds is the main retail and office centre on the eastern side of the Pennines and is at the heart of the West Yorkshire economy. Leeds is a renowned retail destination, is home to award winning national theatre and dance companies has a world class arena and thriving independent food scene.
- Bradford has the 4th highest number of manufacturing jobs of any city in the UK (after London, Birmingham and Leeds) and has a diverse population, with people from ethnic minorities making up 36% of the total population. Bradford is UK City of Culture 2025.
- Centred on Huddersfield, Kirklees has a strong manufacturing base, has world leading engineering and textile businesses and is receiving multi-million-pound investment in gigabit infrastructure
- Situated between Leeds and Manchester, Calderdale is within one hour's travel of a quarter of a million businesses, eight million people and a combined economy worth around £150 billion. Calderdale has strengths in financial and professional services, and advanced manufacturing, as well as creative and digital industries, and innovation in green business.
- The cathedral city of Wakefield has significant strengths in manufacturing and logistics, and benefits from being one of the United Kingdom's most accessible places by road, rail and air.

# A Track Record of Delivery

In West Yorkshire we have successfully grown as an organisation and partnership. Our evolution has taken us from a Combined Authority established in 2014, working in partnership with the Local Enterprise Partnership (LEP) **to deliver £235.45 million of economic development and £280 million of transport schemes through the Leeds City Region Growth Deal (2015-2021)**. Examples of our success include:

- Establishing a Task Force to understand challenges in the manufacturing sector to generate more jobs in this sector
- Working with local authorities to open access to employment land
- Collaborating with universities to drive R&D levels in the region
- Attracting new jobs and funding through international partnerships
- Creating new green jobs to support our plans to tackle the climate emergency
- Developing a Fair Work Charter to ensure that the jobs in the region are good and fair jobs.
- Ensuring there is training and skills for everyone, including digital skills to prevent digital exclusion.
- Delivering an entrepreneurship programme, to encourage entrepreneurship and innovation that matches our diverse population
- Support to those sectors that have suffered most during the pandemic and support for businesses during the cost-of-living crisis
- Strategies to place the region at the cutting edge of innovation in health-tech and space.



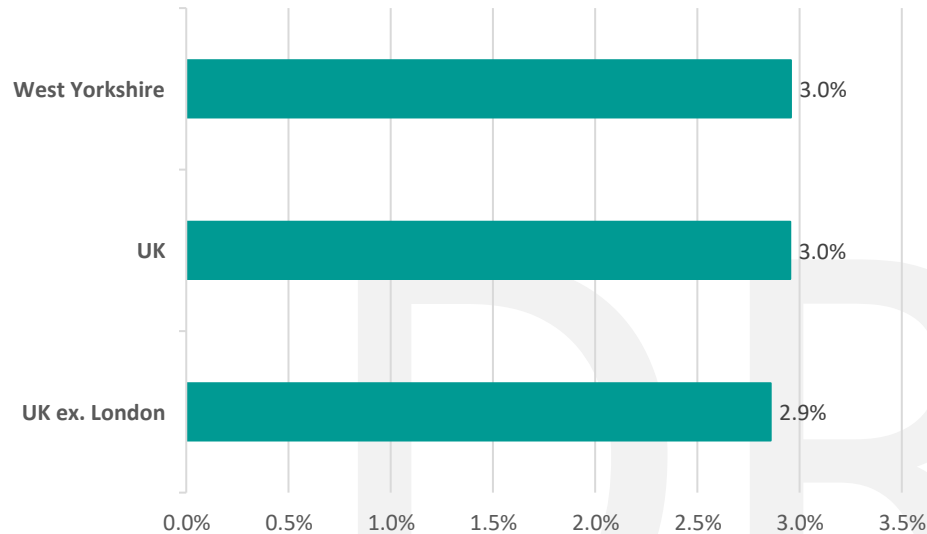
# Current Priorities

- A simplified and streamlined offer for businesses via Business West Yorkshire
- A West Yorkshire Investment Zone
- Creative Catalyst promoting and boosting businesses in the sector
- West Yorkshire Green Jobs Taskforce and creating 1,000 green jobs for young people
- Understanding health inequalities and the relationship to economic growth
- Supporting adults from diverse backgrounds into employment, enterprise and training
- Establishing a Fair work Charter for West Yorkshire
- Delivering an entrepreneurship programme
- Innovation support
- Digital skills partnership
- Employment Hub.

# **5. Emerging Evidence**

# West Yorkshire Economy

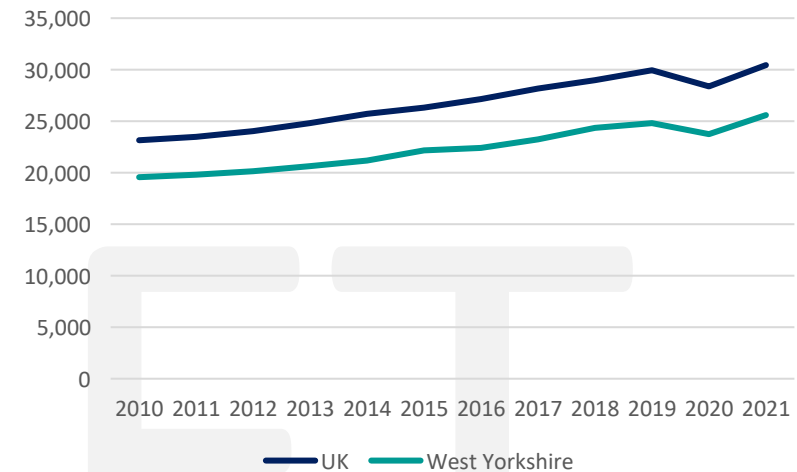
The region's economic output is worth **£60.1bn**, making it the **third largest regional economy in the UK**. West Yorkshire is also the third largest city region area in terms of employment and has the largest finance and insurance sector of any of the 10 combined authority areas in England.



GVA (balanced) at current basic prices - annual growth rate (%), 2015-21

Source: ONS, Sub-regional GVA data

Between 2015 and 2020 West Yorkshire's economy grew at a rate comparable to the UK average, and above the UK when excluding London. Average growth rates across the UK were bolstered by a strong rate of growth post-pandemic compared with prior years.



Economic output (GVA) per head GVA per head

(balanced) at current basic prices Source: ONS, Sub-

regional GVA data

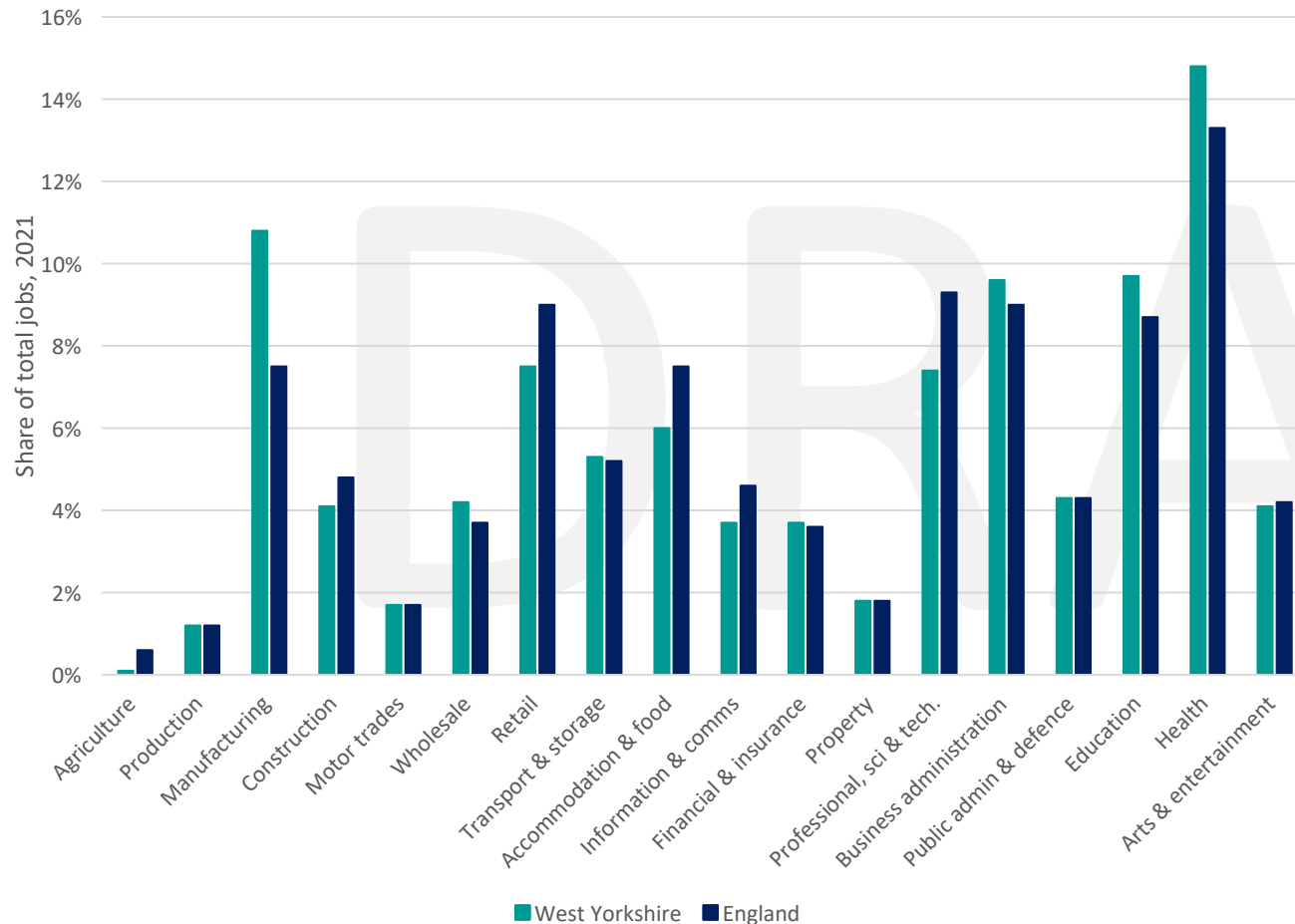
Output per head of population fell both locally and nationally in 2020 as a result of the pandemic, before rebounding in 2021. The latest West Yorkshire figure is 18% lower than the national average, a gap that has remained fairly constant since 2013.

# Sectors

Our evidence gathering will include analysis of sectors in the ‘New Economy’ of West Yorkshire.

“The ‘new economy’ encompasses emerging knowledge-intensive sectors like FinTech and advanced manufacturing that are at the forefront of new technologies and innovations. It is important for improving the UK’s productivity and prosperity and a central pillar for the future success of the whole economy.” Centre for Cities – At the Frontier, the Geography of the UK’s new economy.

## Share of jobs by broad sector, 2021

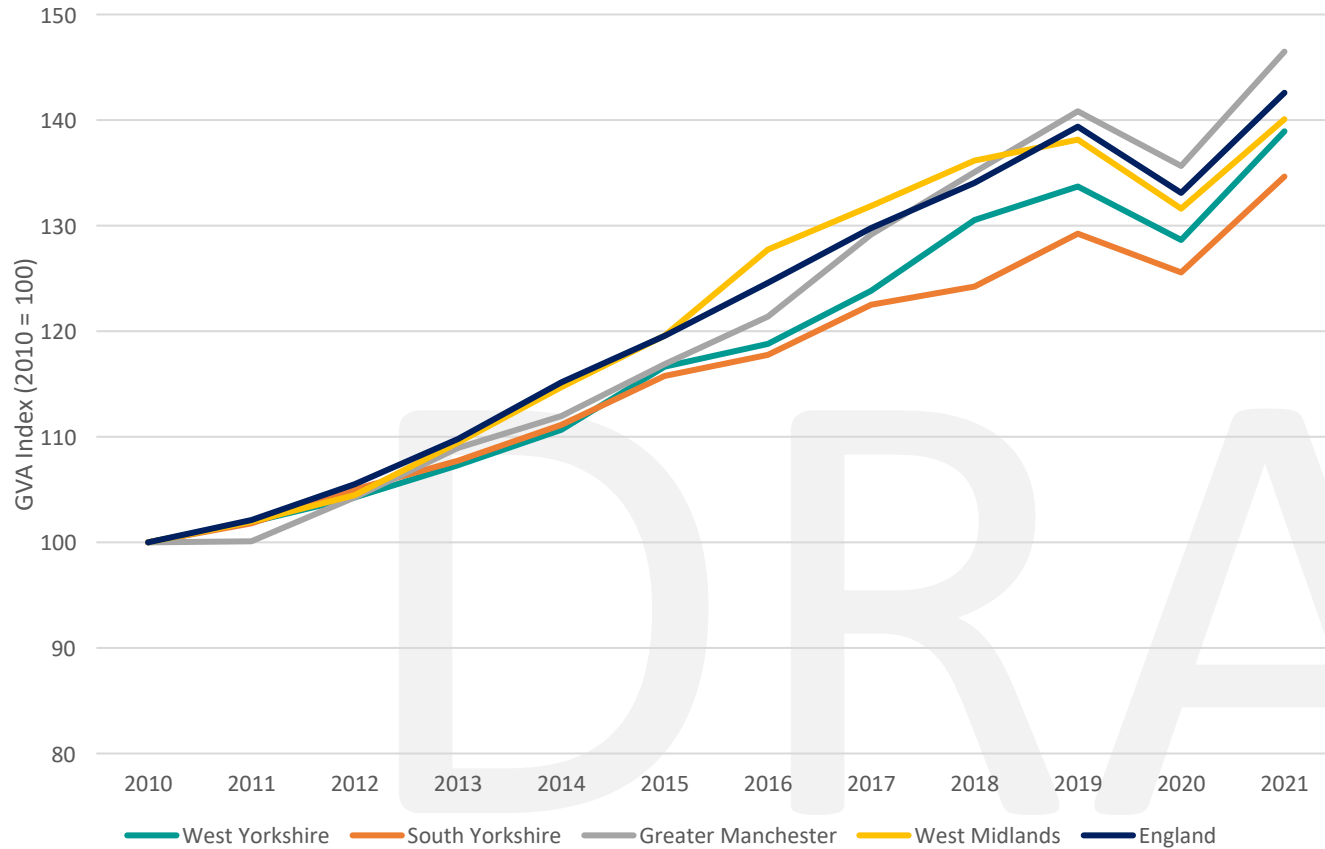


Source: Business Register and Employment Survey, ONS, 2022

The health sector employs more people than any other sector in West Yorkshire. Health directly accounts for 14.8% of jobs, compared to 13.3% across England as a whole. West Yorkshire also has more manufacturing jobs than anywhere else in the North, and is the country’s leading regional financial centre outside London.

Manufacturing accounts for more output (GVA) in West Yorkshire than any other sector – 13.4% compared to 9.4% nationally. Other sectors where the local share of GVA exceeds the national share include financial services, health, education and wholesale and retail.

# Comparator areas



GVA growth between 2015 and 2021 in West Yorkshire matched the national average, at 3.0% per annum. This places West Yorkshire ahead of the growth rate of West Midlands and South Yorkshire Combined Authorities, but well below the growth rate in Greater Manchester of 3.8%.

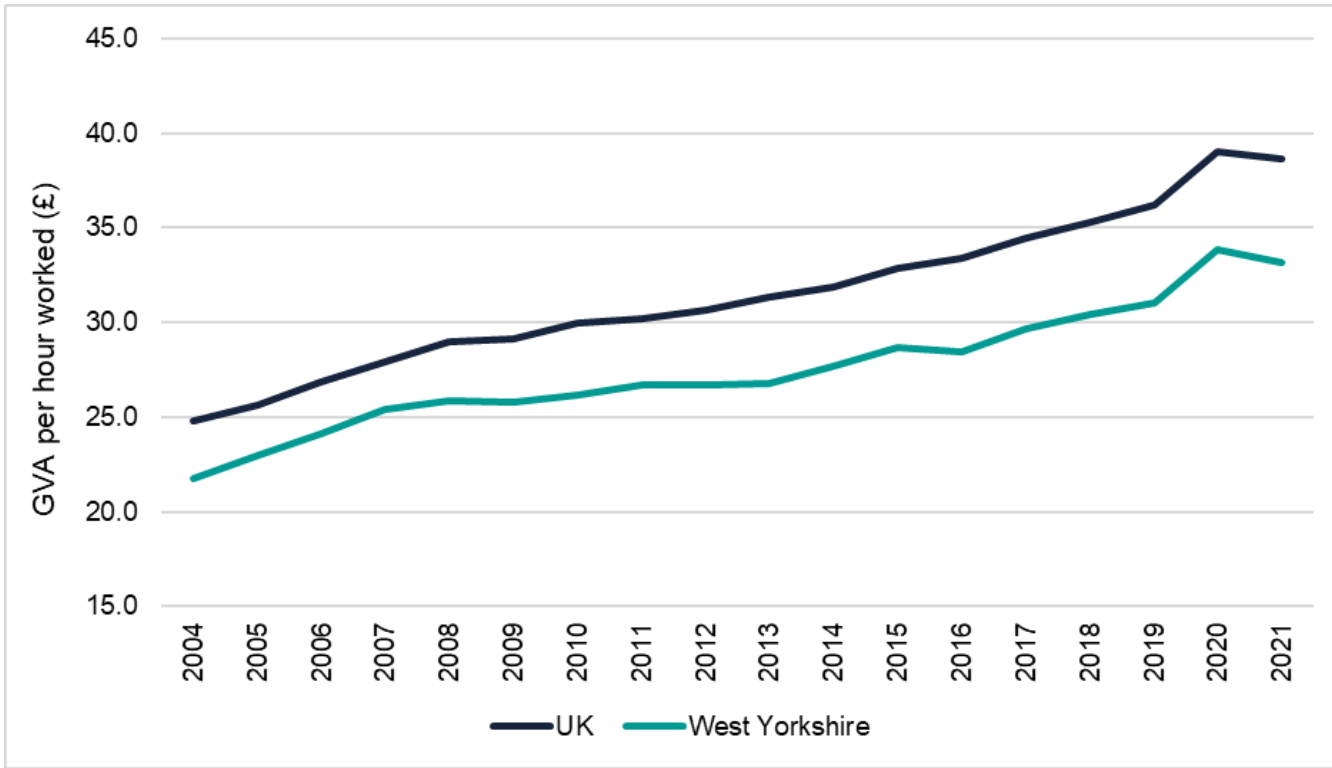
**Index of GVA growth (current prices) – West Yorkshire and key comparator areas**

# Productivity

*Increased productivity is the main engine of local economic growth and improved living standards.*  
**State of the Region**

## West Yorkshire has seen a widening of the productivity gap with the rest of the UK.

The relative position of West Yorkshire on productivity has not improved in recent years. UK productivity growth has remained below trend since the 2008 financial crisis and local productivity has remained markedly below national average levels, even excluding London.



During 2020 productivity increased both for West Yorkshire and at national level due to temporary compositional factors as lower productivity sectors were worse affected by the pandemic than high productivity sectors but this effect was reversed as restrictions were lifted in 2021. Nonetheless, the key message is that underlying structural factors mean that West Yorkshire's productivity deficit persists

### Productivity

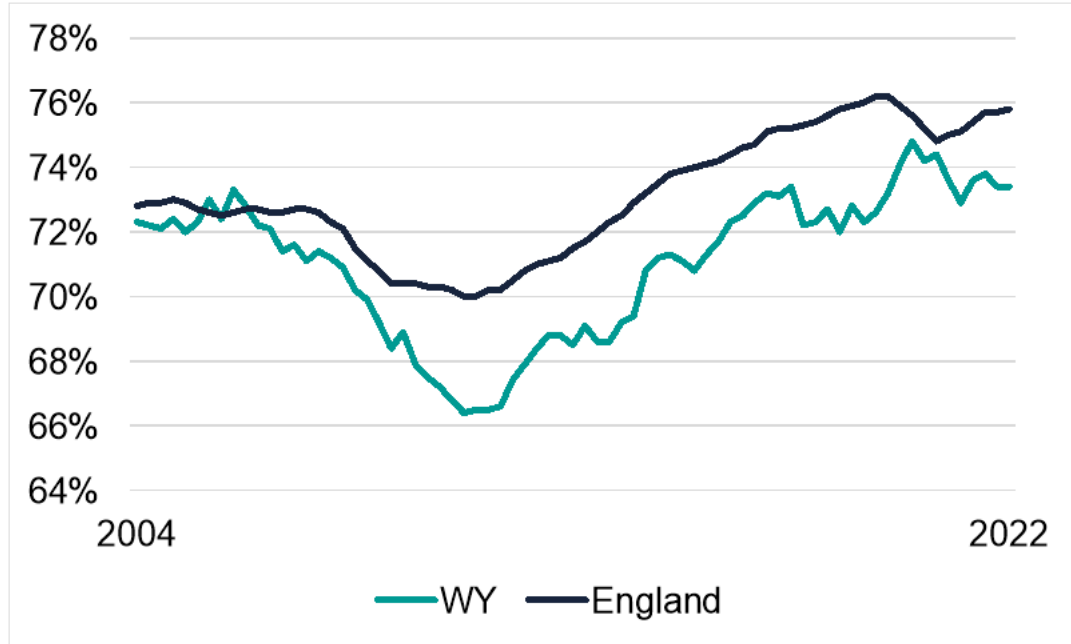
*Current price unsmoothed GVA (balanced) per hour worked*

*Source: ONS Sub-regional productivity data*

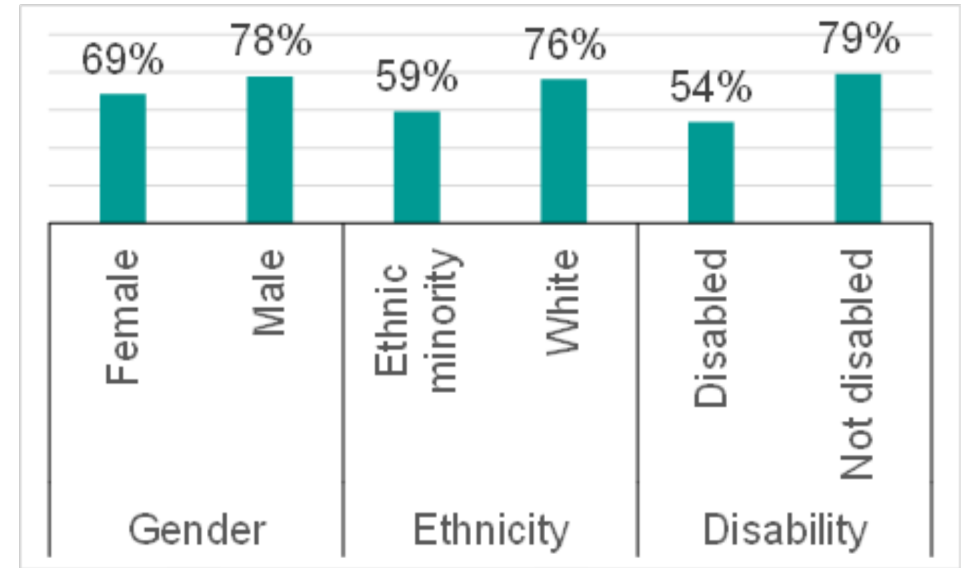
*Closing the productivity gap to that of the UK average would make the West Yorkshire Economy around £8.5 billion larger.*

**Business Productivity and Resilience Plan.**

# Employment



**Employment rate** *Employment rate for all aged 16-64* Source: ONS APS



While the economy and employment in West Yorkshire has grown, productivity has not improved.

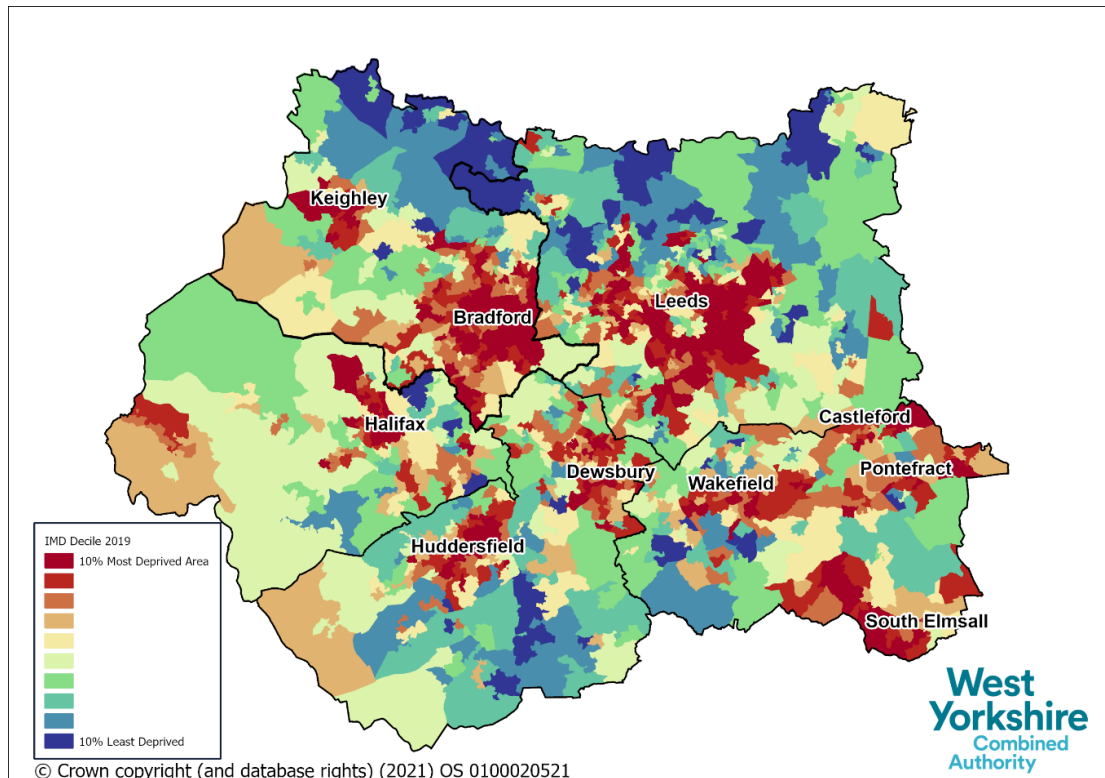
West Yorkshire's overall level of employment and employment rate have grown steadily in recent years. Groups who are disadvantaged in the labour market, including women, people from ethnic minorities, disabled people and older people are less likely to be in employment than the wider population

# Deprivation

More than one in five people in West Yorkshire live in areas within the 10% most deprived in England, according to the Index of Multiple Deprivation (IMD). This is equivalent to more than half a million people. The deprivation profile of our region has remained relatively unchanged between 2004 and 2019, reflecting the existence of pockets of persistent and long-standing deprivation.

State of the Region

## West Yorkshire Index of Multiple Deprivation 2019



### Economic Inactivity

- Currently 344,000 people of working age (16-64) in West Yorkshire who are economically inactive. This is 24% of the working age population compared with 21% nationally
- 128,000 inactive people in West Yorkshire are aged 50-64. The inactivity rate for this group is 29% compared with 24% nationally.

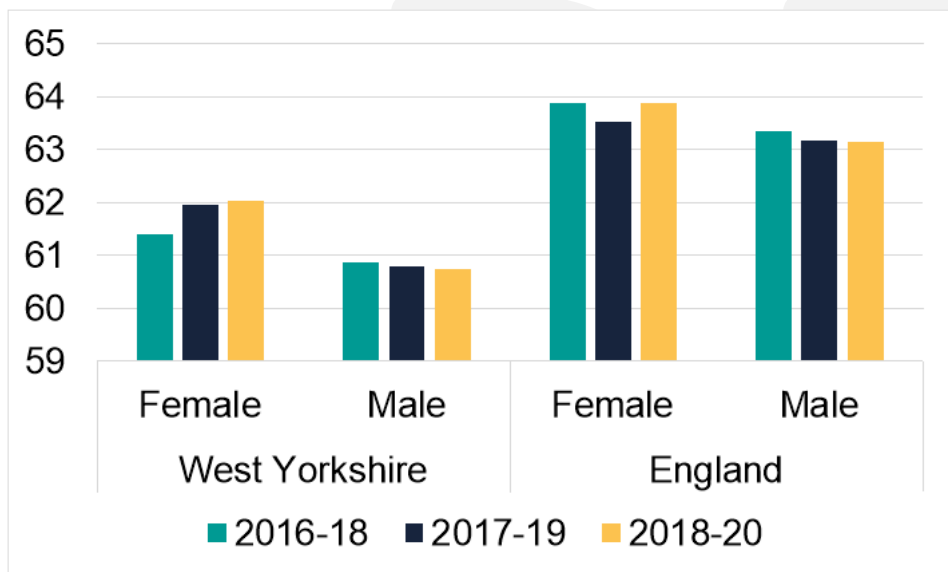


# Healthy Life Expectancy

Healthy life expectancy in West Yorkshire is below the national average for both males and females. Healthy life expectancy for males fell during the 2018-20 period as a result of the pandemic.

Our strengthened relationship with the Integrated Care Board will support a deepening of understanding of the relationship between health and productivity, we aim to bring together academic experts from health and the economy to understand the relationship between these areas.

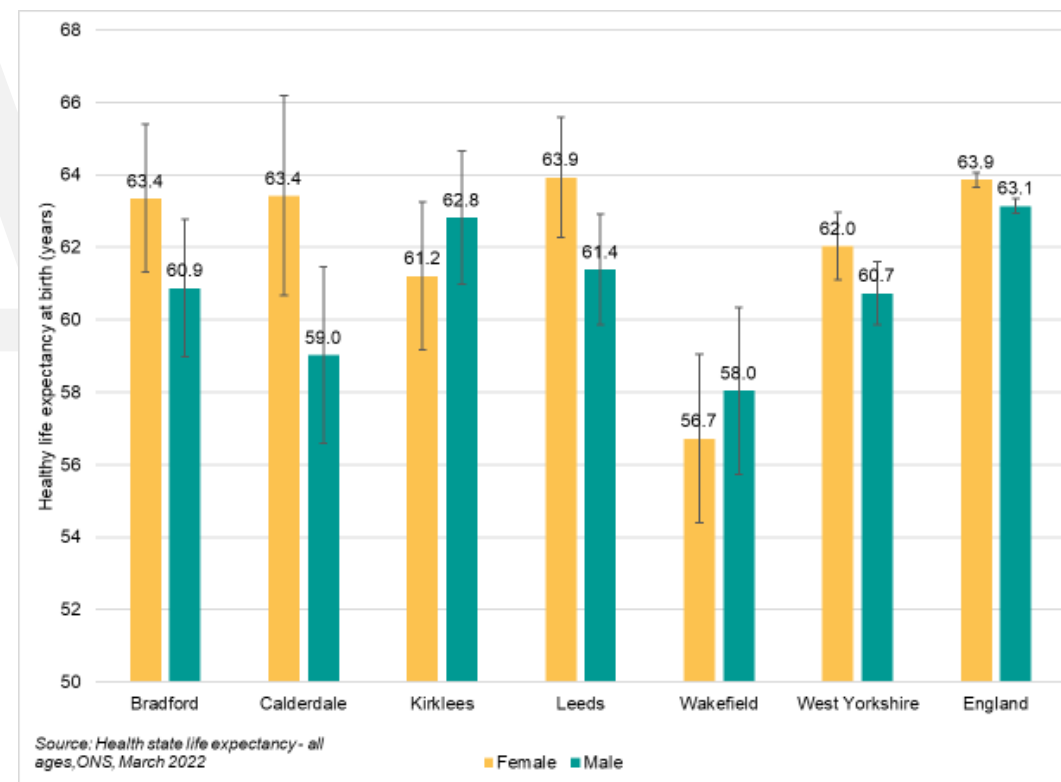
## Healthy Life expectancy



Healthy life expectancy (HLE) at birth - estimates in years

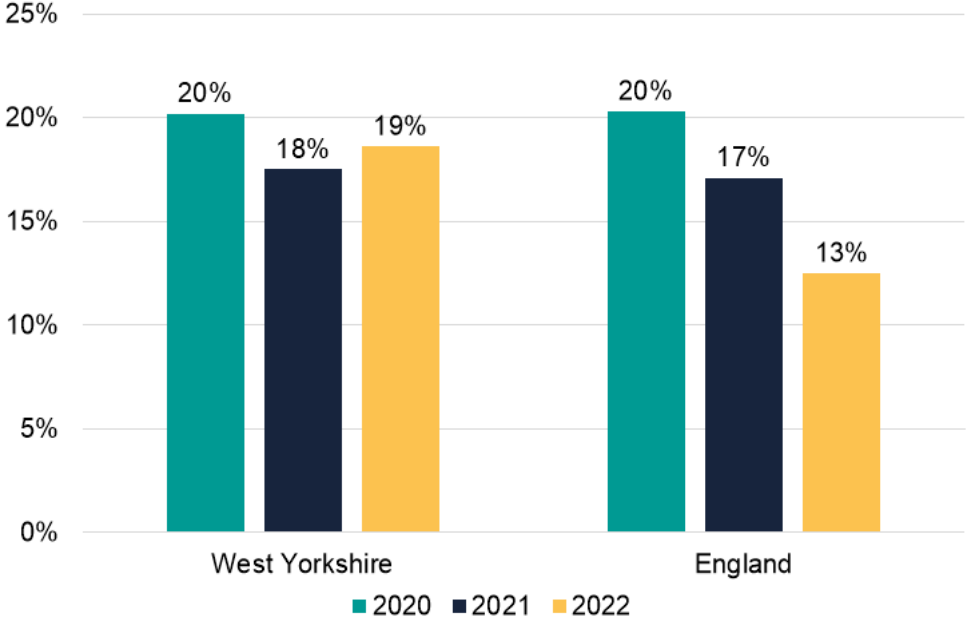
Source: Health state life expectancy, ONS

## Healthy life expectancy at birth (2018-2020), West Yorkshire Districts vs England



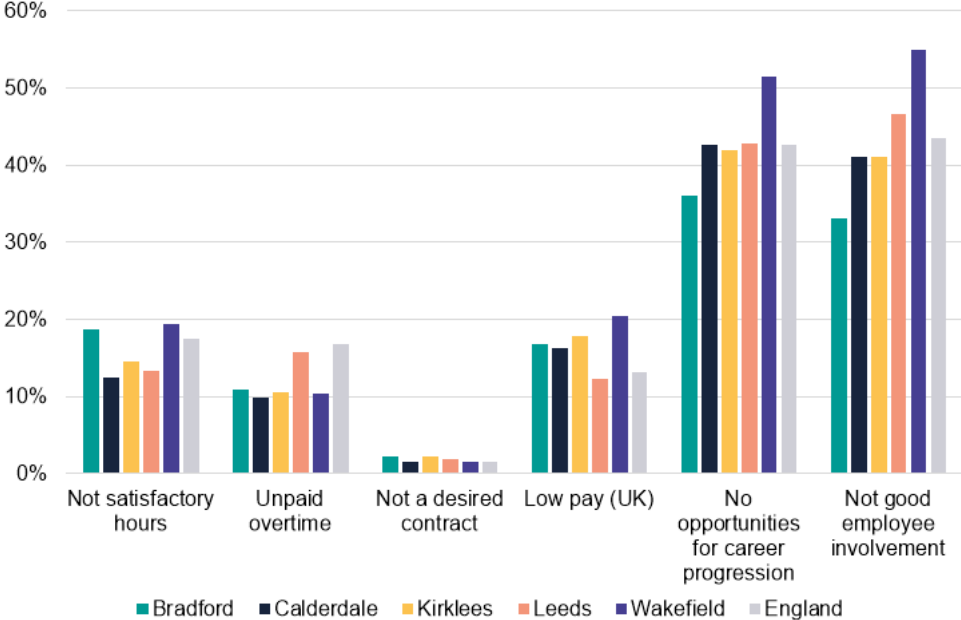
Source: Health state life expectancy - all ages, ONS, March 2022

# Wages and Quality of Work



## Jobs paying below Real Living Wage

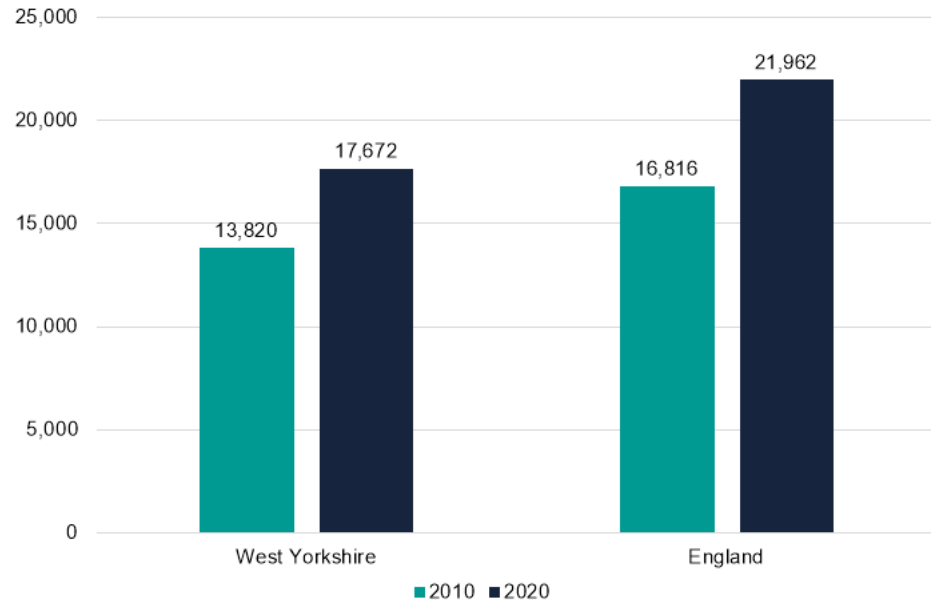
Around 200,000 jobs in West Yorkshire, or 19% of the total, pay below the Real Living Wage. The percentage increases to 38% for part-time workers. The proportion of jobs paying below the Real Living Wage is expected to grow in 2023 reflecting the cost of living crisis.



## Quality work

*Proportion of employees whose jobs have stated characteristic*  
 Although most jobs offer satisfactory hours, desired contract status and at least two-thirds of median UK pay, high proportions do not offer sufficient opportunities for career progression or employee involvement.

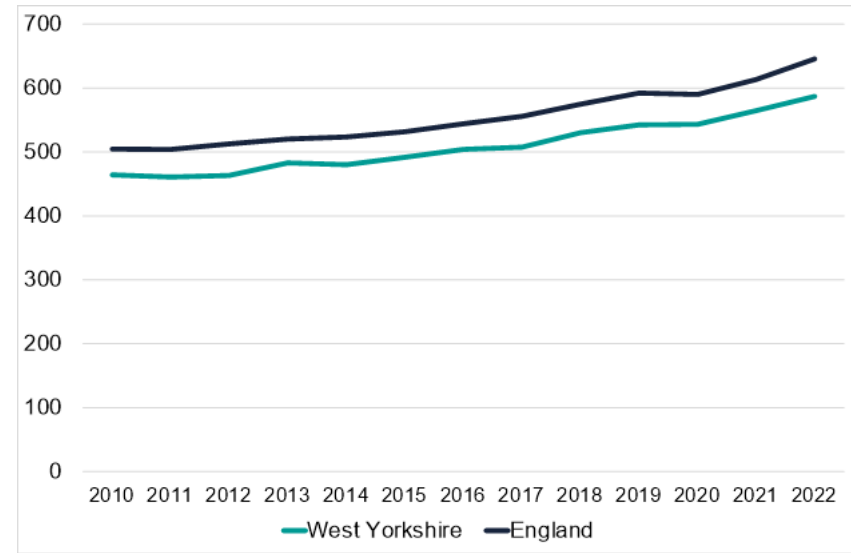
# Living standards



## Gross disposable household income

*Gross disposable household income per head (£)*

West Yorkshire's gap with the national average on household income is widening. In 2010 West Yorkshire's GDHI per head figure was 82% of the England average but fell to 80% in 2020.

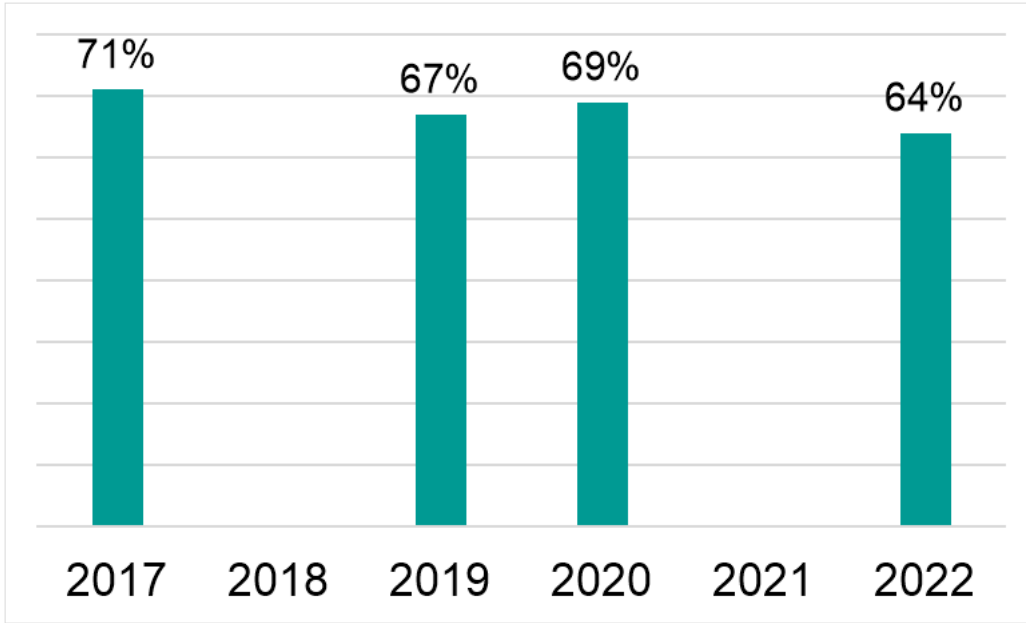


## Median pay

*Trend in median weekly gross pay for full-time workers (£)*

West Yorkshire's median level of pay has increased steadily over time, growing by an average of 2% per annum since 2010 in nominal terms. However, its position relative to the national average has remained broadly constant throughout this period with no narrowing of the pay gap.

# Innovation



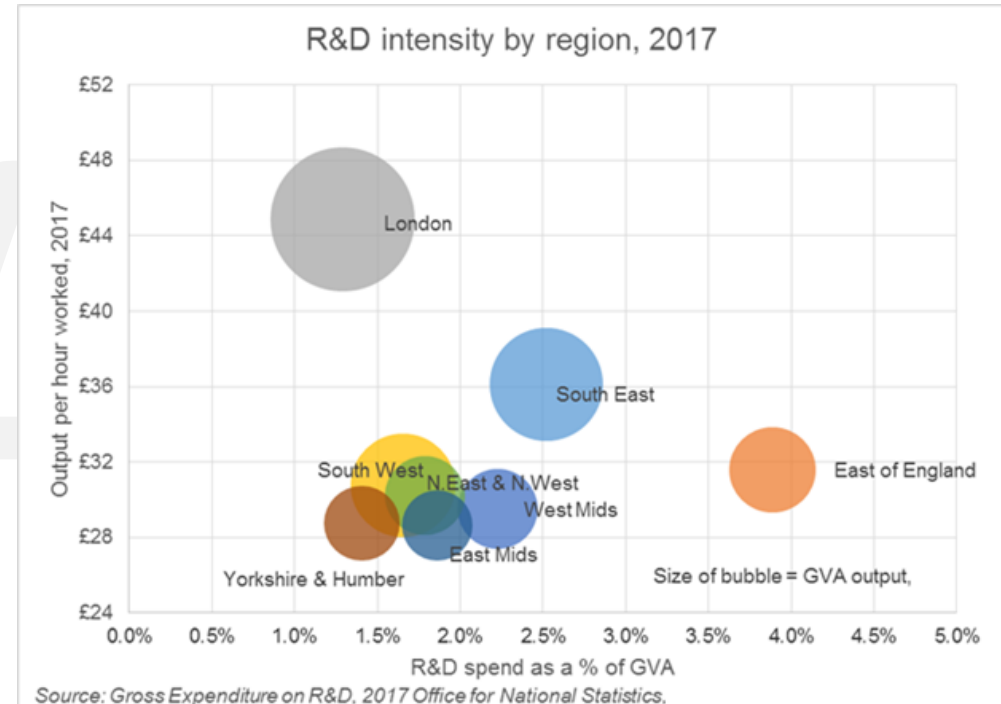
## Innovation

Proportion of West Yorkshire businesses engaged in innovation activities Source: Leeds City Region Business Survey (NB: data not collected in 2018 and 2021)

The proportion of businesses engaging in innovation activity fell in 2022 compared with previous years. This is probably linked to the pandemic, but other evidence suggests a long-standing West Yorkshire deficit in innovation activity.

## Innovation Framework Vision:

“A place that is globally recognised for developing an open, inclusive, thriving and coherent innovation ecosystem, where SMEs, budding entrepreneurs and individuals are inspired to innovate, and can easily navigate the support landscape and connect and collaborate with others to create new and better solutions for business growth and societal good.”

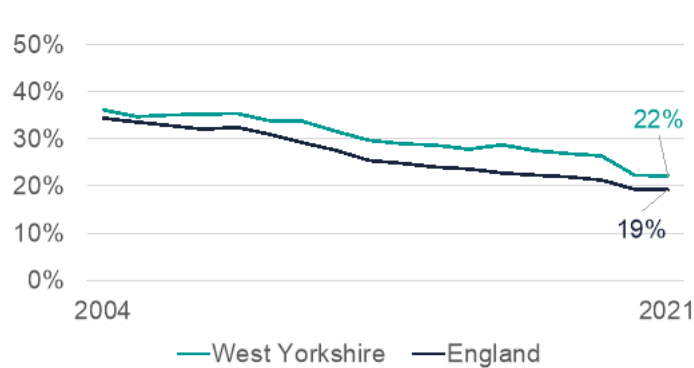


# Skills

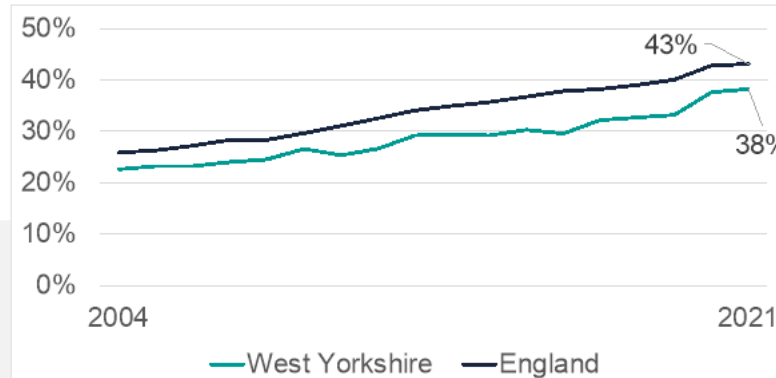
One of the key challenges facing West Yorkshire is a deficit in its skills base relative to other parts of the UK. This is closely associated with its underperformance on productivity and innovation.

*“Our vision is for West Yorkshire to be a world-leading region where investment in skills, training and education, and support for employers go hand in hand to create a diverse, inclusive, and highly skilled workforce with good jobs, leading to sustained improvements in the quality of life for all.”*

Employment and Skills framework



**People with no / low qualifications**  
% of people aged 16-64 qualified below level 2 or with no qualifications  
Source: ONS APS



**People qualified at Level 4 and above** % of people aged 16-64 whose highest qualification is at Level 4 or above  
Source: ONS APS

*“West Yorkshire has a deficit of high skilled employment. This deficit of workers in higher skilled occupations extends to employment in most industry sectors in the local area, reflecting relatively low value business activities, low productivity and an associated weak demand for skills locally.”* Labour Market Review

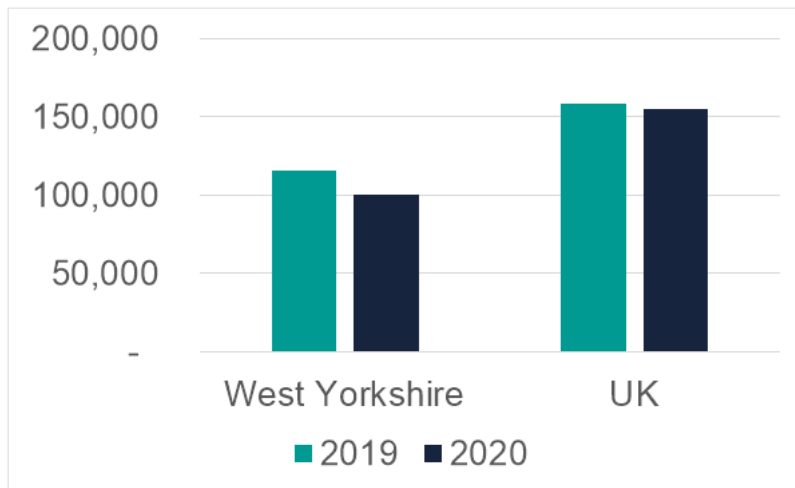
This skills deficit is a function of **low skills equilibrium** – the deficit of skills supply is linked to a **deficit of demand**.

West Yorkshire has a **significant number of people who are excluded from the labour market**, with disadvantaged groups most at risk. These groups and people in deprived areas are less likely to access skills programmes that can aid their progression.

# Trade and Investment

The nature of our polycentric economy means there is plentiful supply of international trade opportunities available to businesses in this region. We have a strong concentration of manufacturing businesses, more than anywhere else in the north, an unrivalled health ecosystem, the UK's fastest growing digital sector and the largest financial and professional services cluster outside of central London. We undoubtedly have the business assets to be a UK leader on international trade.

*Trade and Investment Strategy.*



*Service exports per £m of GVA*

Source: ONS, International exports of services from subnational areas of the UK

International trade is a key enabler of many policy priorities for Leeds City Region. There is a strong link between international trade and business productivity, innovation and resilience. Businesses who trade internationally also create higher quality direct and indirect jobs. Businesses who trade internationally are also important ambassadors for our region, often creating a better understanding of different cultures and building valuable partnerships and alliances.

The impact of the pandemic on trade between the UK and the world has been significant in its scale, and it is unclear at this stage whether this effect will be temporary or lasting. Exports of goods and services fell sharply in 2020 due to the pandemic. Service exports have overtaken exports of goods in their importance to the West Yorkshire economy.

# Post-Covid impacts on the workforce

- According to figures from November 2022, around 9% of workers in West Yorkshire work exclusively from home, 31% work from home sometimes (hybrid) and 59% do not work from home at all. More than half of hybrid workers commute the full-time-equivalent of between 1 and 3 days a week
- Weekday footfall at Leeds rail station is currently around three-quarters of pre-pandemic level, whilst Leeds weekday radial traffic count is 13% below pre-pandemic.
- Workers are spending more time in the residential neighbourhoods in which they live, and less time in the city centres where they work with consequences for locally consumed services, such as cafes, hairdressers and retail shops. It is estimated that working from home will reallocate £3 billion in retail and hospitality spending from city centres to residential neighbourhoods in England and Wales
- Leeds City Centre is worst-affected neighbourhood outside London with an estimated spending reduction of £35m per annum (-6%) and a loss of employment of 21,000 (including loss 1,000 retail and hospitality jobs)
- Around 8% of total vacancies (online job postings) advertised in 2022 were for jobs with facility to work remotely, rising to 9% for West Yorkshire vacancies.

# Headline SWOT – to be updated during Consultation

<h2 style="text-align: center;">Strengths</h2>	<h2 style="text-align: center;">Weaknesses</h2>
<h2 style="text-align: center;">Opportunities</h2> <ul style="list-style-type: none"> <li>• Further devolution</li> <li>• Increasing exposure to key non-EU export markets such as US and China could deliver a productivity dividend</li> <li>• Economic opportunities linked to energy and low carbon with investment in green infrastructure</li> <li>• Growth of AI capabilities and digital specialisms</li> <li>• University cluster provide opportunities to increase business innovation performance through collaboration.</li> <li>• Manufacturing subsectors offer degrees of employment specialism, though professional services jobs have seen strongest growth.</li> <li>• High growth potential start-ups in key sectors</li> <li>• A tighter labour market offers potential to upskill existing staff, increase earnings and build a more inclusive economy.</li> <li>• A unique position in the health system, with strong research capabilities, leading hospitals, national NHS institutions, and a specialised medical manufacturing industry providing an opportunity for a whole system approach to health</li> </ul>	<h2 style="text-align: center;">Threats</h2> <ul style="list-style-type: none"> <li>• Lack of investment risks further weakening of productivity performance with inflation and interest rate pressures on ability to invest</li> <li>• Changing in working patterns and working from home impact on city centre economies</li> <li>• Health inequalities and ageing population</li> <li>• Longer term impact of Brexit and regulatory shifts</li> <li>• Cost of childcare and pressures on the sector creating barriers to work</li> <li>• Climate change, high energy costs and cost-of-living and doing business crisis putting pressure on business growth and survival</li> <li>• Insufficient access to appropriately skilled workers could constrain businesses' ability to grow and this could be compounded by lack of responsiveness in skills system.</li> <li>• Automation and AI poses a threat to a significant number of jobs in a range of industries, particularly for lower skilled workers.</li> <li>• The lack of a clear unique sector strength or focal point for economic narrative could reduce the area's distinctiveness.</li> </ul>