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**Report of the Director of City Development**

**Report to Executive Board**

**Date: 21<sup>st</sup> October 2020**

**Subject: Leeds Economic Recovery Framework**

Are specific electoral wards affected? If yes, name(s) of ward(s): City wide	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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**Summary**

**1. Main issues**

- COVID-19 has had an unprecedented impact on the economy locally, nationally and internationally. This report presents an overview of our approach to recovery, with the main economic recovery document available at Appendix 1, entitled 'Leeds Economic Recovery Framework'. The crisis has shown that our priorities of Inclusive Growth, Health and Wellbeing and tackling the Climate Emergency are the right ones and consequently they form the basis for our recovery.
- This report sets out our continued approach to aid recovery from the coronavirus crisis and how we are looking to build resilience into the economy, support existing sectors and harness new opportunities, including creating new green jobs as we work towards becoming a Net Zero City by 2030.
- We are proposing an *approach* to economic recovery rather than a *plan*, so we can adapt quickly whilst striving to build more resilience into our economy. The situation remains fast-moving and the continued uncertainty surrounding the overall impact of the crisis on the city's economy is also why we propose an approach rather than a plan whilst we understand further the full implications of coronavirus. The impact of the second wave of the coronavirus and other future economic impacts, including the

UK leaving the EU single market, could increase the risk profile of the economy further.

- Our ambition remains to create a strong economy set within a compassionate city and we will refresh our Inclusive Growth Strategy when the time is right after the immediate crisis has passed. Until this point is reached, we will be following an approach to economic recovery which is centred around the need to:
  - **Respond.** Where required, continue to take immediate actions to support businesses and the economy as we have done since lockdown in March 2020.
  - **Reset and Renew.** Ensure we understand the challenges and opportunities that we face in recovery and that we have a clear focus and direction on the projects and partnerships that will address them.
  - **Build Resilience.** Maintain a long-term view of our aspirations to deliver Inclusive Growth, address the Climate Emergency and be the best city for Health and Wellbeing. Ensure that our decisions lead us towards these goals.
- It is clear that we are going to need to refresh the city's Inclusive Growth Strategy and that to do this we will need to undertake consultation with key partners and stakeholders from across the city. We will do this once the economic impact of the COVID-19 crisis is clearer and when we have more certainty than the current period of flux. This report and the associated economic recovery document (at Appendix 1) are intended to be a starting point for a city-wide conversation. We will be engaging with the city through the Inclusive Growth Delivery Partnership over the coming months, including an online event later this year. From this engagement, we intend to continue close collaborative working with our partners and key stakeholders on both the progression of the refresh of the Inclusive Growth Strategy and the establishment of the Social Progress Index as a key measure of inclusive growth in Leeds. We are clear that ensuring our city's economic recovery will require the commitment and actions of all across Leeds, not just the Council.

## 2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- Inclusive Growth, Health and Wellbeing and tackling the Climate Emergency continue to be the three pillars that underwrite the Best Council Plan. As the country has now entered a deep recession they will remain as the important framework for the Council's economic recovery approach.

## 3. Resource Implications

- The economic recovery document at Appendix 1 does not contain any requests for additional Council funding. However, given the Council's current financial position as at October 2020 of a project year-end COVID-19 funding gap of £51.1m, there is the possibility that our ability to drive and deliver Inclusive Growth will be reduced and adversely impacted upon.

## **Recommendations**

Executive Board is requested to:

- 1) Approve the proposed Leeds Economic Recovery Framework, which complements the Leeds Inclusive Growth Strategy and sets out our approach to recovery from the COVID-19 pandemic for the city of Leeds.
- 2) Note that the Framework will be used as the foundation to begin a conversation with partners and stakeholders on how to recover and build resilience into the Leeds economy moving forwards.
- 3) Note that the officer responsible for leading our economic recovery approach is the Director of City Development.

## **1. Purpose of this report**

- 1.1 This report for Executive Board sets out our proposed approach to economic recovery from the COVID-19 pandemic. It sets out background information on the pandemic and the city's response, together with what is happening at a local level to continue to ensure economic recovery from the crisis whilst continuing to deliver Inclusive Growth.
- 1.2 The main economic recovery document is appended to this report ('Leeds Recovery Framework', at Appendix 1).

## **2. Background information**

- 2.1 There has been a series of Executive Board reports providing detailed updates on the COVID-19 crisis and its impact in Leeds since lockdown first happened in March 2020. Included in these has been an overview of what action has been taken in relation to business and the economy for the city.
- 2.2 Leeds entered lockdown from a period of strength, but like all cities it has been hit hard by the crisis. COVID-19 has had an unprecedented impact on the economy locally, nationally and internationally. On 11<sup>th</sup> 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, as well as the Service sector declining by 20% and production down 17%. 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.
- 2.3 Some sectors have been hit harder than others. Across the UK the Wholesale and Retail sector furloughed the highest number of people, totalling over 1.9 million; 77% of those working in the Accommodation and Food services sector have been furloughed; and nearly half a million people working in Arts, Entertainment and Recreation 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.
- 2.4 More locally, data compiled by the West Yorkshire Combined Authority (WYCA), shows that although the majority of businesses say they are now open as normal, almost a quarter (24%) continue to report significantly reduced operations. The majority of people continue to work remotely in some office-based sectors, with the return to the office remaining limited. Data from Centre for Cities suggests workers have been slower to return to cities than other groups, particularly those who commute longer distances. This is having a notable impact on town and city centres. Leeds city centre still has the highest levels of footfall in Yorkshire but this remains below what we would expect for this time of year, with the most recent data shows footfall is approximately two-thirds of normal levels. Nationally, larger cities have seen a higher proportional drop in footfall compared to towns and district centres. This is because in cities, footfall is supported by a greater proportion of office workers, students, events and conferences which have all been affected. Leeds is performing in line with other Core Cities such as Liverpool and Manchester

and London's West End is faring considerably worse than Leeds in terms of percentage drop.

- 2.5 West Yorkshire-wide transport trends have shown a gradual increase, with bus use generally recovering faster than rail and weekend travel recovering faster than weekday. A recent WYCA survey has shown rates of home-working reducing and concern about using public transport easing slightly, with some future travel intentions showing signs of a subtle return to pre-COVID-19 behaviours (although it should be noted that this was prior to local restrictions being increased). MCard and concessionary bus use for w/c 18<sup>th</sup> September 2020 was 52% below levels from early March 2020, a 26% increase against the previous week, although it is believed that this is largely driven by a near doubling of midweek MCard journeys, much of which is associated with under-19 MCard use as schools reopened. Traffic on the roads continues to return to pre-lockdown levels; weekday traffic at five key radial routes in Leeds is now only 16% below the same week in 2019.
- 2.6 We have already seen Universal Credit claimants rise by 92% between March 2020 and August 2020, with over 42,000 people in Leeds unemployed, which is an 80% increase. The number of apprenticeship starts at national level halved in the initial period of lockdown compared with the same period in 2019 and education institutions are under enormous financial pressures.
- 2.7 The second wave of the virus is having a severe impact on the Hospitality, Culture and Tourism sectors, for example the 10pm curfew on Hospitality businesses. Restaurants can no longer realistically sit anyone after 8pm and many bars and pubs are now operating at 20-30% of their pre-COVID-19 revenues. The 10pm curfew has removed key trading hours vital to the survival of many hospitality businesses. In addition the renewal of the advice to work from home is also significantly impacting otherwise viable city centre businesses. Further restrictions without significant additional support will prove to be devastating for many of these the businesses and the people who work in them.
- 2.8 We have seen a drop in footfall in the city centre, thus exacerbating the situation for these businesses. The Leader of Leeds City Council and her counterparts in Manchester, Newcastle and Liverpool have expressed their concerns about the effectiveness of current restrictions in place in their cities and called for a new Five Point Plan aimed at redressing the situation. These outline a number of local measures which should be developed across Police, Council enforcement and Public Health services, which the Leaders of the local authorities believe would be more effective in controlling infection rates, such as a locally controlled Test and Trace system and an improved Business Compensation package to support those most affected.
- 2.9 Although employment data shows Leeds has many strengths in different sectors, with our Digital sector growing faster than anywhere in the UK and now employing 30,000 people, inequalities in our city are proving hard to overcome and in many cases have been exacerbated by coronavirus. Youth unemployment is rising faster than any other group, mortality rates from COVID-19 in the most deprived areas are more than double the least deprived areas, people living in our disadvantaged areas continue to have poorer health outcomes and we know that educational attainment remains a challenge too, particularly in relation to the attainment gap between children who are on free school meals and those who are not. The significant milestones that the region's economy will undergo in the coming year, including the UK leaving the EU single market and West Yorkshire Devolution, will also clearly provide further challenges to address.

### 3. Main issues

- 3.1 The coronavirus pandemic has had an unprecedented impact on the economy and forecasts predict it may take between 2021 and 2024 to return to pre-crisis levels. The rate of recovery from the COVID-19 emergency will be constrained by the need to protect the health of the public. It could be many months before all restrictions are lifted and response and recovery will therefore sometimes overlap. The recent outbreaks across West Yorkshire highlight the continued risk of further shocks and we will need to be vigilant to local pressures, the second wave of the virus and any other disruption which may arise as we end the transition period with the European Union.
- 3.2 We need to support recovery in the short term as we all live in this period during the outbreak - keeping schools, colleges and universities open; ensuring public transport can run safely and efficiently; delivering a strong test and trace programme and supporting national efforts to control the outbreak; and building confidence with businesses and communities.
- 3.3 Cities should be at the forefront of recovery. Without our towns and cities the economic impact of the crisis will be greater. We are, however, acutely aware of the non-linear nature that recovery will take. Because of this, we are proposing an *approach* to economic recovery rather than a *plan*, so we can adapt quickly whilst striving to build more resilience into our economy. The situation is also very fast-moving and the continued uncertainty surrounding the overall impact of the crisis on the city's economy is also why we propose an approach rather than a plan whilst we understand further the full implications of coronavirus.
- 3.4 The COVID-19 pandemic has magnified and accelerated trends that were already evident in the economy as well as growing inequalities, which means that we will need to be ready to accelerate, stop or change our work to recover. We are mindful that the recovery could be uneven, with some parts of the economy doing well while others struggle. We are therefore going to need to work even harder to build out from our ambition to be a compassionate city within a strong economy in order to recover. We need to increase productivity and build in resilience to our economy, creating a place that actively supports the life changes of its citizens and has the infrastructure to support the city's long-term ambitions. There is already a new spirit of collaboration that has come about throughout lockdown, building and expanding upon the spirit that was already within the city, and we have fantastic partners and businesses doing great things.
- 3.5 Devolution to West Yorkshire will provide the region with a range of enhanced tools, including access to new sources of funding, to support economic recovery. At its core the proposed model of regional governance offers a broader framework for economic recovery across a wider geography, enabling individual local authority areas to come together and foster a greater degree of collaboration which can support each of us to collectively achieve more that would be possible if working in isolation.

#### **Our approach to economic recovery**

- 3.6 Our ambition remains to create a strong economy set within a compassionate city and we will refresh our Inclusive Growth Strategy when the time is right after the immediate crisis has passed. Until this point is reached, we will be following an approach to economic recovery which is centred around the need to:
- **Respond.** Where required, continue to take immediate actions to support businesses and the economy as we have done since lockdown in March 2020.

- **Reset and Renew.** Ensure we understand the challenges and opportunities that we face in recovery and that we have a clear focus and direction on the projects and partnerships that will address them.
- **Build Resilience.** Maintain a long term view of our aspirations to deliver Inclusive Growth, address the Climate Emergency and be the best city for Health and Wellbeing. Ensure that our decisions lead us towards these goals.

- 3.7 The context of multi-agency command and control arrangements for Leeds and of governance and delivery frameworks at a sub-regional level will continue and therefore economic recovery work will sit alongside the wider arrangements in place via the Leeds Gold Strategic Coordinating Group, Leeds Response and Recovery Plan and Leeds COVID-19 Outbreak Control Plan.
- 3.8 Other large cities and regions are of course also facing many difficult challenges as they respond to the coronavirus crisis. They have adopted similar strategies and approaches in their response to that which we are employing in Leeds, including in Manchester and Liverpool. Their approaches also involve a focus upon the need for job creation, good jobs and relevant skills, as well as support for business, the importance of health in relation to local economies and ambitions for a green recovery, recognising the challenges this involves and changes that are required to achieve carbon neutrality. Furthermore, the West Yorkshire Economic Recovery Plan was published in August 2020, with a vision to grow a more inclusive, resilient and sustainable economy with more productive businesses, better levels of skills and entrepreneurialism, less inequality and better environmental sustainability. It is also split into three stages: 'Rescue', 'Re-imagining' and 'Resilience', looking at actions to be taken within the short- to medium-term and further into the future, within the next two to five years.

### **Respond**

- 3.9 As a Council we have been working hard with partners from across the city to ensure that we have been able to provide as much support as possible to communities and businesses in Leeds throughout the COVID-19 crisis. In our emergency response, we have carried out many interventions, including delivering food parcels to families; supporting vulnerable people from emergency accommodation into more permanent accommodation; distributing millions of pieces of Personal Protective Equipment; working with partners to create Outbreak Control and Track and Trace programmes; supporting our schools, colleges and universities to open in a safe and COVID-19-secure way; working with transport partners on ensuring school and public transport is supported and provided in a safe and secure way; delivering Active Travel measures and accelerating transport programmes, such as the widening of footways; ensuring the safe reopening of our city and district centres, including signage, barriers and promotion work; and engaging with bars, restaurants and takeaways to ensure COVID-19 secure compliance ahead of the new university term this autumn.
- 3.10 We have also carried out many economic support interventions, including administering the Government's Grant Funds and pivoting our Business Support services. We further launched the new Employment and Skills Leeds website and the Adult Learning programme, which has an increased focus on digital skills and work-focused courses. We have also established an Employment and Skills Task Group, bringing together Public and Private sector partners in the city to produce an action plan to put in place support for priority groups and sectors impacted by the

economic shock as a result of the pandemic. This will seek to maximise locally the stimulus for recovery announced through the Government's Plan for Jobs 2020 and ensure a coherent offer to local businesses and communities.

- 3.11 Furthermore, the Leeds Massachusetts Institute of Technology Regional Entrepreneurship Acceleration program (MIT REAP) team, supported by the Council, has recently launched its 'LEAP' programme to help individuals facing a change in circumstance, inspiring them to make the leap to become part of a new wave of entrepreneurs. In addition to this, the Leeds MIT REAP team will be launching its 'BUILD' pilot programme in January 2021 to support entrepreneurs from diverse backgrounds across the region to turn their innovative, socially beneficial ideas into scalable businesses that investors want to back.
- 3.12 We also have a well-established Leeds Inclusive Anchors Network, comprising of the largest employers in Leeds which combined employ over 56,000 people. The Anchors are committed to supporting recovery and sharing learning and practice with a wider group of businesses across the Private sector in the city. The success of this programme has led us to expand the idea and we have begun engaging with our main Private sector firms across the city to determine how best to bring them in to our Anchors Network.
- 3.13 Despite the huge challenges and difficulties faced by our communities and the city's economy throughout the COVID-19 pandemic, there have been many positive outcomes coming from the crisis. These have included seeing businesses pivot what they do to as a result of the coronavirus pandemic. Herida Healthcare and Perry Uniform, both based in Leeds, pulled resources to manufacture and supply specialist mattresses and mattress covers to new emergency hospitals around the country. Leeds-based SurfaceSkins, who had already developed a revolutionary self-sanitising door push and door handle for use in healthcare and other hygiene-critical environments, saw demand soar for their product as a result of the COVID-19 crisis.
- 3.14 Digital Health businesses also thrived, for example Leeds-based tech firm TPP worked in conjunction with the NHS, University of Oxford, the London School of Hygiene and Tropical Medicine and NHSX (the Government unit charged with developing the best use for NHS technology), resulting in new research, based on data used by thousands of GP practices using TPP's systems, being linked to hospital, intensive care and ONS datasets to create a national picture for COVID-19.
- 3.15 Other stories of innovation also emerged in response to the crisis, including Itecho Health developing a 'virtual clinic' digital platform, Ascelus, for the NHS. Horsforth-based UX Global also created Auto-Q, a bespoke digital signage solution which allows retailers to measure the number of customers inside their store and the ability to advertise key information to waiting customers. Furthermore, VetAI, who are based at Nexus, Leeds, has been included in this year's Startups 100 – the UK's longest-running index of disruptive new start-ups, which showcases new businesses that demonstrate innovation, solid financials, economic impact and the ability to scale. The R&D company develops solutions that support pets, vets and 'pet parents', providing the tools to access care more affordably and conveniently.
- 3.16 The Leeds Digital Festival celebrated a hugely successful two weeks between 20<sup>th</sup> April and 1<sup>st</sup> May 2020, with 134 virtual events taking place. Across the entire Festival, attendees joined from at least 46 countries and five continents around the world. The new digital format of the Festival enabled participating businesses to reach a larger and more geographically spread audience than ever before and

which may not otherwise have been possible without the online format. The second edition of the Festival was held between 21<sup>st</sup> September 2020 and 2<sup>nd</sup> October 2020 and was hugely successful, seeing a record-breaking 294 events being held and speakers and attendees from all over the globe, spreading the word about the innovation we have here in the Leeds City Region.

- 3.17 In the short term, we will continue to support recovery by doing all we can ourselves and with partners to keep schools, colleges and universities open; ensuring public transport can run safely and efficiently; delivering a strong test and trace programme and supporting national efforts to control the outbreak; and building confidence with businesses and communities.
- 3.18 Outbreak control will remain a priority for the city, alongside a major focus of keeping education establishments open into the winter months. We will also work with key partners to monitor and continue to develop plans for both public and school transport and we will remain committed to ensuring our city and district centres are safe for visitors, workers and residents. A city-wide communications campaign will also target younger people, working alongside schools, colleges and universities in preparation for the autumn/winter term.
- 3.19 Business and Employment and Skills support will remain a vital part of what we will be doing to aid recovery. This includes the continued efforts of the Leeds Inclusive Anchors Network and projects launched as part of our longer-term ambitions to boost entrepreneurship in the city through the work of the Leeds MIT REAP team. The newly established Employment and Skills Task Group will continue to aid collaboration between partners from across sectors to provide support for priority groups and sectors impacted by the economic shock of the coronavirus pandemic.
- 3.20 Work within our communities will also continue to be supported. Leeds has a thriving Third Sector providing critical support to the people of Leeds. For this to be maintained going forwards, the sector will require support and resources and we have established a group to understand the potential impact of COVID-19 on Third Sector organisations and communities and develop actions aimed at minimising the impact on the sector. Included in this work is action to ensure the Third Sector can influence and maximise its involvement with other sectors and its role in both the city and region's economy through the Local Enterprise Partnership, West Yorkshire Combined Authority and via the West Yorkshire Economic Recovery Plan and the economic recovery approach led by Leeds City Council. Alongside this, work will also focus on continuing the development of community-led approaches to climate action, as well as the potential for a Third Sector Anchor Partnerships model.
- 3.21 The Council will also continue promoting the asset-based approach to community development (ABCD) that it has pioneered, which empowers citizens to make the changes that are important to their community. Growing evidence shows ABCD to be an effective, sustainable and value for money approach to achieving thriving communities. Analysis of ABCD activity in Leeds has shown that it has had a real impact on communities by improving connections, enabling skills development and providing a springboard to employment. As communities are key to the approach to Inclusive Growth, strengthening the connections to place-based regeneration is key to the development of ABCD. Our aim is to develop stronger partnership working and a co-ordinated approach across the Council that will initially target priority neighbourhoods. Building on the work to date, ensuring that pathways to employment and investment in skills, especially use of digital, are developed at a community level is a priority focus.

## **Reset and Renew**

3.22 We need to ensure that we understand the challenges and opportunities that we face in recovery and that we have a clear focus and direction on the projects and partnerships that will address them.

3.23 Below and in the economic recovery document (at Appendix 1) we have outlined our plans for resetting and renewing our economic growth ambitions and actions under six headings: Our Labour Market; Health/Communities; Our Centres; Transport and Infrastructure; Culture; and Innovation. Under each section within the economic recovery document (at Appendix 1) are examples of transformational projects which we believe will help to build our economic recovery for the city. A brief overview of each of the sections is shown below:

- **Our Labour Market** – We know that in Leeds we are seeing three broad areas of the workforce requiring different levels of support: the newly unemployed; the new entrants to the labour market (typically school, college and university leavers); and the long-term unemployed or those not in education, employment or training. We need to continue to work towards creating more secure, well-paid jobs that are less vulnerable to changes in the labour market. Much of this work is already underway through local and regional programmes, but we are increasing capacity within these, including by expanding our training and reskilling programmes to reflect the changes to labour market, pivoting to where new jobs will be created.
- **Health/Communities** – Our Health and Wellbeing Strategy is rooted in the belief that everything is connected – that if we design health promoting environments we will encourage healthier behaviours, enable people to feel safe and secure and provide a springboard for a healthier population to take advantage of a strong and inclusive economy. We also acknowledge that we have significant health and economic inequality in our city. It is clear that the impact on the economy and to people’s health as a result of the COVID-19 crisis will raise inequalities in the city. Those on lower incomes are more likely to work in sectors affected by coronavirus, such as Hospitality, and mortality rates from COVID-19 in the most deprived areas are more than double the least deprived areas. Furthermore, over recent months more data and analysis has been published showing how the virus’ impact mirrors existing health inequalities and, in some cases, has increased them further. COVID-19 has brought pre-existing inequalities into stark focus and has shown the importance of a physically and mentally healthy workforce. We need to tackle ever-increasing socio-economic inequalities and boost health outcomes, with a particular priority being to strengthen our approach to mental health. We also need to continue to work in partnership across the city to improve the health of the poorest fastest and build on our strength as a leader of health innovation, as well as working with educational establishments to open up opportunities for our residents to develop their skills. One example is the Council’s Smart Leeds programme which aims to include full digital inclusion in the city and in addition, the Leeds Health and Care Academy, working with the city’s health and care providers and Leeds City College, developing the Leeds Health and Social Care T Level, a new qualification that will be key to the future health and care workforce.
- **Our Centres** – COVID-19 has changed the way we think about place and how we use our spaces, as well as how we travel, work and shop. Before the coronavirus pandemic we knew that the way we worked and shopped was

already changing, but the crisis has altered these further and work and leisure patterns now appear to be accelerating previous trends, such as working from home. We need to understand these new trends, their impacts and the health of our centres. In the short-term we also need to continue our efforts to make Leeds city centre safe and secure for people to return, as it is the main economic driver for the region. Funding secured through the Government's Getting Building Fund for three regeneration projects in Leeds will help with this by boosting economic growth, helping to tackle climate change and improving residents' wellbeing.

- **Transport and Infrastructure** – We are committed to improving transport in and across our city. We want a world-class connected city and a people-focused city, with well-connected neighbourhoods and an easily accessible city centre, as well as a healthy city that allows more people to walk, cycle and be more active. In the next few months we will be publishing our Transport Strategy, which will focus on delivering transport solutions, to create a city where you do not need a car. Connecting Leeds is our ambition to transform all aspects of travel in Leeds. For example, we want to build upon the increase in cycling we have seen throughout the COVID-19 crisis through our Leeds Public Transport Investment Programme, such as in segregated cycle infrastructure. Further significant investment in public transport will happen by 2021, including bus priority corridors incorporating segregated cycle facilities; city centre gateways; expansion of existing park and ride sites and the delivery of a new site at Stourton; and investment in bus services and low-emission vehicles by bus operators. We will also continue to work with bus and rail partners to ensure the long-term sustainability of services.
- **Culture** – The Arts and Culture sector has a hugely important role to play in our economic and social recovery. We will facilitate consolidation of best practice from the lockdown period, which showcased the strength of our creative sector, whilst capitalising on opportunities to stabilise and re-establish sector growth. Our Culture Strategy will drive our ambition for Leeds to be a national centre for Creative and Cultural excellence supported by a vibrant cultural sector and our creative communities affirming Leeds as a great place to live, work and visit. We remain committed to Leeds 2023, an outstanding programme of cultural investment that will culminate in an international year of Culture in and around the city. As society slowly returns to normal we will continue to support our Tourism partners, helping them to adapt their businesses and products. The #Rediscover Leeds campaign has been designed to help revive the city's rich Tourism, Hospitality, Leisure, Business and Cultural industries and we will continue to promote a positive, dynamic, diverse and outward-looking image on a global stage. We also need to continue to promote a positive, dynamic, diverse and outward-looking image on a global stage, seeking to increase both inward and local investment and using our international profile to push Leeds as the fantastic place it is.
- **Innovation** – Leeds is an enterprising city with a broad-based economy, an ideal location for innovative and productive companies to start up and grow. We are strengthening our international links to encourage more trade and investment, with a focus on Health, Creative and Digital sectors, as well as university links. We are sharing best practice and adapting to the challenges of digitisation and COVID-19 through the Eurocities network. The Leeds MIT REAP programme will also unleash innovation-driven entrepreneurs across the city and the region.

Furthermore, the city is innovating at a community-level, including in the effort to address the Climate Emergency, with a partnership of local organisations receiving National Lottery funding to create jobs and provide grants for community groups in a bid to tackle the Climate Emergency, including through the creation of a Leeds Climate Assembly.

### **Building Resilience**

- 3.24 Leeds is the economic heart of the region and in the longer term, post-coronavirus, the city will return to growth and our aspiration to make this as inclusive as possible, whilst addressing the Climate Emergency and being the best city for Health and Wellbeing, remains.
- 3.25 The region's economy will undergo significant milestones in the coming year, including the UK leaving the EU single market and West Yorkshire Devolution. The end of the transitional arrangements with the EU may impact sectors that have so far proved resilient to the specific challenges created as a result of COVID-19 and may cause further disruption, for example, to Manufacturing, a sector that is already in decline across the region. Devolution will create more local powers and funding, but this should not take away from our existing public services which need to be properly financed. The current financial pressure on the Public sector is impacting on our ability to deliver essential services; however we want to do more and will continue to lobby the Government for more support.
- 3.26 We know that in the longer term we need to continue to focus on building more resilience into our broad-based economy; protecting our most vulnerable and tackling inequality; improving people's health and wealth; adapting to accelerating trends in work and travel patterns; delivering transformational projects across the city; and leading the way towards becoming a Net Zero City by 2030, an innovative world-class test bed for the UK.
- 3.27 The Leeds Inclusive Growth Strategy outlined five transformational projects and since publication of the Strategy in 2018 we have made significant progress on every goal set. This has included work on the University of Leeds Engineering Technology Campus; Hydrogen 21; South Bank; Film and TV; and Innovation District.
- 3.28 Achieving these milestones demonstrates that Leeds can deliver and even during these difficult times we still need ambition. This is why we are expanding our transformational projects, including our commitment to become a Net Zero City by 2030. The potential for a green recovery from the COVID-19 crisis is clear and we recognise that the green economy and green jobs will be essential for our recovery, including the opportunity to further introduce measures to promote sustainable transport and to advance the delivery of planned schemes to promote walking and cycling. We are working towards becoming a Net Zero city by building resilience into our economy and investing into green initiatives. Elsewhere, we are committed to new developments including on the South Bank. This includes the British Library North which will work as another Anchor institution in the city.
- 3.29 As part of ensuring we build resilience into our economy is how we measure the actions that are being taken. As a way to measure Inclusive Growth alongside traditional economic measures, such as GDP, we are proposing to adopt the Social Progress Index (SPI), as well as measuring success through lived experience. Designed by the Social Progress Imperative, a global non-profit organisation based in Washington DC it first launched in 2014 and is now used across the world including by the UN, as a comprehensive measure of real quality of life, to

complement rather than replace traditional economic measures. The Index is built on three themes: Basic Human Needs; Foundations of Wellbeing; and Opportunity.

- 3.30 We have been working to populate the indicators with data for the city. At the current time, we have a basic measuring tool completed and we intend to use this to begin a conversation with the city on how we can use it and improve it to ensure it meets our needs and can provide clear measurement of Inclusive Growth. A version of the tool will go live in October 2020 and we will be working closely with partners from across the city to capture feedback and act upon it.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The Council continues to engage with partners from across the city through the Inclusive Growth Delivery Partnership. The last event held in February had nearly 200 attendees and has continued to grow from event to event.
- 4.1.2 A strong recovery for our city from the COVID-19 crisis requires a collaborative effort. In Leeds, we have a rich history of collaboration and a huge number of committed partners from wide range of backgrounds. Throughout the pandemic there has been a huge amount of collaboration between businesses, the Council, Third Sector organisations and other stakeholders. It has shown how well organisations can come together in many different ways across the whole of the city, for the good of the city and everyone in it.
- 4.1.3 The COVID-19 crisis has shown how well organisations can work together to help the city. Since the coronavirus pandemic began the Council has been engaging extensively with Government, local partners, Elected Members, the Leeds Inclusive Growth Strategy Ambassadors and the public to provide support to businesses and the people of Leeds. The Council has endeavoured to keep people up-to-date with developments and information as much as possible, for example the Economic Development team has produced a weekly economic briefing for Elected Members and MPs since lockdown restrictions began and they have also facilitated weekly calls with businesses and business representative groups across the city.
- 4.1.4 It is clear that we are going to need to refresh the city's Inclusive Growth Strategy and that to do this we will need to undertake consultation with key partners and stakeholders from across the city. We will do this once the economic impact of the COVID-19 crisis is clearer and when we have more certainty than the current period of flux. This report and the associated economic recovery document (at Appendix 1) are intended to be a starting point for a city-wide conversation. We will be engaging with the city through the Inclusive Growth Delivery Partnership over the coming months, including an online event later this year. From this engagement, we intend to continue close collaborative working with our partners and key stakeholders on both the progression of the refresh of the Inclusive Growth Strategy and the establishment of the Social Progress Index as a key measure of Inclusive Growth in Leeds. We are clear that ensuring our city's economic recovery will require the committed and actions of all across Leeds, not just the Council.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 It is clear that the impact on the economy and to people's health will raise inequalities in the city. Those on lower incomes are more likely to work in sectors most affected by the virus, such as Hospitality; the young are suffering through missing out on education and difficulty finding employment that is inflicting long-term damage to young people's prospects in life and creating a 'COVID generation';

and mortality rates from COVID-19 in the most deprived areas are more than double the least deprived areas.

4.2.2 Furthermore, over recent months more data and analysis has been published, both on the direct health impacts of COVID-19, but also on the emerging social and economic consequences. On 2<sup>nd</sup> June 2020, Public Health England (PHE) published the findings of its review in to how different factors such as age, sex and ethnicity affect COVID-19 risks and outcomes. The report confirmed that the virus' impact mirrors existing health inequalities and, in some cases, has increased them further, identifying those groups seemingly at most risk, including the elderly; men; people from deprived areas; those from black and ethnic minority communities; people in low-paid or low-skilled occupations; and people with underlying health conditions.

4.2.3 An Equality, Diversity, Cohesion and Integration Screening has been carried out and is attached as an Appendix to this report.

### 4.3 **Council policies and the Best Council Plan**

4.3.1 Inclusive Growth continues to be one of the three pillars that underwrite the Best Council Plan. As we move into a recession it will remain an important part of the Council's recovery plan.

#### Climate Emergency

4.3.2 The Council declared a Climate Emergency in March 2019 with the stated ambition of working to achieve net zero carbon emissions by 2030 for the city. The delivery of the Leeds Inclusive Growth Strategy already incorporates consideration of Climate Emergency interventions, as highlighted in the One Year On report published in July 2019, as well as in our planned framework for recovery from the coronavirus pandemic.

4.3.3 Green jobs will be essential to the UK's recovery and our recovery approach will need to fully reflect our carbon reduction ambition for the city, seizing the opportunities of more sustainable and healthy movement of people; new ways of working at home and at work; adopting digital technology; emphasising the value of green spaces; and continuing to promote energy efficiency.

### 4.4 **Resources, procurement and value for money**

4.4.1 The economic recovery document at Appendix 1 does not contain any requests for additional Council funding. However, given the Council's current financial position as at October 2020 of a project year-end COVID-19 funding gap of £51.1m, there is the possibility that our ability to drive and deliver Inclusive Growth will be reduced and adversely impacted upon.

### 4.5 **Legal implications, access to information, and call-in**

4.5.1 There are no legal implications arising from this report.

### 4.6 **Risk management**

4.6.1 There is a comprehensive risk management process in the Council to monitor and manage key risks. Risks associated with progressing the implementation of the Leeds Inclusive Growth Strategy are reviewed quarterly through the Directorate Leadership Team meeting and the corporate Inclusive Growth Delivery Officer Group.

4.6.2 The risks related to coronavirus will continue to be monitored through the Council's existing risk management processes. This includes corporate risks relating to the

Council's Budget and Leeds' ability to deliver economic growth, which have been updated to reflect the impact of the coronavirus outbreak. More specific risks are being managed through the Silver Command Groups, with the more significant ones being escalated onto the corporate coronavirus risk document.

## **5. Conclusions**

- 5.1 COVID-19 has had an unprecedented impact on the economy locally, nationally and internationally. It has also exposed the linkages between economies, people's health and the impacts of climate change and these will have knock-on implications. Above all, the crisis has shown that our priorities of Inclusive Growth, Health and Wellbeing and tackling the Climate Emergency are the right ones.
- 5.2 We have produced a document setting out our approach to economic recovery in detail. The recent outbreaks across West Yorkshire highlight the continued risk of further shocks and we need to be vigilant to local pressures and the second wave of the virus, as well as any other disruption which may arise as we end the transition period with the European Union.
- 5.3 This is why we are proposing an approach to economic recovery rather than a plan, so we can adapt quickly whilst striving to build more resilience into our economy. The situation is very fast-moving and the continued uncertainty surrounding the overall impact of the crisis on the city's economy is also why we propose an approach rather than a plan whilst we understand further the full implications of coronavirus.

## **6. Recommendations**

- 6.1 Executive Board are requested to approve the proposed Leeds Economic Recovery Framework, which complements the Leeds Inclusive Growth Strategy and sets out our approach to recovery from the COVID-19 pandemic for the city of Leeds.
- 6.2 Executive Board are asked to note that the Framework will be used as the foundation to begin a conversation with partners and stakeholders on how to recover and build resilience into the Leeds economy moving forwards.
- 6.3 Note that the officer responsible for leading our economic recovery approach is the Director of City Development.

## **7. Background documents<sup>1</sup>**

- 7.1 There are no background documents.

## **8. Appendices**

- 8.1 'Leeds Economic Recovery Framework'.
- 8.2 Equality, Diversity, Cohesion and Integration (EDCI) document.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.