

# Kirklees Local Economic Recovery Plan 2020-2023

Consultation Draft

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## Foreword by Cllr Shabir Pandor, Leader Kirklees Council (to follow)

Summary: plan on a page (to follow)

# 1. Introduction

## An unprecedented global event

The Coronavirus has resulted in the worst global health pandemic in living memory, requiring a national emergency response unprecedented since the Second World War. Tragically, there have been 288 COVID-19-related deaths in Kirklees over the period to 5 June 2020, and new cases continue to be reported.

COVID19 has tested our emergency services, communities, businesses and our way of life to the very limit. Yet the way in which our health, social care and other key workers; our voluntary and community organisations and their volunteers; and our local businesses have come together in response has been truly astonishing. Together they have cared for our most vulnerable residents; kept schools and other frontline services open; provided free school meals and food parcels; and operated community hubs across Kirklees. The local response provides much on which we can build as we enter the next phase of living with COVID-19.

The global economic impacts of COVID-19 have also been unparalleled in recent history. We describe some of the impacts on the Kirklees economy in Appendix 1.

## A local Economic Recovery Plan

The Secretary of State for Housing, Communities and Local Government, in his statement on coronavirus on 6<sup>th</sup> May, said:

*“As we look ahead to supporting businesses as they are able to re-open, my department will lead our work on how our local economies can adapt, evolve, recover and grow. I will continue to support mayors and local government leaders, who will play critical roles in this work. Every local economy now needs a plan to re-start and recover.”*

The Kirklees Local Economic Recovery Plan (ERP) covers the period from 2020 to 2023 – the likely timeframe for the local economy to return to pre-COVID-19 levels of employment and output. It has been developed by the Kirklees Economic Recovery Partnership which includes key public, private and voluntary sector stakeholders.

The purpose of the ERP is to set out how the Council and other stakeholders – including our key private sector employers, the University of Huddersfield; Kirklees College; and voluntary and community sector organisations – can directly support the recovery. Together, these ‘anchor institutions’ have a vital role to play in leading recovery efforts through our investment, procurement and recruitment decisions and use of key property and other assets. By optimising the impact of our spending on the local economy, we hope businesses and other organisations in Kirklees will follow this example.

The Council will kick start recovery efforts by assembling a £40m *Economic Recovery Fund* through repurposing our Property Investment Fund and Start Up and Retention Fund and prioritising other capital investments that will directly support the recovery.

Building on this, we will continue to seek funding support from Government, the West Yorkshire Combined Authority/Leeds City Region LEP and other sources to deliver our recovery plans.

COVID-19 has thrown into sharp focus some of the wider challenges – and opportunities – that Kirklees faced before the pandemic. The need for *inclusive growth* - an economy in which everyone can participate and benefit from – is more acute than ever. Black and minority ethnic groups are more likely to be in less secure, low wage jobs that will be most at risk during the coming months, so *racial equality* must underpin every aspect of our approach.

Similarly, whilst there have been significant improvements in air quality during lockdown in air quality, the Climate Emergency remains a very real threat. The lockdown has resulted in a number of changes in how we commute/work, shop and live.

As we move to the ‘new normal’ of living with the virus for the foreseeable future, we will intensify efforts to encourage walking, cycling and other sustainable behaviours to avoid locking in carbon and resource consumption; and promote a low carbon recovery. Rather than merely return to the situation before the virus, our recovery planning presents a vital opportunity to ‘*build back better.*’

## Our Plan to Rebuild

Our plans to kick start the local economy are set firmly within the framework of the Government’s strategy for exiting the lockdown.

The Government published ‘Our Plan to Rebuild<sup>1</sup>’ on 13 May, setting out a three step approach. Step 1 has been implemented. Step 2, involving the phased re-opening of primary schools for some year

groups; staging live sports events behind closed doors; and re-opening open air markets and car showrooms commenced on 1 June, with further non-essential shops opening on 15 June. The re-opening of hospitality, leisure and personal services businesses took place on 4 July.

Achieving these milestones is dependent on ongoing assessment of the rate of COVID-19 infection (the ‘r’ rate); the scaling up of the Government’s test/trace/isolate capability and society’s continued willingness to adopt social distancing and related measures. Other factors likely to influence the economic recovery nationally and locally will include:

- the duration of the Government’s financial support package and in particular the impact of scaling back the furlough scheme
- whether some shifts in working and shopping practices lead to long-term/permanent changes in behaviour
- the rate at which public transport services can be safely scaled up to facilitate commuting
- public attitudes to revisiting town/city centres for leisure and shopping post-lockdown.

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<sup>1</sup> <https://www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy>

## 2. Objectives and themes

### Introduction

The Economic Recovery Plan builds on the priorities and actions developed through the Kirklees Economic Strategy (KES), adopted by the Council in 2019, which sets out a vision for the Kirklees economy that is:

- **Inclusive:** with every person realising their potential, through good jobs, and higher levels of skills, income and wellbeing.
- **Productive:** with innovative, outward and forward looking businesses; higher productivity supports good jobs and higher incomes.

The ERP also builds on the vision and shared outcomes set out in the Kirklees Corporate Plan for 2018/20, for Kirklees:

*“to be a district which combines a strong, sustainable economy with a great quality of life – leading to thriving communities, growing businesses, high prosperity and low inequality where people enjoy better health throughout their lives.”*

The vision is translated into eight outcomes which drive the work of the Council and its key public, private and voluntary sector partners:



### Aims of the Economic Recovery Plan

As detailed on page 1, the primary purpose of the ERP is to set out how the Council and other anchor institutions can directly support the economic recovery – through:

- our collective investment, procurement and recruitment decisions; use of key property and other assets;
- funding and support for business resilience and growth; and
- helping to mitigate the economic impacts of the virus on our most vulnerable residents.

The ERP will also

- be intelligence-led, driven by emerging evidence on local economic impacts and needs;
- integrate business and infrastructure investments with interventions to support vulnerable people and achieve inclusive growth; and,
- balance support for sectors with the potential to deliver growth during the recovery and those that need to strengthen their resilience.

### Recovery Plan themes

Building on our shared outcomes, the initiatives we will describe in the rest of this plan are grouped under the themes below:



In considering the economic and wider impacts of COVID-19 on Kirklees residents and businesses, stakeholders have identified four specific priorities for action which are emphasised throughout the remainder of the plan and

- the importance of a clear focus on *job creation* during the recovery period through enhanced support for the growth of our existing businesses; scaling up our business start-up programmes; a renewed focus on inward investment; and ensuring that our capital

projects and other procurement deliver more social value benefits for local businesses and residents;

- mitigating the economic impacts of the virus on the future learning, employment and progression prospects of *young people*; the recovery plan proposals include a Kirklees Youth Guarantee to address this challenge;
- tackling the *digital divide* between our most and least affluent communities and residents; the rapid shift to online working and learning and accessing services during the lockdown has exacerbated this issue; and,
- developing the role and contribution of the voluntary and community sector to each of the Recovery Plan themes, building on the effective, cross-sector partnership working which characterised the lockdown phase.

### Governance

This plan has been developed with the Kirklees Economic Recovery Partnership Group which includes representation from both large employers and SMEs; the University of Huddersfield; Kirklees College; the Department of Work and Pensions; key business representative organisations including the Mid Yorkshire Chamber of Commerce and Industry, the Federation of Small Businesses and Calderdale and West Yorkshire Manufacturing Alliance; and Third Sector Leaders, representing the Kirklees voluntary sector.

The Kirklees Inclusive Economy Group has been consulted on the draft ERP. The plan is also aligned with and complements the work of the Kirklees Tackling Poverty Group which will focus on optimising access to the benefits system, support for vulnerable families and communities and improving education standards.

The ERP has been developed in parallel with ongoing recovery planning led by the West Yorkshire Combined Authority and has both informed and been informed by this work. Whilst many interventions and best planned and delivered at local level, others will benefit from funding, economies of scale, geographical coverage or other advantages at city region level.

Implementation of the ERP will be overseen and guided by the Economic Recovery Partnership Group. Task and finish groups have been established to develop and implement discrete projects.

The Partnership Group will report progress on delivering the plan to the wider Kirklees Partnership.

### 3. Supporting business growth and enterprise

#### Overview

Kirklees is home to a diverse mix of businesses and social enterprises, with over 14,600 firms located in the district of which just under 84% are micro-businesses employing less than 10 people. At the other end of the scale, Kirklees has just 50 large employers with more than 250 staff, including Cummins, Thornton Ross, Syngenta and Wesco Aircraft.

Kirklees has a higher than average proportion of jobs in manufacturing (17.3% compared with just 8.1% for England as a whole) with the particularly high concentration of employment in textiles and engineering compared to the national average. Kirklees is also over-represented in wholesale and retail trade employment.

Prior to the virus, productivity remained a significant challenge for Kirklees businesses. GVA per head in Calderdale and Kirklees was just £18,827 in 2018 – just 64% of the England average.

The business stock in Kirklees increased by 24% between 2010 and 2019, less than the growth rate for England as a whole of 31% over the same period. Between 2015 and 2018 there were an average of 1,990 new business start-ups in Kirklees per annum; three year survival rates for start-ups match the England average.

#### The response to COVID-19

The Government put in place a wide ranging package of support for businesses following the imposition of the lockdown on March 23<sup>rd</sup>,

involving both grants, loans, business rates relief and payment holidays for VAT and income tax.

Nationally, 70% of businesses have furloughed some or all of their employees and over 970,000 firms have applied for Bounce Back or other loans from the British Business Bank, with a value of over £40bn. The recent Kirklees Business Survey highlighted that over 90% of local firms were impacted in some form by COVID-19; 51% had furloughed at least some staff; and 54% had only three months or less cashflow in reserve.

To date, Kirklees Council has made over 8,000 grant payments to local businesses with a value of over £90m – distributing one of the largest allocations of Government funding in the country. The Council has advised over 600 business on funding and other matters during the lockdown period, working closely alongside key partners including the Mid Yorkshire Chamber of Commerce and Industry, University of Huddersfield, Federation of Small Businesses and Leeds City Region LEP. The University has launched its Manufacturing Recovery Programme to help local manufacturers develop their resilience and unlock growth.

Encouragingly, developer interest in a number of the strategic employment sites across Kirklees (e.g. Moor Park 25, Interchange 26 and Lindley Moor East) continues to remain strong and the Council is managing a number of inward investment enquiries with the potential for significant job creation.

## Our proposals

As we move into 'living with COVID-19' we will shift our focus from business survival towards business resilience and growth. We will widen the sectoral focus of our business support activity, balancing support for high skilled/high innovation sectors (e.g. advanced manufacturing and engineering, med-tech, digital and creative) with those 'foundational' economic sectors with potential for sustainable job creation (e.g. health and social care, construction). We will also strengthen our support to develop the resilience and capacity of the voluntary and community sector in Kirklees.

We will:

- develop a new package of *grant support* for businesses and social enterprises with potential to deliver jobs growth, innovation and other social value outcomes, targeting both existing SMEs and inward investors; to be supported through the proposed Economic Recovery Fund, complementing existing support available through the LEP/WYCA
- working with key partners, scale up our support for *business start-ups and self-employment*, acknowledging that the recession may generate a significant increase both 'opportunity' and 'necessity' entrepreneurship; we will develop a major awareness raising campaign and link advice/support for start-ups with subsidised accommodation through our business centre network or town centre venues and a 'virtual office' offer
- *extend the reach of our business support offer* to a much wider client-base of SMEs by extending collaboration with the Mid

Yorkshire Chamber, FSB, University of Huddersfield and LCR LEP; this will ensure more businesses can access tailored advice and support to meet their needs and improve signposting and referral arrangements to ensure a 'no wrong door' approach

- extend the specialist support available for *social enterprises, co-operatives and other not-for-profit vehicles*, including those operating in key sectors including health and social care, to develop their resilience and support long-term, as part of wider support to develop voluntary and community sector capacity in Kirklees
- continue to implement measures to increase the proportion of the Council's procurement activity spent in Kirklees, including the proportion spent with local SMEs (see also section 7), and encouraging larger employers to develop local supply chains
- increase support for a range of 'Buy Local' initiatives like Totally Locally and Shop Appy to help local independent retailers and hospitality businesses during the critical re-opening phase following lockdown
- review access to finance and investment readiness support for businesses and social enterprises, including non-bank lending; to include testing the feasibility of a business mutual credit platform

## Key actions

	Intervention	Partners
Existing	Government financial support programmes inc. Small Business, Retail and Discretionary Grants	KC
	Awareness raising and signposting to above	KC/MYCCI/FSB/UoH
	Growth Manager advice/support (B2B firms only)	KC/LCR LEP
	Manufacturing Recovery Programme/Supply Chain	UoH/LCR LEP
	Ad:Venture start-up scheme	LCR LEP
	Business resilience	LCR LEP
	Chamber/FSB support for members	MYCCI/FSB
New	Grants programme targeting business growth/resilience and inward investment opportunities for key sectors, through Economic Recovery Fund	KC
	Business start-up programme including graduate start up	KC, Ad:Venture LCR LEP
	New business support concordat to improve signposting/referral and increase reach	MYCCI/FSB/UoH/LCR LEP
	Buy Local and other initiatives to support local businesses and increasing local online offer	BID
	Promotion of B2B mutual credit platform	KC

(Short-term/early phase projects highlighted in yellow)

## Success measures:

- Number of new business accounts/start-ups and survival rates
- Business confidence
- Productivity (GVA per head)
- Jobs created.

## 4. Supporting People: Skills & Employment

### Overview

Kirklees' diverse population has long been its most important economic asset. 20.9% of our residents were from a black or minority ethnic background in 2011, compared with 14.1% for England as a whole.

Our population grew more rapidly than that of Yorkshire and Humber as a whole between 2008-2018 and this trend is forecast to continue over the next 20 years, with particular increases in the number of younger children and adults aged 64 and over.

In recent years academic attainment for our young people at Key Stage 2 has been below the England average but the gap has narrowed by Key Stage 4; attainment at A level stage is consistently above the England average. Just 3.1% of young people in Kirklees were Not in Education, Employment or Training (NEET) in March 2020, well below the regional and national average, as a result of effective partnership working between schools, the Councils and our delivery partner C&K Careers.

In terms of the adult workforce, Kirklees has a lower proportion of residents aged 16-64 who are economically inactive (75%) than the regional (77.2%) or England (79%) averages and employment rates are also correspondingly lower. Kirklees occupational structure is under-represented in higher level skills occupations (managers/directors, professional occupations and associate professional/technical) than England as a whole; conversely it is over-represented in 'mid-level' skills occupations (administrative

and secretarial, skilled trades and caring, leisure and other service occupations).

Our adult population have lower skills levels than the England average. 9.4% of Kirklees adults (25,300) have no qualifications - more than the region (8.5%) and more than England (7.5%); qualifications lag the regional and national average at NVQ Levels 1 to 3. At Level 4, just 33.1% of residents have a degree level qualification or better, compared with 39% for England.

Low skill levels is one of the factors impacting on productivity and in turn wage levels. Gross weekly pay for Kirklees residents was just 89.6% of the England average in 2019; wages growth lagged that of England as a whole between 2015-2018.

18% of Kirklees households are workless - more than in the Region (16%) and England (14.3%). Unemployment, based on the ILO definition, has remained above the England some average but the gap has narrowed significantly since 2018; between January-December 2019 the Kirklees rate was 4.2% of those aged 16 and over and 3.9% for England. Appendix 1 presents further details of more recent changes in unemployment and Universal Credit claimants as a result of COVID-19.

### The response to COVID-19

The impact of the widespread closure of schools, the College and University during lockdown on the learning and progression of young people may take some years to fully evaluate.

During lockdown, the Council, Jobcentre Plus and its other partners have continued to provide support for both young people and adults to secure Apprenticeships, re-enter the labour market or re-engage with learning. Much of this support is focused on vulnerable residents with complex needs, and has had to shift online during this period.

### Our proposals

Although over 25% of the local workforce has been supported via the Government's furlough scheme, there are very real concerns about the potential impact of the recession on young people and the lowest paid, with women and BAME residents likely to be most affected. The capacity of employers to sustain Apprenticeships is also a significant risk.

The ERP will prioritise support for young people to remain in learning, access pre-Apprenticeships support, Apprenticeships or employment, with a particular focus on supporting care leavers or other vulnerable groups. Those adults who are furthest from the labour market or have multiple barriers to regaining work will continue to need support.

We will:

- implement a *Kirklees Youth Guarantee*, complementing any further Government initiatives that may be announced following publication of the ERP; the Youth Guarantee will support all 16-18 year olds retain access to full-time education, pre-apprenticeships support or Apprenticeships, and support 19-24 year olds into Apprenticeships or employment, through

the expansion of the *Employment Hub programme* delivered in partnership with Leeds City Region LEP and our delivery partners;

- develop a *Kirklees-wide Apprenticeship Strategy* to underpin support for employers to retain existing and recruit new Apprentices, underpinned by transfer of unallocated Apprenticeships Levy by the Council and our anchor institution partners to fund training costs and wage subsidy to incentivise employer take-up; to include piloting a Council-backed Apprenticeship Training Agency to support the construction and social care sectors
- scale up our *Works Better* programme and other employment and skills initiatives to continue to support adults furthest from the labour market to regain sustainable employment and secure progression in work, including an extended package of wage subsidy support for employers and utilising our tried and tested, community-based delivery model
- work with Jobcentre Plus, the National Careers Service and other partners to provide an integrated response including rapid online support for people who have been made redundant as a result of the pandemic but need less intensive support to re-enter and remain in work
- gear-up towards devolved commissioning and delivery of the Adult Education Budget from September 2021, optimising opportunities for training/re-training for the unemployed, progression towards Level 3 qualifications and community learning

- continue to deliver our community-based Adult and Community Learning and English for Speakers of Other Languages programmes to help re-engage residents in learning and develop progression towards work or other outcomes
- develop and implement a Digital Citizenship basic skills programme for adults, building on the Government Level 1 entitlement, to enable Kirklees residents to access services, shopping and other online opportunities.

### Success measures

- Local unemployment rate;
- Percentage of young people not in education, employment or training (NEET);
- Gross disposable household income;
- Female pay gap (Median female gross weekly pay as percentage of male pay)
- BAME pay gap.

### Key actions

	Intervention	Partners
Existing	Support for unemployed- Works Better/LEP Employment Hub	KC/LCR LEP
	Jobs brokerage	NCS
	IAG for young people (schools)	Schools/ C&K
	Skills Service (LEP)	College/ LCR LEP
	Apprenticeships (College and private providers)	
	Adult Education Budget activity	College/KC
	Project Search	KC/College
New	Kirklees Youth Guarantee – ensure 16-18 year olds retain access to full-time education, pre-Apprenticeships or Apprenticeship	KC/ LCR LEP/ VCS C&K/ employers
	Development of a Kirklees Apprenticeship Strategy; to include transfer of unspent Levy to support employers	KC/ College/ anchor institutions/ Employers
	Scale-up Employment & Skills support for furthest from labour market including through online delivery	KC/VCS
	Support other unemployed or furloughed employees	National Careers Service
	Gear up for devolved commissioning of Adult Education Budget	KC/College
	Accelerate digital citizen basic skills roll out	KC/College/VCS

## 5. Supporting our distinctive places

### Overview

The character of each part of Kirklees is defined by the distinctive local landscape and townscape (buildings, open spaces and trees) and the presence of historic buildings. Kirklees is a varied district which includes the open farmland of the Holme and Colne Valleys, Denby Dale and Kirkburton areas, the central urban area of Huddersfield and the towns of Dewsbury, Mirfield, Cleckheaton, Batley, Heckmondwike and Liversedge.

The Council's priorities for supporting the regeneration and growth of these communities, as set out in the adopted Local Plan, include:

- accelerating the regeneration of *Huddersfield Town Centre*; the Blueprint, adopted by the Council, details ambitious proposals to develop a modern, thriving town centre with a vibrant culture and leisure offer, enhanced public spaces and a new town centre living offer, focused on six key areas of the town and underpinned by capital investment by the Council and Future High Streets Fund
- transforming the role of *Dewsbury*, which lies at the heart of the strategic North Kirklees Growth Zone (NKGZ) which has the potential to serve the wider Leeds City Region as a location for housing and employment growth; the Dewsbury Blueprint, published in 2020, seeks to develop the role of the town centre through encouraging leisure, cultural and residential use alongside a consolidated retail offer
- supporting rural regeneration through support for development of our rural towns and villages
- developing *strategic employment sites* along the M62 Corridor and other key locations including at Whitehall Road, Lindley Moor East, Cleckheaton and Chidswell focused on attracting investment in manufacturing, engineering, logistics and other key sectors
- accelerating *housing growth* to deliver over 31,000 new homes over the period to 2031, including large sites at Bradley, Chidswell and Dewsbury Riverside, with the potential to deliver vital infrastructure and community facilities
- delivering *major infrastructure projects* to improve connectivity, reduce congestion and unlock growth including the TransPennine Upgrade project to provide faster rail journeys between Leeds and Manchester including station improvements; roll out of full fibre broadband by CityFibre and Fibre Nation; major highway schemes on the A629, A62 Leeds Road and at Cooper Bridge; and new bus interchanges in Huddersfield and Dewsbury supported through the *Transforming Cities Fund*

### The response to COVID-19

Following the dramatic decline in footfall in both Huddersfield and Dewsbury Town Centres following the lockdown, the Council, Huddersfield BID and other partners are undertaking a wide range of activity to support the safe re-opening of both centres, including:

- advice/support for retailers and other town centre businesses on how to re-open securely
- an enhanced street cleaning regime
- re-allocation of road space to allow social distancing and enable some cafe's/bars to utilise spaces for outdoor seating including temporary closures or widening of key town centre streets
- a public art programme to support public health messaging.

### Our proposals

We will review and where possible accelerate our major capital projects and other place-based initiatives to support the economic recovery and create a local economic stimulus. We will utilise funding from the Economic Recovery Fund and other capital programme commitments to leverage private investment, further investment from WYCA and Government programmes including the Future High Streets Fund (Huddersfield) and Towns Fund (Dewsbury).

We will:

- seek to accelerate key Blueprint projects, including St George's Quarter (building on the exciting catalyst of the recently announced National Rugby League Museum) and Southgate, and the Arcade in Dewsbury, utilising Council assets to kick start the regeneration process
- utilise other Council assets (town centres, libraries, business centres) to support start-ups and other 'meanwhile' uses on a

subsidised basis and support the regeneration of our major centres

- pilot town centre regeneration programmes in Batley, Cleckheaton and Holmfirth, working with key community and business partners to develop and implement proposals that will support the economic diversification and revitalisation of these communities through re-use of public assets, public realm improvements and other initiatives
- accelerating delivery of our major housing sites, including Dewsbury Riverside and other Council-owned sites, to support the contribution of the construction sector to the recovery
- working with Network Rail, the Transpire Alliance and other key partners to optimise the social value benefits of the TransPennine Upgrade, including the development of construction and engineering skills training facilities, Apprenticeships and local recruitment and supply chain opportunities.

### Success measures

- Average house prices;
- Resident satisfaction.
- Town centre vacant floorspace.

## Key actions

	Intervention	Partners
<b>Existing</b>	Existing WYCA/LTP highways and infrastructure schemes;	KC, WYCA
	TransPennine Upgrade;	Network Rail
	Ongoing town centre management activity.	KC, BID
	Social distancing measures for Huddersfield and Dewsbury town centres, including public spaces and public buildings;	KC,BID
<b>New</b>	Acceleration of key Blueprint projects – St Georges Quarter, Southgate, Dewsbury TBC inc FHSF/Towns Fund schemes	KC, private sector
	Use of Council assets (town centres, libraries, business centres) to support start-ups and meanwhile uses	KC
	Batley, Cleckheaton and Holmfirth regeneration programmes	KC, VCS, private sector
	Accelerate delivery of Council housing growth programme including social/affordable, self-build	KC, KNH, private sector

## 6. Environment: Build Back Greener

### Overview

The UK is seeing very real climate change, with the 10 warmest years all occurring since 2002 while over the last decade summers have been 13% wetter and winters 12% wetter and 2018 saw 10 named storms batter the UK. At the same time long-term exposure to poor air quality in the UK leads to an estimated 28,000 to 36,000 deaths per year.

In this context, Kirklees Council declared a Climate Emergency in 2019 and has proposed an ambitious programme of activity to address the emergency. This will require significant societal changes to how we all live and work, with an urgent need to dramatically reduce our emissions and to adapt locally to a changing climate.

Our vision is to make Kirklees completely carbon neutral by 2038. To do that we have already committed to setting a carbon budget, increasing the number of charging points for electric vehicles and increasing the number of electric vehicles within the Council's own fleet, planting more trees through the White Rose Forest Partnership and considering the environmental impact of all Council decisions. We are clear however that we must go further.

The COVID lockdown has demonstrated that previously unimaginable changes in air quality can be achieved rapidly. Another recent change is the significantly heightened interest in active leisure and travel as people sought to take advantage of quieter roads and to avoid public transport. The challenge as we

move to a 'new normal' is not to return to or even surpass the levels of poor air quality and carbon emissions experienced prior to COVID-19 or lock in carbon and resource inefficiency in our production practices and lifestyles.

Kirklees Council wishes to rise to this challenge and be a leader to achieve this change with our local partner organisations, businesses and residents with the help and support of the national government and regional partners and aligned to our corporate ambitions for People, Places and Partners.

### The response to COVID-19

As public health measures have been relaxed the Council has introduced a range of measures in our town centres that facilitate walking and cycling as well as promoting social distancing.

### Our proposals

The extent of support being provided to businesses and training that will occur as we rebuild from this crisis provides a once in a generation opportunity to make a step change in the sustainability of our local economy. We will:

- advance the work of the Kirklees White Rose Forest Group delivering reforestation and green streets; a Leeds City Region bid has been made for £25m from the Nature for Climate fund to support this work; as well as making a significant contribution to reducing emissions accelerating delivery of the White Rose Forest will create opportunities for walking and cycling, tourism and volunteering

- deliver on the Air Quality Strategy which includes major transportation schemes, redesigning and making new roads to move vehicles more efficiently, improve active travel and reduce emissions; and reducing emissions at existing junctions by improve technology on our traffic signals to prioritise certain vehicles and move vehicles through junctions in an efficient way;
- connect more Kirklees businesses to ReBiz and other resource efficiency support to achieve reduced emissions and generate business cost savings.
- promote the circular economy model to businesses, particularly within the manufacturing sector, returning Kirklees to the forefront of the Green revolution.
- accelerate implementation of the Huddersfield Heat Network to provide lower carbon and lower cost heat and power to businesses, partners and council premises in the town centre. The Network will provide a genuine economic boost to the town by cutting energy costs for partners that can connect and create high-skilled construction and maintenance jobs as well as making the town more resilient for the future
- include environmental sustainability requirements within the Council's Procurement Strategy ensuring we maximise the impact of the levers available to us;
- working with energy providers, Kirklees Neighbourhood Housing partners and private sector landlords, accelerate home energy efficiency retrofitting and renewable energy generation reducing fuel poverty and energy consumption and increasing resilience at both the household and community levels, whilst

creating significant local supply chain and employment opportunities;

- ensure that all skills interventions prepare residents with skills for 'Green' jobs providing a workforce ready for firms looking to adopt sustainable technologies and practices;
- seek to reallocate road space for walking and cycling to capitalise on shifts to active travel and leisure during the pandemic and reducing pressure on public transport services.

#### Success measures

- Proportion of journeys by car/walking/cycling
- Air quality measures (particulate matter measures)
- Reduced emissions
- Renewable energy production.

## Key actions

	Intervention	Partners
Existing	Kirklees White Rose Forest Group including reforestation and Green Streets;	KC, LCR LEP, Woodland Trust
	Air Quality Strategy including major road redesign schemes to increase efficient traffic flow and safer active travel as well as promotion of low emissions and electric vehicles;	KC
New	Ensure business support offer also achieves reduced emissions and better resource efficiency;	KC/LCR LEP
	Inclusion of environmental sustainability requirements within procurement strategy;	KC, anchor institutions
	Accelerate home energy efficiency retrofitting and renewable energy generation;	KC, KNH, private sector
	Reallocation of roadspace for walking and cycling;	KC
	Focus on providing residents with skills for 'Green' jobs through skills interventions;	KC, KNH, Kirklees College
	Promotion of circular economy model to businesses	KC/LCR LEP

## 7. Inclusive Economy

### Overview

The Kirklees Economic Strategy set out a vision for an inclusive and productive economy at the heart of the North a vision that is now more necessary and more urgent. We remain committed to building local wealth, creating an economy that is inclusive: with every person realising their potential, through good jobs, and higher levels of skills, income and wellbeing; and productive: with innovative, outward and forward looking businesses.

The 2019 English Index of deprivation placed 12% of Kirklees neighbourhoods within the 10% most deprived in England. While this is lowest proportion of any West Yorkshire district – varying from Wakefield and Calderdale at 16% and Bradford at 24% - it illustrates that the experience of deprivation within our district varies according to ethnicity, gender, age and geography.

It is well recognised that economic outcomes are a key driver of health and well-being with female life expectancy having fallen for women in the poorest areas in the last 10 years. Good Work – having a satisfying level of challenge, some say in how you do your work, feeling part of a team and of course pay and conditions – is also important with insecure employment and zero hours contracts resulting in increased stress.

Residents without access to or the skills or equipment to use the internet have suffered greater limitations and isolation as a result of public health restrictions. This has particularly been true of the education of children in low income families.

We also know that community businesses and local voluntary sector organisations play a key role in serving their communities and increasing community resilience as well as the VCS being responsible for around 4% of jobs.

### COVID-19 Response

The response to the COVID-19 pandemic has been characterised by local action by residents of our towns, villages and rural areas who have worked together through Mutual Aid Groups, in partnership with local third sector anchor organisations and the Council as well as other partners and local businesses.

The Council also more than doubled our ward members' budgets from £20,000 to £50,000. This has helped councillors address problems at a neighbourhood level with proactive support for food banks, meal deliveries to vulnerable people, direct support for residents in hardship, and support for the mutual aid groups. This money has supported our local economy.

### Our proposals

As we emerge from the COVID crisis the Kirklees Inclusive Economy Group will continue to drive improvements in the local economy seeking to ensure that residents from all communities have access to Good Work particularly for young people and school leavers particularly at risk from the impacts of this recession. Local community groups will have a key part to play in providing this support.

We will:

- develop a Procurement Strategy and Social Value Strategy that allows to scale up social value benefits of Council spend;
- continue to pursue the transfer of Council assets to community organisations allowing local communities to take greater control of the spaces and services that shape their local area while permitting sub-letting to community businesses;
- develop a programme of support for alternative business models including social enterprises (e.g. Community Interest Companies) and co-operatives, raising awareness of these options in our business support offer and with professional services providers, as these are recognised to provide inclusive jobs and enhance community resilience;
- develop a Good Work Charter that sets out the minimum employment standards that we aspire to for residents of Kirklees and work with our anchor institution partners to implement it;
- ensure all residents have access to affordable, high quality broadband and the skills to use it so no one is prevented from working from home by digital infrastructure and no child is excluded from online learning.

## Key Actions

	Intervention	Partners
Existing	Seeking to increase social value benefits (e.g. local recruitment) and local spend through Council procurement	KC/Anchor Institutions
	Asset transfers to community organisations permitting letting to community businesses	KC/VCS
New	Social enterprise and co-operative support programme;	KC/VCS
	Development of a Good Work Charter	KC/Anchor Institutions/VCS
	Ensure broadband and data affordability	KC/telecoms providers

## Success Measures

- Total social value achieved (Council and system wide)
- Percentage of Kirklees Council procurement budget spent within local economy
- Percentage of workers in secure work
- Percentage of residents with 1 Gb broadband coverage.

## Appendix 1: The economic impact of the virus in Kirklees

### Introduction

Economic forecasts by the Organisation for Economic Cooperation and Development (OECD), Bank of England and other institutions all indicate that lockdown will result in the largest global economic shock since the Second World War. OECD forecast that the UK may see Gross Domestic Product (GDP) fall by at least 11.5% this year - more than any other developed country<sup>2</sup>; monthly falls of 5.8% (March) and 20.4% (April) have already been recorded by ONS.

In this context it is widely acknowledged that the UK economy will fall into recession later in summer 2020 following two consecutive quarters of contraction in GDP. Whilst some hope of a rapid return to economic growth remains, many commentators accept that a long, slow climb out of recession is much more likely.

The Office for Budget Reform and others forecast that unemployment will increase by at least 2 million during 2020, from 4% to 10% of the working age population. The occurrence of a 'second wave' of COVID-19 infection would also have significant economic as well as health consequences.

### Local economic impacts

The speed at which the pandemic has impacted on the economy and the Government's unprecedented financial response to the

crisis make it difficult to fully quantify the local economic impact of the virus at this stage.

A wide range of research and analysis has sought to predict the likely impact of the virus on local/city-regional economies and to identify the factors which make areas more vulnerable/less resilient. Analysis by the Leeds City Region LEP suggests that just under 17% of employees in Kirklees work in industries most directly affected by the lockdown, matching the England average<sup>3</sup>. Similarly, the Centre for Cities<sup>4</sup> recently ranked Huddersfield in the least impacted 1/3<sup>rd</sup> of the 63 largest UK cities and large towns that it monitors on an ongoing basis.

On a less positive note, the Centre for Progressive Policy<sup>5</sup> (CPP) forecasts that *economic output* (Gross Value Added, or GVA) in Kirklees may decline by up to 41% during q2 2020, making our area the 66<sup>th</sup> most impacted of 382 English local authority areas and the 2<sup>nd</sup> in Yorkshire and the Humber. Other local economic headlines to date include:

- 50,400 Kirklees workers had been furloughed by the end of May 2020, representing just under 25% of Kirklees residents in employment (just below the UK average of 27%)
- some 14,200 self-employed residents of Kirklees had received support through the Government's Self-Employment Income

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<sup>2</sup> <http://www.oecd.org/economic-outlook/>

<sup>3</sup> Leeds City Region COVID-19 Monitor April 16 2020

<sup>4</sup> <https://www.centreforcities.org/blog/what-does-the-covid-19-crisis-mean-for-the-economies-of-british-cities-and-large-towns/>

<sup>5</sup> <https://www.progressive-policy.net/publications/which-local-authorities-face-biggest-immediate-economic-hit>

Support Scheme by the end of May, representing just under 50% of those eligible to receive support compared with UK take-up of 70%.

- the claimant count for Kirklees (the number of people claiming Universal Credit and other out of work benefits because they are unemployed) increased from 10,225 at the end of March 2020 to 18,870 by the end of May, representing an increase of almost 85%; in comparison, during the financial crisis of 2008/9 there was a 72% increase in the number of residents on out of work benefits.
- youth unemployment in Kirklees stood at 3,910 or 10.4% of the population aged 18-24 (cf England 8.9%) in May 2020, 900 higher than in April and over 2,000 higher than in May 2019.
- to date no large scale redundancies have been announced by larger employers in Kirklees although the Council continues to monitor the position closely.
- the number of live vacancies posted on recruitment websites in Leeds City Region is over 60% lower than pre-crisis levels.
- town centre footfall in Huddersfield and Dewsbury fell to just 25% of normal levels.

Analysis<sup>6</sup> suggests that groups at particular risk in this recession are likely to be young people and the lowest paid, with women more adversely affected than men. Other research<sup>7</sup> has highlighted the potential impact of the recession on the employment prospects and wages of those young people leaving education during this period, based on evidence from the previous recession. BAME

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6 <https://www.ifs.org.uk/publications/14791>

residents have been disproportionately affected by COVID-19 due to socio-economic risk factors – and those in low paid, less secure jobs are also likely to be severely impacted during the anticipated recession.

It will take some months for a full picture of the economic impact of the virus on Kirklees to emerge. The scaling back of the Government's furlough scheme, in August 2020, is likely to result in a further, significant increase in redundancies as employers are required to contribute to the scheme.

The Council will continue to assemble data and evidence on the economic effects of COVID-19 and this will inform our recovery plans. We will continue to publish this information on the Kirklees Data Observatory.

7 <https://www.resolutionfoundation.org/app/uploads/2020/05/Class-of-2020.pdf>