

Local Enterprise Partnership

01 July 2021

State of the Economy

Is the paper exempt from the press and public?	No
Purpose of this report:	Discussion
Funding Stream:	Not applicable
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

Ruth Adams, Deputy Chief Executive

Report Author(s):

Felix Kumi-Ampofo

Felix.kumi-ampofo@sheffieldcityregion.org.uk

Executive Summary:

The South Yorkshire economy has continued to bounce back from the turbulence brought on by the Covid pandemic, but the full impact and enduring effects are still not yet well understood. Many of those who were disadvantaged prior to the pandemic have been even more impacted. However, other sectors have seen opportunities to innovate and grow, particularly those engaged in digital services.

What does this mean for businesses, people and places in South Yorkshire?

The full economic and social effects of the pandemic are still unfolding. The Board presentation and discussion should enable the LEP and MCA refine its focus and target interventions as these continue to be developed.

Recommendations:

That the board discusses the key issues raised by the presentation and considers what actions may be necessary to grow an economy that works for everyone.

Consideration by any other Board, Committee, Assurance or Advisory Panel

1. Background

- 1.1 The Board has played a critical role throughout the pandemic. The Renewal Action Plan completed last summer, has shaped interventions, and provided a focus for how the South Yorkshire economy recovers and flourishes.
- 1.2 The Covid 19 pandemic has ushered in a restructuring of the UK and global economy in a way and at a pace not seen for several decades. In many respects, several trends that were already underway have been accelerated. Many new behavioural and service delivery patterns people have become used to over the last fifteen months, may evolve further to shape the way residents, businesses and places interact for decades to come.
- 1.3 At the meeting, a presentation will be provided which will set out the state of the South Yorkshire economy. This will be set within the UK and global context and will show how the component parts of the region have performed, and what view of what may lie ahead. This cover paper provides the context for the presentation and discussion during the meeting.

2. Key Issues

- 2.1 The Covid pandemic precipitated an economic downturn unlike any seen in living memory. The sectors that have borne the brunt of this crash have been the ones that rely on “people-facing” activities like high street retail, hospitality, leisure, and entertainment. This is unlike the last recession which focused, at least initially, on financial and related services.
- 2.2 In South Yorkshire the impact has been varied. The nature of the economy is such that the area has fewer jobs can be done remotely. The most heavily impacted sectors listed above make up a smaller share of the economy, compared to many other areas. Fewer people have been furloughed, as a result.
- 2.3 And yet the impact has been deeply felt across the region. Sadly, groups in society who were previously disadvantaged for one reason or another, have been even more severely hit. These include, ethnic minority groups, women, young people in education or training or transitioning into work and those with additional/special needs.
- 2.4 Some trends that were underway prior to the pandemic have been hastened, chief amongst which is online retail and service delivery. It is too early to know what the eventual impact of this will be. But there have been many opportunities too, as there always is during an economic restructuring. The region’s strengths and leadership in EdTech is one example of where growth is coming from as remote learning has had to be rolled out universally.
- 2.5 Commuting patterns have changed and even though there is some movement back towards pre-pandemic trends and levels, initial evidence suggests a more profound and enduring shift is likely.

Similarly, the importance of principal towns and villages, as more people spend more time in residential areas, has come to the fore. This makes it even more imperative for South Yorkshire to have an integrated, effective, and cost-efficient transport system which moves people when they need to do so, safely, and quickly.

The natural environment has assumed even greater importance as people have sought leisure opportunities closer to home.

- 2.6 The fundamental challenges identified as part of the SEP process and which formed the basis of the agreed strategy remain and the approaches and interventions set out retain their validity. For example, the need to focus on and invest to build a stronger eco system for businesses to start, flourish and scale-up has not gone away or diminished. Likewise, the need to proactively nurture talent and equip people with the skills needed to contribute to and benefit from prosperity.

Finally, there is an even greater urgency now to invest in the digital and physical infrastructure which will facilitate and accelerate growth and help reduce inequality.

3. Options Considered and Recommended Proposal

- 3.1 An options assessment is not applicable to this paper. The conclusions from the discussion that ensues, and the actions that arise, if there are any, will be considered in greater detail. An options assessment may then be worthwhile at that stage.

3.2 Option 1 Risks and Mitigations

Not applicable at this stage

3.3 Recommended Option

Not applicable

4. Consultation on Proposal

- 4.1 Not applicable

5. Timetable and Accountability for Implementing this Decision:

- 5.1 Not applicable

6. Financial and Procurement Implications and Advice

- 6.1 Not applicable

7. Legal Implications and Advice

- 7.1 Not applicable

8. Human Resources Implications and Advice

- 8.1 Not applicable

9. Equality and Diversity Implications and Advice

9.1 Not applicable

10. Climate Change Implications and Advice

10.1 Not applicable

11. Information and Communication Technology Implications and Advice

11.1 Not applicable

12. Communications and Marketing Implications and Advice.

12.1 Not applicable

List of Appendices Included

None

Background Papers:

None