

# LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD

MEETING TO BE HELD AT 1.00 PM ON TUESDAY, 14 JULY 2020  
DUE TO COVID-19, THIS MEETING WILL BE HELD REMOTELY AND  
WILL BE LIVESTREAMED HERE:  
[HTTPS://WWW.YOUTUBE.COM/CHANNEL/UCAZJNSGPQZZT41VIBN2  
ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWSER)

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## A G E N D A

**1. APOLOGIES FOR ABSENCE**

**2. DECLARATIONS OF INTEREST**

In accordance with the requirements of the LEP Board Members' Code of Conduct, members have an obligation to review their register of interests before each meeting and to declare any interests.

If an interest has not been entered onto the LEP's register, then members must disclose the interest at any meeting at which they are present and where they have a disclosable interest in any matter being considered and where the matter is not a sensitive interest.

**3. EXCLUSION OF THE PRESS AND PUBLIC**

**4. MINUTES OF THE MEETING HELD ON 10 JUNE 2020**

(Pages 1 - 8)

**5. ECONOMIC REPORTING**

(Led by: Alan Reiss, Author: James Hopton)

(Pages 9 - 20)

**6. COVID-19 - ECONOMIC RECOVERY PLAN**

(Led by: Alan Reiss, Author: Alex Clarke)

(Pages 21 - 28)

**7. PANEL AND COMMITTEE REPORTS**

**(a) EMPLOYMENT AND SKILLS PANEL**

(Led by: Rashik Parmar)

(Pages 29 - 34)

**(b) GREEN ECONOMY PANEL**

(Led by: Simon Pringle)  
(Pages 35 - 36)

**(c) INCLUSIVE GROWTH & PUBLIC POLICY PANEL**

(Led by: Cllr S Pandor)  
(Pages 37 - 40)

**(d) LEP CAPITAL PROGRAMME (INVESTMENT COMMITTEE)**

(Led by: Melanie Corcoran)  
(Pages 41 - 48)

**8. DIGITAL BOARD**

(Led by: Alan Reiss, Author: Sarah Bowes)  
(Pages 49 - 60)

**9. FUTURE APPROACH TO COMMERCIAL INVESTMENT**

(Led by: Brian Archer, Author: Henry Rigg)  
(Pages 61 - 64)

**For Information**

**10. MINUTES OF THE MEETING OF THE COMBINED AUTHORITY  
HELD ON 21 MAY 2020**

(Pages 65 - 70)

**11. DATE OF NEXT MEETING**

The next meeting will be held on 3 September 2020 at 12.00 pm followed by the Awayday.



## MINUTES OF THE MEETING OF THE LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD HELD REMOTELY ON WEDNESDAY, 10 JUNE 2020

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### **Present:**

Roger Marsh OBE DL (Chair)	Leeds City Region Enterprise Partnership
Prof Shirley Congdon	Higher Education
Helen Featherstone	Culture
Kate Hainsworth	Leeds Community Foundation
Amir Hussain	Yeme Architects
Rashik Parmar MBE	IBM Academy of Technology (Chair, Employment & Skills Panel)
Professor Simon Pringle	Project Rome
Kamran Rashid	Third Sector
Mandy Ridyard	Produmax Ltd
Mark Roberts (Deputy Chair)	Beer Hawk Ltd
Joanna Robinson	Infrastructure
Kully Thiarai	Culture
Andrew Wright	A W Hainsworth Ltd (Chair, Business Innovation & Growth Panel)
Councillor Susan Hinchcliffe	Bradford Council
Councillor Shabir Pandor	Kirklees Council
Councillor Tim Swift MBE	Calderdale Council

### **In attendance:**

Councillor Andy D'Agorne	York Council
Ben Still	LEP/West Yorkshire Combined Authority
Brian Archer	LEP/West Yorkshire Combined Authority
Caroline Allen	LEP/West Yorkshire Combined Authority
Melanie Corcoran	LEP/West Yorkshire Combined Authority
Alan Reiss	LEP/West Yorkshire Combined Authority
Angela Taylor	LEP/West Yorkshire Combined Authority
James Hopton	LEP/West Yorkshire Combined Authority
Ian Smyth	LEP/West Yorkshire Combined Authority
Jacqui Warren	LEP/West Yorkshire Combined Authority
Julie Haigh	LEP/West Yorkshire Combined Authority
Ruth Chaplin	LEP/West Yorkshire Combined Authority

### **1. Opening Remarks**

The Chair opened the meeting which was the first formal meeting of the LEP Board since February, and the first of the LEP Board meetings to be carried out remotely using Zoom technology.

Members had been sent a copy of a protocol clarifying how the LEP's Procedure Rules apply to a remote meeting and set out some guidance on the formalities of how the meeting would be managed. Members would be given the opportunity to speak and their views would be sought on each item. The meeting was also being livestreamed to allow the public to view the meeting.

The increase in prominence of the Black Lives Matter movement was discussed and the Board welcomed the steps the Combined Authority is taking to reduce racial inequality in the organisation and the wider region.

## **2. Apologies for Absence**

Apologies for absence were received from Councillors Judith Blake, Denise Jeffery and Keith Aspden and Tom Riordan.

## **3. Declarations of Interest**

In accordance with the requirements of the LEP Board Members' Code of Conduct, Members were reminded of their obligations to review their individual register of interests before each LEP Board meeting and to declare any interests.

Helen Featherstone declared an other interest in respect of agenda item 7, COVID-19, and advised that YSP had benefitted from the rate relief grants from Wakefield Council but would not be seeking any additional grants or loans.

## **4. Exclusion of the Press and Public**

There were no items on the agenda requiring the exclusion of the press and public.

## **5. Minutes of the meeting held on 25 February 2020**

**Resolved:** That the minutes of the meeting held on 25 February 2020 be approved.

## **6. Notes of the Conference Call held on 1 April 2020**

**Resolved:** That the notes of the conference call held on 1 April 2020 be approved.

## **7. Economic Reporting**

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on the latest activity and business intelligence around understanding the impact of COVID-19.

Members discussed the latest developments which were outlined in the report and the weekly Leeds City Region COVID-19 Monitor attached at Appendix 1.

This primarily focussed on the economic impacts and was compiled using a number of official and unofficial data sources to present the latest intelligence.

Work was ongoing to understand the current and potential future impacts in more detail and opportunities for future developments that can enhance the resilience of the economy and provide growth potential were being explored. This included work to understand the challenges for people returning to work.

**Resolved:** That the report be noted.

## **8. COVID-19**

The Board considered a report of the Director of Economic Services on COVID-19.

Members considered the continued delivery and development of products and services in response to COVID-19. They discussed the challenges facing the region and the response work and recovery planning which is being overseen by the West Yorkshire Economic Recovery Board. Work had commenced with partners to create a regional economic recovery plan which will be kept under review as further information, intelligence and decision making occurs. This would also need to complement the plans developed by local authorities.

It was noted that regular meetings were also being held between the four Yorkshire and Humber LEP Chairs and representatives of all the major banks in the region.

Members highlighted and discussed the problems being faced by all sectors. In noting the summary of support and products being provided to businesses, it was acknowledged that funding had not yet been identified for the development of recovery related products and difficult decisions on priorities will need to be made. The products being considered focussed on advice and funding for business recovery. This included support for businesses to innovate and diversify, to build digital capacity to enable effective remote-working and more support for pre-start and start-up firms. The importance of maintaining skills and supporting the younger age group who will be badly affected by the cuts in all sectors was also highlighted.

In noting the transport update, it was reported that emergency funding for bus services was in place until August and for rail, until September. Discussions are being held with the Department for Transport seeking clarity of further funding and investment. Councillor Blake and the Metro Mayors had written to the Secretary of State recommending that all public sector funding for buses be directed through local transport authorities including the Combined Authority. The need to lobby support for the aerospace industry was also highlighted as this not only provided connectivity to the North but also employment including high paid roles and apprenticeships in the region.

The Authority noted the update in respect of the impact of COVID-19 on the organisation and the detailed work being undertaken to consider the financial

impacts of the pandemic on the Combined Authority. Forecasts and options are to be considered by a meeting of the Budget Working Group and a report will be taken to the next meeting of the Governance and Audit Committee.

**Resolved:**

- (i) That the progress on the delivery and development of products and services in response to the COVID-19 crisis be noted.
- (ii) That the position with regard to the impact of COVID-19 on the bus industry and organisation be noted.

**9. Panel and Committee Reports**

The Board discussed and noted the Panel reports which were presented for information. It was reported that several new panel members had been appointed following the recent recruitment exercise and they had been welcomed by the Panel Chairs at their meetings.

Members noted the significant areas of activity outlined in the Business Innovation and Growth Panel update, particularly in respect of the role of innovation in supporting both the clean growth agenda and the region's economic recovery. A Digital Board meeting had been held and a report setting out the challenges and opportunities would be brought to the next meeting. The importance of digital inclusion was highlighted as large numbers of the workforce were now focussing on remote working and it was considered that implementation of the MIT REAP work across the wider city region would be beneficial. Other areas of work included the preparations for the soft launch of the Connecting Innovation Programme and West Yorkshire Innovation Network and the report also provided an update on the Productivity Pilot, the Strategic Business Growth project and trade and investment activities.

The Employment & Skills Panel had met on 4 March 2020 and a workshop held in April following the agreement of a devolution deal for West Yorkshire. The deal had included the devolution of the Adult Education Budget (AEB) which would provide additional funding of £63 million per annum subject to meeting readiness conditions. It was noted that apprenticeship starts had suffered because of the pandemic and this was a national issue which needed to be addressed by Government. The Board discussed the Levy Transfer support provided and it was reported that the issue of apprenticeships and internships had been raised at a recent meeting between Universities UK and the Secretary of State for Education.

It was noted that due to COVID-19, the meetings of the Green Economy Panel and Place Panel had been cancelled. However informal virtual meetings had been held to ensure the Panel members were up to date on the activities underway relating to tackling the climate emergency and devolution and the Panel Chairs outlined how the work was progressing.

The Inclusive Growth and Public Policy Panel had held a workshop in February

and the report provided an update on the progress made in developing the draft Strategy Inclusive Growth Framework. It was recognised that inclusive growth is a key priority for the West Yorkshire Economic Recovery Strategy and the Board discussed the Inclusive Growth Framework which will be reviewed to consider what changes are necessary in light of COVID-19. Members considered this work should be prioritised and would welcome the opportunity for a wider discussion on this important issue.

In respect of the LEP Capital Programme (Investment Committee) update, the Board noted the current impact of the COVID-19 pandemic on the implementation of the programme. The report provided details of the year end performance of the LEP capital programme and outlined the position as at the end of 2019/20 and Table 1 summarised total expenditure on the LEP capital programme in 2019/20 against the revised forecast. The issues for 2020/21, which is the final year of the Growth Deal programme, were noted. All underspend on the Growth Deal programme will be carried forward to 2020/21 which was a significant sum particularly as the issues around the COVID-19 pandemic were affecting capital spend.

Details of the payment of the 2020/21 allocation was outlined in the report. The Growth Deal dashboard was attached at Appendix 1 and this showed the forecast spend for 2020/21. The Board thanked officers for their work on the growth deal programme over the last 5 years.

The Panel Chairs were thanked for their updates.

**Resolved:** That the Panel reports be noted.

## 10. Governance Report

The Board considered a report of the Director of Corporate Services on governance arrangements which:

- Provided the LEP Board with a final update on the process to seek new private sector members for the Combined Authority's advisory panels.
- Sought agreement to recommend to the Combined Authority, the proposals outlined in Appendix 1 in respect of private sector membership of the advisory panels.
- Sought approval to extend both the Board and advisory Panel terms of office of Amir Hussain.

It was reported that all discussions and appointments panels had now been completed and a full and final reflection of the private sector membership for each advisory Panel was provided at Appendix 1. The LEP Board endorsed the proposals and the Combined Authority will be asked to approve the following recommendations at their next meeting:

- To nominate Stephen Barker to the Business Innovation & Growth Panel for a term of office to 30 June 2023, with a further three year option.

- To nominate Claire Paxman to the Employment & Skills Panel for a term of office to 30 June 2023, with a further three year option.

In addition it was agreed that Amir Hussain's LEP Board term of office be extended for a further three years to 30 June 2023.

**Resolved:**

- (i) That the LEP Board recommend to the Combined Authority the nomination of Stephen Barker to the Business Innovation & Growth Panel and Claire Paxman to the Employment & Skills Panel.
- (ii) That Amir Hussain's term of office be extended for a further three years to 30 June 2023.

**11. Developing a LEP-wide response to Tackling the Climate Emergency**

The Board considered a report of the Director of Policy, Strategy and Communication on the development of a LEP-wide response to tackling the climate emergency.

It was acknowledged that whilst the final impact of COVID-19 on the Leeds City Region would not be known for some time, the challenge for the city region to become net zero carbon by 2038 remained the same. It was however acknowledged that target dates to become net zero carbon did vary across different geographies and that Transport for the North's target was 2050 which Members considered should be more ambitious and aligned with the Leeds City Region's target of 2038.

Members discussed the ongoing work to tackle the climate emergency and the scale of the challenge which was outlined in Appendix 1. The report detailed a proposed approach to ensure the LEP and its advisory panels develop responses to tackling the climate emergency. A carbon emission reduction pathway study has been commissioned in order to help the Leeds City Region understand how to meet its 2038 target and the study will outline possible decarbonisation pathways for all major sectors within the city region.

It was recognised that all the advisory panels play a key role in tackling the climate emergency and they should be given the opportunity to input into the development of a preferred pathway. The draft approach and suggested action areas for each Panel to consider were endorsed and these were listed in Appendix 2. It was noted that the list is not exhaustive, and the Panel Chairs were asked to highlight where there were any gaps. It was also suggested that the Business Communications Group be active in raising awareness in the business community, particularly within the SME environment. It was proposed that Simon Pringle arrange an online session for any LEP Board member who would like further information about the background, ongoing work and the challenges being faced in tackling the climate emergency. It was also agreed that each Panel nominates a 'climate champion/advocate' to be responsible for ensuring that tackling the climate emergency is fully considered in all decisions



and new opportunities are considered and implemented where appropriate.

The Board noted the work of the Zero Emission Transport Working Group which comprised of members of the Combined Authority's Transport Committee and Green Economy Panel. The working group are inputting into the development of the emission reduction pathways work and will review the initial results. They will oversee the decarbonisation of the transport sector and provide regular updates to the Transport Committee and Green Economy Panel.

It was noted that this will be a continuing topic area and there will be significant financial implications due to the scale of the tackling the climate emergency.

**Resolved:**

- (i) That the importance of the Emissions Pathways study in determining how the City Region can meet its net zero carbon ambitions by 2038 be noted.
- (ii) That the LEP Board endorses all panels playing a significant role in tackling the climate emergency and that they be asked to consider the contents of the submitted report and other opportunities and outline, within the next six months, what they will explore/influence.
- (iii) That the creation of climate champions/advocates for all Panels be endorsed.

**12. Corporate Performance**

The Board considered a report of the Director of Corporate Services which provided an update on a range of corporate and governance matters.

Members noted the summary provided in Appendix 1 of the progress in respect of the 2019/20 Corporate Plan and LEP Annual Delivery Plan. This also included the headline strategic risks which highlighted the impacts of COVID-19 in respect of the financial implications, the ongoing ability to deliver as intended against key corporate objectives and the delivery of frontline and business as usual services.

There is a requirement to produce an annual LEP financial statement and these figures will be used to complete the 2020/21 LEP Annual Delivery Plan. Work has been ongoing to finalise the LEP Annual Delivery Plan and Review document and final approval will be provided by the Chair of the LEP Board and the Managing Director. It was noted that draft annual accounts for 2019/20 have been published pre-audit and it was intended that the final accounts be approved by the Governance & Audit Committee on 30 July 2020. The pre-audit LEP financial statement was attached at Appendix 2 and this will be finalised at the conclusion of the audit.

In respect of internal audit, it was reported that no audit assignments

specifically on LEP activities have been completed since the last meeting. A copy of the draft 2020/21 Audit Plan which was agreed by the Governance & Audit Committee was attached at Appendix 3.

**Resolved:** That the report and draft LEP financial statement be noted.

**13. Calendar of Meetings 2020/21**

The Board considered a report of the Director of Corporate Services on the proposed calendar of meetings for the LEP Board for 2020/21 and the dates for panels appointed by the West Yorkshire Combined Authority (Combined Authority) which report to the LEP Board and other committees.

**Resolved:** That the calendar of meetings proposed for the LEP Board for 2020/21 as detailed in Appendix 1 of the submitted report be approved.

**14. Minutes of the meeting of the Combined Authority held on 6 February 2020**

**Resolved:** That the minutes of the West Yorkshire Combined Authority held on 6 February 2020 be noted.

**15. Minutes of the meeting of the Combined Authority held on 16 April 2020**

**Resolved:** That the minutes of the West Yorkshire Combined Authority held on 16 April 2020 be noted.

**16. Date of Next Meeting**

The next meeting of the LEP Board will be held at 1 pm on Tuesday 14 July 2020.

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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 14 July 2020

**Subject:** **Economic Reporting**

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**Director:** Alan Reiss, Director of Policy, Strategy and Communications

**Author:** James Hopton

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## **Purpose of this report**

1.1 To provide an update on the latest economic and business intelligence for the Board, and to update the Board on the latest activity and intelligence around understanding the impact of COVID-19 since the Board's June meeting.

## **2. Information**

### Recent local developments

- 2.1 Further data released since the Board's last meeting updates the employment impacts of Covid-19. West Yorkshire's claimant count increased by 18,900 (22%) according to data from DWP, whilst the wider Leeds City Region saw a 22,000 (20%) increase in claimants in May, compared with April. Nationally, there was growth of 512,500 (29%). Comparing May 2020 with the pre-lockdown period in March 2020 the number of claimants has increased by 63,100 (94%) in Leeds City Region and by 49,600 (87%) across West Yorkshire. The national average increase was 114%.
- 2.2 This means there are now 129,900 claimants in Leeds City Region and 106,700 claimants in West Yorkshire, compared with March figures of 66,800 and 57,100 respectively.
- 2.3 HMRC have published data on the take up of the Coronavirus Job Retention Scheme at the local level for the first time. At the end of May, the total number of employments supported through furlough was 256,000 in West Yorkshire and 344,000 in Leeds City Region. In both cases this is equivalent to around 28% of employees, a similar proportion to the national average, with little variation across districts.
- 2.4 Results from the Quarterly Economic Survey (QES), conducted in partnership with the Chambers of Commerce in Leeds City Region, shows reductions in activity on all key measures on the survey in Quarter 2 2020. The services net balance for domestic sales dropped 95 points to -60%, far exceeding the low of -26 reached during 2008 (a reading below zero indicates contraction).

- 2.5 Companies also reported a significant worsening of their cash flow situation over the past three months. More companies report decreasing employee numbers than increasing for the first time since 2008/9. However, the majority of firms reported no change in employment, suggesting that the furlough scheme is enabling companies to retain staff for the time being at least.
- 2.6 Both local and national data shows some signs that results for May and June are less negative than for April, as more of the economy has begun to reopen. However, in almost all cases, activity remains significantly below pre-lockdown levels.
- 2.7 Nationally, retail sales increased by 12% in May 2020, but were still down by 13% compared to February. Meanwhile the decline in manufacturing activity also stopped in June, according to the Markit/CIPS PMI survey, which showed activity in the sector broadly flat (though at a substantially reduced level compared to February).
- 2.8 Locally, the number of new business bank accounts opened in May increased by 110% to 719 in West Yorkshire, compared to April 2020. There was a 91% increase across England. This data is used as a proxy for start-up activity and suggests new business activity showed some signs of rebounding from April's historic lows. However, the number of new accounts remains 32% below May 2019 levels in Leeds City Region, and 33% lower in West Yorkshire.
- 2.9 The number of live vacancy postings has shown modest recovery in recent weeks with the number of vacancies in West Yorkshire, up around 8% in the week to 21 June, compared to the previous week. However, this remains around 59% lower than pre-crisis levels. It is estimated that there are 10 vacancy postings per unemployed claimant in West Yorkshire compared to a UK average of around 7 (reflecting the number of jobless people competing for each vacancy).
- 2.10 Although local anecdotal evidence confirms that many businesses are returning to operations as lockdown eases, national surveys suggest that this is a relatively slow process. Data from the Office for National Statistics' Business Impacts of Coronavirus Survey suggests that 84% of businesses nationally were trading by the end of May. Overall, 79% had been trading for longer than two weeks and only 5% had opened in the past two weeks. A similar proportion expected to be open by mid-June. 11% would not be seeking to open in that time frame, although this increases to 65% in the Arts and Entertainment sector, and 49.5% in Hospitality.
- 2.11 According to the same survey, on average only 6.1% of staff were returning from furlough and 2.3% were returning from remote working by the end of May.
- 2.12 Clearly these data do not yet reflect the reopening of non-essential retail from 15 June and of the hospitality sector from 4 July. There is, however, evidence of an upturn in activity on the transport network, with a 12% increase in footfall

through Leeds Station and a 6% increase in MCard and concessionary pass usage in the week commencing 22 June.

- 2.13 The QES also provides insight into the measures businesses in the City Region are taking to adapt to COVID-19 as they reopen. More than 4 in 5 firms have or are planning to implement social distancing for staff (85%) and/or enable remote working (83%). Around two thirds are sourcing PPE for staff, and around 2 in 5 are planning steps to enable staff to get to work safely (42%) and/or staggering arrival times.
- 2.14 Around three quarters of businesses expect these measures to be in place for between three and twelve months. However, this falls to 61% when considering remote working, with more than a fifth (22%) of businesses expecting this change to be permanent, and a further 9% expecting it to last more than a year.

#### Potential future impacts – provisional results of modelling

- 2.15 As reported to the Board at the June meeting, Experian have been commissioned to develop a set of three scenarios to quantify the impact of COVID-19 on the local economy under a number of different assumptions to inform the work of the Economic Recovery Board. This work is still in progress and data is still being analysed and validated but a summary of the three scenarios and a provisional assessment of impacts is shown below.
- 2.16 In broad terms, the scenarios that have been modelled are:
- **Scenario 1:** consistent with the main forecast set out by the independent Office for Budget Responsibility (OBR), assumes that the national and local economy returns broadly to pre-crisis levels of activity by the end of Q3 2020.
  - **Scenario 2:** flexes the OBR assumptions, assuming that recovery takes longer and is not achieved until Q3 2021.
  - **Scenario 3:** effectively a double dip recession based on the introduction of a second period of lockdown from Q4 2020, with similar restrictions and duration.
- 2.17 The provisional results of this analysis show that the contraction in the West Yorkshire economy would be significant, with total GVA contracting by between £5.3 billion (10%) and £12.1 billion (22%) in 2020 across the three scenarios. While output begins to recover thereafter in scenarios 1 and 2, scenario 3 sees a further fall in GVA of £3.5 billion in 2021.
- 2.18 The impact on employment numbers across the scenarios is greater the longer it takes for activity to recover. In broad terms the modelling shows that between 30,000 and 58,000 jobs could be lost in West Yorkshire in 2020 (equivalent to a fall in employment of between 2.5% and 4.8%).
- 2.19 This could lead to the unemployment rate reaching between 8% in scenario 1 and 10% in scenario 3. The pace at which the unemployment rate returns to

pre-crisis levels also varies significantly, from H2 2021 in scenario 1, mid-2023 in scenario 2 and 2027 in scenario 3.

- 2.20 The detailed modelling work will provide local level insights across all the metrics shown above, but the early results show that there will be differing impacts across West Yorkshire.

### **3. Clean Growth Implications**

- 3.1 There are no clean growth implications directly arising from this report.

### **4. Financial Implications**

- 4.1 There are no financial implications directly arising from this report.

### **5. Legal Implications**

- 5.1 There are no legal implications directly arising from this report.

### **6. Staffing Implications**

- 6.1 There are no staffing implications directly arising from this report.

### **7. External Consultees**

- 7.1 No external consultations have been undertaken.

### **8. Recommendations**

- 8.1 The Board are asked to note the latest intelligence around the economic impacts of COVID-19 and consider how this relates to their work and future work plans.

### **9. Background Documents**

None.

### **10. Appendices**

Appendix 1: Leeds City Region weekly COVID-19 monitor – 3 July 2020

3<sup>rd</sup> July 2020

## Introduction

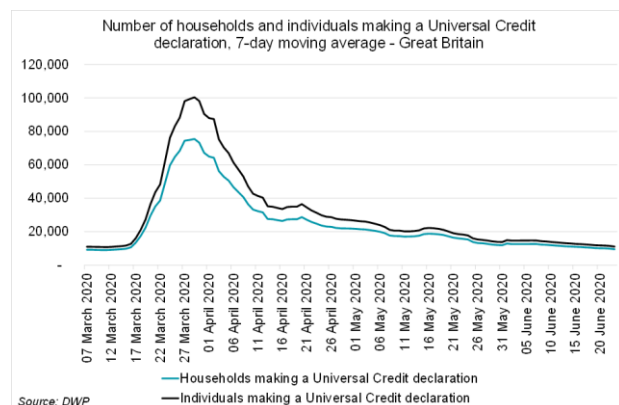
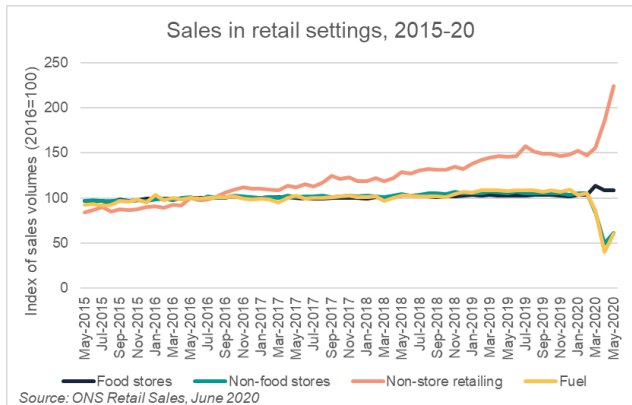
- This report presents the latest developments with regard to Covid-19 for Leeds City Region. It draws on a number of official and unofficial data sources to present the latest intelligence and is primarily focused on the economic impacts.
- It includes analysis of anecdotal evidence from interactions with businesses, and it is recognised that this analysis is based upon subjective views from those businesses which may or may not reflect the views of the wider business community.
- Where available, data is presented for Leeds City Region (covering Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York). Other geographies are used where data is not available at that level. In some cases, data is presented for a single authority or area. In those instances, further data is being sought to enable more comprehensive analysis of other areas. Please send any data to contribute for analysis or any comments on this report to [Research@westyorks-ca.gov.uk](mailto:Research@westyorks-ca.gov.uk).

## Key local insights

- The Quarterly Economic Survey (QES) of businesses in Leeds City Region, in partnership with the local Chambers of Commerce, shows **an unprecedented fall in activity on all key indicators** in Q2 2020.
  - **Domestic sales and exports fell** at levels exceeding those seen in the 2008 crash, and **companies' cashflow position also deteriorated markedly** in the QES.
  - More companies reduced their employment headcounts than increased them according to the QES, but **the majority of businesses reported employment levels unchanged**.
  - This is further evidence that the furlough scheme is helping to mitigate unemployment for the time being at least, but there remain significant concerns over a spike in unemployment as the scheme is unwound.
- Although many businesses are restarting operations, the pace of change remains quite slow with **11% of businesses will not be seeking to reopen before mid-June** according to the Office for National Statistics' Business Impacts of Coronavirus survey. This increases to 65% in the Arts and Entertainment sector, and 49.5% in Hospitality.
- According to the same survey, on **average only 6.1% of staff were returning from furlough and 2.3% were returning from remote working by the end of May**.
- The level of activity in the economy has shown signs of recovery in recent weeks, though remains substantially below pre-lockdown levels.
  - **Retail sales increased by 12% in May 2020**, but sales were still down by 13% compared to February.
  - The **decline in manufacturing activity also stopped** in June, according to the Markit/CIPS PMI survey, which showed activity in the sector broadly flat.
  - **Local vacancy postings and new business bank account openings have increased** from the lows of March and April, but remain low by historic standards.
- Clearly these data do not yet take into account the recent reopening of non-essential retail from June 15<sup>th</sup> and of the hospitality sector from July 4<sup>th</sup>. There is, however, evidence of **an upturn in activity on the transport network**, with a 12% increase in footfall through Leeds Station and a 6% increase in MCard and concessionary pass usage in the week commencing June 22<sup>nd</sup>.

## Latest headlines and trends

- Retail sales increased by 12% in May 2020, according to the Office for National Statistics. This followed the record falls experienced in the previous month, but sales were still down by 13% compared to pre-COVID-19 levels.
- Non-food stores saw the largest increase of 24% in May 2020 compared to a fall of 42% a month earlier. Within this, sales in hardware stores increased by 67% in May 2020 bringing them back to pre-COVID levels.
- With the easing of travel restrictions in May 2020 the volume of fuel sales increased by over 49% compared to but volumes are still down by 42.5% when compared to February 2020.
- On-line sales continue to increase with the proportion standing at 33% in May compared to 30% a month earlier.
- The Bank of England's Chief Economist Andy Haldane cited the quicker than expected recovery in retail sales as one factor leading to his assessment that the UK was on course for a "V" shaped recovery, with a sharp bounce back from the lockdown declines in activity. Others remain sceptical about the likelihood of this outcome.
- The number of daily declarations for Universal Credit continues to steadily decline towards pre-crisis levels, indicating that the influx of new claimants is falling. This trend suggests that the increase in the count of local claimants in June will be smaller than that for April and May when the figures are published in mid-July.
- The manufacturing sector halted the recent decline in activity in June, according to the latest Markit/CIPS PMI survey. The survey index reached 50.1 – a reading of over 50 equals growth, meaning that activity was largely flat after sharp falls in the preceding months. However, the survey still found staffing levels were being reduced at historically high levels, and there are expectations this will increase as the furlough scheme unwinds.
- The number of staff furloughed reached 9.3 million by 28<sup>th</sup> June, according to data from HMRC, up from 9.2m the week before. The total value of claims now stands at £25.5bn. 2.6 million people have claimed £7.6m under the Self-Employment Support Scheme.
- Access to the Coronavirus Job Retention Scheme closes to new entrants from the end of June, though companies can re-furlough staff who provided they have been part of the scheme for at least three weeks prior to June 30<sup>th</sup>. The time limit for staff to be furloughed will also reduce to one week from July.
- Business lending from the various government support schemes is approaching £43bn, with the number of loans up to 1.02 million as of 28<sup>th</sup> June. 967,000 of these are via the Bounce Back Loan scheme, which has lent £29.5bn. There were almost 48,000 loan approvals in the week to June 28<sup>th</sup>, down from 59,000 the week before, and about half the level seen at the end of May, but a significant level of activity nonetheless.
- The number of new mortgage approvals has fallen to 9,000 in May according to the Bank of England. It is down from around 70,000 (87%) prior to March, and continued to fall from the 16,000 recorded in April.

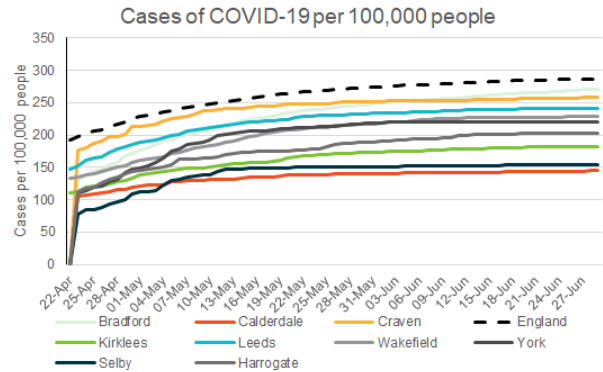




## Developments in Leeds City Region

### Covid-19 cases in Leeds City Region

The Covid-19 growth rate has continued to slow locally and nationally, according to data from the NHS. As of 29th June, the seven-day average growth rate has fallen slightly to 0.05% nationally. The growth rate in West Yorkshire and the wider Leeds City Region has also fallen slightly to 0.12% and 0.1% respectively, with Bradford having the highest growth figures at 0.3%. Previously Craven, York and Selby have all had cases stagnate over the last week. However currently only York has seen zero growth in cases in the last seven days.

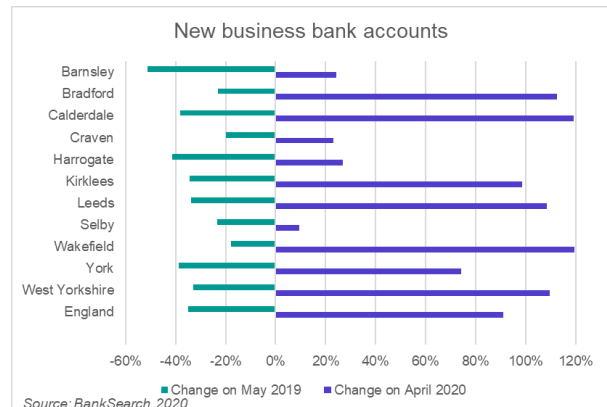


Source: NHS / Public Health England

Across England there have been 287 cases per 100,000 people. Across the Leeds City Region there have been 223 (WY: 232) cases per 100,000 with all local authorities having a lower rate than the England figure. Bradford has had the highest rate to date with 270.9 cases per 100,000 followed closely by Craven and Leeds with 258.7 and 241.4 cases per 100,000 respectively.

### Business and economic impacts

The number of new business bank accounts opened in May increased by 88% to 900 in Leeds City Region and by 110% to 719 in West Yorkshire, compared to April 2020. There was a 91% increase across England as new business activity showed some signs of rebounding from April's historic lows. However, the number of new accounts remains 32% below May 2019 levels in Leeds City Region, and 33% lower in West Yorkshire.

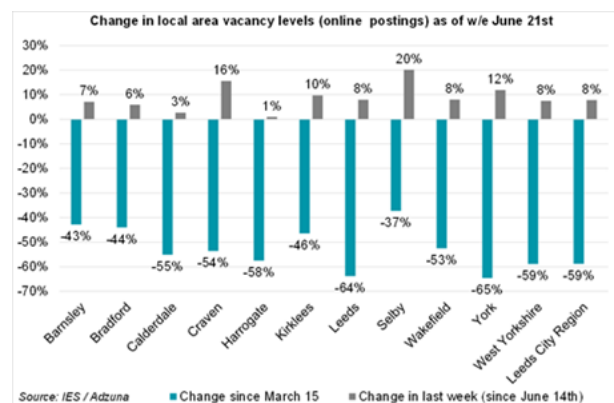


Source: BankSearch, 2020

Most areas of West Yorkshire saw the number of new accounts opened in May more than double compared to April, but the change was lower in most other areas of the City Region, ranging from 10% in Selby to 74% in York. Activity is below May 2019 levels in all districts.

### Labour market trends

The number of live vacancy postings remains around 59% lower than pre-crisis levels, for both Leeds City Region and West Yorkshire, as of week ending 21 June. However, the modest recovery seen in more recent weeks continues with all districts enjoying a degree of growth in the latest week for which data are available. For some of the York and North Yorkshire districts the increase in postings was fairly pronounced. Most districts have now experienced growth for the last three weeks.

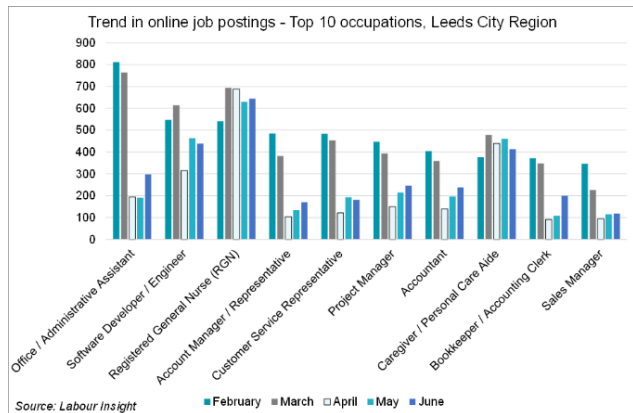


Source: IES / Adzuna

It is estimated that the ratio of vacancy postings per unemployed claimant (reflecting the number of jobless people competing for each vacancy) is now 9 for the City Region and 10 for West Yorkshire, compared with a UK average of around 7.

## Vacancies by occupation

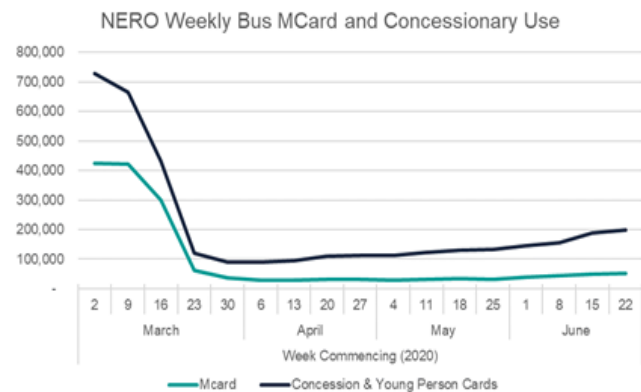
Another tool, Labour Insight, enables us to examine the occupational profile of job postings. Demand for health and care roles (Registered General Nurse and Care giver) has remained resilient throughout the crisis, whereas other occupations saw a pronounced fall in postings in April. All occupations in the top 10 have now seen a degree of recovery in May and June.



## Bus MCard and Concessionary Use

For the week beginning Monday 22<sup>nd</sup> June 2020, the combined level of MCard and concessionary fare use shows a **reduction of 78%** against the week beginning 2<sup>nd</sup> March 2020, an **increase of 6%** against the previous week.

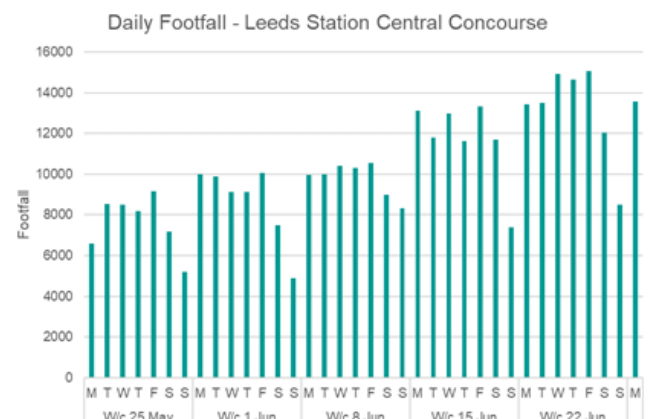
Source: WYCA NERO Reports



## Leeds Station Footfall

Data from Network Rail shows total daily footfall levels on Leeds Station Central Concourse. For the week beginning Monday 22<sup>nd</sup> June 2020, this shows a **reduction of 86%** against the week beginning 2<sup>nd</sup> March 2020, an **increase of 12%** against the previous week.

Source: Network Rail / Station Capacity Team  
[stationcapacity@networkrail.co.uk](mailto:stationcapacity@networkrail.co.uk)

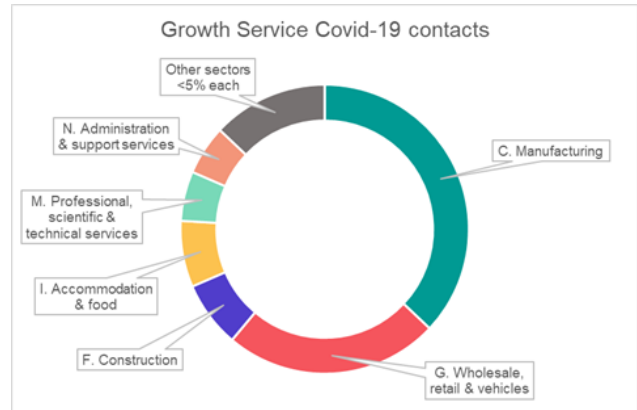


## Business and stakeholder intelligence

*This section summarises key issues emerging from interactions with businesses and other stakeholders in Leeds City Region. Whilst much of this is anecdotal, the below draws out key themes and issues from those conversations. However, it is recognised that this analysis is based upon subjective views from relatively small numbers of businesses which may or may not reflect the views of the wider business community.*

### Growth Service interactions

The LEP and its growth managers spoke to 83 businesses this week. 36% of cases for which data is available were in manufacturing, and 24% in wholesale/retail. Half of these interactions related to cashflow and finance, and 20% were updates and insights on trading conditions.



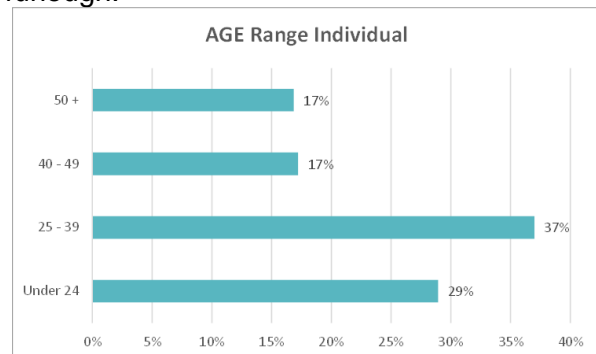
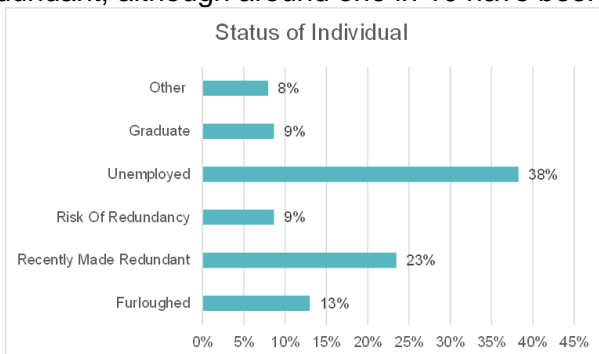
Whilst some businesses are returning to operations and bringing staff back from furlough, many continue to report subdued activities and revenues across a range of industries, including areas of professional services as well as the more frequently reported issues for consumer facing and events businesses.

As previously reported, some businesses are considering redundancies as operations recommence. However, others are identifying opportunities for growth, expansion and recruitment.

### Employment Hub activity

Since the LEP began its Covid-19 campaign to promote the Employment Hub in mid-April, there have been 277 enquiries received from individuals and 19 from businesses. The Hub provides support for individuals who are seeking a new job and businesses who are seeking to recruit or need to make redundancies.

There were 29 enquiries from individuals in the week to 26 June, following 51 enquiries in the previous week. Most individuals who have sought help have been unemployed or recently made redundant, although around one in 10 have been on furlough.



Enquiries have been received from people from across the age ranges. 29% have come from young people aged 24 and under but the largest group in terms of enquiries is people aged 25-39. Enquiries from business continue to be slow, as companies deal with pressing issues like cash flow and access to finance. Among those who have made an enquiry the most common reason is to access recruitment support (more than half) with a much smaller proportion (one in 10) seeking assistance with making redundancies.

## Local insight and analysis

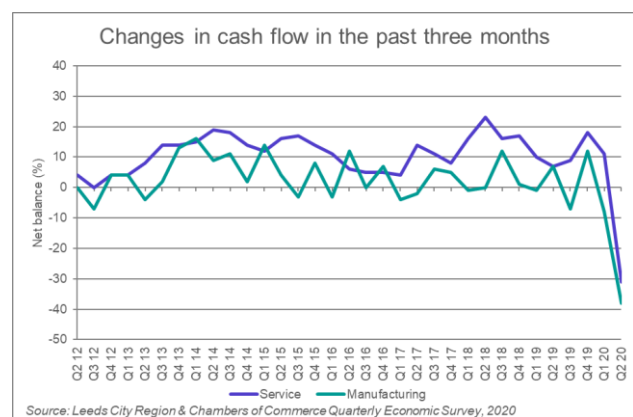
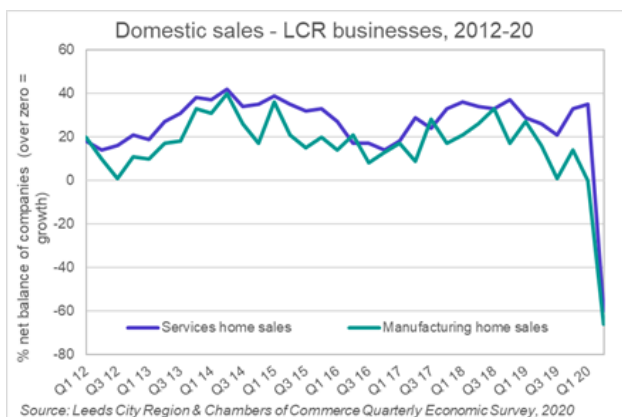
### Leeds City Region Quarterly Economic Survey – Q2 2020 results

Businesses across Leeds City Region saw an unprecedented drop in activity in Q2 2020, according to the Quarterly Economic Survey with the Chambers of Commerce in Leeds City Region. All key measures on the survey turned negative, with drops in results at their lowest level in the survey's thirty one year history.

The survey carried out in collaboration between the LEP and the Chambers of Commerce in Leeds City Region, spoke to 369 businesses during 18<sup>th</sup> May to the 8<sup>th</sup> June 2020.

The services net balance for domestic sales dropped 95 points to -60%, far exceeding the low of -26 reached during 2008 (a reading below zero indicates contraction).

Manufacturers, who were already seeing the early impacts of coronavirus supply chain disruption in Q1, saw the domestic sales net balance fall from zero to -66%, which also exceeds the low point of Q4 2008 when it stood at -57%. Export sales saw similar levels of decline.



Companies also reported a significant drop in their cash flow situation over the past three months, with the net balance falling to -38 for manufacturers and -31 for service sector companies.

As would be expected given the uncertainty, investment in training and capital equipment fell. The net balance for employment also turned negative for the first time since 2008/9, indicating more companies reporting falling employee numbers than expanding. However, the majority of firms reported no change in employment, suggesting that the furlough scheme is enabling companies to retain staff for the time being at least.

### ONS Business Impacts of COVID-19 Survey

ONS has been undertaking a fortnightly business survey which captures business responses on how they have been affected by COVID-19. There have been 7,245 respondents between 18 May to 31 May 2020. The results are unweighted so caution must be used when viewing the results.

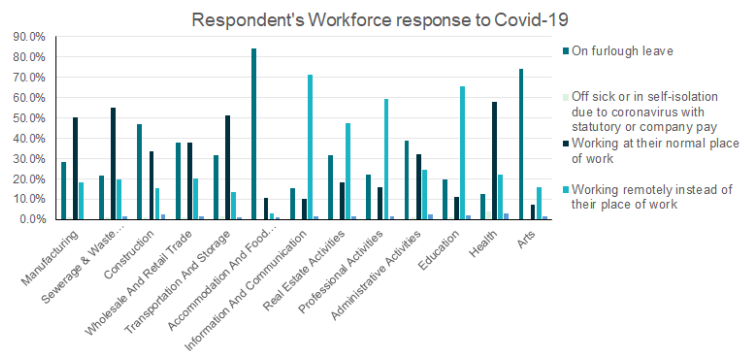
84.1% of respondents have said that they are currently trading, while 15.5% have temporarily closed. Very few companies have responded saying they have closed permanently.

79.3% of respondents say they have been open longer than two weeks. This varies considerably by sector. With the highest being in the health sector at 94% and the lowest in the hospitality sector with 23%.

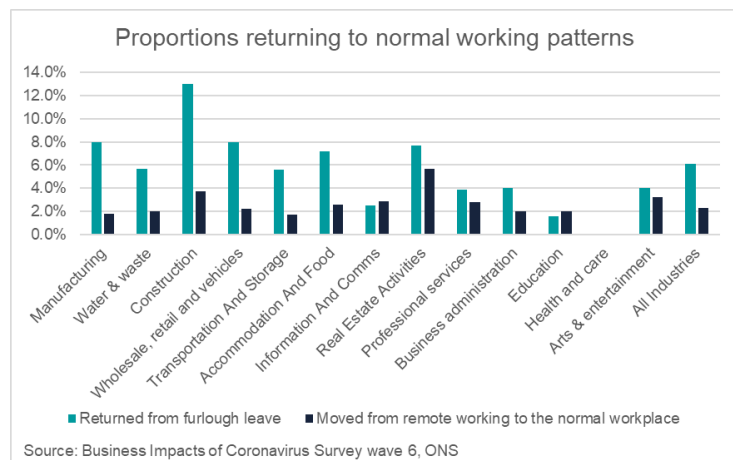
Overall, this has meant only 4.7% of respondents have said they have started trading within the last 2 weeks though this is highest in construction with 12% of the companies saying they have started in the last two weeks. A similar proportion of all companies (4.5%) expect to start trading in the next two weeks.

11% of respondents have said they will not be seeking to open in the next two weeks, with the highest concentration being in the Arts and Hospitality sectors with 65% and 49.5% respectively.

Across the different sectors business have adapted their staffing response in different ways. 37% of respondent's staff have been furloughed, 30% are working in their normal location and 28% are working remotely. This varies significantly between sector, as detailed in the graph opposite.



So far across the board there has been very few staff returning to normal working arrangements, with only 6.1% returning from furlough, and 2.3% returning from remote working. The highest is in the construction sector where 13% of staff have returned from furlough.



Financially only 20% of respondents have said there has been no effect on their turnover. This increased to 48% in the health sector but drops to 8% in the hospitality sector.

There has been extensive uptake of the various government support schemes with only 16.6% of respondent saying they didn't take any scheme. The most used was the Coronavirus Job Retention Scheme with 81% application rate, the least being government backed loans at 17%.

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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 14 July 2020

**Subject:** **COVID-19 Economic Recovery Plan**

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**Director:** Alan Reiss, Director, Policy Strategy and Communications

**Author(s):** Alex Clarke, Sarah Bowes

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## 1. Purpose of this report

- 1.1 To update the LEP Board members on the COVID-19 economic recovery plan, following discussions and input from Panels.

## 2. Information

- 2.1 The full implications of COVID-19 on the region and its economy are still to be understood. However, it is already clear that it will have a significant long-term impact. At a city region level, work is taking place both to support the immediate response and to begin to develop what might be required in recovery, in the form of an economic recovery plan. This paper focusses on that latter element.

- 2.2 The longer-term planning for recovery for the Leeds City Region is being overseen by a new West Yorkshire Economic Recovery Board, which is a working group of the West Yorkshire Combined Authority and brings together the region's local authority leaders with representatives from key partnerships and stakeholders. At their first meeting on 30 April 2020, the Board agreed a strategic vision for recovery:

1. developing resilient and thriving businesses, boosted by innovation, high skills and entrepreneurialism;
2. developing an inclusive economy that provides people with a decent standard of living;
3. a clean growth recovery that grasps the opportunity to deliver sustainability across all our places.

- 2.3 To achieve this vision, the Board has set its provisional areas of focus as:

- To protect and create **good jobs** by developing resilient businesses through increasing innovation, trade and investment.

- To ensure everyone can develop the **skills** they need to secure a job or to start their own business.
- To develop **infrastructure** that unlocks economic opportunities and delivers resilience both for our communities and environment.

2.4 At their meeting on 11 June, the Board agreed a draft list of the key challenges they are seeking to address in the recovery plan for each of the areas of focus, which will drive proposals for products and programmes.

*Good jobs, through innovation, trade and investment*

- Delivering levelling up through increased productivity
- Rescuing and building resilience across strategic regional sectors
- Making supply chains more resilient
- Increasing digital & innovation driven entrepreneurialism
- Securing good work and inclusive employment environments

*Skills*

- Supporting the unemployed back to work
- Preventing NEETs and high volumes of 16-24 unemployment
- Addressing inequality of access to learning
- Building a strong skills offer for the regional labour market
- Improving skills utilisation in the workplace
- Delivering relevant, transferable skills for employment and entrepreneurship

*Infrastructure and Capital projects*

- Investing to deliver levelling-up of the North
- Building inclusive communities for successful towns and cities of the future
- Putting people first in the delivery of new homes
- Building the infrastructure that protects and connects both urban and rural communities and businesses
- Investing in new low carbon sectors and infrastructure, creating new markets and jobs, and building resilient communities
- Providing accessibility through public transport and digital connectivity

Across all these areas there needs to be a sharp focus on inclusive growth that reduces inequalities and ensures wellbeing, as well as capitalising on the opportunity to embed the positive, climate-friendly behaviour change seen through the crisis.

2.5 The plan will align with, but not duplicate, local plans being developed by Councils, as well as the Transport Recovery Plan being led by Transport Committee and other regional plans e.g. health.

2.6 Drafts of the emerging recovery plan have been shared with the Panels of the LEP to give the opportunity for comment and ensure both the policy priorities and products and programmes will deliver for people and businesses in the region. This has been reinforced through informal discussions with most of the Panels and a summary of the input received is described in the appendix.



2.7 The Board will be given a verbal update on the development of the plan, with an initial version of the plan expected to be presented to the Combined Authority on 27 July. As the implications of COVID-19 continue to develop, it is expected that the plan will be further updated, which will be brought to LEP board to make sure priorities remain relevant and are amended as required to meet the recovery needs of the region.

### **3. Clean Growth Implications**

3.1 Clean growth implications are being comprehensively considered through the development of the plan, with both the economic opportunities clean growth presents and the challenges that need to be overcome fundamental to the future success of the City Region.

### **4. Financial Implications**

4.1 Delivery of all elements of the economic recovery plan will require significant financial resource. As is made clear in the plan, Government funding is required. These requirements will be considered through the future business planning of the Combined Authority / LEP, and key asks and bids submitted to Government at appropriate times.

### **5. Legal Implications**

5.1 There are no legal implications as a direct result of this report.

### **6. Staffing Implications**

6.1 There are no staffing implications as a direct result of this report.

### **7. External Consultees**

7.1 All the LEP Panels have been consulted on the emerging plan. In addition, there has been regular engagement with Local Authority officers developing local economic recovery plans, to ensure alignment.

### **8. Recommendations**

8.1 LEP Board endorse the direction of the emerging economic recovery plan.

### **9. Background Documents**

None.

### **10. Appendices**

Appendix: Economic Recovery Plan - Panel discussion summaries.

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## Appendix: Economic Recovery Plan - Panel discussion summaries

### Employment and Skills Panel

The following opportunities were highlighted by the panel:

- Doing things differently and levelling the playing field for work experience and work placement opportunities delivered through virtual means allowing employers to facilitate placements for a greater numbers of students.
- Change how the apprenticeship levy and other existing skills funding can be used and as a tool for economic recovery
- Focus on supporting SMEs with the entrepreneurial skills needed to ensure business resilience including better use of skills in the workplace. There is an immediate need to upskill the existing workforce with digital skills.
- Defining the West Yorkshire proposition as a place to (re) locate your business as recruitment and working practices change

The panel also highlighted some of the critical needs in recovery

- Financial support for the FE /HE sector which is experiencing dramatically falling learner numbers which increase competition for learners and will impact of the viability of some providers
- Long-term unemployed will be pushed further from the labour market as competition for jobs is increased and this should be closely monitored, and existing plans e.g. Skills Commission recommendations should be implemented
- Digital inclusion is key barrier for many to participate in the labour market and access training; both support for learning providers to adapt to blended models of delivery is needed as well as support for individuals to have the right IT equipment and develop the skills to use it.
- Monitoring of health impacts should be included in the recovery plan from young people who through previous recessions have suffered negative impacts both economically and on their well-being to those long -term unemployed, many with complex health needs, who will be pushed further from the labour market
- Support for virtual placements and coordination of employer support should be regional to support delivery of qualifications including new T Levels
- Well-being and mental health support is need especially for those young people who are having a very different learning experience to previous years and /or may have faced additional challenges as part of social distancing measures. This will impact on the performance and social engagement.

## **Business, Innovation and Growth Panel**

The following opportunities were highlighted by the panel:

- Building on the success of the productivity pilot that has successfully delivered across two windows and will be important to help businesses that can improve and grow over the recovery period
- A greater emphasis on developing business leadership and progressive business cultures
- Building on the strengths of the region's universities and promoting of innovation, recognising the current challenges faced by HEIs and the important role innovation will play in build business resilience.
- Cybersecurity is a potential growing market opportunity for the city region, where we have many good businesses already, but need to also get more young people interested in careers in cybersecurity.
- There is an opportunity to make the most of what partners are doing to support delivery in the plan
- Capitalise on the Asian business community, and the potential opportunities these can unlock in terms of international trade

The panel also highlighted some of the critical needs in recovery:

- Apprenticeships – many businesses are not in a position to recruit apprenticeships, which is having a negative effect on potential applicants as well as to the training sector
- Recognising the difficult position of certain sectors, including arts and culture and retail, hospitality and leisure, and thinking about what appropriate support could be provided
- The end of the transition period having a big impact on businesses, particularly those in international supply chains and exporters – we still want to look to promote the regional overseas and to encourage exporting.
- The plan should look to outline the measures of success in a clear way to help partners to see what contribution they need to make to fulfil the plan
- Digital divide has shown its importance in response, and will be important for the recovery – including for resilient supply chains
- Have to ensure that health inequalities issues are written across the plan – as health is such an important determinant also of productivity

## Inclusive Growth Panel

- The spotlight on **inclusion and inequalities** has never been greater:
  - The sudden economic downturn and an uncertain recovery has created the potential for a lost generation of young people - unable to get into the labour market and becoming NEET.
  - Over 50's are leaving the jobs market permanently and prematurely;
  - Communities disproportionately affected in terms of health and economic impacts eg BAME groups, and deprived places/ neighbourhoods.
  - Important role played by the voluntary and community sector (VCS) recognised in terms of connecting with the people and communities that need the most assistance, eg people on zero hours contracts, deprived communities, and faith groups. The role of the VCS should be to ensure the most excluded benefit from recovery.
  - Rise of global social unrest, including through the Black Lives Matter movement
- Agreement that a step-change regional **action plan** is needed:
  - Recognises interlocking priorities – eg wellbeing, skills, connectivity and good work – as set out in the draft IG Framework.
  - Targets a few key priorities with high impact is better than ‘jam spreading’
  - Learns from previous best practices, eg 1980/90s style targeted interventions, designed around specific groups and excluded neighbourhoods (SRB, City/Rural Challenge, LEGI etc) with a view to creating new enterprise and jobs within communities.
  - Delivers supply side programmes (eg skills) needed, not only more infrastructure investment – eg training support for furloughed workers soon to be made unemployed.
  - Seeks devolution of national programmes – eg support for young people.
  - Focuses on job retention – it is much harder to create new ones – and mindful of the risk of communities being left behind.
  - To fulfil its potential role, the 3<sup>rd</sup> sector will need appropriate support and investment to ensure resilience and sustainability – this has proved challenging for Districts, and clarity is needed on any regional role, eg regional voice and co-ordination in order to promote learning and resilience and provide a strategic interface with public and private sectors.
  - Social unrest has a negative impact on productivity – plan needs a stronger drive for social justice.
  - Agreed the draft Economic Recovery Plan represents a good starting point – need to ensure an Inclusive Growth programme has dedicated regional funding, not just funding for the IG aspects of other priorities.

## Green Economy Panel

The following opportunities were highlighted by the panel:

- The arts and cultural sector make a big difference in terms of livelihoods and wellbeing. Inclusion needs to be diversity of viewpoints and experience.
- Reflect more on what resilience means – opportunities for local / regional businesses to help make the supply chain more resilient with less dependence on global interests.
- A big opportunity for widespread change to the economic system to address social, health and environmental weaknesses/inequalities. Also need to focus on national questions around funding, tax structures etc. The response needs to be a combination of systemic change and getting people back on track.
- See success in terms of wider prosperity/social indicators rather than GDP.
- Focus on marginalised groups allowing them to access digital opportunities. How do we make tendering processes less onerous and build local economies better - opportunity to reframe climate emergency.
- Focus on inclusive transport that meets needs of different people, particularly facilitating short, local journeys.
- Work closely with infrastructure providers (utilities, networks) on projects of national importance e.g. to accelerate low carbon and whole system projects.
- High quality cycling infrastructure, embracing electric bikes.
- People working/staying at home more often will increase domestic emissions, underlining the importance of energy efficiency and retrofit projects.
- Construction sector is a key economic and employment driver, which can be reshaped to focus on carbon impact. Lots of opportunities around retrofit, new materials and new technologies (e.g. heat pumps), which to be successful needs to be done at scale. Needs to be backed up with a focus on skills.
- Ensuring a 'Just Transition' is critical.

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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 14 July 2020

**Subject:** **Employment and Skills Panel update**

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**Director:** Brian Archer, Director of Economic Services

**Author(s):** Michelle Burton

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## 1. Purpose of this report

- 1.1 To provide the LEP Board with a report on the work of the Employment and Skills Panel, and update on devolution of Adult Education Budget (AEB) and the Employment and Skills plan refresh.

## 2. Information

- 2.1 The panel met on 19 June 2020

### Employment and Skills Programmes:

- 2.2 The **Enterprise Adviser Network** and the Combined Authority's Schools Partnership team are engaged with 185 (92%) of secondary schools and colleges. Despite this good performance to date, the next quarter is going to be somewhat different in the light of COVID-19 as little traditional interaction can take place between schools and employers.
- 2.3 The team is focused on providing schools with much-needed careers support for young people at key transition points in their education. A series of **at-home learning careers resources** have been developed, aimed at students aged 11-18. These resources are accompanied by guidance to support teachers and parents to use them with young people and have been very much welcomed by the 180 schools and colleges in the Enterprise Adviser Network.
- 2.4 By the end of the financial year 2019/20, the **futuregoals** all-age careers campaign reached over 2 million adults, young people and educators. The website <https://futuregoals.co.uk/> now includes specific resources for different audiences.
- 2.5 The FutureGoals Spotlight learning resources <https://futuregoals.co.uk/spotlight/>, developed in partnership with Burberry,

have also been adapted to respond to the current remote working / home-schooling situation, by adapting all learning resources to be digital editable PDFs, alongside updated teacher guidance on how students can learn about the breadth of the creative industry in our region from home.

- 2.6 The Combined Authority's adult re-training programme, **[re]boot**, is part-funded through European Social Fund (ESF) and gives adults the chance to upskill, gain new skills/qualifications and improve their employment options. The programme is currently particularly targeting furloughed workers and graduates entering the workforce this summer and 18 new online courses have been launched.
- 2.7 There are some concerns about performance and we are working closely with the contractor to address this. To ensure we meet contractual targets and learner numbers a procurement process will take place to procure an additional sub-contractor.
- 2.8 The Apprenticeship **Levy Transfer Service** was launched on 1 November 2019. In recent months, levy payers have paused these discussions but many are now keen to resume this activity with a view to utilising unspent levy payments to support SME apprenticeships through the COVID-19 crisis. LEP Board members are asked to encourage their networks to engage with the team via <https://www.the-lep.com/business-support/skills-and-training/apprenticeship-levy-support/>
- 2.9 The £9m part-ESF funded **LCR Employment Hub** programme, launched in January 2019, is being delivered in partnership with Local Authorities and will support over 6,000 young people aged 15-24 to access apprenticeships and employment. In April 2020, the Employment Hub was re-launched to respond to the COVID-19 crisis with a wider client group. The Employment Hub can support people to seek employment and apprenticeships (including furloughed or redundant workers) and can support businesses to recruit. Since the relaunch in April we have had 259 enquiries from individuals, mainly who are unemployed, and recruitment support requests from 19 businesses.
- 2.10 The Combined Authority has been successful in its bid for European Social Fund to deliver a **Skills for Growth** programme which will support businesses to engage with the full breadth of the education system, from primary schools to universities. The approval decision letter was received on the 30 March with allowance for alteration of the programme timeline due to the COVID-19 situation. The timeline is being altered to commence in September 2020 and complete August 2023. Staff have been recruited to the new team and will start in post in September.

#### Devolution of the Adult Education Budget

- 2.11 As previously reported, devolution of the Adult Education Budget (AEB) to the West Yorkshire Combined Authority is a central part of the West Yorkshire devolution deal. AEB is currently funded by the Department for Education



(DfE) and administered by the Education and Skills Funding Agency (ESFA) in non-devolved areas. Devolution of AEB will ensure that the fund addresses the skills needs of individuals and employers in West Yorkshire. The principle purpose of the AEB is to provide adults with the skills needed for entering and sustaining work, an apprenticeship, or other further learning.

- 2.12 An application for implementation funding was submitted to DfE on 31 March 2020. At the time of writing this paper, a decision is awaited. To secure devolution of AEB, the Department for Education required that various Readiness Conditions need to be met, and evidence regarding these was submitted on 18 May. The submission included:
- a Draft AEB Strategy
  - assurances from the Combined Authority Managing Director that the organisation will be ready to take on responsibility for AEB functions from the academic year 2021/22
  - evidence outlining our current capability and development plan.
- 2.13 The Employment and Skills Panel has provided strategic input to support the development of the Draft AEB Strategy, providing feedback prior to its submission to the Department for Education (DfE), and has received updates on the progress towards meeting the 'Readiness Conditions'.
- 2.14 The Draft AEB Strategy sets out proposed priorities for funding in West Yorkshire, the impact we aim to achieve by taking on the devolved funding, expected provider behaviours and our suggested approach to commissioning the £63 million per annum that will be devolved to the Combined Authority.
- 2.15 Public Consultation on the Draft AEB Strategy was held between 25 May and 12 July 2020. Given the current Coronavirus situation, a communications plan was developed to promote the consultation to the widest possible audiences using a range of digital and non-digital channels. These included a combination of:
- Social media
  - Press releases targeting local and regional media
  - Direct engagement with skills providers
  - Direct e-shots to an extensive stakeholder list
- 2.16 Due to social distancing guidelines, face-to-face consultation channels were not possible. Digital consultation was conducted through an online survey conducted through YourVoice. To ensure a full range of engagement, virtual workshops were coordinated to hold focussed consultations with key providers and stakeholders, including Local Authorities, College Principals, and Independent Training Providers. Focus Groups were also held with Employers and Learners to understand their experience of AEB, and how we can improve the service received.
- 2.17 The Campaign Company were successful in tendering for the independent evaluation of the consultation activity. Their report will include analysis and

recommendations for change that will inform the final version of the AEB Strategy. Once revised, the AEB Strategy will be submitted to the Combined Authority for approval in September.

2.18 The key next steps for Adult Education Budget are:

- Awaiting a decision from DfE about the Combined Authority's application for implementation funding (Imminent)
- DfE approval to proceed based on the Readiness Submission (Imminent)
- AEB Strategy to be ratified by Combined Authority (September 2020)
- Development of procurement specification, funding rules and contracts prior to Commissioning (by September 2020)
- Commissioning for 2021/22 provision (October 2020 – March 2021)
- West Yorkshire allocation confirmed by DfE (March 2020)
- Delivery and management begins (1 August 2021)

2.19 Achieving readiness by 1 August 2021 is heavily contingent upon the projected timescales agreed with DfE being met. Key workstreams to deliver this include legal and procurement preparation (drafting a procurement strategy, funding rules, and contracts and agreements), consultation and policy work (to ensure that the approach is fully consulted on and that this consultation is accessible); and systems development (ensuring that the ICT, Finance and Data arrangements are in place to support contracting and payments).

#### Employment and Skills Plan

2.20 As previously reported, the lifespan of the current Employment and Skills Plan ends during this year, 2020. The current Employment and Skills plan; skilled people, better jobs <https://www.the-lep.com/research-and-publications/research-publications-archive/leeds-city-region-employment-and-skills-plan-2016-2020/> includes the following themes:

- Raising the Bar on High Level Skills
- More and Better Apprenticeships
- Great Education Connected to Business
- Employability, Accessing Jobs, and Realising Potential
- Building Workforce Skills and Attracting Talent

2.21 At their meeting in March 2020 the Employment and Skills Panel agreed to review the plan and at their last meeting undertook an assessment of the current priorities. This took into account the changes that have taken place since the last plan was written, including:

- Proposals from the Future-Ready Skills Commission
- Business Plan priorities from employment and skills programmes
- Economic Recovery / COVID-19 response
- Labour Market Intelligence

- Devolution Deal
- Adult Education Budget (AEB) strategy

2.22 The panel agreed the scope of the Employment and Skills Plan refresh and endorsed the engagement approach.

2.23 The next stage of the refresh will involve engaging with key stakeholders from across the education, training and employment landscape in West Yorkshire through a series of focus groups that will take place during June and July. This will be followed by a wider public engagement that will invite the views of broader range of stakeholders during August and September.

2.24 The sessions will be used to consult on the proposed vision, scope and key priorities for the refreshed Employment and Skills Plan and how these will contribute to the objectives of the Strategic Economic Framework and Economic Recovery Plan.

2.25 Next steps are as follows:

- Stage 1: Scoping and appraising current priorities (May – July 2020)
- Stage 2: Consultation with key stakeholders and partners, and open consultation (July – September 2020)
- Stage 3: Preparation and sign-off of the refreshed plan (October – December 2020)
- Stage 4: Publish and launch revised plan. (Early 2021)

### **3. Clean Growth Implications**

3.1 There are no clean growth implications directly arising from this report.

### **4. Financial Implications**

4.1 There are no financial implications directly arising from this report.

### **5. Legal Implications**

5.1 There are no legal implications directly arising from this report.

### **6. Staffing Implications**

6.1 There are no implications associated with this paper.

### **7. External Consultees**

7.1 No external consultations have been undertaken.

### **8. Recommendations**

8.1 That the report of the work of the Employment and Skills Panel be noted.

8.2 That the progress towards devolution of AEB is noted

8.3 That the work towards the refresh of the Employment and Skills plan refresh is noted.

**9. Background Documents**

9.1 None.

**10. Appendices**

10.1 None.

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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 14 July 2020

**Subject:** **Green Economy Panel**

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**Director(s):** Alan Reiss, Director of Policy, Strategy and Communications

**Author(s):** Jacqui Warren

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## 1. Purpose of this report

- 1.1 To provide the LEP Board with a report on the work of the Green Economy Panel.

## 2 Information

### Panel meeting

- 2.1 The Panel met on 7 July 2020, after the publication date for this paper. The following items are due to be discussed at the Panel's meeting. A full verbal update will be provided at the Board's meeting:
- **West Yorkshire Emission Reduction Pathway** – This item outlines the initial findings of the first task which was to explore three different decarbonisation pathways to achieving the City Region's Net Zero Carbon 2038 target. It will also outline the common actions that appear in all pathways that should be prioritised and co-designed with partners as the study continues. It will seek the Panels views on the results, actions and next steps of the Study (including revised stakeholder engagement and consultation plans).
  - **White Rose Forest Plan and the Nature for Climate fund** – A verbal presentation on the work completed to date and the planned next steps will be provided at the meeting.
  - **Devolution and Green Infrastructure Standards Trial** – This item will outline the emerging plans for a Green Infrastructure Standards Pilot (GISP) and devolution related spatial planning work to tackle the Climate Emergency.
  - **Economic Recovery Plan (ERP) – Environment and Carbon Priority** – This item will follow on from the GEP's informal session on 23 June 2020. It will continue to outline the progress being made to develop the environment and carbon priorities of the Plan, and the associated products and programmes.

- **Major Projects Update** – This item will provide an update on various projects and programmes helping the City Region to tackle the Climate Emergency.

### **Clean Growth Implications**

- 3.1 The work outlined in this report is vital to ensuring that the city region can create clean growth and decarbonise key sectors by 2038, with significant progress by 2030.

### **4. Financial Implications**

- 4.1 Given the scale of the challenge to be outlined in the results of the emissions reduction pathways study, there will be significant financial implications for the Combined Authority and stakeholders/partners. Exploring and securing funding will form a large part of the work as it progresses.

### **5. Legal Implications**

- 5.1 There are no legal implications directly arising from this report.

### **6. Staffing Implications**

- 6.1 Given the scale of the projects identified in the ESDP, and scale of the challenge to be outlined in the results of the emissions reduction pathways study, there will be significant resourcing implications for the Combined Authority and stakeholders/partners. Exploring and securing resources to deliver the work required will be a key task of the Leeds City Region Climate Coalition.

### **7. External Consultees**

- 7.1 None

### **8. Recommendations**

- 8.1 That the report of the work of the Green Economy Panel be noted.

### **9. Background Documents**

- 9.1 None

### **10. Appendices**

- 10.1 None

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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 14 July 2020

**Subject:** **Inclusive Growth and Public Policy Panel**

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**Director:** Alan Reiss, Director of Strategy, Policy and Communications

**Author:** James Flanagan

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

- 1.1 To provide a report on the recent work of the Inclusive Growth and Public Policy Panel, including:
- views on both its role and on the types of interventions needed to ensure an inclusive economic recovery; and
  - proposals for Inclusive Growth champions on other LEP Panels, to help ensure inclusion, equality and diversity is embedded across the full breadth of the LEP's work.

## **2. Information**

- 2.1 The Panel met on 15 June to review its role, particularly in the context of the economic response and recovery issues around the Covid-19 pandemic.
- 2.2 Related developments and issues were noted, including the following:
- The global reaction to social injustices and inequality, including the Black Lives Matter movement;
  - People living in our most deprived areas are twice as likely to die of Covid-19 than the wealthiest;
  - The sudden economic downturn (monthly GDP fell by 20.4% in April, the biggest monthly fall on record) and an uncertain recovery has created the potential for a lost generation of young people - unable to enter the labour market and becoming 'NEET' (those young people not in employment, education or training); and
  - The important role played by the Voluntary, Community and Social Enterprise sector (also referred to elsewhere in this report as the third sector) during the pandemic was recognised in terms of connecting with the people and communities that need the most assistance. It was

suggested that a key role of the third sector should be to ensure the most excluded benefit from recovery.

2.3 The purpose of the Panel was discussed in terms of three distinct roles: delivery, support and monitoring.

#### Delivery role

2.4 It was agreed that an ambitious action plan is needed to deliver inclusive growth in the region and which takes account of the following views:

- Recognises the interlocking nature of regional Inclusive Growth priorities and interventions – that is, to deliver wellbeing, skills, connectivity and good work, as set out in the draft Inclusive Growth Framework;
- Targeting a few key priorities with high levels of impact is preferable to broader, but more thinly spread, support;
- Learns from previous best practices, eg 1980/90/00s style targeted interventions, designed around the needs and strengths of specific groups and excluded neighbourhoods (such as SRB, City/Rural Challenge, LEGI etc) with a view to enabling these communities to create new and sustainable enterprises (including social enterprises) and good jobs;
- Delivers the range of supply side programmes needed (not only more infrastructure investment), such as training support for those furloughed workers vulnerable to being made unemployed;
- Seeks devolution of national programmes – eg support programmes for young people;
- Focuses on job retention, particularly in the current context and given how much harder it is to create new ones, always being mindful of the risk of communities being left behind;
- Delivers support and investment to the third sector needed to help achieve its potential role of ensuring that the most excluded benefit from the economic recovery. A strong, clear regional voice for the third sector and co-ordination to promote learning and resilience will complement local relationships and interventions, and provide a strategic interface with public and private sectors;
- Recognises that social unrest has a negative impact on productivity – recovery planning therefore needs to embody a strong drive for social justice and supporting communities; and
- The draft WY Economic Recovery Plan represents a helpful starting point with a robust focus on response, recovery and resilience, acknowledging that any regional Inclusive Growth programme in support of the Plan, will require a dedicated funding envelope, in addition to funding required to deliver other priorities such as business, skills, infrastructure and a green economy.

#### Support role

2.5 It was also recognised that the Panel should seek to further develop its role in supporting the work of other Panels and Committees, where appropriate, on the basis that:



- Inclusive Growth is inherently cross-cutting in nature – tackling inequalities is highly relevant to all areas of the LEP’s work (including skills, business, green economy, and place) – therefore there is a need to make more explicit the role of the Panel in supporting other Panels and Committees to ensure they all deliver inclusive growth outcomes;
- Agreed that identifying Inclusive Growth champions on each Panel would be useful in setting challenges and overseeing standards; and
- The Panel should also provide a strong united voice to lead on related representations/challenges to Government, eg to ensure the Shared Prosperity Fund drives more inclusive growth.

### Monitoring role

2.6 Finally, the potential for the Panel to further develop its monitoring role was discussed:

- Agreement that access to robust and comprehensive data sets is key and that there is a need to be able to identify the risk groups, eg going beyond age groups into ethnicity, gender and place;
- There are however currently limitations in terms of our understanding of the current socio economic context;
- Any regional delivery plans must be evidence based – such as better understanding impacts on Black, Asian and Minority Ethnic groups in terms of health and industrial sectors; and
- There is a need therefore for a fit for purpose indicator set, eg a dashboard or index (such as the Social Progress Index). The Panel agreed to consider options at a future meeting.

### **3. Clean Growth Implications**

3.1 There are no clean growth implications directly arising from this report.

### **4. Financial Implications**

4.1 There are no financial implications directly arising from this report.

### **5. Legal Implications**

5.1 There are no legal implications directly arising from this report.

### **6. Staffing Implications**

6.1 There are no implications associated with this paper.

### **7. External Consultees**

7.1 No external consultations have been undertaken.

## **8. Recommendations**

- 8.1 That the report of the work of the Inclusive Growth and Public Policy Panel be noted, including the views both on the Panel's role and the types of interventions that are needed to ensure an inclusive economic recovery.
- 8.2 That the LEP Board agrees to identify Inclusive Growth champions on each of its Panels, to help ensure that thinking and challenge around inclusion, equality and diversity is embedded across the full breadth of the LEP's work.

## **9. Background Documents**

- 9.1 None.

## **10. Appendices**

- 10.1 None.



**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 14 July 2020

**Subject:** LEP Capital Programme (Investment Committee)

**Director:** Melanie Corcoran, Director of Delivery

**Author:** Lynn Cooper

## 1 Purpose of this report

- 1.1 To inform the LEP Board of the planned LEP capital programme for 2020/21 and the current activity in relation to Government review of the Growth Deal programme.

## 2 Information

### Capital Programme

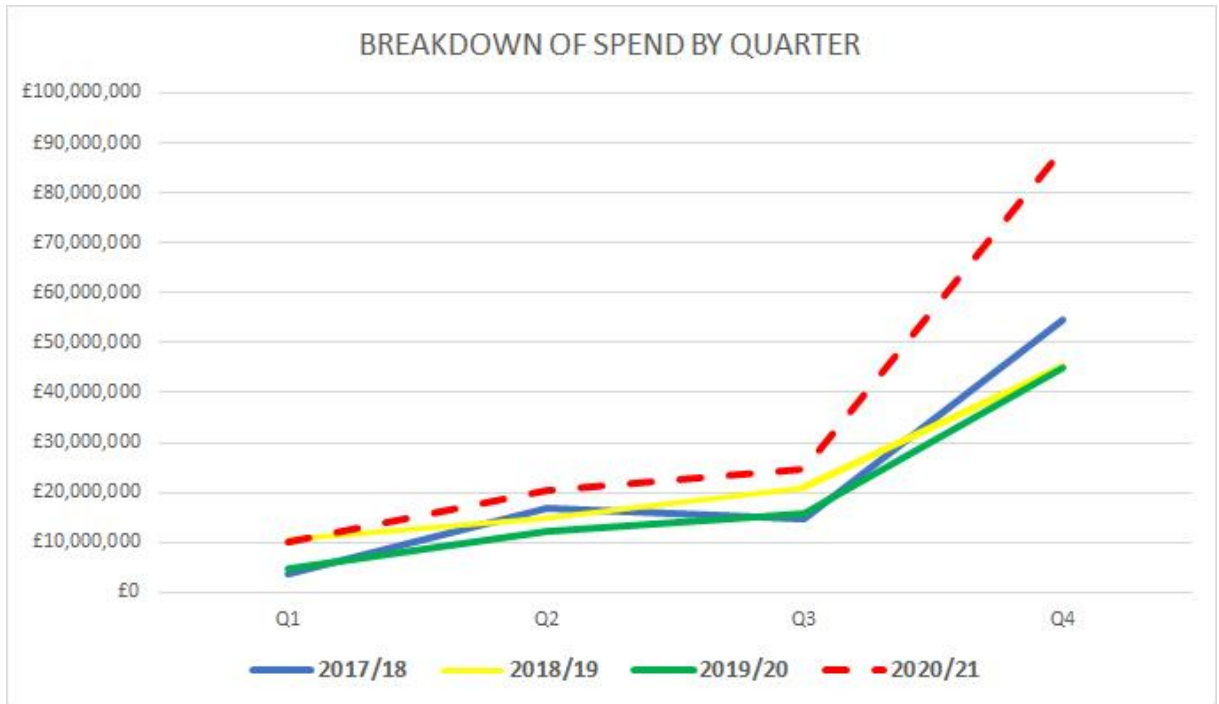
The Combined Authority as accountable body for the LEP approved the three-year indicative capital programme at its meeting on 6 February 2020. The indicative LEP capital programme for 2020/21 is detailed in Table 1 below along including in-year expenditure forecast:

**Table 1**

<b>Capital Expenditure Programme 2020/21</b>	<b>Budget Forecast February 2020</b>	<b>In-Year Forecast June 2020</b>
<b>Growth Deal Programme</b>		
Priority 1 Growing business	£14,809,439	£11,368,691
Priority 2 Skilled People and Better Jobs	£667,110	£667,273
Priority 3 Clean Energy	£741,887	£1,022,946
Priority 4a Housing and Regeneration	£6,500,000	£8,845,000
Priority 4b West Yorkshire plus Transport Fund	£110,670,000	£87,384,018
Priority 4c Economic Resilience	£4,181,524	£4,279,598
Priority 4d Enterprise Zones	£12,337,000	£15,699,938
Growth Deal - Other	£2,000,000	£2,500,000
<b>Growth Deal Total</b>	<b>£151,906,960</b>	<b>£131,767,464</b>
Broadband	£2,608,437	£107,438
<b>Total Capital Spend</b>	<b>£154,515,397</b>	<b>£131,874,902</b>

## Growth Deal Programme

- 2.1 The Leeds City Region Growth Deal programme receives Government grant totalling £516.35 million of which £360.57 million was spent in the first five years (2015/16 to 2019/20). The leaves £155.78 million to spend in 2020/21.
- 2.2 The Leeds City Region was due to receive a final payment of £100.34 million in 2020/21, £76.22 million of this has now been received (includes £30 million of 'gainshare' funding for the Transport Fund plus 2/3rds of the remaining funding). The Cities and Local Growth Unit are currently undertaking a review of the programme to establish, given the current COVID-19 crisis, the contractual status of projects and the risk of slippage. The release of the remaining spend will be subject to a satisfactory outcome of the review. A decision on this is expected in September 2020.
- 2.3 A review spreadsheet was completed for the Leeds City Region programme and submitted in accordance with the deadline of 17 June 2020. It provided a positive snapshot of the current situation:
- £483.47 million, 93.6% of the programme is contractually committed.
  - Economic development projects are expected to spend in full the remaining £40.25 million.
  - Transport Fund forecast is to be fully contractually committed by the end of the year and to spend all but £11.84 million, which will be carried over to spend in 2021/22 (the Transport Fund is a ten year programme which extends beyond the end of the Growth Deal).
- 2.4 It is acknowledged that delivery at this level will be challenging, especially given the COVID-19 pandemic. Programme delivery will be monitored closely but as with previous years there is a significant level of expenditure expected in the final quarter as demonstrated in the graph below. This represents a risk because it is difficult to mitigate against underspend in the final quarter, mitigating actions have been planned in advance and include existing over-programming.



2.5 Each quarter a return is made to the Cities and Local Growth Unit (CLoG) through its data capture system which collates Growth Deal programme information. CLoG has requested that this dashboard should be endorsed by the LEP Board each quarter. The deadline for this dashboard for quarter 4 2019/20 was extended from May 2020 to August 2020, however it is now ready for submission. The dashboard is now attached as **Appendix 1** for consideration and endorsement of the LEP Board.

Performance

2.6 When the Growth Deal was approved by Government in 2014 headline outputs / outcomes were agreed for the overall programme. The table below sets out each of the target outputs and the achievement as at 31 March 2020 along with future forecasts. These outputs will continue to be monitored and reported to Government up to 2024/25.

**Table 2**

Output	Target (includes Growth Deals 1, 2 and 3)	Achieved to date as at Quarter 4 2019/20	Forecast 2020/21	Forecast 2021-25	Total
New jobs	19,595	7,633	2,145	7,114	16,892
Jobs safeguarded (flood resilience programme)	11,100	24,583	465	700	25,748
Houses	2,300	437	349	1,253	2,039
Public / private investment (match funding)	£1,031,000,000	£671,626,241	£248,156,636	£377,453,695	£1,297,236,572

2.7 It was previously reported that the New Jobs target was forecast to be achieved with a forecast of 19,920. This included jobs expected to be created through the Aire Valley Power Supply project which has now been withdrawn from the programme as this is no longer required. There are however

additional forecasts to be included as projects continue through the assurance process and this target is still expected to be achieved.

- 2.8 Houses completed is a target where achievement is an ongoing concern. The expectation was that these would be achieved through Priority 4c Housing and Regeneration but a complication is that this programme does not involve direct house building. This element of the programme is about developing difficult to deliver sites in preparation for house building. At the point that the projects are approved the numbers of houses likely to be built is an estimate. Some of these estimates are not being achieved for a variety of reasons (including sites that will be delivered over the long term beyond March 2025) and there is ongoing work to establish exact forecasts. However, it is expected that this output will be achieved.

### **COVID-19 Economic Stimulation**

- 2.9 On 10 June 2020 a request was received from the Ministry of Housing, Communities and Local Government seeking 'ideas for accelerating existing Government funded capital projects, to generate new activity within 18 months, to help create jobs and raise overall demand in the economy'. The deadline for submission was extremely tight with a return required on 18 June 2020.
- 2.10 Consultation was undertaken with partner councils and a submission was put forward setting out three categories of projects: core (highest priority), core plus and core plus plus. No details have been provided regarding either the level of funding available or a timetable for the announcement of funding awards. A verbal report will be provided at the meeting.

### **3 Clean Growth Implications**

- 3.1 Through the Assurance Framework and other internal decision-making procedures, the Combined Authority will review and embed clean growth considerations into our activities.
- 3.2 Building on the recent work to strengthen how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority's Assurance Framework (Decision point 1 and 2), the Combined Authority are now in the process of procuring expert advice to frame and develop a robust quantifiable methodology for assessing all new scheme's predicted carbon emissions / wider clean growth impacts. This will include a review of existing Combined Authority schemes and additional resource to support the development and implementation of the new assessments.
- 3.3 The development of the specification for the work (which has benefitted from active engagement and input from Leeds City Region local authorities) will allow the Combined Authority to map and detail the emissions footprint of the 180+ projects in the West Yorkshire Plus Transport Fund and Leeds City Region Local Growth Fund pipeline and provide technical advice and training

support to project sponsors in the design and development of future investments. This will ensure that the business cases for these reflect the Leeds City Region Climate Emergency and that we can evidence that they will reduce carbon emissions (both directly and indirectly).

3.4 A tender has been issued to the market and following a detailed evaluation process (which included local authority partners) a preferred contractor has now been identified, with contract award negotiations currently taking place. The project inception meeting is scheduled for the first week of July and subject to confirmation it is anticipated that the phase 1 project report (context, scoping and recommendation of approach to phase 2 detailed technical works) will be presented to the project steering group in August 2020 with phase detailed work commencing quickly thereafter.

3.5 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports.

#### **4 Financial implications**

4.1 Financial implications are included within the body of the report.

#### **5 Legal implications**

5.1 There are no legal implications directly arising from this report.

#### **6 Staffing implications**

6.1 There are no staffing implications directly arising from this report.

#### **7 External consultees**

7.1 No external consultations have been undertaken.

#### **8 Recommendations**

8.1 That the LEP Board notes the planned LEP capital programme for 2020/21 and the update on the Government Review of the Growth Deal.

#### **9 Background Documents**

9.1 None

#### **10 Appendices**

10.1 Appendix 1: Growth Deal Data Capture Dashboard Quarter 4 2019/20

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# Growth Deal Dashboard

LEP Name **Leeds City Region LEP**

This Quarter: **Q4\_1920**

## Deliverables Progress



	This Quarter	15-17	Financial Year					Total
			17-18	18-19	19-20	20-21	21-25	
<b>Housing</b>								
Houses Completed	2	0	254	92	91	0	-	437
Forecast for year	213	0	254	92	213	889	1,169	2,617
Progress towards forecast	1%	-	100%	100%	43%	0%	-	17%



	This Quarter	15-17	Financial Year					Total
			17-18	18-19	19-20	20-21	21-25	
<b>Jobs</b>								
Jobs Created	1,721	2,604	24,315	1,594	3,704	0	-	32,216
Apprenticeships Created*	7	18	23	88	43	0	-	172
Jobs including Apprenticeships	1,728	2,622	24,338	1,682	3,747	0	-	32,388
Forecast for year	2,221	2,622	24,338	1,683	2,221	3,822	4,874	39,560
Progress towards forecast	78%	100%	100%	100%	169%	0%	0%	82%

\* Apprenticeships included within jobs totals prior to 2017



	This Quarter	15-17	Financial Year					Total
			17-18	18-19	19-20	20-21	21-25	
<b>Skills</b>								
Area of new or improved floorspace (m2)	0	29,467	17,038	4,486	5,200	0	-	56,191
Forecast for year	21,198	29,467	17,038	4,486	21,198	3,600	0	75,789
Progress towards forecast	0%	100%	100%	100%	25%	0%	-	74%



	This Quarter	15-17	Financial Year					Total
			17-18	18-19	19-20	20-21	21-25	
<b>Transport</b>								
Length of Road Resurfaced	0	0.0	0.0	2.5	0.0	0.0	-	2.5
Length of Newly Built Road	0	0.0	7.5	0.0	0.0	0.0	-	7.5
Length New Cycle Ways	0	0.0	0.0	19.0	0.4	0.0	-	19.4

## Project RAG Ratings

Project Name	Previous Quarter Q3_1920	This Quarter Q4_1920	Project Name	Previous Quarter Q3_1920	This Quarter Q4_1920
Business Growth Programme	AG	AG	Bradford Odeon	A	AG
ShIPLEY College Mill	G	G	Wakefield Civic Quarter	G	G
Leeds City College Printworks	G	G	Kirklees College Learning Village	A	A
Calderdale College	G	G	York Guildhall	G	AG
Kirklees College	G	G	Leeds City College Quarry Hill	A	AG
Resource Efficiency Fund	G	G	WYCA Delivery Costs	G	G
Energy Accelerator	AR	A	Mytholmroyd Flood Alleviation (GD3)	AG	AG
Wakefield Eastern Relief Road	AG	G	Leeds Flood Alleviation Scheme (FAS1)	G	G
East Leeds Housing Growth - Red Hall	AG	AG	Skipton Flood Alleviation Scheme	G	G
East Leeds, Brownfield Sites	G	G	South Elmsall Rail Car Parking Extension	G	G
Halifax Town Centre (Northgate House)	AG	AG	Rail Parking Programme - Fitzwilliam	G	G
York Central	A	A	Rail Parking Package - Hebden Bridge	A	A
One City Park, Bradford	A	R	Leeds Station Gateway - New station Street	G	AG
Barnsley Town Centre	AG	AG	Leeds ELOR and North Leeds Outer Ring Road	A	A
Kirklees Housing sites	AG	A	West Yorkshire UTM (formerly HNEP) PROGR	A	A
Bath Road, Leeds	A	AG	Rail Parking Package - Mytholmroyd	AG	AG
Aire Valley Park and Ride	G	G	Rail Parking Package - Shipley	A	AR
Wakefield College	G	G	Rail Parking Package - Steeton and Silsden	AG	AR
Selby College	G	G	Rail Parking Package - Mirfield	G	G
ShIPLEY College Salt Building	G	G	Rail Parking Package - Normanton	A	A
Bradford College	G	G	Bradford Interchange Station Gateway	G	G
A629 Phase 1a	AG	G	Bradford FS Station Gateway	G	G
A629 Phase 2	A	A	A650 Tong Street	A	AG
Wakefield Phase 1 Kirkgate	G	G	SE Bradford Access Rd	G	AG
Access to Capital Grants Programme	AG	AG	Bradford to Shipley Corridor	G	G
Huddersfield Incubation & Innovation Programm	G	G	A650 Hard Ings Road - Phase 1: Hard Ings Road	G	AG
Leeds University Innovation Centre	AG	G	Harrogate Road / New Line	A	A
Leeds College of Building	G	AG	Halifax Station Gateway	A	A
Leeds District Heat Network	G	G	A641 Bradford - Huddersfield Corridor	A	G
Tackling Fuel Poverty (Phases 1,2,3 & 4)	G	G	A629 Phase 1b: Elland Wood Bottom to Jubilee F	A	AG
			A629 Phase 4: Ainley Top	AG	AG
			Huddersfield Station Gateway Phase 1	G	AG
			A653 Leeds to Dewsbury Corridor (M2D2L)	A	A
			M62 Junction 24a	A	G
			A629 Phase 5 - Ainley Top into Huddersfield	G	AG
			A62 and A644 Corridors incorporating Cooper bri	AR	AR
			Leeds Station Gateway - Yorkshire Hub	G	G
			Thorpe Park Station	A	AR
			A65-LBIA Link Road	A	A
			A6110 Leeds Outer Ring Rd	A	A
			Leeds City Centre Network and Interchange Pack	A	A
			Castleford Station Gateway	AG	AG
			Wakefield City Centre Package Phase 2 Ings Roa	AG	A
			Glasshoughton Southern Link Road	G	AG
			Castleford Growth Corridor Scheme	AG	AG
			CIP - Phase 1 - Leeds Fink Hill	AG	A
			CIP - Phase 1 - Leeds Dyneley Arms	G	A
			CIP - Phase 1 - Leeds Dawsons Corner	AR	AR
			CIP - Phase 1 - Kirklees Holmfirth Town Centre	AG	G
			CIP - Phase 1 - Kirklees Huddersfield Southern G	G	A
			CIP - Phase 1 - Kirklees A62 Smart Corridor	AG	AG
			CIP - Phase 1 - Calderdale A58/A672 Corridor	AG	AG
			CIP - Phase 1 - Calderdale A646/A6033 Corridor	AG	AG
			CIP - Phase 1 - Bradford A6177 ORR/Toller Lane	AG	AG
			CIP - Phase 1 - Bradford A6177 ORR/Great Hort	G	G
			CIP - Phase 1 - Wakefield A650 Newton Bar	AG	A
			Rail Park and Ride (Phase 1) Programme	G	G
			Rail Park and Ride (Phase 2) Programme	G	G
			Rail Park & Ride (Phase 2) - Apperley Bridge	AG	AG
			Rail Park & Ride (Phase 2) - Guseley	AR	AR
			Rail Park & Ride (Phase 2) - Moorthorpe	AG	AG
			Rail Park & Ride (Phase 2) - Outwood	AG	A
			Calder Valley Line Elland Station	AG	G
			York Central Access	AR	A
			York Northern Outer Ring Road	AG	AR
			Corridor Improvement Programme (formerly HEB	G	G

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Growth Deal Performance
A/G

Area lead comments

## Financial Progress

LGF Award	2015-16	2016-17	17-18	18-19	19-20	20-21	Total
	£68,266,303	£127,657,838	£72,228,329	£74,349,287	£73,510,320	£100,338,062	£516,350,138

LGF Outturn	This Quarter	15-17	Financial Year				Total
			17-18	18-19	19-20	20-21	
Actual	£ 39,691,768	£ 122,828,742	£ 90,532,441	£ 91,799,121	£ 71,157,310	£ -	£ 376,317,614
Forecast for year	£ 105,434,327	£ 122,828,742	£ 90,532,441	£ 91,799,121	£ 105,434,327	£ 105,755,508	£ 516,350,138
Progress towards forecast	38%	100%	100%	100%	67%	0%	73%

LGF Expenditure	This Quarter	15-17	Financial Year				Total
			17-18	18-19	19-20	20-21	
Actual	£ 33,462,544	£ 112,974,336	£ 82,284,182	£ 94,889,903	£ 70,421,607	£ -	£ 360,570,028
Forecast for year	£ 105,434,327	£ 112,974,336	£ 82,284,182	£ 94,889,903	£ 105,434,327	£ 120,767,391	£ 516,350,138
Progress towards forecast	32%	100%	100%	100%	67%	0%	70%

Non-LGF Expenditure	This Quarter	15-17	Financial Year				Total
			17-18	18-19	19-20	20-21	
Actual	£ 133,494,866	£ 172,939,958	£ 169,338,604	£ 138,934,700	£ 190,412,978	£ -	£ 671,626,241
Forecast for year	£ 256,141,155	£ 172,939,958	£ 169,462,068	£ 138,965,935	£ 256,141,155	£ 120,028,554	£ 857,537,671
Progress towards forecast	52%	100%	100%	100%	74%	0%	78%

Total LGF + non-LGF Expenditure	This Quarter	15-17	Financial Year				Total
			17-18	18-19	19-20	20-21	
Actual	£ 166,957,410	£ 285,914,294	£ 251,622,787	£ 233,824,603	£ 260,834,585	£ -	£ 1,032,196,268
Forecast for year	£ 361,575,482	£ 285,914,294	£ 251,746,250	£ 233,855,838	£ 361,575,482	£ 240,795,945	£ 1,373,887,809
Progress towards forecast	46%	+100%	+100%	+100%	+72%	+0%	75%

## Contractual Commitments (manual entry)

	15-17	17-18	18-19	19-20	20-21	Total
Forecast	£ 204,547,946	£ 102,967,879	£ 58,580,817	£ 125,000,000	£ 25,253,358	£ 516,350,000
Actual	£ 204,547,946	£ 102,967,879	£ 58,580,817	£ 117,375,758	£ -	£ 483,472,400
Variance	+0%	+0%	+0%	-6%	-100%	-6%

## Commentary

In 2019/20 both outturn and expenditure were lower than the forecast of £105 million estimated. The total underspend against forecast is £33.85 million the majority of this £25.9 million (76%) relates to the Transport Fund (Gainshare). There are different reasons that individual projects have not achieved target spend. But a general issue that has been reported by partner councils is that resources have been diverted to work on bids for other funding (e.g. Transforming Cities Fund, Future Mobility Zones, Major Route Network, Housing Investment Fund, Streets for People etc.). Projects have also been delayed going forward whilst the results of these bids are awaited to allow available budgets to be finalised. The restrictions resulting from Covid-19 placed on the Combined Authority, partner councils and contractors have had some impact on overall delivery in 2019/20 mainly on projects that were due to start on site in March 2020. Having said this the outlook for the final year of the programme is positive, action has been taken to drive delivery and mitigate risk through overprogramming. This will help to ensure target spend is achieved.

Fourteen projects have been identified as red or amber/red rated:  
 Red: (LGFLEE14) Bradford - One City Park - will not spend remaining LGF by March 2021. (LGFLEE120) Business Expansion Fund Strategic Inward Investment Fund - subject to businesses requiring grants, whilst scope for grant has been widened and a number of new grant awards are progressing through appraisal the project is still likely to underspend - programme level mitigation has been taken. (LGFLEE123) Leeds Aire Valley Enterprise Zone - project cancelled as no longer required. (LGFLEE146) York Northern Outer Ring Road - Phase 2 (Monks Cross) - Project currently delayed due to land assembly and planning permission issues (dualling). (LGFLEE172) York Northern Outer Ring Road - Future Phases - delayed due to DIT dualling issues and agreement on assurance process.  
 Amber/Red: (LGFLEE55) Rail Parking Package - Shipley - Northern have expressed short term capacity concerns until additional train capacity due in 2021. (LGFLEE56) Rail Parking Package - Steeton and Silsden - Yet to resolve legal agreement with Northern. (LGFLEE76) A62 and A644 Corridors incorporating Cooper Bridge - Outline business case in development project has been delayed while transport model for the Kirklees area is finalised. (LGFLEE78) Thorpe Park Station - Delay to commencing GRIP (Governance for Rail Investment Process) design work due to uncertainty around TRU (Transpennine Route Upgrade). (LGFLEE88) CIP - Phase 1 - Leeds Dawsons Corner - Leeds have applied for additional MRN funding to cover the funding gap, however at this stage the result of this bid is not certain. (LGFLEE103) Rail Park & Ride (Phase 2) - Guseley - Design changes required to reduce revenue costs and improve sustainability. (LGFLEE108) York Northern Outer Ring Road - Junction and Dualling scheme to be brought together following legal advice, with single Assurance process. (LGFLEE156) Leeds Inland Port - Cost estimate increase up to circa £6m. Due in part to additional requirements highlighted by Associated British Ports. (LGFLEE160) LCR M62 EZ Sites - Bradford Gain Lane / Thornton Industrial Park - Some delay to programme due to storms Ciara, Dennis and Jorge. Further delay is now being experienced due to COVID-19 causing business shutdowns for supplier.

## Section 151 Officer Approved

Name: Angela Taylor  
 Signature:   
 Date: 6 July 2020

## LEP Chair Approved

Name:   
 Signature:   
 Date:

# Growth Deal Dashboard

South Featherstone Link Rd - Feasibility Study	AG	AG
Kirklees - North Kirklees Orbital Route - Feasibility Study	A	A
York Northern Outer Ring Road Dualling- Feasibility Study	G	G
New Bolton Woods	G	AG
Business Expansion Fund - Strategic Inward Investment	R	R
Digital Sector Soft Landing Scheme	A	A
Leeds City Region M62 Enterprise Zone sites	AG	AG
Leeds Aire Valley Enterprise Zone	R	R
Bradford Interchange Station Gateway - Phase 2	G	G
WYCA Growth Deal Management & Monitoring Work	G	G
Corridor Improvement Programme (Phase 2)	G	G
Corridor Improvement Programme (Phase 3)	G	G
Wyke Beck Valley Flood Alleviation	AG	A
York Northern Outer Ring Road - Phase 1 (Wetherby)	G	G
CIP - Phase 1 - Wakefield Owl Lane	G	G
CIP - Phase 1 - Bradford A6177 Great Horton Road	AG	AG
Beech Hill, Halifax	AG	AG
Natural Flood Management - Colne & Calder	A	A
Natural Flood Management - Upper Aire	AG	A
Rail Parking Package - Garforth	AG	G
Dewsbury Riverside	A	A
York Northern Outer Ring Road - Phase 2 (Monksdale)	AR	R
York Northern Outer Ring Road - Phase 3	AG	AG
Transformational - NE Calderdale Transformational	G	A
Transformational - LCR Inclusive Growth Corridor	A	A
City Connect Phase 3	G	AG
Institute for High Speed Rail and System Integration	AG	AG
City Centre Heritage Properties - Bradford	A	A
Wakefield City Centre - South East Gateway	A	A
Huddersfield Station Gateway Phase 2	A	A
A629 (Phase 2) - Halifax Bus Station	A	AG
Leeds Inland Port	AG	AR
Transformational - A6120 Leeds Northern Outer Ring Road	AG	AG
Leeds Flood Alleviation Scheme (FAS2)	G	G
Transformational - Kirklees Transport Model	G	AG
LCR M62 EZ Sites - Bradford GAIN LANE/ Thorncliffe	AG	AR
LCR M62 EZ Sites - Calderdale CLIFTON BUSIN	A	A
West Yorkshire UTM (formerly HNEP) Phase A	G	G
West Yorkshire UTM (formerly HNEP) Phase A	AG	AG
LCR M62 EZ Sites - Bradford PARRY LANE	A	AG
LCR M62 EZ Sites - Bradford STAITHGATE Lane	AG	AG
LCR M62 EZ Sites - Wakefield LAINGTHWAITE I	A	AG
LCR M62 EZ Sites - Wakefield SOUTH KIRKBY	AG	AG
Flood Alleviation Brighouse and Clifton	A	A
Flood Alleviation Hebden Bridge	G	AG
York Northern Outer Ring Road - Future Phases	AR	R
West Yorkshire UTM (formerly HNEP) Phase A	G	G
West Yorkshire UTM (formerly HNEP) Phase A	AG	AG
West Yorkshire UTM (formerly HNEP) Phase A	G	G
CCAG Leeds- Dewsbury Road	AG	AG
CCAG Huddersfield Town centre	G	AG
CCAG Canals	G	AG
CCAG Cooper Bridge Cycle	AG	AG
CCAG Castleford to Wakefield #4	G	AG
Resource Efficiency Fund #2 Re BIZ	G	AG
Transforming Cities Fund Development Funding	AG	AG
West Yorkshire Integrated UTM Phase B	AG	AG
Rail Parking Package - Ben Rhydding	AG	A
Transformational - Leeds Transport Model	G	G

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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 14 July 2020

**Subject:** **Digital Board**

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**Director:** Alan Reiss, Director, Policy Strategy and Communications

**Author(s):** Sarah Bowes

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

- 1.1 To provide Board members with an update of the work of the Leeds City Region Digital Board and seek feedback on proposed changes to increase the effectiveness of the Board.

## **2. Information**

- 2.1 The Leeds City Region Digital Board was established in June 2019 to provide oversight of activities under the Digital Framework, bringing in the experience and expertise of members to help shape and advise on activity. The Board has no decision-making powers but is chaired by the Chief Executive of Bradford Council includes members of the LEP Board and relevant panels, who provide the conduit through to formal advice and decision making.
- 2.2 A light touch review was undertaken in January 2020 to ensure the Board remains fit for purpose. To inform the review, discussions took place with four Board members, five LEP/Combined Authority officers, and the Chair of the Board. The review also took account of ad hoc/informal feedback received over the last six months.
- 2.3 Overall the consensus from all parties was that there continues to be a need for a Digital Board to bring together the different strands of activity and provide external and expert check and challenge. However, there are lessons learnt from the first six months of the Board's existence and recommendations which can strengthen the Board (and the digital agenda) moving forwards.
- Undertake a review of membership to ensure a manageable but relevant and representative group of experts. This review should include strengthened LEP Board and Panel membership, in line with ongoing LEP Board and Panel recruitment.
  - Reinforce the status of the Digital Board by clarifying that it is a working group of the LEP/CA and is the key route for advice on all digital matters;

utilise the expertise and resources of members by establishing task and finish groups when appropriate; and build links with the activity of all five advisory Panels.

- A forward plan for the Digital Board should be developed to ensure the right input at the right time, revisiting Digital Framework objectives at regular intervals.
- Focus each meeting on one or two thematic areas and ensure discussions are interactive and two way, ensuring next steps are fed back.
- Utilise Board members for the Digital Heartland campaign and ensure they are actively participating in delivery (where appropriate).
- Invite experts in on topics to stimulate discussion and steer activity – e.g. Cybersecurity.
- Explore how to make better connections with relevant local authority colleagues.

2.4 This paper seeks a steer from LEP Board on the first two recommendations: strengthening membership and reinforcing the status of the Board.

#### Strengthening membership

2.5 The review set out the need to improve representation on the Board and this will be done in consultation with existing Panels, local authority colleagues and Yorkshire Universities.

2.6 The Board currently includes representation from Business, Innovation and Growth Panel (Andrew Wright), Employment and Skills Panel (Rashik Parmar and Mark Cowgill). Further connections need to be made with private sector members of the Inclusive Growth, Place and Green Economy Panels.

2.7 Following the West Yorkshire devolution agreement to establish a Local Digital Skills Partnership (LDSP), discussions have taken place to determine the relationship between the Board and the new LDSP.

2.8 LDSPs were established by DCMS in 2019 to bring together cross-sector partners to design, develop, and coordinate the delivery of innovative digital skills programmes, tackle digital exclusion, share best practice, and raise awareness of digital skills regionally.

2.9 The LDSP will focus entirely on digital skills and therefore, given its singular focus, it is appropriate to establish the LDSP separately to the Digital Board with membership focused on the digital skills agenda only. It is important however that connections are made to the Digital Board and ESP. To that end, it is proposed that Mark Cowgill and Liz Needleman (ESP) are invited to sit on the LDSP, with Mark providing linkages between the ESP, LDSP and Digital Board. Connections also need to be made into the CA as this is part of the devolution agreement.

### Status of the Board

- 2.10 The review set out the need to strengthen the Board's role in all digital matters across the City Region. The City Region's digital ambitions are firmly set out in the Digital Framework, emerging Strategic Economic Framework and Local Industrial Strategy, and devolution agreement.
- 2.11 Given the importance of digital, particularly in the context of Covid-19 recovery, the Digital Board has recommended a number of actions to provide strengthened accountability and influence over all digital matters:
- LEP Board to recognise the Digital Board as a formal working group of the Combined Authority with the associated responsibilities
  - Reports led by Board members on digital activities to be brought to LEP Board meeting to demonstrate outcomes and impact.
  - An annual review of the Digital Board to take place to consider whether the Board remains fit for purpose and is maintaining its level of influence over the digital agenda in Leeds City Region.
  - Increased visibility of the Digital Board in the form of a web presence and associated comms and marketing activity, subject to resources.
- 2.12 This is particularly timely as the Digital Board now has 3 sub-groups beneath it: the LDSP; the Collaborative Skills Partnership; and the Made Smarter Board (Chaired by Andrew Wright).
- 2.13 The Digital Board is currently considering the opportunities post Covid-19 on the aspirations within Digital Framework. From this a forward plan will be developed for the next 12 months to maximise opportunities.

### **3. Clean Growth Implications**

- 3.1 Digital technologies have a huge potential role in achieving the City Region's clean growth aspirations.

### **4. Financial Implications**

- 4.1 The Digital Board has been established with existing resources, overseeing existing activity whilst helping to inform future priorities.
- 4.2 The LDSP however does have a funded post attached to it. This post will help to coordinate the Partnership, supporting the work of the Digital Board. This post will also be responsible for developing the relationship between the LDSP, Government and the national Digital Skills Partnership.

### **5. Legal Implications**

- 5.1 There are no legal implications associated with this post

## **6. Staffing Implications**

- 6.1 The new LDSP post will be fully funded for one year as part of the devolution agreement.

## **7. External Consultees**

- 7.1 Leeds City Region Digital Board

## **8. Recommendations**

- 8.1 LEP Board support the proposed LDSP integration with the Digital Board and provide recommendations for strengthened membership, including endorsing better connectivity with the ESP.
- 8.2 LEP Board provide a steer on the Digital Board's recommendations to enhance the status of the Digital Board.
- 8.3 LEP Board to provide support for greater alignment between the Digital Board and the Inclusive Growth Panel, Place Panel and Green Economy Panel.

## **9. Background Documents**

[Digital Framework \(summary\)](#)

## **10. Appendices**

Background slides on integrating the LDSP with the Digital Board.

# Digital Board, Local Digital Skills Partnership, and Let's Talk Real Skills Collaborative Skills Partnership

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# Digital Board

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In 2019 the Leeds City Region Digital Board was established to oversee the delivery and implementation of the five outcomes of the Digital Framework:

- Digital opportunities for all businesses
- Digital skills for all
- A thriving digital sector
- World class digital infrastructure
- Tech for good

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The ambition is for the board to oversee all digital activity in Leeds City Region and make connections between the different strands. Membership is drawn from across the City Region and across the five outcomes.



# Local Digital Skills Partnership

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As part of the devolution agreement, Government have committed to establishing a Digital Skills Partnership in West Yorkshire.

LDSPs have been competitively bid for and established in 7 other LEP areas to tackle local digital skills challenges. The objective of the LDSP is to bring together key stakeholders involved in digital skills (both supply and demand) to work to identify digital skills needs, barriers and identify opportunities for interventions.

A key part of the LDSP offer is a full time coordinator to facilitate and lead the above. This post will also lead on liaison and negotiation with government, through the network of LDSPs, feeding into the national Digital Skills Partnership.

# Collaborative Skills Partnership

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As part of WYCC Lets Talk Real Skills Programme, a Collaborative Skills Partnership for digital will be established.

Collaborative Skills Partnerships will deliver improvements to the skills offer in the Leeds City Region to better meet the needs of employers, align private and public sector investment and grow our economy. They will set up significant and long term partnerships to take end to end responsibility for skills development in a sector, challenge the current mind-set and advance skills development beyond the current model.

The Digital Collaborative Skills Partnership will explore potential new strategies for designing the skills system, for training and engaging a diverse workforce, it will be innovative in its approach and ambitious in fostering a solid collaboration with employers and their supply chain. It will form partnerships with training providers and other organisations, to create ambitious, transformative proposals that will deliver the skills SME need in the Leeds City Region.

# Proposal for alignment

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The ambitions of the **LDSP** and **Collaborative Skills Partnership** are very similar, and it is likely membership of the two will include the same key stakeholders.

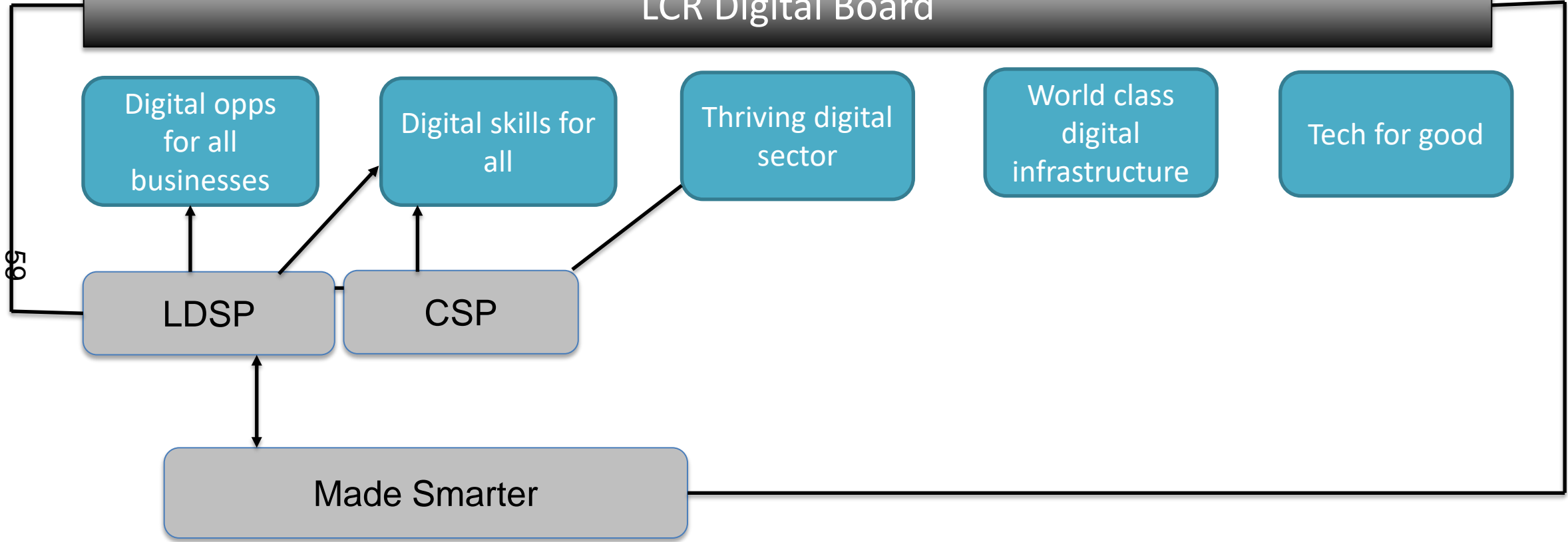
- The **LDSP** will focus on digital skills shortages in ***any and all sectors*** across West Yorkshire, thereby addressing the DF outcomes of Digital opps for all businesses and Digital Skills for all.
- The **Collaborative Skills Partnership** will focus on digital skills shortages across the digital sector itself, thereby addressing the DF outcomes of A thriving digital sector and Digital Skills for all.
- The **LDSP** and **CSP** will meet together, or sequentially to cover all digital skills. The same Chair, and a number of members will also attend the Digital Board to provide feedback and secure input.
- The **LDSP** is likely to focus on basic to general digital skills across the economy. The CSP will focus mainly on general and advanced skills for the Digital Sector, although recognising there will be overlap
- Recruitment for the LDSP Manager is currently underway. The expectation is that we will have the postholder in place by September ready for the launch of the **LDSP**.

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Digital board members	LDSP members	CSP members
<b>Kersten England (Chair)</b>	<i>Additional Large employer</i>	Leeds City College
Andrew Wright (LEP/BIG/ Hainsworths)	Additional SME employer	Bradford College
James Devitt (HE)	<i>Charity/VCS rep</i>	Shipley College
Jem Henderson (Tech Nation)	<i>HE rep</i>	Calderdale College
Jim Farmery (Creative England)	<i>FE rep</i>	Leeds Trinity
Mark Fleetham (HE)	<i>Independent training provider</i>	Hippo Digital
Malcom Seagrave (AND Digital)	Liz Needleman (ESP/BT)	Enjoy Digital
Rashik Parmar (LEP/ ESP/ IBM)		The Data Shed
Victoria Betton (Mindwaveventures)		
Bryn Sage (InTechnology)		
<i>Additional SME employer (poss a CSP member)</i>		
<i>Charity/VCS</i>		
<b>Bill Jones (Chair LDSP and CSP)</b>		
	Steve Moore (CityFibre)	
	Bryn Sage (InTechnology)	
	Will Roebuck (Eradar)	
	Mark Cowgill (LEP/ESP/ EXA Networks)	

# Digital Framework

## LCR Digital Board



# Thank you

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**Report to:** LEP Board

**Date:** 14 July 2020

**Subject:** **Future Approach to Commercial Investment**

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**Director:** Brian Archer, Director of Economic Services

**Author(s):** Henry Rigg

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## **Purpose of this report**

- 1.1 To update the LEP Board on the revised approach to the commercial investment project in the light of the COVID-19 pandemic, and to provide an opportunity for the LEP to discuss the next steps for implementation.
- 1.2 To approve £300,000 of the returned capital being used as match-funding to support the LEP's Strategic Business Programme Phase 2 in order to support 500 high growth businesses up to the end of March 2023.

## **2. Information**

- 2.1 The Leeds City Region Enterprise Partnership (the LEP) / Combined Authority developed options for a future approach to business investment for the Leeds City Region. Building on the 2018 external review of the Growing Place Fund (GPF), Deloitte were commissioned earlier in 2019 to advise the LEP / Combined Authority on gaps in the regional investment market, potential business finance models and to advise on appropriate and robust procedures prior to launching a new investment fund.
- 2.2 The first phase of the Deloitte work recommended a number of key propositions to help the LEP / Combined Authority shape a new approach to business finance that could be scaled and adapted over time to meet the changing needs of the city region. This included a 'single front door' approach for engaging with the public sector on investment opportunities, and two initial investment products: an Invest to Grow loan and a 'Placemaker' loan.

## **Impact of COVID-19**

- 2.3 Since this work was completed, the COVID-19 pandemic has swept the world and the economic landscape has changed dramatically from the one we were in at the start of this project proposal.

- 2.4 Phase 3 of the planned programme was intended to implement the agreed elements of phase 1 and 2 in a way that efficiently and effectively recycles the returned Growing Places Fund, which currently amounts to £17m in total. The impact of lockdown, furlough and the resulting significant economic turbulence, coupled with the Governments financial support programme aimed at SMEs across the UK, suggests that a review is undertaken of whether this should remain an area of focus for the LEP and Combined Authority.
- 2.5 Deloitte’s initial view is that short/medium term loan finance market is currently being heavily serviced by Government, and that there is considerable difficulty in assessing risk in this market at present. Furthermore, the anticipated high failure rate of businesses in this sector means that this may not be the best place for the LEP / Combined Authority to place its funds designed for economic growth interventions. If after further review this is agreed to be the case, this recycled Growing Places Fund capital may be applied to the creation of an investment fund for physical/ real estate assets that can be used to both support regional growth objectives and create a longer sustainable income stream. As a consequence, it is proposed that phase three of the project is refreshed and revised to comprise of the following workstreams.

Planned

Workstream	Stage 1	Stage 2	Stage 3
<b>1. Market comparator refresh</b>			
<ul style="list-style-type: none"> <li>Prepare high level overview of other LA / CA property investment programmes as well as comparable private sector funds</li> <li>Key points to compare: total size of fund, key investments, teams/resources, governance</li> <li>Run internal session to assess comparators and refine look and feel of investment programme including any proposed variance from previous investment strategy</li> </ul>			
<b>2. Internal processes</b>			
<ul style="list-style-type: none"> <li>Establish governance requirements and identify key appointments (internal and external)</li> <li>Set up delegations / approval boards or teams</li> <li>Appoint to key roles (may be temporary)</li> <li>Revise investment strategy and agree return requirements, investment budget etc.</li> <li>Prepare budget and financial cash flow to support initial investment assessment and ongoing portfolio review</li> <li>Prepare and implement reporting schedule</li> </ul>			
<b>3. Identify opportunities</b>			
<ul style="list-style-type: none"> <li>Agree strategy for identifying opportunities – call for projects vs direct</li> <li>Meet with relevant LCR teams to identify opportunities: <ul style="list-style-type: none"> <li>✓ to include WYCA Regeneration and Capital Projects team</li> <li>✓ David Shepherd (LCC) regarding opportunities related to inward investment enquiries</li> <li>✓ City / Local Authority property and regeneration teams</li> <li>✓ Deloitte RE</li> </ul> </li> <li>Shortlist opportunities for further consideration based on size, high level return potential, speed of investment etc</li> <li>Consult externally for opportunities if none available from initial sources</li> </ul>			
<b>4. Process initial opportunities through approval process</b>			
<ul style="list-style-type: none"> <li>Agree formats for assessment documents</li> <li>Prepare credit assessment document and cash flow for initial opportunity</li> <li>Commission relevant due diligence on opportunity as per approval process</li> <li>Execute initial investment</li> </ul>			



## **Next Steps**

- 2.6 Over the coming months, feedback from each Board / Panel will be used to build on the advice from Deloitte and to help shape the final Investment Strategy which will be specific to the Leeds City Region's requirements. It is the intention that a final version of the Investment Strategy is brought back to a future meeting of the LEP for approval in the autumn of 2020.

## **Strategic Business Growth Programme, Phase Two**

- 2.7 The Strategic Business Growth Programme (SBG) is the LEP's flagship high growth support programme. Phase One of the programme (worth £2.83m) completed in March 2020 and supported over 350 SMEs to achieve substantial growth. This is evidenced within the recent independent evaluation which reported that the programme created over 820 new jobs, delivered a GVA contribution of £72.3m and an increase in export activity worth £81.2m.
- 2.8 Furthermore, the evaluators also undertook a comparative analysis, by geography and sector, of a group of SMEs supported by the programme in 2017 against an identical number that had not participated. The average increase in turnover for businesses supported through the programme (2017 - 2019) was 86% and the average increase in employment numbers, 62%. This compared to 21% and 20% respectively for businesses not in receipt of support.
- 2.9 EU funding of £1.62m was approved in early 2020 to deliver the second phase of the programme, but the required match-funding of circa £600,000 has been affected by the financial impact of COVID-19 on the Combined Authority (CA). Therefore, if £300,000 of funding from the £17m returned capital could be allocated to SBG phase two (via a ringfenced capital grants fund available only to the participating SMEs), the remaining £300,000 of required match-funding could be obtained from the contribution of those participating SMEs.
- 2.10 The Combined Authority has put forward a proposal for additional Local Growth Fund capital monies for 2021/22, and this includes a substantial amount of funding for capital investment by businesses as an extension of the current successful Business Growth Programme (BGP). If the bid for additional BGP is successful, the £300,000 request of the £17m returned capital could be repaid.

## **3. Financial implications**

- 3.1 There are no immediate financial implications directly arising from this report.

## **4. Legal implications**

- 4.1 There are no immediate legal implications from this report.

## **5. Staffing implications**

5.1 There are no immediate staffing implications directly arising from this report.

## **6. External consultees**

6.1 No external consultations have been undertaken specifically related to the contents of this report, although significant consultation has taken place previously with boards and panels on the investment fund and strategy.

## **7. Recommendations**

7.1 LEP Board are requested to consider the contents of the revised project plan and provide any comments.

7.2 LEP Board is asked to approve £300,000 of the returned capital to be used as match-funding to support the LEP's Strategic Business Programme Phase 2 in order to support 500 high growth businesses up to the end of March 2023.

## **8. Background documents**

8.1 None.

## **9. Appendices**

9.1 None



## MINUTES OF THE MEETING OF THE WEST YORKSHIRE COMBINED AUTHORITY HELD REMOTELY ON THURSDAY, 21 MAY 2020

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### Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Tim Swift MBE (Deputy Chair)	Calderdale Council
Councillor Keith Aspden	City of York Council
Councillor Judith Blake CBE	Leeds City Council
Councillor Stewart Golton	Leeds City Council
Councillor David Hall	Kirklees Council
Councillor Denise Jeffery	Wakefield Council
Roger Marsh OBE DL	Leeds City Region Local Enterprise Partnership
Councillor Shabir Pandor	Kirklees Council
Councillor John Pennington	Bradford Council

### In attendance:

Councillor Kim Groves	Chair, Transport Committee
Councillor Peter Harrand	Chair, Overview & Scrutiny Committee
Ben Still	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Brian Archer	West Yorkshire Combined Authority
Dave Pearson	West Yorkshire Combined Authority
Alan Reiss	West Yorkshire Combined Authority
Melanie Corcoran	West Yorkshire Combined Authority
Ambrose White	West Yorkshire Combined Authority (Minute 89 only)
Ruth Chaplin	West Yorkshire Combined Authority

### 83. Apologies for Absence

There were no apologies for absence.

### 84. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by members at the meeting.

### 85. Exclusion of the Press and Public

There were no items that required the exclusion of the press and public.

**86. Minutes of the Meeting of the Combined Authority held on 16 April 2020**

**Resolved:** That the minutes of the meeting of the West Yorkshire Combined Authority held on 16 April 2020 be approved.

**87. COVID-19 Response and Economic Recovery**

The Combined Authority considered a report of the Directors of Economic Services and Transport Services on COVID-19.

The report provided an update on the latest response to the COVID-19 outbreak from the Combined Authority and Leeds City Region Enterprise Partnership. Members considered the continued delivery and development of products and services in response to COVID-19. They discussed the challenges facing the region and the response work and recovery planning which is being overseen by the new West Yorkshire Economic Recovery Board. It was noted that regular meetings were also being held between the four Yorkshire and Humber LEP Chairs and representatives of all the major banks in the region. In noting the summary of support and products being provided to businesses, Members highlighted and discussed the problems being faced by all sectors including the issues regarding the sourcing of seasonal agricultural workers, tourism, hospitality, theatre and the arts.

Members expressed their concerns and discussed the future viability and funding of public transport due to the impact of the pandemic. It was reported that in anticipation of an increase in passengers following the Government's message to people unable to work from home, work was in progress at bus stations, interchanges and bus shelters to reinforce the social distancing advice. The emergency arrangements for funding bus services will expire on 9 June 2020 and discussions are being held with the Department for Transport seeking clarity of further funding and investment. The five Combined Authorities had sent a joint letter to Government seeking emergency funding for public transport and Councillor Blake and the Metro Mayors had also written to the Secretary of State recommending that all public sector funding for buses be directed through local transport authorities including the Combined Authority.

The Authority noted the update in respect of the impact of COVID-19 on the organisation and the detailed work being undertaken to consider the financial impacts of the pandemic on the Combined Authority. Forecasts and options are to be considered by a meeting of the Budget Working Group and a report will be taken to the next meeting of the Governance and Audit Committee.

**Resolved:**

- (a) That the progress on the delivery and development of products and services in response to the COVID-19 crisis be noted.
- (b) That the position with regard to the impact of COVID-19 on the bus industry and organisation be noted.

## 88. Devolution Implementation

The Combined Authority considered a report of the Director Policy, Strategy and Communications on the implementation of devolution in West Yorkshire.

Members considered the outcome of the statutory Governance Review and the draft Scheme for the establishment of a Mayoral Combined Authority which were summarised in the report. A copy of the full Governance Review was attached at Appendix 1 and the draft Scheme at Appendix 2 of the submitted report.

The Authority discussed the consultation and engagement process which, subject to the authorisation of the Combined Authority and the Constituent Councils, would be carried out across the region. It was noted that the draft consultation questions which were attached at Appendix 3 were currently being updated and a copy of the final consultation documents would be shared with Members at the earliest opportunity. The public consultation on the devolution deal and proposals for a directly elected mayor would be held between 25 May – 19 July 2020.

It was agreed that the decisions taken in respect of the report be exempt from call-in by the Overview and Scrutiny Committee. This was on the grounds of urgency as any delay caused by the call-in process would prejudice the Combined Authority's and Constituent Councils' interests as delaying the start of the consultation process would have a significant detrimental impact on the proposed timetable which was attached at Appendix 4.

The Authority thanked officers for their support during the devolution negotiations and the work being undertaken to establish a Mayoral Combined Authority.

### **Resolved:**

- (a) That the conclusions of the Governance Review attached as Appendix 1 to the submitted report be endorsed, including that an Order under S104 and S105 in relation to the changes to constitutional arrangements considered in the Review and the delegation of additional functions to the Combined Authority would be likely to improve the exercise of statutory functions in relation to the Combined Authority's area.
- (b) That the Combined Authority's consideration of the draft Scheme for the establishment of the Mayoral Combined Authority, attached as Appendix 2 to the submitted report be noted.
- (c) That agreement be given for a public consultation exercise to be carried out on the proposals contained in the Scheme and that the Combined Authority's consideration of the draft consultation questions, attached as Appendix 3 to the submitted report be noted.

- (d) That engagement between the Combined Authority and other Constituent Councils should progress as described in the submitted report and that the Managing Director of the Combined Authority, in consultation with the Chief Executive and Leader of each Constituent Council, be authorised to take any steps to finalise the Scheme and progress the public consultation exercise as set out above.
- (e) That the updated timetable set out in Appendix 4 to the submitted report be noted and the next steps including, subject to the approval by the Constituent Councils and Combined Authority, the submission of a summary of the consultation responses to the Secretary of State in August/September 2020 and subsequently consent to any draft Order in September 2020 so that a mayoral combined authority model and associated changes may be adopted and implemented by May 2021, as set out in the Deal.
- (f) That these decisions be exempt from call-in on the grounds of urgency, for the reasons set out in paragraph 6.1 of the submitted report.

## **89. Local Cycling and Walking Infrastructure Plans**

The Combined Authority considered a report of the Director, Policy Strategy and Communications on Local Cycling and Walking Infrastructure Plans (LCWIPs).

The importance of walking and cycling had been highlighted during the current COVID-19 pandemic and it is expected that more people will choose these modes of travel, particularly as restrictions are lifted. It was reported that £250 million national emergency funding for active travel had been announced by the Government but clarification was awaited on the how this would be distributed amongst the local authorities.

The Transport Committee has overseen the technical work to develop the LCWIPs and endorsed a phased approach. Members noted the phase one summary documents for each of the five districts which were attached at Appendices 1 – 5 of the submitted report. The LCWIPs had been developed through a combination of technical work and stakeholder input and engagement had been carried out on the draft documents using the Your Voice platform. It was agreed that approval of the appearance of the final phase one documents be delegated to the Combined Authority's Managing Director in consultation with the Chair of the Transport Committee.

### **Resolved:**

- (a) That the Combined Authority adopt the phase one Local Cycling and Walking Infrastructure Plans (LCWIPs) produced for Bradford, Calderdale, Kirklees, Leeds and Wakefield, and that proposals included in the plans be used as inputs into the development of a transport investment pipeline.

- (b) That a decision on the final appearance of the phase one LCWIP documents for publication is delegated to the Combined Authority's Managing Director, in consultation with the Chair of the Transport Committee.

## **90. Corporate Matters**

The Combined Authority considered a report of the Director, Corporate Services on corporate matters which sought endorsement of the revised capital strategy and consideration of the updated procurement strategy.

Members considered the draft capital strategy which was attached at Appendix 1 to the submitted report. It was noted that the Governance and Audit Committee had considered the draft capital strategy at their meeting on 12 May 2020 and had recommended it to the Combined Authority for approval, noting that the strategy would require early review to ensure it remained fit for purpose for the COVID-19 response.

In respect of the procurement strategy, it was reported that there had been a number of changes within procurement and the wider organisation and these were now reflected in the revised procurement strategy which was attached at Appendix 2. The Authority considered and approved the strategy, which sets out the direction of travel for procurement within the Combined Authority and explains the drivers, approach and intended outcomes for procurement activity.

### **Resolved:**

- (a) That the capital strategy attached at Appendix 1 to the submitted report be approved.
- (b) That the procurement strategy attached at Appendix 2 to the submitted report be approved.

## **91. Calendar of Meetings 2020/21**

The Combined Authority considered a report of the Director of Corporate Services setting out a proposed calendar of meetings for 2020/21.

The calendar of meetings also set out provisional dates for meetings of the Leeds City Region Enterprise Partnership (LEP) Board which would be considered at their meeting to be held on 10 June 2020.

### **Resolved:**

- (a) That the calendar of meetings of the Combined Authority, its committees and sub-committees for 2020/21, as detailed in Appendix 1 to the submitted report, be approved.
- (b) That the provisional dates of meetings for the LEP Board, to be considered by the LEP Board on 10 June 2020, be noted.

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