

Report to: West Yorkshire Combined Authority

Date: 10 November 2020

Subject: **COVID-19 Update**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	N/A

1. Purpose of this report

- 1.1 To provide an update to the Combined Authority about the organisation's work on supporting the region to respond to COVID-19.
- 1.2 To present the Combined Authority with current progress on the delivery and development of products and services in response to the COVID-19 crisis.
- 1.3 Due to the constantly evolving situation, a verbal update will also be given at the meeting.

2 Information

Local Alert Levels and National Lockdown

- 2.1 In October the Government introduced a new system of Local Alert Levels. On Thursday 29 October 2020 it was announced that West Yorkshire would move into Tier 3 (Very High) from 2 November 2020. This followed a series of discussions between Leaders and Ministers about the health data, how best to tackle the virus, the local support required, specific restrictions, protecting the vulnerable, and economic support for the region.

- 2.2 On Saturday 31 October 2020, the planned move to Tier 3 was superseded by an announcement by the Prime Minister that the whole of England would move into a form of national lockdown from Thursday 5 November 2020. Alongside this, a package of business support was announced. This includes:
- Extension of the Job Retention Scheme, with Government contributing 80% of salary, and therefore the Job Support Scheme would not be brought in at this point.
 - Self-employed income support scheme – with Government contributing up to 40%
 - Businesses required to close will be eligible for grants up to £3,000 a month
 - £20 per head discretionary grant, which works out at £46.6 million for West Yorkshire.
- 2.3 It is also expected that previously announced “Tier 2” business support would be backdated to areas that have been in restrictions for longer periods. This would, to varying degrees, apply to each Council in West Yorkshire. At the time of writing, confirmation is being sought from Government on this detail.
- 2.4 At the time of writing, Combined Authority and Council officers are working through the implications of these announcements. A verbal update will be provided at the meeting.
- 2.5 In addition, Councils will receive a £8 per head to support local health measures including test and trace, worth c.£18.5 million. This includes the £3 per head previously committed.
- 2.6 Information published by the Government is available here:
<https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>

Economic Recovery

- 2.7 As has been reported previously, the longer-term planning for economic recovery for West Yorkshire is being overseen by a West Yorkshire Economic Recovery Board¹, which is a working group of the Combined Authority and brings together the five West Yorkshire Leaders and LEP Chair with partners from the private sector, trade unions, public bodies and the third sector, to develop robust plans for the region’s economic recovery and to help build an inclusive and sustainable economy for the future.
- 2.8 A draft economic recovery plan was produced with input from a wide range of stakeholders, including the Panels of the LEP, and was endorsed by the Combined Authority on 4th September.
- 2.9 The plan focusses on three action areas of **good jobs and resilient businesses, skills and training** and **accelerated infrastructure**, and two

¹ Further details on the full membership and terms of reference of the recovery board can be found at:
<https://www.westyorks-ca.gov.uk/erb>

overarching goals of **inclusive growth** and **sustainable environment**. It sets out what steps are required by national government, at a regional level, and how this aligns with local authority level activity, across three stages of rescue, re-imagining and resilience. Across the plan there are **initial funding asks in the order of £1.4 billion**, which will need to be further refined and developed subject to future announcements and further understanding of the impact of the crisis and direction of recovery.

2.10 Within this outline funding ask, the plan also identifies four distinctive West Yorkshire propositions that can deliver not just for the region's recovery, but also make a significant contribution to the UK economy as a whole. Each proposition (and further ones may be added), includes both an offer and ask to Government:

1. **Health innovation** (£60 million) – building on the region's strengths in devices, data and diagnostics, unlocking industry collaboration, skills and a globally positioned Act Early institution on disease prevention.
2. **Lives transformed by digital tech** (£159 million) - ensure no one is left behind in a digital-enabled future, by driving infrastructure, digital skills and Made Smarter investment to support digital adoption in manufacturing.
3. **Transition to Net Zero Carbon Resilient Economy** (£192 million) – supporting our net zero 2038 target, with unique industry strengths in low carbon transport, clean agri-tech, construction and circular economy, delivering critical green and blue infrastructure, up to 71,300 jobs and skills and training to help people into low carbon opportunities.
4. **Entrepreneurship** (£340 million) – focussed on our diverse communities, existing scale-up performance and our MIT REAP programme for high growth pre-starts, unleash an entrepreneurial revolution, transforming empty properties and supporting high-growth potential start-ups.

2.11 Government has an opportunity to make further announcements about economic recovery at the Spending Review on 25th November.

Business Support and Engagement

2.12 The Combined Authority/LEP continues to see ongoing high demand from businesses and individuals resulting from the COVID-19 crisis. For example, the Growth Service (renamed Business Support Service) dealt with over 5,000 enquiries from businesses in the period from the end of March 2020 through to early October 2020 (a 60% increase on the corresponding period last year).

2.13 A major contributor to the above increase has been the arrival of the COVID-19 Recovery Grants that the Business Support Service is now delivering with an additional £1.8 million from the European Regional Development Fund (ERDF). The Service is delivering the grants scheme across all of West and North Yorkshire following a request from the Ministry for Housing, Communities and Local Government (MHCLG) to link the funding to the existing Leeds City Region Growth Service.

- 2.14 Almost 3,600 applications were received by the deadline of 5 October 2020 and these were mostly from small firms requesting grants (average request of £2.7k) for small capital investments (predominantly ICT-related) and consultancy support to develop recovery and resilience plans. Approximately half of the applications are from West Yorkshire businesses and the majority of these are from the Retail, Hospitality and Leisure sectors.
- 2.15 By early October 2020, the Local Authorities of West Yorkshire had delivered over £500 million of grant funding to over 40,000 businesses via the Small Business Grant Fund, the Retail, Hospitality and Leisure Grant Fund and the Discretionary Grant Fund. Local Authorities, with support from the Business Support Service, have been able to target the discretionary fund at a broader range of sectors to meet ongoing need and demand, including private day nurseries, suppliers to retail, leisure and hospitality and manufacturers.
- 2.16 The Digital Resilience Voucher scheme is now well underway as part of the wider Digital Enterprise programme. It is providing grants of up to £5,000 to small firms to support with the cost of ICT equipment, and associated software, in the process enabling more effective and secure remote working. Over 500 applications with a collective value of almost £2 million are now being appraised, with over 250 being awarded to date.
- 2.17 In addition, the Support Service is helping businesses with recovery and resilience through the Peer Networks project being delivered by the University of Leeds Business School (action learning support for SMEs via a cohort model over 12 weeks), the Business Membership Scheme (support for small firms to meet the cost of joining a recognised membership organisation for 12 months) and the Cyber Security Support Scheme (practical help and advice to small firms on how to operate safely and securely within the digital environment).
- 2.18 Despite the obvious concerns related to so many business sectors at present, the demand for the LEP's capital grants programme (Business Growth Programme) remains very high. This is evident from the fact that the second quarter of 2020/21 saw the highest number of approved capital investment grants to businesses (32) since the first quarter of 2018/19. Projects are from across a range of sectors, with food and drink manufacturing and healthcare technology being the most popular.
- 2.19 The team is overseeing a number of high-value inward investment enquiries. The LEP also continues its recent engagement with over 30 of the region's largest organisations to protect employment and operations in the COVID-19 crisis. In addition, the LEP is targeting new investors through a series of targeted inward investment initiatives aimed at sectors of the economy where investment flows are occurring and undertaking a number of export initiatives to encourage businesses to consider trading more with non-EU markets as the EU transition period comes to an end.

Employment and Skills support

- 2.20 The number of people claiming out of work benefits continues to rise in West Yorkshire. At the end of September there were now 109,475 claimants in West Yorkshire
- 2.21 The last meeting received a summary of measures announced in the Chancellor's summer statement, including the £2 billion 'kickstart scheme' to create around 350,000 opportunities for 16-24 year-olds by funding six months work placements. The programme continues to be developed by DWP with many employers keen to engage. Our local authorities are all anticipating providing the Gateway role supporting businesses with the programme and the Combined Authority/LEP providing a communications campaign to raise awareness and interest with signposting to our local authorities for the delivery support.
- 2.22 Local Authorities and the Combined Authority work closely with Jobcentre Plus and are currently working together on the Youth Guarantee offer which will include local co-ordination of support for young people through a Youth Hub model.
- 2.23 As per previous updates, the existing part-ESF funded Employment Hub programme delivered by the Combined Authority along with LA partners, has been swiftly adapted to match jobseekers to opportunities across the region and expand its support for businesses as part of the Covid recovery plan. More information and online enquiry forms can be found for businesses at the-lep.com/employment-hub and jobseekers at futuregoals.co.uk/careers-support. At the time of writing (23 October), we have received 503 individual referrals and 70 business enquiries, with 36% requesting recruitment support and 19% seeking support to hire an apprentice.
- 2.24 As reported at the last meeting, the Combined Authority's adult re-training programme, [re]boot, is targeting individuals who are currently furloughed or looking for an opportunity to re-train. These are aligned to areas with greatest growth opportunities and new courses are being developed with employer involvement. Since launch in November, the programme has supported over 200 individuals. Recent graduates, school leavers and people on furlough are particularly being targeted for re-training through 24 online courses. Social media campaigns have reached 142,556 people since May. <https://futuregoals.co.uk/lep-skills-support-during-lockdown/>

Transport Response

- 2.25 During August, bus services were operating at 90% of normal service mileage, which increased to around 100% from the start of September. Social distancing halves the capacity of buses. Patronage increased to around 58% of normal in late September but has settled back to around 55% since the introduction of new restrictions.
- 2.26 Demand for rail services has shown a gradual increase week on week and is now operating at approximately 31% of normal levels and generally social

distancing is possible on most services. The latest stage in reinstating service levels came into force on Monday, 14 September however they will not be at 100% of pre pandemic levels as resources remain restrained.

- 2.27 Government continues to provide the COVID-19 Bus Services Subsidy Grant (CBSSG) which provides funding support to operate bus services at pre COVID-19 service levels despite the significant reduction in fare revenue. This is paid direct to bus operators for commercial bus services and to LTAs including the Combined Authority for tendered bus services. The Government has put this funding on a rolling eight-week basis. As part of this arrangement, Government has asked LTAs to continue to pay for concessionary fares at the level operating prior to the pandemic. In its submission to the Government's spending review, the Combined Authority has requested that this funding is delegated to the CA to enable it to manage the recovery of the bus service locally.
- 2.28 Arrangements to provide transport to support the return to school/ college are have generally gone well with around 60 additional buses provided and funded through £1.9 million from Department for Education to meet the cost of this additional provision in the region over the autumn term. The Department for Education has also issued specific guidance for the provision of home to school transport setting out precautions to reduce the risk of COVID-19 transmission.
- 2.29 Following the successful Tranche 1 bid to the Department for Transport's Emergency Active Travel fund, a Tranche 2 bid was submitted on 7 August. At the time of writing, the outcome of this bid is awaited.
- 2.30 Following the announcement of new COVID restrictions from 5 November, the associated travel advice seeks to discourage travel which will clearly impact on demand for public transport. At the time of writing, discussions were in progress with transport operators to ensure service levels continue to support key workers and access to health and education.

Internal organisational update

- 2.31 In terms of the internal organisational response, we are continuing to respond to the situation in line with our incident management and business continuity procedures and managing the response through a "gold/silver command" structure.
- 2.32 In order to ensure ongoing business continuity, each of our teams continue to implement their existing service level plans to enable frontline and business critical services to operate smoothly. All service areas have also reviewed their 2020-21 business plans in light of the anticipated areas of work that will be required to assist in the recovery processes. The updated business plans were presented to the July meeting of the Combined Authority.
- 2.33 Detailed work is also continuing to consider the medium and long term financial impacts of the pandemic on the financial health of the Combined

Authority, with outputs from ongoing scenario planning being reported to the Member Budget Working Group in the first instance.

- 2.34 We are continuing to proactively communicate with staff on the latest Government advice through regular emails, a dedicated section on our intranet, Frequently Asked Questions and all-staff webinars. Managers are also receiving more tailored advice on how to support their staff and are being provided with support from HR where required. UNISON is also being kept fully briefed on our actions and approach.
- 2.35 In terms of other measures that continue to be in place to respond to Government guidance these include:
- Ongoing homeworking for all staff who are able to do so, with the vast majority of staff (over 400) continuing to work remotely;
 - Continuing to keep our Wellington House office closed, apart from essential access
 - Supporting frontline staff in bus stations to continue with their day to day activities and providing advice on social distancing in addition to physical measures and public information;
 - Holding formal meetings by video call to enable decision making processes to continue; and
 - Enabling staff to plan working time around family/caring responsibilities.

3. Clean Growth Implications

- 3.1 Clean Growth will continue to be supported through the current and new products delivered in response to COVID-19 and is at the heart of the Economic Recovery Plan as an overarching goal. The reduction in travel and the increased use of ICT to facilitate effective remote working is having a positive impact on the environment. Businesses will continue to be supported to apply innovation and digital technologies to adapt their products and services to meet current and future demand.

4. Inclusive Growth Implications

- 4.1 As part of the current Inclusive Growth framework, any businesses that receive grants from the above products would be required to contribute to Inclusive Growth actions and outcomes via their funding agreements.
- 4.2 Inclusive Growth is embedded as an overarching goal in the Economic Recovery Plan.

5. Financial Implications

- 5.1 Officers are working to understand the implications of the new financial support packages announced by Government and the options available.

6. Legal Implications

- 6.1 As above, delivery of some of the proposed products will require contractual approvals from Government, and/or new funding allocations that would result in new contractual obligations for the Combined Authority.

7. Staffing Implications

- 7.1 Delivery of new products would require changes to current staff roles and/or additional staff to be recruited.

8. External Consultees

- 8.1 No specific or official external consultations have been undertaken in relation to this report. However, it has been informed by ongoing dialogue and consultation with a wide range of partners, including Local Authorities, Universities and Colleges, Business Representative and Membership Bodies, and direct with some individual businesses.

9. Recommendations

- 9.1 That the Combined Authority notes progress on the delivery and development of the response to the COVID-19 crisis.

10. Background Documents

There are no background documents referenced in this report.

11. Appendices

None