

Report to: West Yorkshire Combined Authority

Date: 10 December 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 through the implementation of the West Yorkshire Economic Recovery Plan.
- 1.3 Due to the constantly evolving situation, a verbal update will be given at the meeting.

2. Information

Local Alert Levels and National Lockdown

- 2.1 Following the period of national restrictions during November, a new system of tiered local restrictions were introduced in England on 2 December, with West Yorkshire being placed in Tier 3 (Very High). Features of the system include:
 - Initial allocation into tiers have been defined by Government on a sub-regional basis, but it is possible that individual local authorities could move into different tiers at review points, which must be carried out at least every 14 days. The first review must be carried out by 16 December.

- The regulations will expire at the end of 2 February 2021. In the meantime there will be a review of need for the restrictions at least every 28 days, with the first review carried out by 30 December.
- Government will publish information on how places can move tiers.
- Tier 3 restricts people from meeting socially indoors and in most out places with anybody they do not live with. Where outdoor socialising is allowed, it must usually be in a group of six or less. There is a specific exception to allow up to three households to gather over the Christmas period, between 23 and 27 December.
- It also places restrictions on hospitality, accommodation, and indoor entertainment and tourist venues, requiring them to close in most circumstances. Holiday accommodation can open between 22 and 28 December, to facilitate Christmas gatherings.
- Details on the tiers, restrictions (including exemptions to the overall restrictions summarised above) and additional guidance (particularly around travel), have been published here:
<https://www.gov.uk/guidance/local-restriction-tiers-what-you-need-to-know>

2.2 At the time of writing, no additional packages of business support have been announced to support areas that are in the Very High tier. On this basis, the following remain available:

- Extension of the Job Retention Scheme, with Government contributing 80% of salary.
- Self-employed income support scheme – with Government contributing up to 80%
- Businesses required to close will be eligible for grants up to £3,000 a month based on rateable value through the Local Restrictions Support Grant (Closed) scheme
- Severely impacted but not closed businesses in hospitality, hotel, bed & breakfast and leisure will be eligible for grants up to £2,100 a month based on rateable value through the Local Restrictions Support Grant (Open) scheme

2.3 Local Authorities in West Yorkshire will also continue to administer the Additional Restrictions Grant scheme provided during the national lockdown and backdated payments through the Local Restrictions Support Grant programmes (see 2.16 for an update on progress).

2.4 A verbal update will be provided at the meeting on the above and any further information provided on support.

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.

Economic Recovery

- 2.6 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. An initial plan was endorsed by the Combined Authority in September, underpinned by modelling commissioned from Experian which sets out the evidence base and sensitivity assessment of the potential economic trajectories for growth based on a series of economic scenarios². Work on the plan continues, to ensure that it responds to key challenges and opportunities, including on the development of a culture proposition.
- 2.7 Revised economic forecasts were published by the Office for Budget Responsibility on 25 November, to accompany the Government's Spending Review. Their central scenario now sees unemployment (ILO measure) peak at 7.5% in Q2 2021, which is consistent with the first scenario considered in the West Yorkshire Economic Recovery Plan, albeit the timing is roughly six months later reflecting the employment support that has been deployed by Government. The OBR's downside scenario sees unemployment peaking at 11% over next winter (2021/22), which is 3.7 percentage points lower than the most adverse scenario considered in the Economic Recovery Plan. It should be noted that the OBR's downside scenario assumes an effective vaccine does not become widely available in 2021.
- 2.8 While the Spending Review made some national commitments linked to economic recovery, it did not commit further financial support to deliver locally led economic recovery plans, such as the one developed in West Yorkshire (see item 10 of the agenda). At this time therefore, it is not possible to move forward with all elements of the West Yorkshire Economic Recovery Plan due to insufficient funding. Nonetheless, as the following sections of the report demonstrate, the Combined Authority and partners are doing as much as possible to begin delivery within existing resources.
- 2.9 At their meeting of the 27 November the Combined Authority also committed to supporting the extension of the Employment Hubs and Reboot programmes, two key elements within the economic recovery plan for supporting individuals to access employment and skills opportunities. Given the scale of economic challenge from the pandemic, further work is taking place to prioritise elements of the recovery plan for urgent funding decisions, particularly around encouraging business growth and supporting local authority initiatives. These are being developed now, with the intention to bring forward to the Combined Authority in February 2021.

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>

² West Yorkshire Economic Recovery Plan (first version) as endorsed by the Combined Authority in September: www.westyorks-ca.gov.uk/media/4413/draft-west-yorkshire-economic-recovery-plan-v8-to-sept-ca.pdf

Business Support and Engagement

- 2.10 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 6,000 from businesses in the period from the end of March 2020 through to early November 2020 (a 65% increase on the corresponding period last year).
- 2.11 A major contributor to the above increase has been the COVID-19 Recovery Grants that the Business Support Service is now delivering with £1.2 million from the European Regional Development Fund (ERDF) and £2m from the Business Growth Programme. Over 1600 applications are now being taken forward for West Yorkshire, and these are mostly from micro and small firms requesting grants at an average size £2.7k. The grants will support small capital investments (predominantly ICT-related) and cover consultancy costs related to the development of recovery and resilience plans. The applications are from across sectors, but the majority are from the Retail, Hospitality and Leisure sectors.
- 2.12 The Local Authorities of West Yorkshire have already 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 and Discretionary Grant Fund. Local Authorities, with support from the Business Support Service, had 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.
- 2.13 Local Authorities have commenced delivery of further grant support to businesses forced to close in the national lockdown (5 November 2020 to 2 December 2020), and to those that had been trading in Tier Two restrictions (different household unable to mix indoors) between 1 August 2020 and 31 October 2020. As of late November 2020, over 12,500 applications from businesses in West Yorkshire had already been received and were in the process of being appraised and awarded. In addition, Local Authorities are now in the process of approving and launching their discretionary grant schemes to be funded from West Yorkshire's Additional Restrictions Grant (ARG) allocation of £46.6m. These schemes have been informed by a West Yorkshire Framework that set out proposals for how the allocation could be used to support those businesses unable to access the other grants, and/or, those that have been most severely impacted by past and current restrictions. For example, firms outside the Business Rates system (typically in shared accommodation), suppliers to the Retail, Leisure and Hospitality sectors and some segments of the self-employed.
- 2.14 The Digital Resilience Voucher scheme, delivered as part of the wider Digital Enterprise programme, is now nearing completion. 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 were received and over 450 have now been appraised and awarded. One recipient of the grant based in Birstall, Kirklees recently emailed to thank

the Combined Authority for its support, stating that the funding and advice had enabled it to continue trading and to build a route to recovery.

- 2.15 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 with 30 firms on board to date), the Business Membership Scheme (support for small firms to meet the cost of joining a recognised membership organisation for 12 months, with over 200 having signed up to date) and the Cyber Security Support Scheme (practical help and advice to small firms on how to operate safely and securely within the digital environment, with delivery led by the North East Business Resilience Centre).
- 2.16 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. Enquiries and applications are currently higher than at any point since the first quarter of 2018/19, and show no signs of slowing. Projects are from across a range of sectors, with food and drink manufacturing and healthcare technology being the most popular.
- 2.17 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

- 2.18 The number of people claiming out of work benefits continues to rise. At the end of October there were 106,970 claimants in West Yorkshire.
- 2.19 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.
- 2.20 Local Authorities and the Combined Authority work closely with Jobcentre Plus, including currently on the Youth Guarantee offer which will include local co-ordination of support for young people through a Youth Hub model.
- 2.21 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. As at 30 November, we have received 558 individual referrals and 96 business enquiries, with 25% requesting recruitment support and 14% seeking support to hire an apprentice and 48% offering support for the KickStart programme. The balance of business enquiries has changed in recent weeks from seeking support with recruitment to offering Kickstart opportunities.

- 2.22 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 300 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/>

- 2.23 In September the Department for Education released a competitive call for digital bootcamp delivery in the Leeds City Region. We anticipate an announcement to be made shortly by the Department of the outcome for courses to be delivered by the end of the current financial year.

Transport Response

- 2.24 During Spring and Summer bus services stepped up at 90% of normal service mileage from the 40% which operated during the first lockdown; this increased to 100% (plus additional buses for school services) for the return to schools in September. This provision was maintained during the November restrictions, however social distancing halves the capacity of buses. Patronage in late September/ early October increased to around 58% of the equivalent week in 2019, but this fell to 45% during the November restrictions. Rail use has been monitored using footfall through Leeds rail station which during November was around 20% of the equivalent week in 2019 compared with 30% in October.
- 2.25 The new Tier 3 restrictions comprise a mix of regulation and guidance; the travel element of the restrictions is advisory. The key elements of this advice are that people are encouraged to reduce the number of journeys they make and to avoid travel into and out of West Yorkshire. The advice to reduce journeys does not include journeys for work, education, health and caring purposes and to visit amenities. Whilst the tier restrictions will continue to apply during the period 23 to 27 December, there is a specific exception to allow up to three households to gather over the Christmas period, with an appropriate adjustment in travel advice allowing for more journeys including those beyond West Yorkshire. The Combined Authority will work with transport operators and partners throughout December to manage travel information and advice through its online, social media and contact centre channels.
- 2.26 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 which is now expected to operate at least until the end of the current financial year. 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. As part of this arrangement, Government has asked LTAs to continue to pay for concessionary fares at the level operating prior to the pandemic; a decision to do this was made in consultation with the Chair of the Transport Committee. In its Spending Review of 25 November, Government announced “£300 million in 2021-22 to drive transformation of bus services. This funding will be drawn down in the first instance for any further Covid-19 support that may be required, while progressing reform to deliver better outcomes”. The allocation of this funding and the outcome of the request that it is delegated to the Combined Authority will be known early in 2021 when the National Bus Strategy is announced.

- 2.27 Arrangements to provide transport to support the return to school/ college have generally gone well with 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. It is expected that DoE funding will be provided to maintain this provision in the spring term.

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

- 10.1 There are no background documents referenced in this report.

11. Appendices

- 11.1 None