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**Report to:** Employment and Skills Panel

**Date:** 23 February 2021

**Subject:** Economic Recovery and Response

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

- 1.1 To provide the Panel with an update on developments around economic recovery and EU Exit, including on the West Yorkshire Economic Recovery Plan, the delivery and development of products and services in response, and the additional £13.5 million prioritised by the Combined Authority for employment and skills.
- 1.2 To update the Panel on the progress on devolved budgets and programmes.

## **2. Information**

- 2.1 Since the last meeting of the Panel, West Yorkshire have seen the end of a period of national restrictions in November, been placed into Tier 3 (Very High) restrictions over the December and New Year period and entered Tier 4 (Stay at Home) on 6 January 2021 as part of a national lockdown that includes the closure of school buildings to most students. Tier 4 restrictions include additional mandatory business closures, including of non-essential retail and leisure and sports facilities.
- 2.2 Although it is still highly uncertain what will happen to the economy over the coming months, our response work and recovery planning to date has responded to evidence and intelligence on the key issues:
  - Support to recently unemployed to retrain in growth areas
  - Support to prevent long-term unemployment through signposting and working with employers to job match
  - Provision for recent graduates to enter the workforce in areas of growth, and where short sharp training can support entry into employment

- Provision of local careers information to raise awareness and help individuals fulfil their personal ambitions.

### Economic Update

- 2.3 Little data is yet available to understand the period following the end of November's lockdown, or the enhanced restrictions currently in place.
- 2.4 Data on footfall in West Yorkshire's town and city centres does not suggest a sharp upturn in activity in the run up to Christmas. Whilst there was some recovery in activity after November, this was relatively slight and activity throughout December remained below that in late October in many places.
- 2.5 Looking back slightly further, national data from the Office for National Statistics shows an increase in the use of the furlough scheme nationally during November's restrictions. In the fortnight to 29 November, 16% of all jobs were furloughed nationally. This was half the spring peak, but double the rate seen in October. This was much higher in the arts & entertainment sector (53% of jobs were furloughed) and accommodation & food (42% on furlough).
- 2.6 Since the start of the pandemic, the number of people claiming out of work benefits in West Yorkshire has increased by 86% (+49,620), largely driven by significant increases in April and May. The picture over the past six months has been more static. Between November and December, the claimant count for West Yorkshire increased by 725 (0.7%), compared to national increase of 0.4% (8,735). National figures also indicate that redundancies are running at a record high (370,000 in the three months to October) but this is not yet feeding through into the claimant count. This may change in the coming months.

### EU Exit and Qualifications

- 2.7 The EU exit deal contains provision for a framework for the mutual recognition of professional qualifications – but this is forward looking and no new qualifications will be recognised on day one. A similar provision is included in the EU's FTA with Canada, however to date no qualifications have yet been recognised under the comparable framework. There is a guarantee however for existing recognition to citizens already living in the EU (or UK) prior to the end of the transition.
- 2.8 What this means in practice is that UK citizens will need to comply with professional qualifications in each and every EU state they might want to work in – which can vary between states – and may require the completion of additional qualifications, examinations or demonstrate work experience. This is likely to be a particular issue in professional services exporting, where the UK already has a significant trade surplus in areas such as accounting, auditing, legal and finance.
- 2.9 Of course, the same potential barriers will also now apply to EU nationals (and continue to apply to Third party nationals) looking to work in the UK.

- 2.10 Aside from any other immigration requirements that might be applied (including min. salary thresholds, guaranteed job offer), EU nationals in regulated professions – including education, healthcare, professional services, gas engineers and security personnel – will also need to contact the relevant UK regulator about getting their qualification recognised – which also may require them to undertake additional qualifications, examinations or demonstrate work experience.

#### Employment and Skills support

- 2.11 The £2.9 billion Restart scheme was announced at the Spending Review on 25 November 2020, as part of the Plan for Jobs. The scheme will accept referrals for a period of three years and expects to support over a million individuals. Restart will give Universal Credit claimants who have been out of work for at least twelve months enhanced support to find jobs in their local area; participants will receive tailored support for twelve months.
- 2.15 Restart will be delivered across twelve Contract Package Areas (CPAs) across England and Wales. CPA2b includes West Yorkshire, South Yorkshire, Nottinghamshire and Derbyshire. Providers on Tier 1 of DWP's refreshed Commercial Agreement for Employment and Health Related Services framework (CAEHRS) will be invited to bid. Bidders will need to demonstrate how they will tailor their offer to the local needs of the CPA and must complement existing support mechanisms.
- 2.16 To ensure that delivery meets local needs, each CPA was invited to submit a question which was specifically designed to draw out the relevant local challenges and opportunities that the winning provider may face. DWP has also invited each CPA to identify two assessors to review and score bidders' responses to this question. This will form part of DWP's overall bid evaluation approach. DWP expects contracts to be awarded in Spring 2021, with go live in Summer 2021. Officers from West Yorkshire Combined Authority are working closely with colleagues in other areas of the CPA and will be involved in the assessment process led by DWP in March.
- 2.18 On 27 January 2021, a cash support incentive was launched to support employers to take on trainees. Businesses offering new traineeship opportunities will receive a £1,000 bonus for each trainee taken on. Placements must be a minimum of 70 hours. An employer can receive the incentive on a maximum of 90 trainees, with a maximum of ten trainees in each of the nine regions of England.
- 2.19 The incentive is available until 31 July 2021 and can be claimed on placements completed since 1 September 2020. The incentive is part of the Chancellor's Plan for Jobs and recent commitment to an additional £111 million investment to expand the traineeships programme.
- 2.20 Traineeship programmes previously had a minimum duration of six months but can now last anywhere between six weeks and 12 months. Young people with qualifications up to level 3 can take part, with the previous limit being level 2.

- 2.21 The £2bn 'kickstart scheme' to create 350,000 six-month work placements for 16-24 year-olds announced in the summer 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, with the Combined Authority/LEP providing a communications campaign to raise awareness and interest with signposting to our local authorities. Employers may also apply directly for a grant.
- 2.22 The West Yorkshire councils and the Combined Authority are working closely with Jobcentre Plus on the Youth Guarantee offer, which will include local co-ordination of support for young people through a Youth Hub.

### Economic Recovery

- 2.23 As has been reported previously, the longer-term planning for recovery is being overseen by a West Yorkshire Economic Recovery Board, 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.
- 2.24 A first version of the Economic Recovery Plan was produced with input from a wide range of stakeholders including the Panels of the LEP, and endorsed by the Combined Authority on 4 September. A review of the Plan is underway to reflect the progression of the crisis since September and the resulting impacts, which will be brought forward for endorsement in due course.
- 2.25 Work continues on implementing elements of the recovery plan within existing City Region resources. This follows from the November Spending Review announcements which did not detail any Government funding to support the delivery of regional and local economic recovery plans. A submission again drawing attention to the key aspects of the Economic Recovery Plan (and Transport Recovery Plan) that cannot be progressed within current resources has been made to inform the Budget currently scheduled for 3 March 2021.
- 2.26 On 27 November, the Combined Authority approved £13.5 million gainshare to support immediate priority recovery programmes around skills and retraining to support people to re-enter the workforce quickly. The repurposed [re]boot and Employment Hub programmes will be extended to be an all-age offer that drives demand through locally branded support services including signposting where appropriate to national and local provision.
- 2.27 As per previous updates, the existing part-ESF funded Employment Hub programme delivered by the Combined Authority along with council partners, has been swiftly adapted to offer all age support to those seeking employment or a career change. Support includes signposting to specialist support services, additional training and matching jobseekers to opportunities across the region and expand its support for businesses. More information and online enquiry forms can be found for businesses at [Employment Hub](#) and

jobseekers at [Careers Support - FutureGoals](#). By the end of January 2021, we had received 602 individual referrals and 114 business enquiries to the repurposed Employment Hub, with 24% requesting recruitment support, 52% information on KickStart and 13% seeking support to hire an apprentice.

- 2.28 As previously reported, the Combined Authority's adult re-training training programme, [re]boot, is targeting individuals currently furloughed or looking for opportunities to re-train. These are aligned to areas with greatest growth opportunities and new courses are being developed with employer involvement. Since launch, the programme has supported over 450 people. Recent graduates, school leavers and people on furlough are 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/>
- 2.29 Through support of part of a £13.5 million Strategic Investment Funding COVID-19 employment and skills package from the Combined Authority and bidding to other external funding programmes the Combined Authorities adult training offer will be expanded and extended (see Appendix A)

### **3. Tackling the Climate Emergency Implications**

- 3.1 Clean Growth will continue to be supported through the products delivered in response to COVID-19 and is at the heart of the Economic Recovery Plan as an overarching goal.

### **4. Inclusive Growth Implications**

- 4.1 As part of the West Yorkshire 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 None

### **6. Legal Implications**

- 6.1 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 the products included in the Economic Recovery Plan may require changes to current staff roles and/or additional staff to be recruited, which will be considered through the detailed development of individual proposals.

## **8. External Consultees**

8.1 None

## **9. Recommendations**

9.1 That the Panel notes the latest update around the economic impacts of COVID-19 and progress on the delivery and development of the response to the crisis, including on the economic recovery plan.

## **10. Background Documents**

10.1 There are no background documents referenced in this report.

## **11. Appendices**

11.1 Appendix A: Adult Training Offer

Appendix B: COVID-19 Fortnightly Insights Report, 5 February 2021  
<https://www.westyorks-ca.gov.uk/media/5895/fortnightly-economic-transport-report-2021-02-05.pdf>