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

Date: 24 February 2021

Subject: **COVID-19: Economic Recovery and Response**

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1. Purpose of this report

- 1.1 To provide the LEP Board with an update on developments around the COVID-19 crisis, including the delivery of products and services in response.

2. Information

- 2.1 Since the LEP Board in January, West Yorkshire has remained under Tier 4 (Stay at Home) restrictions in national lockdown, with schools additionally operating online and home-based learning for most students.

- 2.2 It is still highly uncertain what will happen to the economy over the coming months, our work and recovery planning to date has responded to evidence and intelligence on the following key issues:

- Implications for employment, self-employment, and the skills system, with particular links to the furlough situation moving forward.
- Cash flow and immediate access to finance for businesses.
- The impact of local and national restrictions on output and activity.
- Pressures for the transport system and on town/city centres.
- Safe return to work as restrictions are eased.
- Addition disruption and change required for businesses as a result of the UK's exit from the European Union (EU).

Business Support and Engagement

- 2.3 Government support to individuals and businesses has been made available through each stage of the pandemic, and this section outlines the progress made on delivering that support since the last LEP Board. The support available brings together both nationally and locally funded projects, ensuring comprehensive support for businesses.

2.4 As things stand, all support is in place until 31 March 2021 but, with the Government due to make a major announcement on 22 February to articulate the “roadmap” out of restrictions, this will be kept under review. The LEP will continue to make the case for additional support as is required to ensure the future recovery of the West Yorkshire economy. Discussions continue with Government and partners on extending several of the schemes.

Project	Funding	No. of Businesses Supported	Delivery Partners
Local Authority Grants (Nov 20 onwards – end linked to ongoing restrictions)	£145m actual	60,000 payments	Local Authorities
Additional Restrictions Grant	£9m actual	2,000 payments	Local Authorities
COVID-19 Recovery Grants (ERDF & LGF)	£1m actual £2.2m committed	300 actual 800 committed	Umi Commercial
Digital Resilience Vouchers (up to £5,000)	£1.06m	400 actual Project complete	Leeds City Council
Peer Learning Project	£90,000	33 actual	University of Leeds Business School
Small Business Membership Scheme – allowing access to legal, HR, financial and wellbeing support	£300,000	450 actual	W&NY Chamber, Mid-Yorkshire Chamber, FSB
Cyber Security Support Scheme	£100,000	70 actual	North East Business Resilience Centre
Business Resilience Webinars	£15,000	45 actual	Biskit

2.5 The discretionary elements of the grants schemes have been used across West Yorkshire to support a broader range of firms and sectors, informed by a framework developed with council partners. This has included supporting private day nurseries, suppliers to retail, leisure and hospitality (e.g. events companies and food & drink wholesalers and manufacturers), some other parts of manufacturing reliant on leisure and hospitality, some sections of the self-employed community (i.e. those unable to access meaningful support from the Self-Employed Income Support Scheme or Universal Credit), businesses not within the Business Rates system e.g. those in shared

service centres and managed workspace, and larger SMEs that can evidence a significant impact on income.

- 2.6 Businesses across the City Region are also being impacted by the need to adjust to the new requirements brought about by the end of the transition period of the UK's exit from the European Union at the beginning of the year. The LEP has put in place a wide range of support for businesses, all in place for an initial period to 31 March 2021, the progress of which is summarised in the table below.

Project	No. of Businesses Supported	Delivery Partner
EU Transition support service (Yorkshire and Humber service, commissioned by the CA/LEP)	115 (+33 from last week, driven by Blueberry <i>see below</i>)	Enterprise Growth Solutions (EGS), & other Y&H LEPs
Telemarketing outreach service (Leeds City Region, Y& NY)	198	Blueberry Ltd
EU Exit legal advice & support (Leeds City Region, Y&NY)	3 (delivery began 22 Jan, more promotion being done)	Squire Patton Boggs
EU Transition webinars (Yorkshire and Humber)	42	Greenborough Management Ltd
Webinars to help businesses internationalise marketing activity (Yorkshire and Humber)	Target 150+ (Delivery begins 23 Feb).	UMi Commercial
Trade related documentation support and advice (Leeds & Bradford, plus Y&NY)	121 (+22 from previous week)	Chamber International
Trade related documentation support and advice (Wakefield, Calderdale & Kirklees)	53 (delivery began 22 Jan)	Mid Yorkshire Chamber of Commerce

Employment and Skills support

- 2.7 The Combined Authority and LEP also has a range of support available to individuals to better equip them in the labour market during a period when unemployment, having already risen to 5%, is expected to rise much further once Government furlough support ends – potentially resulting in around 2.5 million being unemployed before the situation improves.

- 2.8 The repurposed Employment Hubs are a key part of the Combined Authority and LEP response to COVID-19, providing a 'one stop shop' for job seekers of any age and for employers recruiting or making redundancies. As of 29 January, we have supported 602 individuals and 114 businesses (59 of these business enquiries were regarding the Kickstart scheme). The repurposed element of Hub programme is being continued with the support of part of a recently agreed £13.5m strategic employment and skills package agreed by the Combined Authority to respond to the impacts of the crisis. Discussions with local authorities and other stakeholders are progressing to ensure the approach being developed provides the right support to the increasing number of individuals who are unemployed, at risk of redundancy or seeking alternative employment/career routes to access training/retraining and employment support.
- 2.9 The adult re-training programme, [re]boot, is another key part of the Combined Authority's response to the crisis, giving adults the chance to upskill, gain new skills/qualifications and improve their employment options particularly within key regional sectors, focused on construction, digital, manufacturing and engineering and the fast-growing creative sector. Since its launch in November 2019, the programme has supported over 450 individuals to upskill, and in December alone the [re]boot careers changers page received 1,117 page views; 12.66% of all website traffic. This service is also in the process of being extended and expanded as part of the £13.5m package agreed by the Combined Authority.

Implementing the Economic Recovery Plan

- 2.10 The longer-term planning for economic recovery for West Yorkshire continues to be overseen by the 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.
- 2.11 A first version of the Economic Recovery Plan was produced with input from a wide range of stakeholders including the LEP Board and its Panels 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. The revised Plan will provide an update against the underpinning economic scenarios, reflect the progress made so far in implementing the Plan and will refresh the priorities and proposals. It will also add a further distinct proposition that seeks to harness the essential contribution to recovery of the West Yorkshire culture and creative arts sectors, which is being developed in collaboration with local authority partners.

¹ Further details on the full membership and terms of reference of the recovery board, and to the content of the West Yorkshire Economic Recovery Plan can be found at: <https://www.westyorks-ca.gov.uk/erb>

- 2.12 Alongside the recovery plan update, 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 to the Treasury, 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.
- 2.13 On 27 November, the Combined Authority approved £13.5m of gainshare funding to support immediate priority recovery programmes around skills and retraining to support people to re-enter the workforce quickly. On 9 March 2021 it will consider three further programmes for support focussed on the key gaps that are priorities for investment to kickstart progress on key aspects of the Recovery Plan that will create sustainable jobs and business opportunities.

Entrepreneurship

- 2.14 Further details on this proposed programme that will promote, and support entrepreneurship can be found in the paper for agenda item 8. The proposal is to encourage individuals from all our diverse communities to explore establishing their own enterprise and providing the right opportunity and support if they decide to do so - leading to the creation of new businesses and jobs.

Net Zero Carbon Pipeline

- 2.15 The net zero carbon pipeline programme is a critical building block of our plans to achieve net zero by 2038. To be fully able to accelerate deployment of measures and to capitalise on current and future funding streams to tackle the climate emergency and maximise job creation potential in economic recovery, West Yorkshire needs to develop a long-term pipeline of investment ready projects. This proposal formed part of the Net Zero Carbon proposition developed as part of the economic recovery plan.
- 2.16 The exact nature of the projects to initially be included in the pipeline is yet to be defined, however the work to develop it will be split into four broad stages: evidence gathering; project identification; project development; and promotion. Areas considered will include energy, buildings, infrastructure, business support and retrofitting homes.
- 2.17 External support will be needed initially for the pipeline to ensure it can mobilise quickly.

Health Tech and Health Innovation

- 2.18 The proposal for health tech is also rooted in a distinct proposition of the Recovery Plan and focusses on the need to build capacity across the system to support ambitions to make Leeds City Region the leading health tech cluster nationally.
- 2.19 There is an opportunity for the region to bring together a significantly more coherent offer around health innovation focused around three ambitions of

Discover (ideas generation), Develop (testing and commercialisation) and Deploy (adoption into the health system). Resources are therefore required to bring both some coordination and leadership to the entire journey.

- 2.20 The proposed programme is to begin the journey: to help establish of the structures needed to drive the City Region forward as a regional, national and international healthtech cluster. The aspiration ultimately, is to develop a team, sitting across partner organisations to work together to support the healthtech innovation lifecycle, but initial funding will ensure momentum with a Health Innovation Lead (and support) as a minimum resource.
- 2.21 Early indications show a pipeline of potential projects in excess of £10m (although these have not been appraised or evaluated for strategic fit). Many of these schemes are in development but will need an injection of capital to kick start delivery and scale up. These will be subject to separate funding decisions.

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.
- 3.2 The proposal to prioritise the building of a pipeline of low carbon and carbon-saving interventions is an important step to ensuring the Combined Authority has a robust investment prospectus to invest against as resources become available, that will ultimately deliver sustainable change and progress against the carbon emission pathways that have been identified as critical in West Yorkshire achieving net-zero emissions by 2038.

4. Inclusive Growth Implications

- 4.1 Inclusive growth is at the heart of the Recovery Plan, and the further proposed investments all provide opportunity for improved economic wellbeing and quality of life for people and communities across West Yorkshire. While proposals are at an early stage, there will be concerted focus as they are further developed to deliver benefits to the broadest possible cross-section of people and communities.
- 4.2 Investing in tackling the climate emergency provides the opportunity not only to protect communities from the impact of climate change but will also generate jobs and economic opportunities in new green sectors.
- 4.3 Jobs created through investing in health tech will tend to be relatively highly skilled and productive, but the resulting health benefits from innovation lead to improved wellbeing and quality of life for everyone in West Yorkshire.

5. Financial Implications

5.1 Existing business and employment support are being delivered using agreed financial resources. Funding requirements for individual proposals will be set out as the proposals are developed and presented to the Combined Authority for decision.

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 Existing business and employment support are being delivered through established staff resources. The resourcing implications of the further proposed investments to support economic recovery will be established and detailed as the proposals are developed.

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 LEP Panels and wide range of partners, including local authorities, the West Yorkshire Economic Recovery Board, universities and colleges, business representative and membership bodies, and direct with some individual businesses.

9. Recommendations

9.1 That the LEP Board notes the progress on delivering the response to the crisis.

9.2 That the LEP Board notes the steps being taken to develop a second version of the West Yorkshire Economic Recovery Plan, including the development of a distinct proposition focussed on culture and the creative arts.

9.3 That the LEP Board broadly endorses the three areas of focus for investment to kickstart progress on the Recovery Plan propositions and provides a steer on the detailed development of proposals to ensure the investment is maximised in terms of its economic impact and contribution to inclusive growth.

10. Background Documents

10.1 There are no background documents referenced in this report.

11. Appendices

11.1 There are no appendices to this report.