

Report to: West Yorkshire Combined Authority

Date: 9 September 2021

Subject: **Economic Recovery**

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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 checked="" type="checkbox"/> Yes <input 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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide the Combined Authority with an update on developments around the COVID-19 crisis, and to seek the Combined Authority's views and comments on the latest draft of the West Yorkshire Economic Recovery Plan.

2. Information

- 2.1 Since the last Combined Authority meeting, England has lifted all remaining restrictions, with self-isolation no longer mandatory to those who have received two doses of the COVID-19 vaccination from 16 August. With the lifting of restrictions, guidance is encouraging businesses and the public to continue to exercise caution. This month will also mark the end of the Coronavirus Job Retention Scheme and the end of the Universal Credit uplift. It is therefore an important moment to reconsider the West Yorkshire plan for economic recovery.
- 2.2 Throughout the pandemic, the LEP and the five West Yorkshire local authorities have continued to support residents and businesses in Leeds City Region, and the following sections outline some of the support available and the progress made, before turning to issues of economic recovery and the refreshed draft West Yorkshire Economic Recovery Plan on its development.

Business Support and Engagement

- 2.3 This section outlines the progress made on delivering COVID-19 related business support since the last Combined Authority meeting. The support available brings together both nationally and locally funded projects, ensuring comprehensive support for businesses.

Project	Funding	Businesses Supported	Delivery Partners
Local Authority Grants, including Restart Grants (since Nov 20)	£360m	125,000 payments	Local Authorities (lead)
Additional Restrictions Grant (since Nov 20)	£42m	20,000 payments	Local Authorities (lead)
COVID-19 Recovery Grants (ERDF & LGF)	£2.8m	1114	LEP-commissioned Umi Commercial
Digital Resilience Vouchers (up to £5,000)	£1.06m	400	LEP & Leeds City Council
Peer Learning Project	£90,000	65	LEP-commissioned University of Leeds Business School
Small Business Membership Scheme (access to legal, financial HR & wellbeing support)	£300,000	1350	LEP-commissioned W&NY Chamber, Mid-Yorkshire Chamber, FSB
Cyber Security Support Scheme	£100,000	160	LEP-Commissioned North East Business Resilience Centre
Business Resilience Webinars	£15,000	180	LEP-commissioned Biskit

Employment and Skills Support

- 2.4 The Combined Authority and LEP continue to support individuals to better equip them in the labour market as part of our economic recovery activity, including through the £13.5m strategic employment and skills package agreed by the Combined Authority on 27 November 2020. The following outlines progress on the use of additional funding to increase the existing Employment Hub and adult training programmes.
- 2.5 Delivered in partnership with Local Authorities the current ESF funded Employment Hub will continue to deliver the service until December 2021. Alongside this is an extension of the Employment Hub funded through gainshare to support the economic recovery plan, known as Employment Hub 2 with delivery through to end of March 2023.
- 2.6 As of 1 July 2021 (Q2), the original Hub has engaged 4,936 15-24 year-old participants against a profile of 5,843 (84%). Of these:

- 1,556 participants were from a black, Asian or minority ethnic background, against a profile of 707 (220%)
 - 989 participants had disabilities against a target of 527 (188%)
 - 1,582 participants had no basic skills qualifications against a target of 1,269 (125%)
 - Of the participants starting the programme, 1,314 have been supported with finding education/ training, employment, or self-employment against a target of 2,239 (59%)
- 2.7 Employment Hub 2 will provide additional employment support for those who have been furloughed, recently made unemployed and seeking to progress in their current employment. Activity will target vulnerable groups including BAME, women, over-50s, 15–24-year-olds and those with a disability.
- 2.8 The second element of the gainshare-funded Covid recovery package is the Adult Skills Framework (previously referred to as the [re]boot extension), with an appropriate name and brand for the programme being developed to bring it to market. The Adult Skills Framework builds on the best elements of [re]boot and other programmes that have been delivered over recent years including our highly successful DFE-funded bootcamps. The intention with the Adult Skills Framework is to be flexible and responsive to demand from career-changers and employers, and to changes in the labour market.
- 2.9 The tender process for adult training (part of an adult skills framework) is progressing through internal governance and approvals processes. This will create a responsive adult training offer that focusses on priority sectors for employment growth including digital, construction, engineering, the green economy and health and social care aligning to the Economic Recovery Plan and the Employment and Skills Framework. Delivery will begin late summer 2021 and continue until April 2023.
- 2.10 Adult retraining activity will similarly target those recently unemployed or furloughed staff. In addition, the framework will target support to females, over 50s, BAME and those with a disability.

Entrepreneurship Programme

- 2.11 Approved by the Combined Authority's Investment Committee in June 2021, the £6 million programme is being delivered as part of the Economic Recovery Plan and is focused on a 'ladder of enterprise support' across three inter-connected workstreams that will help individuals in the region to explore and establish new businesses.
- Workstream One - promoting enterprise as a career option (i.e. is enterprise / business start-up right for you?)
 - Workstream Two – a universal business start-up support programme to help anyone who has made the decision to start a business
 - Workstream Three – more intensive support programme for pre-start / start-up enterprises with high growth or scale-up potential

- 2.12 Following recent open tender exercises, preferred suppliers have been selected to deliver a £350k Exploring Enterprise programme and a £1 million Business Start-Up programme. Both are expected to commence delivery in September 2021 and will be delivered for 18 months, with options to extend for the same periods subject to performance.
- 2.13 The Exploring Enterprise Programme will deliver one-to-many support through online training, events, workshops and seminars. It is expected that a minimum of 6 hours of support will be delivered per participant. The support package will cover key areas to support participants to consider business enterprise and how to overcome any barriers that would prevent them exploring the opportunity further. Programme content includes identifying the need/market research, creating an idea, networking, understanding different types of businesses including social enterprise and cooperatives, and legal and financial support. Underrepresented groups are being targeted to engage with the programme; 50% of participants will be women and 20% will be from BAME backgrounds. In addition, the provider has offered CV support for those choosing to not start a business and requiring help to find employment.
- 2.14 The Business Start-Up programme will provide new-start and start-up businesses up to 12 months old with a blended package of support covering the key topics required to establish and develop a new enterprise. This includes: - business and financial planning, business structure and tax, sales and marketing (including social media), access to finance and recruiting staff. There are no sector or growth-related restrictions and there are clear targets in place to support new firms that are led by individuals from BAME backgrounds (20%), women (50%) and people with disabilities (3%).
- 2.15 In addition, five Start-Up Managers are currently being recruited by the West Yorkshire Local Authorities to work alongside the existing SME Growth Managers. These posts will coordinate all enterprise support activity at the district level and deliver some direct one-to-one support to early-stage micro firms with growth potential. It is anticipated that these posts will also have a focus on the high street renewal agenda and, as a result, work with a larger number of business-to-consumer operators than existing business support provision allows. Workstream Two also includes a £400k Development Fund to support new and innovative pilot projects focussed on action learning in the enterprise arena. Up to 1,500 pre-start / start-up / early-stage firms will be supported through Workstream Two's various activities.
- 2.16 Workstream Three will be going out to tender in September 2021 for a programme of more intensive support, including access to finance, for a smaller number of new enterprises with significant growth potential. The environment and societal impact of the enterprises to be supported, will be just as important as their economic impact. 'Soft market testing' with a range of key stakeholders in the access to finance marketplace has taken place over the summer of 2021, and this will help to shape and inform the forthcoming invitation to tender documents.

Economic Recovery Plan

- 2.17 Long-term planning for the economic recovery of West Yorkshire has been overseen by the West Yorkshire Economic Recovery Board¹, which is a working group of the Combined Authority and brings together the Mayor, five West Yorkshire Leaders and LEP Chair with partners from the private sector, health, trade unions, business representative organisations, public bodies and the third sector.
- 2.18 In June, the Economic Recovery Board agreed to refresh the Economic Recovery Plan and to provide an updated draft to the Combined Authority in September, to reflect the lifting of COVID-19 restrictions and building on the existing plan's themes of reimagining and resilience. The Board agreed that the West Yorkshire Mayoral Pledges should be put at the heart of the Plan.
- 2.19 The refreshed draft Plan is attached to this paper as Appendix 1. This refreshed version has as its vision to secure a fair, just and lasting recovery for West Yorkshire. It retains the two goals to secure inclusive growth for everyone and to tackle the climate and environmental emergency.
- 2.20 Key points to note in the refreshed version are:
- New action areas that will help deliver economic recovery linked to several of the Mayoral pledges, which are:
 - Creating 1,000 well-paid jobs for young people
 - Supporting local businesses
 - Prioritising skills and training for all
 - Delivering a creative new deal
 - Building thriving communities
 - Connecting people and places
 - Tackling the climate and environment emergency, and
 - Championing great places
 - A new central economic forecast that underpins the plan, outlining key areas of sensitivity to that forecast including on employment, sectoral performance, and further restrictions.
 - The inclusion of specific deliverables from the mayoral pledges across the recovery narrative with proposed outline approaches, where they can make a significant contribution to the plan's ambitions for West Yorkshire.
 - A focus particularly on the work that will be delivered regionally to implement the plan, including where funding has already been committed by the Combined Authority or partners, but with links to how the plan supports the delivery of local recovery plans and interventions in each of the West Yorkshire local authority areas.
 - A smaller, targeted focus on areas where public and private sector co-investment opportunities exist, particularly on infrastructure, but to have this clearly linked to support for quality local jobs and skills.
- 2.21 Further discussions and revisions will continue to the Plan over coming weeks as the impact of ending furlough becomes clearer, and will be linked to wider

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

development of the specific mayoral pledges contained in the Plan. The Economic Recovery Plan will also be supported by the Business Productivity and Resilience Plan (see agenda item 6), which positions boosting business productivity as a key pillar of delivering an inclusive recovery for the region.

3. Tackling the Climate Emergency Implications

- 3.1 Tackling the Climate Emergency is identified as one of the overarching goals and golden threads of the Economic Recovery Plan. It also includes a dedicated chapter outlining the Combined Authority's efforts to reach net-zero carbon by 2038 and creating 1,000 green jobs for young people.
- 3.2 In developing and delivering the future interventions as a result of implementing the plan, schemes will be required to demonstrate how they specifically contribute positively to Tackling the Climate Emergency, whether that be through green skills and jobs, reducing emissions of buildings or contributing to wider climate resilience.

4. Inclusive Growth Implications

- 4.1 Inclusive Growth is embedded as an overarching goal in the Economic Recovery Plan. The impact of the pandemic on inequalities make the ambitions for inclusive growth around wellbeing, good work and relevant and transferable skills critical to a fair, just and lasting recovery. The plan also includes specific deliverable activity that is shared with the West Yorkshire Inclusive Growth Framework, such as the Fair Work Charter.
- 4.2 The Economic Recovery Plan recognises that a lasting recovery needs to be felt across both towns and cities, and villages and rural areas. Each of the actions and co-investment propositions identified will need to be designed and delivered in a way that recognises that each and every place presents distinct opportunities in terms of jobs, businesses and infrastructure.
- 4.3 The plan also identifies the importance of Social Value to inclusive growth, and achieving this in delivery of the plan will include setting out how social value will be enhanced through contracts, including that any businesses that receive grants from the products delivered as part of the plan would be required to contribute to Inclusive Growth actions and outcomes via their funding agreements.

5. Equality and Diversity Implications

- 5.1 The Economic Recovery Plan recognises the disproportionate impact of COVID-19 on certain groups within West Yorkshire, and in its vision for a fair and just recovery plans to make sure its interventions respond particularly to the needs of those most disadvantaged. By focussing particularly on the role of our response interventions, it is also important to recognise that many of the inequality challenges faced prior to the pandemic remain, and therefore should not be lost when responding to the additional effects of the pandemic.

5.2 Specific interventions delivered in connection to this plan will be expected to set targets about how equality and diversity will be achieved, for example in the entrepreneurship programme, employment hub and adult skills framework outlined in this paper, targets for BAME and female led businesses are being written into delivery criteria.

6. Financial Implications

6.1 There are no financial implications directly arising from this report. However, co-investment opportunities with the public and private sector are outlined within the document, and delivery of the Economic Recovery Plan will require additional financial resources, subject to prioritisation of activities.

7. Legal Implications

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

8. Staffing Implications

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

9. External Consultees

9.1 No specific or official external consultations have been undertaken in relation to this report. However, it has been informed by ongoing dialogue and consultation particularly with the West Yorkshire Economic Recovery Board but also with LEP Panels and a wide range of partners, including universities and colleges, business representative and membership bodies, and direct with some individual businesses.

10. Recommendations

10.1 That the Combined Authority:

- Notes the update on COVID-19 support in West Yorkshire
- Comments on the refreshed draft of the West Yorkshire Economic Recovery Plan and commits to review further at future meetings as the economy develops.

11. Background Documents

11.1 None

12. Appendices

Appendix 1 – Draft West Yorkshire Economic Recovery Plan