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

Date: 15 September 2021

Subject: **Economic Recovery**

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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, and to seek the Board's views and endorsement for the draft refreshed West Yorkshire Economic Recovery Plan and the connected Business Productivity and Resilience Plan.

2. Information

- 2.1 Since the last LEP Board 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 the 16th of 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 West Yorkshire Economic Recovery Plan and connected Business Productivity and Resilience Plan.

Business Support and Engagement

- 2.3 This section outlines the progress made on delivering COVID-19 related business support since the last LEP Board 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, HR, financial and 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 continues 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 activity for all 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 (which forms part of an adult skills framework) is currently being progressed through internal governance and approvals processes. This will create a responsive adult training offer that focusses on the priority sectors for employment growth including digital, construction, engineering, the green economy and health and social care aligning to the Economic Recovery Plan and SEF Employment and Skills priorities. 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 £6m 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 and requires support
 - 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 £1m 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 West Yorkshire 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. Their role has been to oversee development of robust plans for a fair, just and lasting regional recovery and to help build an inclusive and sustainable economy for the future.
- 2.18 The Economic Recovery Board agreed to refresh the Economic Recovery Plan at a meeting held in June to update at the September Combined Authority and LEP Board meetings, to reflect the lifting of COVID-19 restrictions and building on the existing plan's themes on reimagining and resilience. The Board also discussed how the West Yorkshire Mayoral Pledges should be put to the centre of delivery of the Plan.
- 2.19 The refreshed plan is attached to this paper as Appendix 1. This refreshed version of the Economic Recovery Plan has as its vision to secure a fair, just and lasting recovery for West Yorkshire. It will retain from previous iterations 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 a number 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 within the mayoral pledges across the economic 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.

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

- A smaller, targeted focus on areas where Government or other public and private sector co-investment opportunities exist, particularly on infrastructure, but to have this clearly linked to support for local quality jobs and skills.

Business Productivity and Resilience Plan

- 2.21 The Economic Recovery Plan will be supported by our Business Productivity and Resilience Plan (Appendix 2), which has been developed with oversight by the Local Enterprise Partnership’s Business, Innovation and Growth Panel and informed by both stakeholder engagement and a public consultation exercise².
- 2.22 The Business Productivity and Resilience Plan comes from our work on the Local Industrial Strategy, but recognises the critical role that all businesses in West Yorkshire can now make to our wider economic recovery. For a successful lasting recovery it will be essential that West Yorkshire avoids the widening gap in productivity that emerged following the 2008 recession, which was characterised by a recovery that delivered positive outputs in terms of job creation, but which did not emphasise the quality of jobs or the need for underlying investments in skills, infrastructure and innovation.
- 2.23 The plans vision for action on business productivity and resilience in the Leeds City Region is aligned to the Economic Recovery vision for a fair, just and lasting recovery:
- “Supporting businesses to become more productive, focussing on the behaviours and good work that also make a positive long-term contribution to living standards and the environment in West Yorkshire.
- Over time, this should contribute to a significant closing of the £8.5bn gap between job productivity levels in the West Yorkshire economy and the UK average”.
- 2.24 The draft priorities for the Plan are built on nine action areas (five behavioural and four transformational opportunities), contributing to three high level outcomes related to our regional priorities of Boosting Productivity, Enabling Inclusive Growth and Tackling the Climate Emergency.

² <https://www.yourvoice.westyorks-ca.gov.uk/business-productivity>



Diagram: *Plan on a page for Business Productivity and Resilience*

2.25 As well as setting out the rationale for each of the priorities, the plan also outlines proposed actions to support each of the five business behaviours and four transformational opportunities. This has been underpinned by a mapping exercise of existing business support in the region, focussed on which behaviour/behaviours are addressed, and whether it is aimed at start-ups, productivity growth, or high growth and scale-ups.

2.26 Key proposals for each of the five behaviours are summarised below:

- **Improving strategic decision making and planning** - developing an effective model for “productivity plans”, identifying best practice benchmarking, delivering peer to peer network programmes, funding a ladder of entrepreneurship support for pre-start businesses.
- **Increasing the number of highly skilled managers and staff** – supporting delivery of the Employment and Skills framework, encourage better take up of management training and upskilling of employees at all levels.
- **Increasing adoption of new innovative practices** – supporting delivery of the Innovation Framework, maximising the benefits from the Yorkshire Made Smarter pilot, drawing lessons from the SMARTY EU Interreg programme.
- **Increasing the value and volume of exports** – help businesses to navigate the trade support landscape, understand the sector and market opportunities for the region based on new trade deals, look to appropriate

interventions to overcome barriers faced by SMEs to trading internationally.

- **Increasing the prevalence of Good Work** – implement the good work standard in the region, facilitate the sharing of best practice, explore ways to promote alternative business models, utilise the levers of conditions attached to business support grants to drive behaviours.

2.27 The second element of the plan relates to structural transformational opportunities that can support increased business productivity and resilience. Like for the business behaviours, for each of these opportunities the plan outlines proposed actions:

- **Grow the presence of high productivity businesses and sectors** - attracting new companies through inward investment, developing sector plans for key opportunities, aligning the talent pipeline, building on regional expertise in supply chains.
- **Tackle the Long Tail of low productivity** - building on best practice of what works in boosting low productivity, which is especially important for inclusive growth, identifying businesses and sectors important for local area resilience (including learning from work on the effects of COVID-19 on retail in West Yorkshire).
- **Attract increased levels of investment** - identifying means to fill the business investment gap for £100k-1m, attracting additional Venture Capital investment, ensuring physical infrastructure supports business productivity and resilience.
- **Transition to Net Zero Carbon Resilient Economy** - align with the region's carbon emissions pathways work for industry, understanding best practice in supporting business carbon/material use resilience, identifying ways to support businesses in their own transition and on circular economy.

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 Working with businesses to meet our net zero target, including by applying innovation and digital technologies to adapt their products and services to meet current and future demand and reduce their carbon emissions, will be critical to our overall success by 2038. This is highlighted as a transformational opportunity within the Business Productivity and Resilience Plan, which will be addressed through implementation.

4. Inclusive Growth Implications

- 4.1 Inclusive Growth is embedded as an overarching goal in the Economic Recovery Plan. The implications 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 Improving Productivity and Resilience of business is also a critical route to delivering long term improved living standards and therefore inclusive growth. The Productivity and Resilience Plan outlines also how Good Work will be one of the five key business behaviours promoted in the region, recognising that delivering inclusive growth is also about improving the level of quality work for people in West Yorkshire. Achieving this will include setting out 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. 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.
- 5.2 The Business Productivity and Resilience Plan also sets out the importance of diversity to productivity, backed up by evidence of how a diverse workforce can positively support firm level performance. To ensure this is followed through on in delivery, programmes resulting from the plan will target and monitor delivery to under-represented groups to ensure everyone is able to access the appropriate support. Specific proposals are also included to explore support for cooperatives and other alternative models of business ownership, recognising the barriers faced by BAME social entrepreneurs in particular in accessing investment (based on evidence from the Commission on Social Investment).

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 and the Business Productivity and Resilience 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 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.

9.2 The Business Productivity and Resilience Plan has been built on extensive consultation as part of the Local Industrial Strategy and also been the subject of a separate consultation exercise with key stakeholders and a public consultation hosted on the West Yorkshire Combined Authority Your Voice platform.

10. Recommendations

10.1 The Board is asked to:

- Note the update on COVID-19 support in West Yorkshire
- Provide comment and endorsement for the draft refreshed West Yorkshire Economic Recovery Plan
- Endorse the connected Business Productivity and Resilience Plan

11. Background Documents

11.1 None

12. Appendices

12.1 Appendix 1 – West Yorkshire Economic Recovery Plan

12.2 Appendix 2 – DRAFT Business Productivity and Resilience Plan