

**Report to:** West Yorkshire Combined Authority

**Date:** 16 April 2020

**Subject:** Covid-19

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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 on the latest response activity to the COVID-19 outbreak of the Combined Authority and Leeds City Region Enterprise Partnership. Due to the fast-moving nature of this item, a further verbal update or paper update will be provided at the meeting.

## 2. Information

- 2.1 The final impact of COVID-19 on the Leeds City Region will not be known for some time. Although the UK Government are expecting the impact of the virus to be temporary, it is already clear that it will be significant, and is likely to have a lasting impact for both individuals and the economy. This will necessitate a review of our strategies relating to industry, employment and skills, business support, innovation and inclusive growth, in order to position the region as strongly as possible for economic recovery.

### Business support response

- 2.2 Acknowledging that first and foremost Covid-19 is a matter of health and public safety, it is also an economic emergency with very serious implications for businesses, individuals and their livelihoods. As a LEP, we have a key role in supporting businesses in the city region as much as possible in managing the economic implications. The following areas have already been highlighted by businesses in conversation with the business support service as key issues:

- Significant workforce issues - with businesses having to let staff go or move to reduced working hours, implications from self-isolation and from recent school closures.
- Cash flow issues - are leading to an inability to pay wages or service contracts.
- Trading issues - a direct or in-direct decrease in customers and orders leading to lower trade; supply chain disruption, particularly from China and Italy, stock shortages particularly in smaller food stores.
- Decreased investment – major decisions on hold, although some increased digital investments to support remote working.
- Sector specific issues - sectors and sub-sectors most affected to date in terms of business concerns reported are hospitality, retail and leisure, manufacturing (across all elements, but particularly automotive, aerospace and medical equipment), and also businesses involved in holding, and supplying to, events (of all sizes, UK and overseas) and those that have schools and colleges as primary customer markets. Construction and their supply chains are also impacted.
- Uncertainty – particularly around the access to Government support, areas where there is currently little provision, and around key workers and what is viewed as essential business activity.

2.3 The central part of the LEP's response is supporting businesses to access the funding and support that has been made available by central Government to employees and businesses. At a city region level, additional COVID-19 action being undertaken by the LEP includes:

- The Business Support Gateway and the team of 19.5 SME Growth Managers are receiving an increasing number of enquiries from businesses related to Covid19. High number of enquiries, circa 100 per day, across all formats. Using social media / digital tools to reach more businesses and divert pressure from the phone lines.
- Working closely with Local Authorities, HMRC, banks and other LEPs to ensure we have the detail and access routes for the Government products and for the Growth Managers and wider support team to signpost. The LEP are communicating updates quickly and effectively to businesses and intermediaries via the website, a specific edition of the SME eNewsletter (over 11,000 business contacts), social media channels, and via the Gateway and Growth Managers.
- The LEP is working closely with the University of Huddersfield's Supply Chain Development programme to support businesses with supply chain issues. This can include sourcing of Leeds City Region and UK suppliers where access to overseas supply lines have been hampered, and assistance with understanding current global supply chain issues for specific sectors.
- The LEP continues to lead the Growth Hub Yorkshire and Humber Cluster and work with Government, and neighbouring hubs in the region, to provide direct access to the support for businesses. This included delivery of a webinar series in March in partnership with the Growth Hub Network covering key issues for businesses, such as cashflow, business

travel, remote working and effective use of ICT, contractual issues, and supplier and customer relations.

- The LEP's business-facing teams and the Growth Managers are undertaking client meetings remotely via the use of ICT wherever possible and will use private transport if client visits are necessary e.g. appraisal visits for flood support grants.
- In line with a national call for support, the LEP is working with the University of Huddersfield, Make UK and BEIS to support businesses that can support with medical equipment, medical supplies and testing facilities.
- Re-purposing some of our support programmes to focus on on-line provision and webinars on key topics, such as ICT for home-working, contingency planning and access to finance, including the new interruption loan fund.

2.4 The Combined Authority and LEP are also doing everything possible to work with central government, and the other Mayoral Combined Authorities across England to make sure there is sufficient support available for businesses. A note to Government was provided in mid-March to influence the development of national programmes, including tax measures, and we continue to be in conversation on what more is required. This is attached at **Appendix A**. In particular we have highlighted the current gap in provision for self-employed / micro firms with no business premises and issues for businesses supplying into the retail, leisure and hospitality sectors; both evidenced by the number of enquiries we have received through the business support service.

2.5 Work is also being undertaken to consider at this early stage the potential work required to support the economic recovery of the region, including the possible requirements of businesses, and the role that the Combined Authority and LEP can play. More work on recovery planning is underway and a further update will be provided at the meeting.

#### Public Transport Response

2.6 Since 16 March the public transport network has reduced to a service aimed at helping key workers get to work and for essential shopping trips. As of 6 April, bus and rail services are carrying around 10% of usual ridership largely based on an hourly service frequency. The key worker network is being kept under review and is being adapted to meet changing needs and to prevent any social distancing risks. The Combined Authority will support arrangements to provide staff transport to the Nightingale Hospital in Harrogate.

2.7 The Combined Authority is leading on co-ordinating travel information for key workers through its online wymetro.com service and Metroline contact centre. Bus stations remain open and staffed however it has been necessary to close the Travel Centres under the restrictions on non-essential retail. Similarly, retail tenants in bus stations have closed and this will impact on tenancy income. A skeleton school bus service is serving those schools remaining open for the children of key workers. The Combined Authority is also supporting the wider activity around the emergency and is an active participant in the Local Resilience Forum Strategic Coordination Group.

- 2.8 The sudden reduction in patronage and the closure of non-essential retail is having a significant impact on the finances of both the bus industry and the Combined Authority. Acting through the Urban Transport Group and direct dialogue between Cllr Blake and the Buses Minister Baroness Vere, the Combined Authority has worked closely with the Department for Transport on a package of support to the bus companies and Local Transport Authorities.
- 2.9 Emergency grant support has been made available by the Department for Transport both direct to bus operators and to the Combined Authority. As a condition of grant support, the Combined Authority will take the lead on securing a Key Worker Bus Service for the duration of the emergency and recovery period and that an “open book” approach to all public sector funding support to the bus sector to ensure it is targeted to need and any risks of overcompensation are mitigated. As part of this package, the Combined Authority will maintain payments for concessionary fares and tendered bus services at the same rate as applied prior to the pandemic.

#### Internal preparations

- 2.10 In terms of our internal organisational preparations for COVID-19, we are responding to the situation in line with our incident management and business continuity procedures and have instigated a “gold command” response. Through gold command (which comprises Senior Leadership Team and other senior officers).
- 2.11 In terms of business continuity, each of our teams have updated their existing service level plans to ensure that there are appropriate contingency plans in place to deliver frontline and business critical services. Through this process each service area has specifically considered scenarios relating to high levels of staff absence, the ongoing requirement for staff to work remotely for a sustained period of time and the impact of potential shortages in obtaining critical goods/services. These service level plans are now being put into action.
- 2.12 We are proactively communicating with staff on the latest Government advice through regular emails, a dedicated section on our intranet and Frequently Asked Questions. Managers are also receiving more tailored advice on how to support their staff and directing them to support from HR where required. UNISON is also being kept fully briefed on our actions and approach.
- 2.13 In terms of other measures that have been put in place to respond to Government guidance these include:
- Moved to a model of homeworking for all staff who are able to do so and provided additional ICT equipment and network capacity to enable more efficient remote working;
  - Supported frontline staff in bus stations to continue with their day to day activities and provided advice on social distancing;
  - Holding conference calls with no face to face meetings taking place;

- Worked with staff to enable people to plan their working time around family/caring responsibilities
- Identified key workers in line with Government guidance; and
- Closed our City Exchange and Wellington House offices.

### **3. Clean Growth Implications**

- 3.1 The reduction in travel by people has had a notable positive impact on air quality and carbon emissions, particularly in urban areas. However, the longer term impact on people's willingness to use public transport, and consequential impact on the challenges of modal shift, is still to be determined.

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

- 4.1 There are no inclusive growth implications directly arising from this report.

### **5. Financial Implications**

- 5.1 The emergency will have a particular impact on the income expectations in the Combined Authority's budget where the cost of transport activities are partly met by fare income, commission on MCard sales, advertising revenue and tenancy payments all of which are adversely affected by the current situation. The impact will be reported through the periodic budget updates to the Combined Authority. The particular financial impact on Local Transport Authorities has been reported to the Department for Transport through the Urban Transport Group and Cllr Blake's representations to the Minister.

### **6. Legal Implications**

- 6.1 There are no legal implications directly arising from this report.

### **7. Staffing Implications**

- 7.1 Implications on staff as set out above in organisational response.

### **8. External Consultees**

- 7.1 Information about engagement with partners is contained in the report

### **9. Recommendations**

- 9.1 The Combined Authority is asked to note this update.

### **10. Background Documents**

None.

### **11. Appendices**

Appendix 1 – Note to Government on Business Support Interventions