

Report of the Director of City Development

Report to Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Date: 16th July 2020

Subject: Inclusive Growth and Framework for Recovery

Are specific electoral wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, name(s) of ward(s): City wide		
Has consultation been carried out?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:		
Appendix number:		

Summary of main issues

1. This report for Scrutiny Board provides an update on the Council's progress on delivering Inclusive Growth. It is the first report since the outbreak of coronavirus which has had an unprecedented impact on the economy, and created a health emergency across the globe.
2. Our existing strategies on Inclusive Growth, Health and Wellbeing and tackling the Climate Emergency have provided a framework for the Best Council Plan and can be used to identify measures surrounding recovery to enable a coherent response to the economic shock.
3. It is clear that the impact on the economy and to people's health will raise inequalities in the city. Those on lower incomes are more likely to work in sectors most affected by the virus, such as hospitality; the young are suffering through missing out on education and difficulty finding employment that is inflicting long-term damage to young people's prospects in life and creating a 'COVID generation'; and mortality rates from COVID-19 in the most deprived areas are more than double the least deprived areas.
4. Although we recognise just how difficult and challenging recovery will be for the city work has begun to support recovery, including accelerating existing projects. As well as outlining our approach for recovery into the future, this report highlights some of the work

already being undertaken as we enter a new phase in the crisis. These include the pivoting of services and business support; providing grants to businesses; engaging with the public on new transport measures; reopening the city centre safely; supporting our workforce through employment and skills support, including a need to look long-term to address the high number of vulnerable workers as a result of the COVID-19 crisis; sector-specific initiatives; working with our largest anchor institutions; and ensuring council services remain functioning and adaptable to support the citizens of Leeds.

5. The Social Progress Index and additional data gathered throughout the crisis will help us assess the damage to our economy and understand where we need to focus our interventions to deliver an inclusive recovery.

Recommendations

1. Members are asked to note the approach being taken to continue to deliver Inclusive Growth across the city within a framework for recovery from the coronavirus crisis and agree any specific Scrutiny actions that may be appropriate.

1. Purpose of this report

- 1.1 This report for Scrutiny Board provides an update on the Council's commitment and progress on delivering Inclusive Growth. It sets out background information on the pandemic and the UK response, together with what is happening at a local level to continue to deliver Inclusive Growth.

2. Background information

Global context

- 2.1 The World Bank's President, David Malpass, has called the coronavirus pandemic a "devastating blow" for the world economy, warning that billions of people would have their livelihoods affected by it. The economic fallout could last for a decade and 60 million people could be pushed into "extreme poverty" by the effects of the coronavirus (the World Bank defines this as living on less than \$1.90 (£1.55) per person per day). There is potential for long-term damage to global trade and inclinations to bring supply chains closer to home. However, ultimately, the World Bank has said that the catastrophe could be overcome and that people were flexible and resilient. Targeted Government support and measures to shore-up the private sector are vital to rebuild economies, whilst investment and support could create jobs in areas like manufacturing to replace those in the worst affected sectors, such as tourism, which may have been permanently lost.
- 2.2 We have seen a huge impact on world economies. In the US, the number of Americans who have lost their jobs soared to more than 40 million at the end of May 2020. While the growth of unemployment claims has begun to reduce, millions have continued to file for unemployment each week, bringing the total number of unemployed to a rate not seen since the Great Depression.
- 2.3 Countries across the globe are in different stages of the epidemic. The Chinese economy is showing signs of recovery following the shrinking of the economy in the first three months of the year for the first time since 1976. In April 2020, industrial production surged more than twice as fast as most economists expected; however retail sales fell even more sharply than anticipated and orders for future exports have stalled and, adding to this, outbreaks of the virus continue in the country. With the world economy sluggish, continued difficulties are prompting warnings that China (and potentially other countries after it) may face a "W-shaped" pattern of economic activity, with a potential second dip in the economy before a more sustainable recovery.
- 2.4 Across Europe the impact of coronavirus has likewise been hard-hitting. France and Italy entered a recession in the first three months of this year, while Spain's GDP plunged sharply. France's economy contracted 20% in the second quarter from the previous three months and Germany fell into recession in mid-May 2020, following its sharpest economic slump since the 2008 financial crisis. The global coronavirus outbreak has thrust the EU into its deepest ever recession. In response, the European Commission (EC) has set out a plan to help the EU economy recover with a mix of grants, loans and guarantees exceeding €1 trillion, with the aim of helping countries and sectors worst hit by the pandemic to recover quickly and protect the EU single market from being splintered by divergent economic growth and wealth levels.
- 2.5 Whilst the world is beginning to plan for economic recovery and rebuilding, the coronavirus infection rate continues to grow as the epicentre shifts to South America, India and Africa. The threat of a second wave of the coronavirus pandemic across the globe is also ever-present (as demonstrated in China and the US). Although we have

seen isolated clusters and regional spikes in some areas of the world following first major outbreaks in those countries, it is hard to predict how they will develop. With such spikes, it is inevitable that lockdown restrictions will have to be considered once again, thus having further implications for local (if not national) economies.

UK Economy

- 2.6 The Chancellor has warned that Britain is facing a “significant recession”, echoing the Bank of England’s forecast that the UK economy could shrink by 14% this year, which would be the biggest annual decline on record according to the Office for National Statistics (ONS) data, which dates back to 1949. The Office of Budget Responsibility (OBR) is in broad agreement, forecasting that the economy could reduce by 13% in 2020.
- 2.7 Figures from the ONS showed GDP fell by 20.4% in April 2020, following a fall of 5.8% in March 2020. April’s fall is the biggest the UK has ever seen, almost 10 times larger than the steepest pre-COVID-19 fall. In April 2020 the economy was c. 25% smaller than in February 2020. Virtually all areas of the economy were hit, with pubs, Education, Health and car sales all giving the biggest contributions to this historic fall. Manufacturing and Construction also saw significant falls, with the manufacture of cars and housebuilding particularly badly affected. The UK’s trade with the rest of the world was also badly affected by the pandemic, with large falls in both the import and export of cars, fuels, works of art and clothing.
- 2.8 ONS figures published on 16th June 2020 showed that the number of workers on UK payrolls dived more than 600,000 between March 2020 and May 2020. However, economists say the full effect on employment of the lockdown measures will not be felt until wage support schemes end in October of this year, although the slowdown of the economy was beginning to hit the labour market, particularly in terms of hours worked, by mid-June 2020.
- 2.9 In mid-June 2020, the Organisation for Economic Cooperation and Development (OECD) predicted that Britain’s economy is likely to suffer the worst damage from the COVID-19 crisis of any country in the developed world. They predict a slump in the UK’s national income of 11.5% during 2020, outstripping falls in France (11.4% predicted), Italy (11.3%), Spain (11.1%) and Germany (6.6%). Highlighting the task awaiting the UK Government as it seeks to ease the lockdown, the OECD ruled out a V-shaped recovery for the global economy, saying the path back to previous levels of activity would be hampered by long-lasting effects of the crisis.
- 2.10 Most forecasters agree that the impact on the economy would be much more severe without Government intervention in the labour market and providing loans to businesses. Government figures showed that, as of midnight 21st June 2020, 9.2 million workers have been furloughed since the start of the coronavirus crisis, with 1.1 million employers furloughing and at total cost of £22.9bn. For the self-employed, 2.6 million claims have been made to the Government support scheme, at a total value of £7.6bn.
- 2.11 Meanwhile, Government figures published on 23rd June 2020 indicate that nearly 975,000 businesses have borrowed more than £40bn up to 21st June 2020 in Government-backed loans. The majority of these (over 921,000) were companies using the Bounce Back Loans, worth £28.09bn. More than £10.5bn has been lent to nearly 50,500 companies under the Coronavirus Business Interruption Loan Scheme and £2.1bn has been lent to 315 companies through the Coronavirus Large Business Interruption Loan Scheme.

- 2.12 The Government has extended their furloughing scheme until the end of October 2020. Furloughed workers across the UK will continue to receive 80% of their current salary, up to £2,500 a month, and new flexibility will be introduced from August to get employees back to work.
- 2.13 Analysis by the Learning and Work Institute shows that the number of people claiming unemployment benefits increased by 1,561,600 between March and May 2020, a rise of 4.3 percentage points. This is the largest annual increase since records began in 1922. The claimant count is now 2.8 million the highest since the early 1990s.
- 2.14 Whilst the whole economy is suffering due to the coronavirus crisis, it is having a disproportionate effect on certain sectors and groups in society. Lower earners are three times as likely to have lost their job or been furloughed as high earners and are more than twice as likely to do jobs exposing them to health risks, according to the Resolution Foundation.
- 2.15 The London School of Economics' Centre for Economic Performance predicts that the unprecedented economic and educational shocks of the pandemic could inflict long-term damage to young people's prospects in life. The 'COVID generation' (those currently under the age of 25) face declining social mobility unless bold moves are made to create a fairer society, especially as even before the crisis younger generations were already facing falling real wages, fewer opportunities and stagnant or declining living standards.
- 2.16 The crisis has also changed the way people work and has accelerated trends towards digitisation, remote working and a shift in transport patterns and it has exposed other areas such as our reliance on global supply chains. These trends may have a significant impact on how city centres function, UK-based manufacturing and continued growth in new sectors and 'green' jobs.

Health impacts

- 2.17 Over recent weeks more data and analysis has been published, both on the direct health impacts of COVID-19, but also on the emerging social and economic consequences. On 2nd June 2020, Public Health England (PHE) published the findings of its review in to how different factors such as age, sex and ethnicity affect COVID-19 risks and outcomes. The report confirmed that the virus' impact mirrors existing health inequalities and, in some cases, has increased them further, identifying those groups seemingly at most risk, especially:
- The elderly - the largest disparity found was by age, of people diagnosed with COVID-19, those who were 80+ were seventy times more likely to die than those under 40;
 - Men – deaths of those diagnosed with COVID-19 are higher in males than females;
 - People from deprived areas - mortality rates from COVID-19 in the most deprived areas were more than double the least deprived areas, for both males and females;
 - Those from black and ethnic minority communities - death rates from COVID-19 were highest among people of Black and Asian ethnic groups;
 - People in low-paid or low-skilled occupations - security guards, taxi drivers, chefs, care workers and bus drivers are the occupations with the highest death rates involving coronavirus;
 - People with underlying health conditions - among deaths with COVID-19 mentioned on the death certificate, a higher percentage mentioned diabetes,

hypertensive diseases, chronic kidney disease, chronic obstructive pulmonary disease and dementia.

Local Impact

- 2.18 It is difficult to get reliable data at a local level as the crisis is still in its infancy, but some analysis is beginning to come through. ONS data at regional level for Yorkshire & Humber show people's biggest concern during the crisis was access to work, school or university, even more so than health impacts.
- 2.19 Since January 2020, the number of people starting a claim for Universal Credit in Leeds has increased by 31,209 to 62,884 in May 2020 – an increase of 98.5% overall and a 25% per cent increase on the previous month. The data released for the month of May is provisional and does not indicate the employment status of claimants. However, for April 2020 the figures have been broken down and these show the number of Leeds residents out-of-work claiming Universal Credit increased by 11,412 to a total of 32,538 during April 2020 – an increase of 54% over this period. The number of Leeds residents in work claiming Universal Credit also increased over the same period by 7,270 – a 69% increase.
- 2.20 Figures produced by HMRC on 11th June 2020 indicate that the amount of people in Leeds that were furloughed in April was 88,200, which equates to 21.3% of the total workforce. Leeds has the lowest percentage of workers on furlough across West Yorkshire, which aligns with analysis from Centre for Cities showing that workers living outside cities accounted for a larger portion of claims. Given the amount of people on furlough there is a real concern both in Leeds and across the UK that this will lead to a spike in unemployment once the scheme ends, with the Hospitality sector particularly vulnerable.
- 2.21 The figures produced by HMRC also outlined the number of people who had been furloughed under the scheme according to parliamentary constituency. In Leeds, the Leeds Central constituency saw the highest number of furloughed workers:

Elmet and Rothwell	11,400
Leeds Central	16,000
Leeds East	10,800
Leeds North East	8,500
Leeds North West	9,000
Leeds West	13,000
Morley and Outwood	12,400
Pudsey	10,900

- 2.22 Footfall figures across the city centre have helped demonstrate the impact on the economy and were approximately 90% below normal levels during the main phase of lockdown. Footfall began to increase at the beginning of June 2020 as restrictions slowly began to lift and there was a noticeable increase on 15th June 2020 when non-essential retail was allowed to reopen - on this day footfall was down just 49.9% on the same day in 2019, compared to 80.8% the previous Monday. This appears to have been a spike due to it being the first day shops had reopened and the average

footfall in the city centre is now down an average of 60.5% across the week (using figures from the end of June 2020).

- 2.23 Likewise traffic flow figures into and out of the city centre have helped show how the economy has been impacted upon during the coronavirus crisis. The Council has recorded traffic volumes along five permanent sites on approaches to the city centre and compared them to the same dates in 2019. The figures taken from between 24th February 2020 and the end of June 2020 indicate both a steep decline in traffic volumes following the Government advice on 16th March 2020 for everyone to avoid non-essential travel and then an increase again as lockdown restrictions were eased gradually from the end of April 2020, with the most significant increase from mid-May 2020 through June 2020.
- 2.24 Looking at the impact across different sectors, data available at national level for furloughed employees shows that Wholesale and Retail, together with Accommodation and Food Services had by far the highest number of workers furloughed, at 1.6m and 1.4m respectively, followed by Manufacturing, Construction and Business Administration and Support Services. This can be used as a proxy to show those areas most impacted by the crisis in Leeds. The impact of the cultural sector closures, whilst not of that scale in terms of direct jobs, also impacts disproportionately on the Visitor Economy, Accommodation and Retail sectors.
- 2.25 In Leeds City Region c.10% of employee jobs (140,000) are classed as being very vulnerable, with a further 19% (270,000) considered vulnerable. For example, more than 50,000 people in West Yorkshire are employed in activities within Food and Beverage services that are rated as either vulnerable or very vulnerable.
- 2.26 Markit/CIPS PMI surveys for the UK show record falls in activity across Construction, Manufacturing and the dominant Services sector, where 80% of firms reported falls in activity. Manufacturers reported survey-record contractions in output, new orders, employment and new export business.
- 2.27 On 8th April 2020 the Chancellor announced a £750m package of support for frontline charities across the UK, including hospices and those supporting domestic abuse victims. Locally, this scheme has been met with some scepticism, with the Leeds Community Foundation (LCF) stating that while funding will meet some of the immediate demand, charities will not be able to use it to adapt to the wider changes that are going to affect how they work and service their communities. In May 2020, a survey by Pro Bono economics found that one in 10 charities said it was likely that they would stop operating due to the financial impact of the coronavirus pandemic. 3% of respondents considered it “very likely” that their charity will no longer be operating in six months’ time, while 7% rated it as “likely”. Smaller charities were more fearful of closure.

Good news stories

- 2.28 Despite the huge challenges and difficulties faced by the Leeds economy throughout the COVID-19 pandemic, there have been many positive outcomes coming from the crisis. These have included seeing businesses pivot what they do to as a result of the coronavirus pandemic. Herida Healthcare and Perry Uniform, both based in Leeds, pulled resources to manufacture and supply specialist mattresses and mattress covers to new emergency hospitals around the country. Leeds-based SurfaceSkins, who had already developed a revolutionary self-sanitising door push and door handle for use in healthcare and other hygiene-critical environments, saw demand soar for their product as a result of the COVID-19 crisis.

- 2.29 Digital Health businesses also thrived, for example Leeds-based tech firm TPP worked in conjunction with the NHS, University of Oxford, the London School of Hygiene and Tropical Medicine and NHSX (the Government unit charged with developing the best use for NHS technology), resulting in new research, based on data used by thousands of GP practices using TPP's systems, being linked to hospital, intensive care and ONS datasets to create a national picture for COVID-19.
- 2.30 Other stories of innovation also emerged in response to the crisis, including Itecho Health developing a 'virtual clinic' digital platform, Ascelus, for the NHS. Horsforth-based UX Global also created Auto-Q, a bespoke digital signage solution which allows retailers to measure the number of customers inside their store and the ability to advertise key information to waiting customers. Furthermore, VetAI, who are based at Nexus, Leeds, has been included in this year's Startups 100 – the UK's longest-running index of disruptive new start-ups, which showcases new businesses that demonstrate innovation, solid financials, economic impact and the ability to scale. The R&D company develops solutions that support pets, vets and 'pet parents', providing the tools to access care more affordably and conveniently.
- 2.31 The Leeds Digital Festival celebrated a hugely successful two weeks between 20th April and 1st May with 134 virtual events taking place. Across the entire Festival, attendees joined from at least 46 countries and five continents around the world. The new digital format of the Festival enabled participating businesses to reach a larger and more geographically spread audience than ever before and which may not otherwise have been possible without the online format. The Festival's organisers are now planning the physical counterpart of the Festival, which is due to take place between 21st September and 2nd October.
- 2.32 Individuals and organisations in the cultural sector have benefitted from Arts Council England's recovery funds with, for instance, £331k of support for 190 individuals artists and freelancers in Leeds.

3. Main issues

- 3.1 Given the 20% drop in GDP across the UK in April 2020 and the knock-on effects to businesses, jobs and peoples livelihoods, it is clear that this will result in a substantial hit on our ambitions around Inclusive Growth. We remain committed to all our strategies, on Inclusive Growth, Health and Wellbeing and tackling Climate Change, and these remain the right things to focus on, but given the continued uncertainty now is not the right time to undertake a comprehensive review of the Inclusive Growth Strategy as we do not yet understand the full implications of coronavirus.
- 3.2 We can use our strategies as a framework as we stabilise and begin recovery in the short- and medium-term and this report outlines some of the work already being undertaken as we enter a new phase in the crisis. The Social Progress Index and data on the crisis will help us assess the damage to our economy and understand where we need to focus our interventions to deliver an inclusive recovery.

Governance of the response

- 3.3 The Leeds Response and Recovery Plan, set up to respond to coronavirus and overseen by the Leeds Gold Strategic Recovery Group, has been continuously reviewed and updated throughout the crisis. It has a framework of six strands: Health and Social Care; Infrastructure and Supplies; Business and Economic Impact; Citizens and Communities; Organisational Impact; and Media and Communications. There are multi-agency silver groups for each of the main themes, with an additional

Gold group for Health and Social Care given the significance of those arrangements for the pandemic.

- 3.4 The Business and Economic Impact Silver Group prioritises effective business engagement, focusing on practicalities of transitional arrangements, most notably with Anchor institutions, major retailers and representative organisations. It has ensured grant payments are made quickly and effectively and that schemes are developed with partners where needed. It has also allowed for effective information sharing between business representative groups.
- 3.5 The Infrastructure and Supplies Group has focused on the practical challenges of social distancing in city and district centres, public transport use and commuter concerns, as well as working with employers regarding returning workers. Safe routes to schools are also a priority, alongside the provision of additional cycling and pedestrian routes.

West Yorkshire Economic Recovery Plan

- 3.6 The Leader of Council, Councillor Judith Blake, and Chief Executive of the Council, Tom Riordan, are members of the West Yorkshire Economic Recovery Board. The Board, chaired by Councillor Susan Hinchcliffe, Leader of Bradford MDC and Chair of the West Yorkshire Combined Authority (WYCA), had its first meeting on 30th April 2020. An officer group has also been established support the work of the Board. The West Yorkshire Recovery Board and West Yorkshire Recovery Plan focus on what is best delivered at a regional level, building on strong collaboration with local recovery plans, which are the key methods of activity for recovery. The initial West Yorkshire Economic Recovery Plan is due to be discussed at the WYCA Board meeting in July 2020.

LCC economic and business support in response to the COVID-19 crisis

- 3.7 As a Council we have been working hard to ensure that we play our part in providing as much support as we can to businesses that require help and advice.

Business support grants

- 3.8 The Council has administered the COVID-19 business support grant funds on behalf of the national Government to the amount of £146,470,000 and a total of 11,896 grants (figures from 29th June 2020). These include the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund. The Council has also administered the Local Authority Discretionary Grant Fund, with 878 applications received and 134 approved, to the amount of £879,535 (figures from 26th June 2020).
- 3.9 The Council were one of the quickest Local Authorities in the country to administer the grants. Robert Jenrick MP (Secretary of State for Housing, Communities and Local Government) publically recognised the hard work councils around the country had done to pay-out business grants to support local businesses in their area, with Leeds City Council being named by him in the top five councils leading the way.

Discretionary Grant Scheme

- 3.10 The Discretionary Grant scheme for small businesses and charities launched on 1st June 2020 and closed on 28th June 2020. The Council awarded grants to businesses and charities across the city who had not already benefited from COVID-19 funding, capped at £10,000 per grant. A total of £7.795m was made available from the Government for the scheme, which equates to 5% of the original amount the Council was given for the initial business grant scheme. 10% of the funds available was

ringfenced for applications from local charities who occupy one property with a rateable value up to £15,000.

- 3.11 The Government's guidance for the scheme stated that grants should primarily and predominantly aimed at certain categories of business and charity (and that certain types of business/charity within those categories should be prioritised), but the Council did have some discretion to determine which businesses grants should be awarded to.
- 3.12 In recognition of the role that small, local charities have played (and continue to play) in supporting the response to COVID-19 and supporting our communities in Leeds, it was agreed that 10% of the total fund should be set aside for charity properties which are in receipt of charitable business rates relief but would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.
- 3.13 Having due regard to the Government guidance, it was agreed that grants should only be awarded to businesses or charities who have ongoing fixed property-related costs of £4,000 or more for the period starting on 11th March 2020 and ending on 11th September 2020. This figure was established based on our knowledge of the property market across Leeds.
- 3.14 It was also agreed that grants should equate to no more than 50% of a businesses' ongoing fixed property costs for that period of time, with a minimum grant of £2,000 and a maximum of £10,000 available for businesses and charities to apply for, rather than the £25,000 allowed by the guidance. This would allow the scheme to reach more businesses across the city.
- 3.15 The scheme was a single-scheme design that allowed small and micro businesses in shared offices or other flexible workspaces to benefit, whilst also allowing businesses and charities who were not able to benefit from previous Government business grants. On balance, it was felt that this approach would create a level playing field for businesses to access the Discretionary Grant Fund given the limited funds available within it.
- 3.16 There was therefore an eligibility criteria to be met by applicants and a business or charity could apply for a grant if:
- It has not received any other coronavirus funding
 - It was trading on 11th March 2020
 - It has less than 50 employees
 - It occupies all or part of a non-domestic property
 - The property has a rateable value of less than £51,000, or annual rent or mortgage payments are less than £51,000
 - It has yearly fixed property costs of £8,000 or more
 - It is expecting to lose 25% or revenue between March 2020 and September 2020 due to coronavirus

Pivoting and providing additional Business Support

- 3.17 Local interventions have also been employed by the Council. These have included pivoting our business support services in response to the coronavirus crisis. An example of this is the partnership between Good Things Foundation and Leeds City Council to develop 100% Digital Leeds – a new digital inclusion movement for the city – has been successful in bringing together a wide range of organisations with a shared goal: to reach the most digitally excluded people in the city and help them to understand and benefit from digital. In response to the COVID-19 emergency, 100%

Digital Leeds administered a fund on behalf of the City Digital team, to support third sector organisations in their response to the pandemic through digital means. This has been either through providing equipment to organisations or funding them to buy their own equipment. From a £25k budget, 20 chrome books were purchased and gifted to organisation and 23 applications (ranging from £500 to £1,000) have been approved and funded. One additional benefit has been that groups previously not known to 100% Digital Leeds have come forward and conversations have been taking place between the DIS team at the Council and some applicants as to how they may be better able to meet their needs. The fund attracted over 150 applications and although further funding has been sourced there remains a shortfall. Because of this, work is continuing to establish further funds, one possibility is through the Council's Housing panels, as well as other channels including with private sector partners.

- 3.18 The Council has also launched a MicroBusiness Support Service which provides support to small businesses across the city via online resources and information, webinars and dedicated 121 telephone support sessions with local business advisors. Over 64 businesses have directly engaged with the service via 121s and online events and workshops, and the website has had over 4,000 page views. The team are also hosting a series of Retail Chat events to support stores with a safe reopening; holding discussions with stakeholders such as Leeds Indie Food with regards to a campaign to support independent businesses; and holding an informal 'Monday Motivation' online catch up every Monday at 2pm, bookable via the website.
- 3.19 The Council's Key Account Management team has, by creating stronger connections with large private sector firms in the city, been able to get much better feedback on their plans for recovery which has helped inform our policy decisions particularly in the recovery phase. These firms have also been willing partners in, for example, assistance to our vulnerable residents, such as through the supply of emergency food. A number have also offered to work alongside the Council in encouraging central government to ensure that we have the financial support needed to ensure the regional economy recovers well. An example of this was a recent video call, led by the Leader of LCC, Councillor Judith Blake, and the Chief Executive of the LCC, Tom Riordan, with over 80 attendees, discussing how both the Council and private sector organisations can work together to help the city come out of lockdown. Not only were businesses offering help and support for our work, the Council was also able to offer help and support in areas such as mental health and assurance around expanding cycle provision. In addition, businesses used the opportunity to offer support to each other through the call on areas of staff health and welfare.
- 3.20 The Council has also supported the development of the NextUp mentoring platform '500 mentors', which was launched on 25th March 2020 to help 500 entrepreneurs and leaders from any sector during the COVID-19 crisis. Individuals can sign up to be a mentor (such as senior people coming up to retirement, the recently retired or those still working with spare time), or they can sign up to be a mentee (any entrepreneur or business leader from the public or voluntary sector who needs someone to talk to and/or needs practical help during these challenging times, including having help looking at the longer-term and potential opportunities). The platform suggests a free virtual Zoom session once a week between a mentor and a mentee and in the first six weeks 177 people signed up, c. 80% of whom were mentors.
- 3.21 The support of the Council also enabled Leeds Indie Food to launch a magazine in May 2020, available digitally and in print, to promote Indies across the city during lockdown. More than 50 contributors came together, leading to the creation of a magazine that included recipes, features on comedy, football, music and tips for

making bread and brewing coffee, as well as alternative ways to support independent businesses.

- 3.22 The Digital Enterprise (DE) team, who operate across the Leeds City Region and help small- to medium-sized businesses in the region to scale-up and achieve digital transformation and change, felt it was important to engage with businesses to learn more about how their priorities have changed during the coronavirus crisis and how the DE team can ensure they provide the help that is needed. An online survey was carried out to obtain the digital requirements of business and the responses received are helping the DE team develop their programme so that it is suitable for both current and future needs – including a programme of webinars and the devising of new funding support.
- 3.23 During the lockdown period the DE team sought to speed up voucher payments to businesses and where applicable offer enhanced voucher terms to aid business cash flow and help remove any barriers to businesses implementing their digital technology projects. Furthermore, the Digital Knowledge Exchange Service is now being provided online (for example webinars, digital conferences and mentoring support) to ensure businesses are able to access the Exchange. Through this, they can learn and develop their digital offer and increase their resilience. A new Digital Resilience Voucher is also being developed to help businesses (owners and their staff/employees) invest in vital digital technologies to help them adapt. This could include essential IT equipment, upgrading broadband, and networking equipment to help facilitate home-working.
- 3.24 The Ad:Venture team, who also operate across the Leeds City Region and who work with businesses less than three years old and help with the scaling-up of businesses via advice, coaching, events and start-up growth grants, has also pivoted their support in light of the COVID-19 crisis. The programme has been adapted to be delivered online, including a series of events and webinars designed to support businesses and provide opportunities for virtual networking. Grant criteria has been reviewed to ensure that clients already registered with the programme find it easier to access grant support. During lockdown, the programme has been working with c.200 businesses across the Leeds City Region to enable them to invest in enhancing their online presence, adapting business models to deliver services, online products and allowing their staff to work from home or from multiple sites. The online programme of events and webinars have proved increasingly popular and popular topics have included sales and digital marketing, business resilience and finance.
- 3.25 As part of a recently approach third phase of funding for the Ad:Venture programme, additional funding has been secured that will allow Leeds Library Service to deliver enhanced support to start-up and young businesses. This will build on an already successful free service delivered by the Business and Intellectual Property Service. The funding will enable the delivery of more events and support to more businesses across a wider area of the city. This enhanced service will also be open to businesses with more modest growth aspirations and is expected to launch early next year.
- 3.26 The Leeds Libraries Business and Intellectual Property (BIPC) service has provided much free support for small businesses across Leeds during the lockdown period. This has included remote access to resources, a diverse range of webinars and one-to-one advice consultations on a variety of subjects, including helping to run a business from home; financial matters; marketing and branding; rebooting social media; and starting a social enterprise. Other areas of support have included advertising law, introducing 'quality' to a business and intellectual property advice, such as trademarks, copyright or designs. The BIPC team has also provided advice

and guidance to the business community via their access to a range of business resources, including market research, company information and business guides.

Sector-specific support

- 3.27 Visitor Economy - Recovery planning has involved engagement with Welcome to Yorkshire and Visit Britain, as well as through collaboration with the Core Cities Visitor Economy Group and other Destination Management organisations across the North of England. Planning has included a re-evaluation of strategies and priorities across Business, Leisure and Tourism sectors to ensure that recovery activity is relevant and timely to the local situation. Collaboration with stakeholders across the whole of the Visitor Economy portfolio will be critical in informing recovery planning and delivery.
- 3.28 Work is commencing on developing events which will encourage people to visit the city and work will continue in providing business support to all of our tourism stakeholders, including signposting to financial support, business advice and assistance, as well as supporting partners as they develop and adapt their business and products for a 'new look' Tourism sector that is anticipated when restrictions start to ease. Visit Leeds and Conference Leeds has delivered two campaigns designed to maintain audience engagement with the city. The 'Leeds at Home' campaign promotes ways people can enjoy online activities and events, from locally themed quizzes to recipes, from their homes. The Virtual Leeds campaign encourages conference and event organisers to discover the city's venues by taking tours using the digital assets many venues have available on their websites. The 'A-Z of Visiting Leeds' also went live on the Visit Leeds website last month, providing information and inspiration for those visiting the city as lockdown restrictions began (and continue) to lift. The page includes signpostings to shops that are open, where to park, information to keep people safe and blogs on where to get food on the go.
- 3.29 Creative Sector - Working with the other West Yorkshire authorities, the Council has undertaken an online survey of the creative sector with results informing priorities for further support, as well as being part of an evidence base for reporting the importance of culture and creative industries for WYCA/the LEP. The survey will further help to highlight sector challenges, including the limited sources of support for individuals, digital inequalities/capacity (i.e. creative businesses which lack resources to move activities online) and Leeds citizens who have limited access to online creativity at home. The LCC Culture Development Team has also established a Reference Group representing a cross-section of the Creative sector which will remain in place for 18 months and will contribute to shaping two more sector surveys and reviewing the Culture Strategy and Delivery Plan. The refreshed Culture Strategy will reframe Leeds2023 as a key measure for how well Leeds has emerged from the COVID-19 crisis. Although there is no sector-specific funding from the Council, some, existing grants have either been repurposed or extended.
- 3.30 Manufacturing – To help manufacturing businesses with cash flow and support investment plans, the Local Enterprise Partnership (LEP) agreed to introduce interim payments for its Business Growth Programme (BGP) and to reduce the element of grants retained against job creation from 25% to 10%. Members of the Leeds Manufacturing Alliance (LMA) have also been able to access advice and support from Make UK, West and North Yorkshire Chamber of Commerce, Leeds City Council and the Manufacturing Growth Programme West, which are represented on the LMA steering group. The Leeds Manufacturing Festival, run by the LMA and supported by a group of sponsors and which aims to bring greater awareness to the depth of career opportunities within the sector that exist across the region, is looking at pivoting its offer to support a range of online activity and engagement to maintain continuity and

momentum in the second half of the year. This follows the success of the Festival last year, which saw a total of 83 events, 6,865 students engaged and 946 influencers engaged also.

- 3.31 Digital Sector – The Council is continuing to support the Digital Sector across the city to ensure it is well-placed to help drive recovery. It once again sponsored the Leeds Digital Festival earlier this year, which was a huge success despite being held as a virtual Festival during the lockdown restrictions, and the authority continues to provide backing to numerous other networks in Leeds. This has included supporting FinTech North and NorthInvest to enable them to pivot what they do so that they have been able to start using online delivery models. FinTech, who in turn help the innovation ecosystem for the Digital sector, has received backing from the Council through the provision of webinars and support on a range of issues, including tackling debt. NorthInvest, who support start-ups in the Leeds City Region, as a result of Council help, have been able to arrange virtual pitch events to help entrepreneurs through this challenging time, as well as allow access to investors. Both of these organisations are well-placed to help us with our plans around MIT REAP (Massachusetts Institute of Technology Regional Entrepreneurship Acceleration Program) as we enter the recovery phase in response to the COVID-19 crisis.

Safe reopening of city centre and district centres

- 3.32 The Council is currently considering how to make best use of the Reopening High Street Safely Fund. Amongst the ideas for consideration are: a marketing campaign to attract visitors back to the city centre and district centres; the purchase of a package of signage and materials designed to ensure a safe reopening; and the commissioning of a tech solution that is aimed at bridging online retail and the high street. These ideas are currently being consulted upon within the Council and with key partners. There has also been an offer from the larger cultural organisations in the city to support this work, including Opera North, Northern Ballet, Leeds Playhouse and Leeds Grand Theatre.
- 3.33 The implementation of the City Centre Recovery Action Plan, based on three themes and working with Safer Leeds, Leeds Watch and Parking Services colleagues, began in support of businesses reopening. The Plan covered:
- Curation: i.e. the recovery of the physical space/realm with a targeted and enhanced cleaning regime and sanitisation plan; management of vacated shop units, including visual presentation; addressing community safety and alternative uses; practical management of social distancing rules in the public arena; and other related public interventions, including parking and transport.
 - Place-making activities: i.e. recovery events, creating momentum to drive footfall, including a three-month key activity programme to include events aimed at supporting a return to the city centre; an appropriate signature event to mark the easing of restrictions to generate footfall and inspire confidence to return whilst respecting social distancing; and collaboration and leveraging of planned partner and organisational events and activities for a concentration of post-COVID-19 activity.
 - Communication: i.e. getting clear messages out, a directed and focused Communications Plan to key audiences on planned activities for recovery, including social media, websites, communication networks, lampposts banners, advertising screens, digital units, leaflets, and management of external media, press and delivery of proactive media engagement.

- 3.34 In relation to district centres, collaborative work was undertaken to update signage together with the widening of pavements where possible, as well as queue management measures and the provision of advice on communications to address public concerns. District centre resurgence from the private sector is spearheaded by the Town Teams, made up of local business leaders, with advice and guidance on actions provided by the Council. Lessons from the phased reopening of the city centre will be shared with Town Teams to inform their approaches. In the longer-term, the aspiration is to reflect on the welfare of district centres in terms of reducing carbon emissions, improving greenspace, maximising active travel and reducing waste, whilst sustaining their revitalisation as places to live, work and visit.
- 3.35 On 23rd June 2020 the Government announced the reopening of much of the Hospitality sector more broadly from 4th July 2020 if they can follow safety guidelines, including pubs, restaurants, museums, cinemas, hairdressers and outdoor spaces such as outdoor gyms and playgrounds. It also announced that from 4th July 2020 the two-metre social distancing rule will be replaced with a “one metre plus” guideline. Guidance has been published to assist businesses in reopening safely. However, it is clear that some businesses and venues will be under considerable strain for some time to come despite the relaxation of social distancing measures and that this may result in closures and job losses. Staff in the Council’s Museums and Galleries service are developing plans to reopen our nine museums sites in a phased schedule from July 2020 onwards once the safety of staff and visitors has been prioritised through new operating procedures.

Public transport

- 3.36 The Council has outlined ambitious plans to promote active travel. This involves providing more facilities for and encouraging more engagement with active modes of transport, such as cycling and walking. By embedding active travel as part of our recovery from the COVID-19 crisis, we could realise its potential for contributing to economic recovery, tackling widening health inequalities, improving people’s physical and mental wellbeing, reducing carbon omissions and building better-connected communities.
- 3.37 The Government announced £250m of funding to support councils country-wide to implement measures. We, alongside our partners at WYCA, are in communication with the Government with regards the release of this funding and we intend to supplement it with other transport funding opportunities to make our response the best it can be to meet the needs of the people of Leeds.
- 3.38 Measures that have been taken or are proposed include:
- Creating more pedestrian space in busy public places - such as shops and bus stops, for example by installing barriers at locations both in the city centre and in local and district centres.
 - Creating more pedestrian and cycle space on main roads – such as by widening footpaths and expanding the network of pedestrianised streets in the city centre. Walking spaces have been broadened where there are narrow footpaths with a high footfall and more roads and routes are being identified for trialling measures to expand our cycling network which will see the physical separation of space for cyclists and traffic.
 - Providing additional cycle parking facilities - both via increased capacity of 500 additional parking places and through extra locations, to support the anticipated increase in use.

- Maintaining quieter residential streets to support safe walking and cycling - giving people more confidence to walk and cycle around our city, towns and neighbourhoods. However, as Government restrictions are lifted traffic volumes are likely to increase again, so we will investigate phasing “low traffic neighbourhoods” or “modal filters” to remove through-traffic from residential areas. Consultation will be undertaken to gather the views of the public on such trial measures over the next few months.
- Creating more space for pedestrians and cyclists outside of schools – to enable children and their parents/carers to maintain social distancing and help to address air quality and promote active travel. School Streets schemes have been tested at six Leeds primary schools from 1st June 2020, restricting traffic movement during school drop-off and pick-up times to make walking, scooting and cycling to school safer and healthier. Other schools are being identified for future waves of the scheme, subject to funding.
- Public engagement – In May 2020, an interactive consultation page went live using the Commonplace platform to ask the public to share ideas of where the Council could improve social distancing and active travel measures on main roads, in local neighbourhoods and around schools. In the month that it was open, the consultation received over 20,000 contributions from 4,100 respondents. 71% of respondents supported reducing traffic speed or volume measures to keep those using active travel safe. 50% who own a private vehicle said they expect to use it less in the coming months. Other notable suggestions from the consultation including providing motorcycle parking and work into providing suitable locations for these to be installed is underway. Following the receipt of so many responses, an interactive map has been launched to collate further suggestions and to gain feedback on proposals.

3.39 The Council has also continued with existing programmes, including transforming major routes into the city using bus lanes, segregated cycle lanes and better crossing facilities for pedestrians.

Employment and Skills delivery

- 3.40 The Council's Employment and Skills service supported 515 people into work, including 21 people into apprenticeships during April and May 2020, during a period where vacancies have reduced by around 60%. These include job roles across all sectors with the largest numbers in Health and Care, Food Retail, Logistics, Distribution and Transport. Alongside recruitment, the service is also supporting a number of companies that are restructuring or reducing staff numbers through redundancies. It is anticipated that as the support from Government to pay furloughed employees tapers, the need for this support to staff notified of redundancy will increase. The service will provide an account manager to support managers and staff to connect with employers recruiting to the same or similar skills sets where possible and access to training and employment support services.
- 3.41 Recently released data show that the number of apprenticeship starts at national level halved (51% fall) in the initial period of lockdown (23rd March 2020 to the end of April 2020) compared with the same period in 2019. Starts for people under-19 years were particularly hard hit, falling by 74% on the previous year, whereas starts for people aged 25 plus fell 42%. The fall reflects college closures with employers unable to start or continue apprenticeships as planned and may also reflect underreporting by training providers and employers. An increase in apprentice redundancies is

anticipated as the furlough scheme comes to an end, as well as the possibility of a continued and sustained fall in demand for apprentices from employers in many sectors. As well as removing an important route to access and progress in employment, this has implications for apprenticeship training providers. We have worked with our network of training providers to promote current vacancies to schools and college students through Career Leads in schools.

- 3.42 The Council's Levy-funded apprenticeship programme has continued, with providers moving lectures, seminars and tutorials online for 206 staff. Eight staff out the 34 on programme that commenced the Leadership and Management apprenticeship in January 2019 delivered by the Employment and Skills service in-house have now achieved the Chartered Management Institute Level 3 Diploma and the Level 3 Apprenticeship Certificate with distinctions or very high merits, with a number about to go through the End Point Assessment process.
- 3.43 We now have 70% of high schools using the Start in Leeds online careers guidance platform and we continue to engage with network of career leads in schools to promote local opportunities and inform and support students to access apprenticeships through on-line presentations and video. We continue to support young people with home learning activities focused on career choices and connecting businesses with schools, for example CEG is now working on careers activity with the Alternative Provision team at Leeds City College. Working with the Council's Children and Families directorate, we will make dedicated support available to young people that need further guidance and support to decide on their next steps when they receive their results.
- 3.44 The Employment and Skills service has led a successful bid with Bradford Council to secure a £2.91m ESIF funded programme to deliver employment support across Leeds and Bradford. It will focus on young people 15-24 years identified as NEET to improve their skills and significantly increase their prospects of moving into sustained employment. Support will be targeted to over 1,100 young people in Leeds with poor mental health, including those with emotional, behavioural and social difficulties, to secure training and work over the next three years, commencing in July 2020.
- 3.45 Social distancing measures required the cessation of classroom based learning across 150 plus community settings delivered through the Leeds Adult Learning programme. Community-based social enterprises and Third Sector providers have continued to receive funding to undertake development work to move provision online. Work is continuing through the current term to enhance the capacity of providers to make use of our established Google Classroom facility, with over 200 adult learning tutors undertaking additional training. We now have 100 courses on offer, ranging from arts and crafts to digital skills training for work and CV support and preparing for online job interviews, and anticipate growing this offer further. This will enable a blended delivery of online and classroom-based provision as lockdown measures are eased. Providers have been invited to submit proposals for the new academic year starting in September 2020, with an increased focus on digital skills. Preparatory work is underway to respond to the proposed new arrangement for devolved funding for adult learning in 2021/22 should the Mayoral Combined Authority scheme be approved.
- 3.46 Through various networks, including the Local Government Association and Core Cities, we continue to lobby Government on data sharing on Universal Credit claimants to ensure that interventions and support can be effectively targeted, as well as the need for a locally designed and delivered Job Guarantee scheme at scale aligned to cohorts where need is greatest and impact has been most critical and

sectors where there are immediate growth opportunities, for example Digital, Low Carbon, Life Sciences, Health and Care, Building Retrofit and Construction. This will be particularly important for young people leaving education and especially those aged 18-19 years to provide guaranteed support to find work or a place in education or training.

- 3.47 To make best use of existing funded programmes, freedoms and flexibilities are requested to repurpose funds to meet the changing labour market needs. These include, for example, flexibility to engage a wider group of claimants than those currently specified in approved European Structural and Investment Funds programmes and changes to the operation of the Apprenticeship Levy, including an extended window to re-engage redundant apprentices; extending the shelf-life of funds so accumulated funding does not time-expire during lockdown; raising the 25% transfer cap so that additional funding can be made available to SMEs and supply chains that are able to continue employing and recruiting apprentices; support and set aside funding to incentivise employers to create apprenticeships (AGE Grant), especially in priority and growth-ready sectors and priority cohorts; and the opportunity to provide traineeships and T-level placements where employers cannot sustain apprenticeships in the short term.

How the Council has supported tenants as landlord

- 3.48 Support to business tenants in LCC-owned premises has continued throughout the COVID-19 crisis, with a suspension of rent enforcement as well as signposting to rate relief, Government and local grants and the provision of guidance. A letter is being drafted to be sent to the majority of tenants to better understand their particular situation in order that responses can be developed with individual businesses to reflect their specific circumstances and we can work together so that our tenants can manage their premises effectively.
- 3.49 In addition to the c. £1.9m of Government grants which have been secured by Indoor Market Traders at Kirkgate Market, the Council has waived all Open Market Fees across the city for the period April 2020 to June 2020. This has resulted in all Open Market traders' pitches being secured to enable a return to trading in June 2020. A further planned scheme of support, focussed on varying levels of rent and fee discount is being developed, seeking to assist traders for an additional period up to the end of September 2020.

How the Council has supported taxi drivers

- 3.50 Throughout the COVID-19 pandemic, the Council's Taxi Licensing team has provided support to taxi and private hire businesses across Leeds. This has included regular bulletins to licence holders sharing national and local guidance on essential travel, hand hygiene, social distancing and licensing, as well as engagement with taxi associations, operators and drivers groups. The Taxi Licensing team also liaised with Clinical Commissioning Groups and other health providers in the city regarding the use of taxi and private hire services to transport medicine to people who were shielding.
- 3.51 In relation to the next phase of recovery for businesses, the team has been working on a number of areas of help and advice. These have included extending driver, vehicle and operator licenses by one to three months at no cost to licence holders and also allowing vehicles requiring an inspection to use other methods for the Council to be satisfied that a vehicle is safe and suitable to be relicensed. Furthermore, the risk of COVID-19 transmission in taxi and private hire vehicles prompted the Council to review its approach to safety screens and although it has maintained its current policy

of encouraging permanent safety screens in vehicles, the Council now requires them to conform to an approved design, which will then mean owners qualify for a refund of 50% (up to £250) of the installation cost. The Council also indicated that temporary screens could be fitted at the owner's discretion but would not be inspected or approved and thus would not qualify for the fund. It has also fast-tacked the approval of new screen designs so it is easier for owners to get new screens fitted.

- 3.52 Preparing for recovery is an ongoing process and the Taxi Licensing team has liaised with colleagues, including those within the Council and within neighbouring authorities and other partners, to align the resumption of services with the increase in demand for journeys. Priorities for resuming services including the resumption of vehicle inspections and driver training and assessment and further liaison and engagement with businesses to ascertain how the crisis has affected them, as well as reviewing the impact of the pandemic on the Council's licensing fees position.

Planning

- 3.53 During the lockdown period, the Planning Service has continued to operate, albeit with restrictions in place. In consultation with the Plans Panel Chairs and the Executive Member, planning applications in the system were reviewed as a basis to identify which applications might be delegated for decision, deferred with agreement or for consideration at a future Plans Panel. In parallel with this, new planning applications, where they have been received electronically, have continued to be validated. With regard to the Plans Panels, a 'Remote Access' protocol was circulated to all members of Council on 15th April 2020, to provide a basis for Virtual Plans Panels. To date, there have been two meetings (21st May 2020 City Plans Panel and 4th June 2020 South and West Panel), with further meetings now scheduled. Due to the restrictions in place, the erection of Site Notices was suspended but are now being erected, neighbour notification letters are also being sent out and site visits undertaken, enabling applications to move through the process. The resumption of these activities has followed a stepped and precautionary approach, through the development of Safe Working Practices Notes. These have been developed within the context of Government and City Council requirements and engagement with staff, Trades Unions, Health and Safety and Human Resources colleagues. For plan making and implementation there has been a continued focus on delivering the Climate Emergency and Health and Wellbeing agenda through better place making and master planning. The importance of this has been heightened through the lockdown experience and the resilience of communities is a key theme of the forthcoming update of the Local Plan. This has a particular focus on matters such as green infrastructure and town and local centres.

How the Council has supported suppliers

- 3.54 LCC has recognised that as a result of the COVID-19 crisis many suppliers to public bodies will struggle to meet their contractual obligations and that this may put their financial viability, ability to retain staff and their supply chains at risk. Because of this, the Council produced guidance for commissioning officers within the authority that seeks to adopt a practical approach to the implementation of supplier support and relief measures, in close accordance with Government guidance in the form of the Supplier Relief Procurement Policy Note 02/20.
- 3.55 As an Anchor Institution in the city of Leeds, the Council's position has been to stress that support is available to suppliers, including very significant pre-existing measures prior to the COVID-19 emergency; however the Council has had to balance this with the avoidance of raising expectations across the entire supply chain. The intention

has been to take a sympathetic but proportionate approach and to direct suppliers that most need financial support to the relevant approach, whether that involves pre-existing support measures, alternative or reduced services, additional Council support measures for “at risk” suppliers, or a combination of these.

- 3.56 An example of this approach has been how the Council has worked with Showsec, whereby we have reengaged their services by arranging for their staff to work at all six LCC recycling centres to help to reopen them safely, as well as in managing the gates to the centres and checking of vehicles registrations.

Framework for recovery

- 3.57 The rate of recovery from the COVID-19 emergency will be constrained by the need to protect the health of the public. It could be many months before all restrictions are lifted and response and recovery will therefore sometimes overlap. The COVID-19 pandemic has served to speed up trends that were already evident in the economy, which means that we will need to be ready to accelerate, stop or change our work to recover.
- 3.58 Initial discussions have taken place with Elected Members and key officers to provide a framework to support recovery, as well as with the Inclusive Growth Ambassadors, and consideration is being given to key areas of focus which align to the areas outlined in the West Yorkshire Recovery Plan.
- 3.59 Across the council a more fundamental review of the suite of city strategies will be undertaken later in the year / early next year when we have a deeper understanding of the wider social and economic impacts of the virus. However, work is already underway to ensure the three pillars that underpin our city ambition: Inclusive Growth; health and wellbeing; and climate change, are centred on the overriding priority of tackling poverty and inequalities; and, are joined up as we focus on the complex and potentially long-lasting recovery period, which will require all potential capacity in the city, including the public and businesses, fully engaged and playing their role.
- 3.60 The potential for a green recovery from the COVID-19 crisis is also apparent. Green jobs will be essential to the UK recovery and our strategy will need to fully reflect our carbon reduction ambition for the city, seizing the opportunities of more sustainable and healthy movement of people; new ways of working at home and at work; adopting digital technology; emphasising the value of green spaces; and continuing to promote energy efficiency. The International Monetary Fund has highlighted the importance of prioritising Government spending on green projects to create jobs and kickstart the economic recovery. Furthermore, the Institute for Public Policy Research has stated that investing in a green economic recovery could create as many as 1.6 million new jobs in Britain as the COVID-19 crisis subsides. This could include the creation of 700,000 roles in social care; 560,000 new roles by increasing funding for the energy efficiency of homes; 230,000 jobs by investing in sustainable public transport; and 46,000 by creating more funding for tree planting and peatland restoration. The Local Government Association (LGA) has also said that almost 700,000 direct jobs could be created in England’s low-carbon and renewable energy economy by 2030, stating that demand for green jobs in the North of England will accelerate massively to 420,000 as the nation moves towards a net-zero emissions economy in 30 years. The LGA data shows that Leeds will be amongst the strongest cities in the UK to create jobs to support green industries, with the LGA claiming that the Green Energy sector being able to help lead regions out of the COVID-19 crisis.
- 3.61 Given this, the Council will use its framework for economic recovery from the coronavirus crisis to accelerate our transition to net zero and strengthen our resilience

to the impacts of climate change, whilst driving new economic activity. This will include identifying further opportunities to confirm an acceleration towards net zero in economic recovery initiatives and projects. For example, currently the building sector is not well-placed for the transition to zero emissions and the uptake of low carbon heating systems is negligible. The mass retrofit of properties required will be labour intensive, thus potentially requiring more job roles, and the implementation of hydrogen heating systems presents opportunities for both potential reskilling of workers and the manufacture of new appliances.

3.62 Given the current circumstances an annual report on the Inclusive Growth Strategy has not been written. However, this report has set out a range of work currently underway to support recovery and accelerate existing projects. These fit into the three themes of the Strategy and examples of work being undertaken include:

- People:

a) The Leeds Inclusive Anchors programme is being accelerated to include private sector anchors. This will connect with and support the Inclusive Growth Strategy and help businesses and other organisations with great potential to support recovery to put that into practice. The core objectives are to:

- Engage with businesses and the Council to identify how businesses can shape, contribute to, and benefit from a post-COVID-19 economic recovery programme in Leeds, especially large anchor businesses, and other businesses with key skills, capacities or influence to bring to bear;
- Explore and recommend what business engagement and collaboration mechanisms are needed as part of this programme and related private sector anchors activity
- Support the launch, evaluation and ongoing improvement of a first phase or pilot of post-COVID-19 economic recovery programme; and
- Review, support and evolve the existing public sector Leeds Anchors network to maximise its effectiveness and recovery contribution, and to dovetail with private sector Anchors and the post-COVID-19 economic recovery programme.

b) The 100% Digital Leeds movement has been successful in bringing together a wide range of organisations with the shared goal of reaching the most digitally excluded people in the city and helping them to understand and benefit from digital. In response to the COVID-19 emergency, 100% Digital Leeds administered a fund on behalf of the City Digital team, to support third sector organisations in their response to the pandemic through digital means. This has been either through providing equipment to organisations or funding them to buy their own equipment.

- Place:

a) Work is being undertaken to bring forward Active Travel measures and developing regeneration sites. One example is the British Library North, which forms part of the Leeds devolution deal. In advance of the £25m funding being agreed, Leeds City Council has been collaborating with the British Library and the CEG Group, who own Temple Works, on exploring the feasibility of what is one of the country's most important listed buildings being home to the prospective new development.

b) Full Fibre Connectivity – The new partnership with BT (Openreach) will see BT build a new local full fibre network to connect hundreds of schools, NHS and other public sector sites across Leeds. A new fund will also be set up to support community broadband initiatives. This digital infrastructure will increase in importance in the context of the need for resilience in terms of working from home and ensuring all families can access good broadband speeds. Although the delivery of the new build full fibre network associated with this programme has been delayed by lockdown restrictions, BT have confirmed their commitment to delivery against the social value proposals outlined in their bid for the programme. The immediate focus is on investing to support the 100% Digital Leeds programme to make devices available for Third sector and community organisations to use to support work with their most vulnerable and isolated clients.

c) The Council has recently launched a 25-year initiative to create new woodlands across Leeds. The scheme will see 5.8 million trees planted across the city, thus forming part of Leeds' ambitious programme to make the city carbon-neutral by 2030. The first saplings will be planted this winter and 50 hectares of land will be brought forward each year for woodland creation, with over 100 hectares of publicly-owned land already being identified as potentially suitable. Trees planted as part of this project will also be counted towards the White Rose Forest, a joint local authority venture to double tree cover across the Leeds City Region by 2050.

- Productivity:

a) The Leeds Massachusetts Institute of Technology Regional Entrepreneurship Accelerator Programme (MIT REAP) team will be launching a new support programme to help individuals facing a change in circumstance, inspiring them to make the leap to entrepreneurship. The ambition is to create a vibrant, engaged and diverse community of potential entrepreneurs across the Leeds City Region. LEAP is an initiative aimed at budding entrepreneurs and will be delivered with a community first, content second ethos via a dedicated online platform in website and app formats. The platform will initially host applicants to the programme, delivery partners and associated mentoring organisations and will create a peer-to-peer network for applicants to learn and develop new skills, as well as facilitate mentoring relationships. Over time, the platform will provide a space to enable the ecosystem of support organisations, co-working spaces, events, business advisors, entrepreneurs and mentors across the city region to organically coalesce, creating a one-stop network for entrepreneurs and business owners to access support from advisors and peers. LEAP is planned to launch later this summer. Innovation is going to be essential in planning for recovery in a post-COVID-19 local economy. Fundamental to enabling and sustaining an innovation ecosystem is making sure there is a strong pipeline of people with great ideas. Mechanisms to find those people and empower them to explore whether their ideas are viable and help turn them into compelling businesses are vital to keeping that pipeline topped up. A key objective for the Leeds MIT REAP team is that this pipeline is diverse and reflective of our community. A pilot is currently being procured, to deliver a new programme supporting entrepreneurs from diverse backgrounds across the Leeds City Region to turn their innovative, socially beneficial ideas into scalable businesses that investors want to back. Our ambitions are to

inspire and nurture ideas that are innovation-driven, address a significant unmet need and are 'socially useful', leveraging our innovation cluster in the Leeds City Region and expertise in areas including, but no means limited to, Health, Data, Environment and Mobility. We want our entrepreneurs to 'think big' and gain traction with rapidly scalable business models that have an ambition to scale cross-border and have the potential to attract external investment to grow. The pilot programme will launch in January 2021.

Measuring our progress

- 3.63 Measurement also remains important as part of this work. As a way to measure Inclusive Growth alongside traditional economic measures, we are proposing to adopt the Social Progress Index as a priority. More than ever we need to understand how our interventions are addressing inequality and we need more real-time information about the economy to inform our interventions. This will also assist us to be more agile in our response and able to pivot/change as evidence of impact and opportunity emerges.

Devolution

- 3.64 The agreement of the West Yorkshire Devolution in March 2020 was a landmark moment for Leeds and the wider region. The Deal offers the opportunity to bring a significant transfer of power and funding from central government to West Yorkshire to further boost our economy, help to transform infrastructure and tackle some of the most pressing challenges.
- 3.65 The Deal will unlock significant long-term funding and give the region greater freedom to decide how best to meet local needs and create new opportunity for the people who live and work here. This agreement is the first step in a process of further devolution. The Government has committed to continuing to work with West Yorkshire on important areas of public service reform and infrastructure investment, to support inclusive economic growth in towns, cities and rural areas, whilst tackling the Climate Emergency.
- 3.66 In terms of Devolution and economic recovery from the COVID-19 crisis, there are a number of things within the Deal currently which could be highlighted as allowing more resources and levers to support recovery in Leeds and the City Region.
- Funding – Devolution will provide the region with a significant amount of new funding, with flexibilities to meet regional priorities, and therefore the ability to invest into activities which will boost and support the economy. This includes £38m per year (for 30 years) into a West Yorkshire Investment Fund, with a 75%-25% revenue to capital basis; £317m from the Transforming Cities Fund; a share of a new £4.2bn Mayoral Combined Authorities (MCA) Infrastructure Fund; £101m for flood alleviation schemes; and £3.2m to develop out housing pipeline, with access to a £400m MCA Brownfield Fund.
 - Transport and Infrastructure – The Deal will provide the region with significant new powers and funding to improve transport and infrastructure to meet the needs of people and businesses in West Yorkshire. This includes bus franchising and coordination of a Key Route Network. Whilst practically much of this will have a longer lead-in time until improvements are in place on the ground, Devolution will offer the opportunity to considerably improve connectivity across the city and region to benefit the economy.

- Adult Education and Skills – The devolved Adult Education Budget will provide significant new flexibilities to tailor the c. £63m annual budget to address specific skills gaps in the local labour market. Consultation on the Adult Education Budget Strategy that will shape the commissioning plans for the 2021/22 academic year will close on 12th July 2020. The draft strategy identifies key priorities, including meeting the skills needs of key sectors and developing skills for the future; making learning more inclusive; supporting the unemployed to gain and sustain work; and career progression and adaptability, particularly for people on low pay and with insecure work. Proposals include testing new approaches and making provision to respond quickly to shocks and new opportunities in a changing economic landscape

Moving forwards

- 3.67 Over the coming months, work to identify priority areas to either accelerate, stop or change our work and to align the new strategic focuses with other Council strategies/priorities will be completed, whilst acknowledging the regional and national context, including Devolution. Work to populate the Social Progress Index will also be carried out.
- 3.68 The intention at this time is to provide an update on the progress of the Inclusive Growth Strategy / the city's response to the crisis in late 2020 / early 2021, with a view to providing a fuller update once more is known about the economic situation, Devolution, local and national finances and funding priorities.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Council continues to engage with partners from across the city through the Inclusive Growth Delivery Partnership. The last event held in February had nearly 200 attendees and has continued to grow from event to event.
- 4.1.2 Since the coronavirus pandemic began the Council has been engaging extensively with Government, local partners, Elected Members and the public to provide support to businesses and the people of Leeds. The Council has endeavoured to keep people up-to-date with developments and information as much as possible, for example the Economic Development team has produced a weekly economic briefing for Elected Members and MPs since lockdown restrictions began and they have also facilitated weekly calls with businesses and business representative groups across the city.
- 4.1.3 An example of engagement with the public includes the huge Active Travel survey that was undertaken between May 2020 and June 2020 and saw 20,000 contributions from 4,100 respondents who gave their views and feedback on measures to improve social distancing and active travel on main roads, in local neighbourhoods and around schools.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 It is clear that the impact on the economy and to people's health will raise inequalities in the city as highlighted in this report. Those on lower incomes are more likely to work in sectors most affected by the virus, such as hospitality; the young are suffering through missing out on education and difficulty finding employment that is inflicting long-term damage to young people's prospects in life and creating a 'COVID

generation'; and mortality rates from COVID-19 in the most deprived areas are more than double the least deprived areas.

- 4.2.2 Furthermore, over recent weeks more data and analysis has been published, both on the direct health impacts of COVID-19, but also on the emerging social and economic consequences. On 2nd June 2020, Public Health England (PHE) published the findings of its review in to how different factors such as age, sex and ethnicity affect COVID-19 risks and outcomes. The report confirmed that the virus' impact mirrors existing health inequalities and, in some cases, has increased them further, identifying those groups seemingly at most risk, including the elderly; men; people from deprived areas; those from black and ethnic minority communities; people in low-paid or low-skilled occupations; and people with underlying health conditions.

4.3 Council policies and the Best Council Plan

- 4.3.1 Inclusive Growth continues to be one of the three pillars that underwrite the Best Council Plan. As we move into a recession it will remain an important part of the Council's recovery plan.

Climate Emergency

- 4.3.2 The Council declared a Climate Emergency in March 2019 with the stated ambition of working to achieve net zero carbon emissions by 2030 for the city. The delivery of the Leeds Inclusive Growth Strategy already incorporates consideration of Climate Emergency interventions, as highlighted in the One Year On report published in July 2019, as well as our planned framework for recovery from the coronavirus pandemic.
- 4.3.3 Green jobs will be essential to the UK recovery and our strategy will need to fully reflect our carbon reduction ambition for the city, seizing the opportunities of more sustainable and healthy movement of people; new ways of working at home and at work; adopting digital technology; emphasising the value of green spaces; and continuing to promote energy efficiency.

4.4 Resources, procurement and value for money

- 4.4.1 Given the Council's current financial position and current (as at the end of June 2020) overspend of £201m for 2020/21, there is the possibility that our ability to drive and deliver Inclusive Growth will be reduced and adversely impacted upon if the situation is not resolved.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This is an information rather than decision-making report and therefore there are no legal implications arising from it.

4.6 Risk management

- 4.6.1 There is a comprehensive risk management process in the Council to monitor and manage key risks. Risks associated with progressing the implementation of the Leeds Inclusive Growth Strategy are reviewed quarterly through the Directorate Leadership Team meeting and the corporate Inclusive Growth Delivery Officer Group.
- 4.6.2 The risks related to coronavirus will continue to be monitored through the Council's existing risk management processes. This includes corporate risks relating to the

Council's Budget and the Leeds economy, which have been updated to reflect the impact of the coronavirus outbreak. More specific risks are being managed through the Silver Command Groups, with the more significant ones being escalated onto the corporate coronavirus risk document.

5. Conclusions

- 5.1 This report provides an update on the Council's progress on delivering Inclusive Growth. It is the first report since the outbreak of coronavirus which has had an unprecedented impact on the economy, and created a health emergency across the globe.
- 5.2 The Council's existing strategies on Inclusive Growth, Health and Wellbeing and addressing the Climate Emergency can be used to identify measures surrounding recovery to enable a coherent response to the economic shock.
- 5.3 It is clear that the impact on the economy and to people's health will raise inequalities in the city. Those on lower incomes are more likely to work in sectors most affected by the virus, such as hospitality; the young are suffering through missing out on education and difficulty finding employment that is inflicting long-term damage to young people's prospects in life and creating a 'COVID generation'; and mortality rates from COVID-19 in the most deprived areas are more than double the least deprived areas.
- 5.4 Although we recognise just how difficult and challenging recovery will be for the city work has begun to support recovery, including accelerating existing projects. As well as outlining our approach for recovery into the future, this report highlights some of the work already being undertaken as we enter a new phases in the crisis. These include the pivoting of services and business support; providing grants to businesses; engaging with the public on new transport measures; reopening the city centre safely; supporting our workforce through employment and skills support, including a need to look long-term to address the high number of vulnerable workers as a result of the COVID-19 crisis; sector-specific initiatives; working with our largest anchor institutions; and ensuring council services remain functioning and adaptable to support the citizens of Leeds.

6. Recommendations

- 6.1 Members are asked to note the approach being taken to continue to deliver Inclusive Growth across the city within a framework for recovery from the coronavirus crisis and agree any specific Scrutiny actions that may be appropriate.

7. Background documents¹

- 7.1 There are no background documents.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.