

**Report of the Director of City Development**

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

**Date: 17<sup>th</sup> February 2021**

**Subject: Inclusive Growth and Leeds Economic Recovery Framework**

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 second Inclusive Growth update report to the Board 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. In this report we set out our continued approach to aid recovery from the coronavirus crisis and how we are looking to build resilience into the economy, support existing sectors and harness new opportunities, including creating new green jobs as we work towards becoming a Net Zero City by 2030.
4. The Leeds Economic Recovery Framework, which was approved by the Council's Executive Board in October 2020, sets out our approach to economic recovery, one where we can adapt quickly whilst striving to build resilience. This has been necessary given the change in Tier alert levels throughout the autumn and into the winter, as well

as the national restrictions currently in place and other major economic factors such as the UK leaving the EU single market.

5. Our ambition remains to create a strong economy set within a compassionate city and we will refresh our Inclusive Growth Strategy when the time is right after the immediate crisis has passed. But our Recovery Framework sets out current economic priorities centred around three areas:
  - **Respond**. Where required, continue to take immediate actions to support businesses and the economy as we have done since lockdown in March 2020.
  - **Reset and Renew**. Ensure we understand the challenges and opportunities that we face in recovery and that we have a clear focus and direction on the projects and partnerships that will address them.
  - **Build Resilience**. Maintain a long-term view of our aspirations to deliver Inclusive Growth, address the Climate Emergency and be the best city for Health and Wellbeing. Ensure that our decisions lead us towards these goals.
6. In the future we will need to refresh the city's Inclusive Growth Strategy and this year we intend to undertake consultation with key partners and stakeholders from across the city through our Inclusive Growth Delivery Partnership on a range of issues which include amongst others our city, town and local centres, employment and skills, our city digital strategy and green jobs.

## **Recommendations**

1. Members are asked to note the approach being taken to continue to deliver Inclusive Growth across the city within the Leeds Economic Recovery Framework 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 coronavirus pandemic since the previous report to the Board in July 2020, including the Leeds Economic Recovery Framework and what is happening at a local level to continue to deliver Inclusive Growth.

## 2. Background information

### UK context

- 2.1 In January 2021 the Chancellor said that the UK economy will "get worse before it gets better" as the country battles the coronavirus pandemic. The OECD predicts that the UK economy will be among the hardest hit by the crisis, stating that by the end of 2021 it will be more than 6% smaller than before the Covid-19 pandemic. Recent forecasts from the Office for Budget Responsibility predict borrowing could reach £393.5bn by the end of the financial year in March 2021, which would be the highest seen since the Second World War.
- 2.2 According to the Office for National Statistics, there were 819,000 fewer workers on UK company payrolls in November than at the start of the pandemic. The unemployment rate rose to 4.9% in the three months to October 2020, with the jobless total up to 1.7 million people. Redundancies hit a record high over the period, with Hospitality being the sector most affected by Covid-19 restrictions this year.
- 2.3 This being said, according to the EY ITEM Club's Autumn Forecast, the UK economy's initial recovery from the recession was much faster than expected, although future growth prospects were downgraded. In its latest forecast, the EY ITEM Club says GDP likely grew around 16-17% quarter-on-quarter in Quarter 3 – much faster than the 12% predicted in July 2020's Summer Forecast.
- 2.4 However, some sectors have been impacted harder than others. Nearly 180,000 Retail jobs were lost in the UK in 2020, up by almost a quarter on the previous year, according to the Centre for Retail Research (CRR). CRR found that last year was the worst for the High Street in more than 25 years, as the coronavirus crisis accelerated the trend towards online shopping, and they have warned that there will be more pain for the sector in 2021 as retailers face a cash-flow crisis and rent payments.
- 2.5 One positive was securing a trade deal with the EU. The CBI welcomed the news, but also highlighted the need for urgent confirmation of grace periods to smooth the cliff edge on everything from data to rules of origin and to ensure goods keep moving across borders.

### Local impact in Leeds

- 2.6 Since July 2020 there have been a number of changes to the restrictions which were relevant for Leeds. An overview of the updates during this period is shown below:
  - On 4<sup>th</sup> September 2020 Leeds entered the Government's watchlist for the first time as an area of concern. On 11<sup>th</sup> September 2020 Leeds became an area of enhanced support.
  - On 21<sup>st</sup> September 2020 it was announced that from 24<sup>th</sup> September 2020 there would be a 10pm curfew for pubs and restaurants in England, seeing them forced to close from 10pm every night.

- On 12<sup>th</sup> October 2020 the Government introduced a three-tier approach to restrictions, with Leeds placed in Tier 2 on High Risk Alert from 14<sup>th</sup> October 2020.
- On 29<sup>th</sup> October 2020 it was announced West Yorkshire was to enter Tier 3 Very High Risk Alert from 2<sup>nd</sup> November 2020.
- A national lockdown was announced on 31<sup>st</sup> October, for the period 5<sup>th</sup> November 2020 to 1<sup>st</sup> December 2020 and the Government confirmed that West Yorkshire would no longer enter Tier 3 from 2<sup>nd</sup> November 2020 but rather would remain in Tier 2 until the national lockdown began on 5<sup>th</sup> November 2020.
- The Government published its Winter Plan on 3<sup>rd</sup> November 2020, which set out its plan to managing Covid-19 throughout the winter months and which included changes to the system of tiers and restrictions which was in place.
- It was announced that Leeds would be in Tier 3 Very High Risk Alert from 2<sup>nd</sup> December 2020, after the end of the national lockdown.
- A further national lockdown was announced on 4<sup>th</sup> January 2021 from 6<sup>th</sup> January 2021 for a period of at least six weeks, with a review due in February.

- 2.7 The various stages of restrictions have had an impact on the Leeds economy. The latest Government data shows that 25,500 people were furloughed in Leeds in October 2020 and we estimate this has increased to around 50,000 in December 2020, in line with the national average. The continuation of the Government's furlough scheme means that it is still too soon to know the full impact on job losses throughout 2021, although it is likely to be significant.
- 2.8 Universal Credit claimants, whether they are in or not in employment, have increased 96% from March 2020 to November 2020. Worryingly, figures from September 2020 show that youth unemployment in Leeds has more than doubled to a rate of 7.5% in a year, compared to September 2019.
- 2.9 The Service sector acted as the main drag on growth in November 2020, falling by 3.4% as restrictions on activity were reintroduced. The largest contributor to this fall was Accommodation and Food service activities, followed by Wholesale and Retail trade. The Service sector is now 10% below the level of February 2020. Manufacturing remained fairly constant, but remains at almost 5% below its pre-pandemic level. However, Construction continues to see growth and activity is almost back to February 2020 levels.
- 2.10 Analysis by Joseph Rowntree Foundation (JRF) shows that Yorkshire and Humber has the highest rates of in-work poverty in the UK after London and Wales. JRF's recent annual report on poverty highlights that several months into the pandemic, many individuals and communities already experiencing poverty have borne the brunt of the economic and health impacts of COVID-19. These include:
- Part-time workers, low-paid workers and sectors where there are much higher rates of in-work poverty, such as accommodation and food services;
  - Black, Asian and minority ethnic households;
  - Lone parents – mostly women, many of whom work in hard-hit sectors – who are more reliant on local jobs, and are more likely to have struggled with childcare during lockdown; and

- Private renters, who have higher housing costs, and social renters, who tend to have lower incomes, both leading to higher poverty rates. Renters in work are also more likely to be in a sector more affected by coronavirus.

- 2.11 We are also seeing a growing digital inequality, as access to devices and Wifi has become so important for young people. The Good Things Foundation has stated that 37% of people (19.4 million) in Britain do not feel prepared for the current economic downturn due to digital and financial exclusion stemming from Covid-19. The Foundation states that digital exclusion can deepen poverty, making it harder to earn, save on essentials and get help, especially in lockdown. The need to bring together digital skills and inclusion has increased dramatically since the Covid-19 crisis. We know that in Leeds children are struggling to get the digital equipment they require to undertake school work remotely and that schools have not been getting all the machines that they need - the Council is in continuous communication with the Government about these concerns.
- 2.12 There are a number of national and regional schemes to support children and families during national restrictions, including the Department for Education (DfE) scheme (over 2,400 families in Leeds have been supported through this route); Asda working with Dell Technologies to provide 7,000 laptops to schools across the UK; and Community Calling, launched in Leeds and West Yorkshire on 25<sup>th</sup> January 2021, sponsored by O2 and focused on smartphones. However, some families in need of equipment may not meet Government criteria and/or the number of devices provided through the national schemes might not be sufficient to meet demand. In response, local schemes and initiatives have worked hard to fill the gap by asking for donations and repurposing equipment to give to families in need. For example, Digital Access West Yorkshire (DAWY) launched a device donation, recycling and gifting scheme in April 2020. They also have a Go Fund Me page which has raised over £7,500 since mid-January 2021. Furthermore, Tech Angels is a collaboration project between DAWY, Solidaritech and Leeds Community Foundation, supported by the Council, Ahead Partnership and Zero Waste Leeds. The schemes have a high profile, including DAWY recently hosting a national meet-up for local schemes doing similar work across the country. In some cases, councillors and residents have set up hyper-local schemes to meet the need in specific areas of the city. Some of these are working with or receiving support from DAWY or Tech Angels, whilst others are running independently.
- 2.13 In addition to this work, the Children and Families directorate and the Digital and Information Service are collecting information from schools on the number of families who still require support. A survey has recently been undertaken (with the results submitted after the DfE and community schemes) by the School Improvement team which was sent to all schools. 82 schools, nearly a third of the 275 schools in Leeds, have responded and from the responses it has been ascertained that over 3,000 devices are needed. Using this as a representative sample for the two thirds of schools who have not responded, this could mean around 10,000 devices required.
- 2.14 Whilst significant challenges remain in place Leeds continues to have a strong economic foundation. The Leeds City Region is the largest outside of London and has the UK's biggest Manufacturing employment base. As a city, Leeds is Britain's second busiest for Legal work and the third for Financial Services. Our Digital sector is growing faster than anywhere in the UK and now employs 30,000 people, an increase of 67% since 2015, and has been particularly resilient over the last 11 months. Leeds has a strong knowledge-rich employment base linked to the city's universities and teaching hospitals, which are major innovation assets.

- 2.15 There are significant opportunities in emerging Green sectors. Recent modelling from the Local Government Association in summer 2020 shows that Leeds will become a hotspot for new Green jobs, generating the highest estimated number of jobs in the low-carbon and renewable energy sector of all the English Core Cities, with the city expected to see almost 34,000 by 2050.
- 2.16 Furthermore, the amount of speculative development in the city centre has been comparatively low, which may help pivot development to what we need in the future as office take up has fallen dramatically this year, combined with changes to planning regulations, allowing for more flexibility on changing uses on the high street.
- 2.17 Boosting productivity remains a challenge and although the city produces many highly-skilled jobs, employment and output growth has seen a rise in 'lower productivity' sectors such as consumer services and this continues to impact on growth and productivity.
- 2.18 The region's economy will undergo significant milestones in the coming year, as we begin a new trading relationship with the EU and undergo West Yorkshire Devolution. Devolution will create more local powers and funding, but this should not take away from our existing public services which need to be properly financed. The current financial pressure on the Public sector is impacting on our ability to deliver essential services; we want to do more and will continue to lobby central government for more support.

### **3. Main issues**

- 3.1 The coronavirus pandemic has had an unprecedented impact on the economy and some forecasts predict it may take up to 2024 to return to pre-crisis levels. We need to support recovery in the short term as we all live in this period during the outbreak – keeping schools open for key workers and being ready to reopen as the vaccine is rolled out; ensuring public transport can run safely and efficiently; delivering a strong test and trace programme and supporting national efforts to control the outbreak; and building confidence with businesses and communities, as well as continuing to administer and distribute multiple business grant schemes.
- 3.2 Cities should be at the forefront of recovery. Without our towns and cities the economic impact of the crisis will be greater. We are, however, acutely aware of the non-linear nature that recovery will take. We are mindful that different areas of the economy have been disproportionately affected and there is a risk that some businesses and sectors will bounce back more quickly than others, which will be a challenge as we continue to respond to the economic impacts of Covid-19. Because of this, we are taking an approach to economic recovery rather than having a set plan, so we can adapt quickly whilst striving to build more resilience into our economy. This has been shown to have been the right decision to have made, given the change in Tier alert levels throughout the autumn and into the winter, as well as the national restrictions that began again at the start of January 2021.
- 3.3 The Covid-19 pandemic has magnified and accelerated trends that were already evident in the economy as well as growing inequalities, which means that we will need to be ready to accelerate, stop or change our work to recover. We are mindful that the recovery could be uneven, with some parts of the economy doing well while others struggle. Indeed, there is some commentary stating that we will see a second "roaring 20s" whereby we see people seeking out extensive social interaction and spending money in sectors such as Hospitality and Retail, having been unable to do so throughout the crisis and having saved money also. However, this "roaring 20s" may

not occur for a number of years (possibly until the start of 2024) and could highlight inequalities further, between those who have a disposable income available and those who have not, as a result of unemployment and a cessation of work in particular sectors caused by the pandemic and/or existing disadvantages. We are therefore going to need to work even harder to build out from our ambition to be a compassionate city within a strong economy in order to recover. We need to increase productivity and build in resilience to our economy, creating a place that actively supports the life changes of its citizens and has the infrastructure to support the city's long-term ambitions. There is already a new spirit of collaboration that has come about throughout lockdown, building and expanding upon the spirit that was already within the city, and we have fantastic partners and businesses doing great things.

### Regional outlook

- 3.4 Other large cities and regions are of course also facing many difficult challenges as they respond to the coronavirus crisis. They have adopted similar strategies and approaches in their response to that which we are employing in Leeds, including in Manchester and Liverpool. Their approaches also involve a focus upon the need for job creation, good jobs and relevant skills, as well as support for business, the importance of health in relation to local economies and ambitions for a green recovery, recognising the challenges this involves and changes that are required to achieve carbon neutrality.
- 3.5 Devolution to West Yorkshire will provide the region with a range of enhanced tools, including access to new sources of funding, to support economic recovery. At its core the proposed model of regional governance offers a broader framework for economic recovery across a wider geography, enabling individual local authority areas to come together and foster a greater degree of collaboration which can support each of us to collectively achieve more that would be possible if working in isolation.
- 3.6 The West Yorkshire Economic Recovery Plan was published in August 2020, focussing on supporting jobs for people in resilient businesses, helping people get the skills they need to get jobs and also on infrastructure so people can access opportunities. The vision of the plan is to grow a more inclusive, resilient, sustainable economy with more productive businesses, better levels of skills and entrepreneurialism, less inequality, and better environmental sustainability. The result of collaboration with partners through the West Yorkshire Economic Recovery Board, the plan sets out what is required at a regional level to deliver a successful recovery, what the region can offer distinctly to national recovery and what the region needs from Government, in a clear and costed plan of action across three stages of Rescue, Re-imagining and Resilience. This initial £1.4bn action plan will need to adapt and local intelligence will be used to inform any updates. The four distinctive investment propositions outlined in the plan, totalling £750m, build on what West Yorkshire uniquely offers the UK and include:
- Health Innovation (£60m) – Building on the region's world-leading strengths in devices, data and diagnostics, unlocking industry collaboration, skills and a globally-positioned Act Early institution on disease prevention.
  - Lives transformed by digital technology (£158.9m) – Ensure no one is left behind in a digital and tech-enabled future from the basis of the fastest growing Digital sector in the UK, driving broadband infrastructure, digital skills and Made Smarter investment to support digital adoption in Manufacturing.
  - Transition to Net Zero Carbon Resilient Economy (£192m) – Supporting the region's Net Zero 2038 target, with unique industry strengths in low carbon

transport, clean agri-tech, construction and circular economy, delivering a pipeline of critical green and blue infrastructure, up to 71,291 jobs and skills and training.

- **Entrepreneurship (£340m)** – Focussed on the diversity of the region’s communities, its existing scale-up performance and its Massachusetts Institute of Technology Regional Entrepreneurship Acceleration Program (MIT REAP) programme for high growth pre-starts, unleashing innovation-driven entrepreneurs, transforming empty properties and providing accelerator funding for high-growth potential start-ups.

3.7 WYCA have confirmed that they will keep refreshing their Economic Recovery Plan and are indeed in the process of doing so now. At the final 2020 meeting of the West Yorkshire Economic Recovery Board, leaders of all five West Yorkshire Councils, the Local Enterprise Partnership and partners including unions and businesses called on the Government to give its backing to the ambitious Economic Recovery Plan for the region. Although the Government did not provide funding for the Plan in the most recent Spending Review, the West Yorkshire Combined Authority (WYCA) and partners are implementing measures around skills and employment support that can be delivered using funding from the region’s Devolution deal, as well as continuing to provide support to the region’s businesses. To partially fill the gap in Government support for businesses and people affected by the Covid-19 pandemic, WYCA will use £13.5m of funding secured through the West Yorkshire Devolution deal to enhance and expand its successful [re]boot and Employment Hub programmes, helping over 10,000 people in the region affected by the pandemic build new skills and access training or find work over the next two years. The funding will be made available from WYCA’s £38m a year gainshare funding to be transferred from central government to West Yorkshire through the Devolution deal agreed in March 2020.

#### *The Leeds Economic Recovery Framework*

3.8 In October 2020 we published the Leeds Economic Recovery Framework, which can be found [here](#). This Framework sets out our continued approach to aid recovery from the coronavirus crisis and how we are looking to build resilience into the economy, support existing sectors and harness new opportunities, including creating new green jobs as we work towards becoming a Net Zero City by 2030.

3.9 Our ambition remains to create a strong economy set within a compassionate city and we will refresh our Inclusive Growth Strategy when the time is right after the immediate crisis has passed. Until this point is reached, we will be following an approach to economic recovery which is centred around the need to:

- **Respond.** Where required, continue to take immediate actions to support businesses and the economy as we have done since lockdown in March 2020.
- **Reset and Renew.** Ensure we understand the challenges and opportunities that we face in recovery and that we have a clear focus and direction on the projects and partnerships that will address them.
- **Build Resilience.** Maintain a long-term view of our aspirations to deliver Inclusive Growth, address the Climate Emergency and be the best city for Health and Wellbeing. Ensure that our decisions lead us towards these goals.

3.10 The Economic Recovery Framework is intended to be a starting point for a city-wide conversation. We continue to engage with the city through the Inclusive Growth Delivery Partnership, with the last event being in November, which saw over 130 attendees, and the next event is due to take place in March. We are clear that

ensuring our city's economic recovery will require the commitment and actions of all across Leeds, not just the Council.

### Respond

- 3.11 As a Council we have been working hard with partners from across the city to ensure that we have been able to provide as much support as possible to communities and businesses in Leeds throughout the Covid-19 crisis. In our emergency response, we have carried out many interventions, including delivering food parcels to families; supporting vulnerable people from emergency accommodation into more permanent accommodation; distributing millions of pieces of Personal Protective Equipment; working with partners to create Outbreak Control and Track and Trace programmes; supporting our schools, colleges and universities to open in a safe and Covid-19-secure way; working with transport partners on ensuring school and public transport is supported and provided in a safe and secure way; delivering Active Travel measures and accelerating transport programmes, such as the widening of footways; ensuring the safe reopening of our city and district centres, including signage, barriers and promotion work; and engaging with bars, restaurants and takeaways to ensure Covid-19 secure compliance ahead of the new university term this autumn.

### Business Support

#### Grants

- 3.12 The Council has administered and distributed the Covid-19 business support grant funds on behalf of the national Government throughout the crisis. Below is a summary of the activity carried out by the Council in relation to these funding schemes.

Previous schemes – Throughout summer 2020 and into the autumn 2020 the Council administered four grant support schemes on behalf of central government.

- Both the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund closed on 28<sup>th</sup> August 2020, with payments ending on 30<sup>th</sup> September 2020. As of 2<sup>nd</sup> October 2020, the total amount of grants paid through these schemes was over £154m.
- The first phase of Discretionary Grant Fund was opened and closed in June 2020 and the Board received an update on this in the July 2020 Inclusive Growth Update report. There was a second phase of the scheme which opened later in the summer, closing on 28<sup>th</sup> August to applications and closing for payments on 30<sup>th</sup> September, with 715 businesses supported via grants to the value of £6.621m.

Current/recent schemes – Since October, in response to the introduction of COVID-19 local and national restrictions, the Government made a number of announcements about interventions to address the associated economic impacts. This included announcing additional funding to local authorities to provide business grants and business support locally. These schemes were/are complex in nature and have resulted in a significant amount of work being undertaken by Council staff to both administer and distribute the funds as we have seen demand increase across existing schemes.

January Business Support Package – Due to the national lockdown beginning in January 2021, the Treasury announced a £4.6bn package for eligible firms affected by the new national restrictions, to be provided by Local Authorities on a

per-property basis. The Government also announced that Local Authorities will receive additional money to support businesses who are required to close but are not liable to rates. Leeds City Council will use this funding to reopen existing discretionary grant schemes in February 2021.

3.13 The schemes announced since October 2020 are outlined in the table below:

Scheme	Opened	Closed	Details	Amount paid out so far
Local Restrictions Support Grant (Closed)	9 <sup>th</sup> November 2020	Still open	<ul style="list-style-type: none"> <li>Opened to support businesses that pay rates.</li> <li>To simplify matters, the first three fortnightly instalments, covering the initial six weeks of the current lockdown, are being given out as a lump sum with the one-off payment.</li> <li>Support for businesses required to close.</li> <li>Strict eligibility criteria and Council has no discretion over funding.</li> <li>Continually operational through different periods of restrictions.</li> </ul> <p><i>National Restrictions, 5<sup>th</sup> November 2020 to 1<sup>st</sup> December 2020</i></p> <ul style="list-style-type: none"> <li>Apply now for grants worth up to £3,000.</li> </ul> <p><i>Tier 3, 2<sup>nd</sup> December 2020 to 4<sup>th</sup> January 2021</i></p> <ul style="list-style-type: none"> <li>Apply now for grants worth up to £1,500 each fortnight.</li> </ul> <p><i>National Restrictions, 5<sup>th</sup> January 2021 onwards</i></p> <ul style="list-style-type: none"> <li>Businesses forced to close due to national restrictions can get a one-off lockdown grant for the January lockdown and a payment for every two weeks a business has to close from 5<sup>th</sup> January until lockdown restrictions are lifted.</li> <li>Lockdown is planned to last for at least six weeks. A single payment will be sent containing both the one-off support grant and the first three two-week grants.</li> <li>Payments for both the one-off grant and the payment for every two weeks in lockdown are based on the rateable value of a business' premises.</li> </ul>	£22,972,021 (as of 4 <sup>th</sup> February 2021)
Local Restrictions Support Grant (Open)	23 <sup>rd</sup> November 2020	Removed from website - considering individual	<ul style="list-style-type: none"> <li>Intended to provide one-off grants to Hospitality and Accommodation businesses that pay rates, for the six-week period spent under Tier 2 restrictions in Leeds.</li> </ul>	£2,011,653 (as of 4 <sup>th</sup> February 2021)

		applications by email	<ul style="list-style-type: none"> <li>For businesses that have remained open but have suffered financially as a result of restrictions (eg. 10pm curfew).</li> <li>For Hospitality venues and accommodation providers only.</li> </ul> <p><i>Tier 2 restrictions, 25<sup>th</sup> September to 4<sup>th</sup> November</i></p> <ul style="list-style-type: none"> <li>Apply now for grants worth up to £3,150.</li> </ul>	
Local Restrictions Support Grant (Sector)	9 <sup>th</sup> November 2020	Still open	<ul style="list-style-type: none"> <li>For businesses required to close on a national basis and have not been able to reopen since 23<sup>rd</sup> March 2020 (eg. nightclubs, adult entertainment venues).</li> <li>These businesses are supported through LRSG (Closed) during the period of national restrictions.</li> </ul>	£31,502 (as of 4 <sup>th</sup> February 2021)
Discretionary Grant Fund 3 (Scheme 1)	25 <sup>th</sup> November 2020	8 <sup>th</sup> December 2020	<ul style="list-style-type: none"> <li>Funded through Additional Restrictions Grant monies.</li> <li>Part of the third round of discretionary grant funding and is intended to help businesses pay fixed property costs incurred over the period October 2020 – March 2021.</li> <li>For businesses severely impacted by the pandemic.</li> <li>To help with paying fixed property costs.</li> <li>For businesses incurring £4,000 or more of fixed property costs per annum.</li> <li>Grants worth up to £25,000 (by exception).</li> <li>Currently closed for new applications.</li> <li>Businesses not liable for business rates could access 'booster' grants relating to the periods 25<sup>th</sup> September 2020 – 4<sup>th</sup> November 2020 and 5<sup>th</sup> November 2020 – 2<sup>nd</sup> December 2020.</li> </ul>	£1,795,133 (as of 3 <sup>rd</sup> February 2021)
Discretionary Grant Fund 3 (Scheme 2)	4 <sup>th</sup> December 2020	18 <sup>th</sup> December 2020	<ul style="list-style-type: none"> <li>Funded through Additional Restrictions Grant monies.</li> <li>The other component of the third round of discretionary funding, targeting businesses with no or low fixed property costs.</li> <li>For businesses severely impacted by the pandemic.</li> <li>For young businesses trading less than 3 years.</li> <li>Businesses based in domestic and non-domestic premises with annual property costs below £4k per annum.</li> <li>Grants worth up to £1,000.</li> <li>Currently closed for new applications.</li> </ul>	£67,500 (as of 3 <sup>rd</sup> February 2021)
Christmas Support Payment	5 <sup>th</sup> January 2020	Removed from website - considering individual applications	<ul style="list-style-type: none"> <li>Opened to support pubs or bars which pay rates and get less than 50% of sales from food.</li> <li>For wet-led pubs in Tiers 2 and 3 restrictions.</li> <li>Apply now for a grant of £1,000.</li> </ul>	£367,000 (as of 4 <sup>th</sup> February 2021)

		by email	<ul style="list-style-type: none"> <li>Extended by the government to the 28<sup>th</sup> February.</li> </ul>	
Additional Grant for Retail, Hospitality and Leisure	w/c 18 <sup>th</sup> January 2020	Still open	<ul style="list-style-type: none"> <li>For closed firms in retail, hospitality and leisure</li> <li>One-off grants worth up to £9,000.</li> </ul>	£23,170,000 (as of 4 <sup>th</sup> February 2021)
Discretionary Grant Fund 3 (Scheme One) – second round	Reopen for applications end of February	Two-week application window – dates to be confirmed	<ul style="list-style-type: none"> <li>To help with paying fixed property costs.</li> <li>For businesses incurring £4,000 or more of fixed property costs per annum.</li> <li>Will target those eligible businesses not yet in receipt of support.</li> <li>Grants worth up to £25,000 (by exception).</li> </ul>	N/A
Discretionary Grant Fund 3 (Scheme Two) – second round	Reopen for applications 4 <sup>th</sup> February 2021	Two-week application window	<ul style="list-style-type: none"> <li>Businesses based in domestic and non-domestic premises with annual commercial property costs below £4,000 per annum.</li> <li>For the new round, businesses must be incorporated or registered before 1<sup>st</sup> January 2018 in Retail, Hospitality, Leisure, Childcare and associated supply chains</li> <li>Businesses qualify that were established after 1<sup>st</sup> January 2018 from any sector.</li> <li>Businesses that have not been in receipt of government grant support will be considered in this round.</li> <li>Single one off grants of £500 for sole traders and £1,000 for partnerships or those employing one or more employees.</li> </ul>	N/A

*Ad:Venture and Digital Enterprise regional programmes*

- 3.14 The regional Ad:Venture programme has been awarded a one-year extension, taking the project up to summer 2023. An additional £4.1 million of funding will take the total project value to £22.4 million and make Ad:Venture one of the longest running and largest individual projects in the Yorkshire and Humber European Regional Development Fund (ERDF) programme. Offering a tailored mix of advice and support, the programme supports start-ups and young businesses in their first three years of trading within the Leeds City Region, largely aimed at businesses who supply to other businesses.
- 3.15 2020 has seen an increase in demand for the Ad:Venture programme, up by 30%. The programme has worked with over 3,500 clients and continue to work with many of these. In April 2020 the programme swiftly introduced the Resilience Grant, of up to £5,000, offered to registered clients who needed urgent support to enable them to continue trading. Between April 2020 and December 2020, 175 clients received a grant, totalling £481,118. Also in 2020, the programme delivered 116 physical and virtual events to over 1,300 delegates.
- 3.16 A number of intensive programmes available to businesses across the Leeds City Region have also been delivered:
- Northern Max 3 was launched in April and delivered to 21 businesses, enabling them to swiftly adapt to changes and continue to build on their businesses.

- Accelerate, delivered by Leeds Beckett University in February 2020, July 2020 and October 2020, successfully shifted to online delivery, assisting 40 new and young businesses across three cohorts.
- One-to-one advice – more than ever this has given business owners a much-needed sounding board. Advisors have given clients the support they needed to access Government funding and to adapt their business models. Some examples of sectors supported include Agri-tech, Fin Tech, Med Tech, Health and Wellbeing, Digital, Sustainably and Healthy Food Manufacturing, Social Impact organisations and Eco Housing Building.

- 3.17 Overall, the programme has seen an increase in people registering on the programme who are at the very pre-start stage (Ideation) and for a variety of reasons have made the decision to start their own business (including redundancy, time on furlough, desire for a chance, better work-life balance, controlling their own future). To support these individuals, a pilot programme will be delivered to 25 pre-start businesses in March 2020, delivered by Leeds Beckett University. Called Founders Forge, the programme will seek to support these very early stage pre-starts and to help us better understand their support requirements in the current environment.
- 3.18 Ad:Venture is also working with partners at The Leeds Library Business and Intellectual Property Centre, and is currently developing a new strand of activity that will support businesses and individuals who may not be viewed as high growth for the broader Ad:venture eligibility, but will create a sustainable income for themselves and support the local economy, such as freelancers, consultants, makers and microbusiness. This will build on activity currently delivered through partners The Princes Trust, but open accessibility to all age groups and be delivered through local hubs.
- 3.19 The regional Digital Enterprise programme has also been awarded £5.5m from the ERDF, bringing the total project value to £22m. The project will now run until June 2023 at least. The innovative business support programme is committed to helping businesses achieve digital transformation and resilience by offering funding for digital projects or to improve their digital/broadband connectivity. The programme also helps businesses to develop their digital knowledge and skills by accessing fully funded support and training on a wide range of topics.
- 3.20 Since September 2019 over 3,400 businesses have registered with the programme. There has been a notable increase in registrations since the Covid-19 pandemic began, indicating that businesses are aware of the value of improving their technological capabilities, especially during a pandemic, and are actively looking for support.
- 3.21 To help businesses impacted by the Covid-19 crisis Digital Enterprise launched a new funding scheme, Digital Resilience Vouchers, in June 2020. The match-funded scheme offered up to £5,000 of funding for businesses to invest in technology to help them become more resilient. The scheme proved to be a phenomenal success, closing within five days due to exceeding availability – over 500 businesses applied. 403 LCR businesses were approved for assistance, with 133 coming from the LCR region.
- 3.22 The Digital Knowledge Exchange has adapted in response to Covid-19, to becoming a completely virtual learning experience. Between April 2020 and December 2020 activity included 68 webinars; two mentoring days; and one Go Digital Live! Virtual conference. Webinars will continue throughout 2021.

### Employment and Skills

- 3.23 It has recently been confirmed that the Council's Employment Skills team has been successful in securing up to £6 million in additional funding through the European Social Fund to deliver a community based Employment Support programme. This will support up to a further 4,000 unemployed residents to access support to gain employment or further skills between January 2021 and December 2023. This is in addition to a number of programmes that have been enhanced and expanded over the past few months to respond to the challenges of Covid-19 and the changing labour market.
- 3.24 The service was also successful in securing a £100,000 grant to help support unemployed residents who were digitally excluded. In December the service successfully purchased and loaned out 150 iPads with full data connection to Employment Hub customers to assist them in accessing online training and job opportunities.
- 3.25 From April 2020 to December 2020, the Council supported 2,701 people into work, including 269 apprenticeships. 54% of those supported into work live in neighbourhoods that fall within the 20% most deprived SOA's on the Index of Multiple Deprivation. They were supported into work across all sectors, with the largest numbers in Health and Care, Food Retail, Logistics, Distribution and Transport. Over 258 new businesses were supported to recruit new staff and to provide support for staff facing redundancy. Recruitment continues in the Health and Care sector as it gears up to deal with winter pressures and in digital roles across all sectors, as well as a combined effort with partners across the city to support the significant workforce challenge in rolling out the coronavirus vaccination programme. There are currently more than 2,000 people being supported across our range of employment support programmes and we continue to discuss further funding opportunities with the Department of Work and Pensions and WYCA.
- 3.26 In the academic year 2019/20, 4,368 adults improved their skills through community-based delivery and online skills courses through the Adult Learning Programme. Delivery of the 2020/21 programme commenced in September 2020, with 16 commissioned providers delivering online courses and an increased focus on digital skills and work-focused courses.
- 3.27 New methods of delivery were supported to include blended learning, such as digital delivery through mobile phones coupled with home learning options; remote delivery options to include outdoor learning; and the return to face-to-face learning when restrictions permitted with reworked, Covid-secure delivery spaces. In addition, home learning resource packs were developed and a flexible approach, including increased pastoral support with a particular focus on vulnerable learners, was employed to include learners who are unable to access online learning.
- 3.28 The Council has also worked with businesses across the city to support them with recruitment and retention of staff, as well as help them access a range of national programmes. The Employment and Skills service is now a registered Kickstart Gateway to support businesses to offer six-month paid placements for young people aged 16-24 years currently claiming Universal Credit and at risk of long-term unemployment. Since the Kickstart Gateway started at the beginning of October 2020, 247 placement opportunities have been supported across 62 employers, with a number of further applications in process.
- 3.29 The Levy Match Leeds was launched on 5<sup>th</sup> October 2020 to boost apprenticeship numbers in Leeds. Supported by a web-based platform, the service enables large levy

payers to transfer up to 25% of uncommitted funds to small and medium enterprises wishing to support an apprenticeship. The online brokerage service aims to make this as simple as possible to ensure maximum levy investment is retained and invested locally to create more apprenticeship opportunities. To date over £100,000 has been committed to support apprenticeships in the city.

- 3.30 Leeds Apprenticeship Festival (LAF) will take place during National Apprenticeship Week, 8th to 12th February 2021, and will be held virtually for the first time, hosted on a dedicated web page and developed by Open Data Institute (ODI) Leeds. Visitors will be able to watch exhibitor apprenticeship presentations and videos, contact employers directly, access live Q&A sessions with exhibitors and receive personalised one-to-one information, advice and guidance from a team of specialist advisors. 77 exhibitors have confirmed their attendance and a promotional campaign to advertise and raise awareness of the event commenced on 4<sup>th</sup> January 2021.
- 3.31 The new Employment & Skills Leeds website was launched to provide a single access 'portal' or central place on-line where the service offer is articulated to maximise engagement with key stakeholder groups. The Employment and Skills Leeds site provides information on jobs, apprenticeships and courses to residents across the city. Those accessing the site can get help finding employment using Leeds Employment Hub, learn more about apprenticeships via Leeds Apprenticeship Hub or find adult learning courses through Leeds Learning Hub. The website also offers a contact point for employers looking to recruit or upskill their workforce.
- 3.32 In addition we have active social media channels which are regularly updated with support, job and apprenticeship opportunities: <https://www.facebook.com/eandsleeds/> and <https://twitter.com/eandsleeds/>. A new subscription service, "The List", was also launched in November 2020 through the Leeds City Council website for people to receive the service weekly vacancies, apprenticeships and courses information. Since December 2020 subscribers to our emails have increased 114% to 4,685 and 17,000 emails were sent.
- 3.33 Furthermore, we have established an Employment and Skills Task Group, bringing together Public and Private sector partners in the city to aid collaboration and produce an action plan to put in place support for priority groups and sectors impacted by the economic shock as a result of the pandemic. This will seek to maximise locally the stimulus for recovery announced through the Government's Plan for Jobs 2020 and ensure a coherent offer to local businesses and communities.

### Digital inclusion

- 3.34 Increasing digital inclusion continues to be a priority for the city and the 100% Digital Leeds team have been busier than ever in response to the current crisis. The Board will be receiving a full report on digital inclusion at their April meeting. However, some of the work of the 100% Digital Leeds team has a direct connection to the Inclusive Growth agenda. These elements will be discussed in detail at the April Scrutiny Board, but highlights include:
- 100% Digital Leeds have supported organisations across Leeds to bid for funding and secure investment of around £500,000 into digital inclusion programmes or projects. This has been used to increase Wi-Fi in community venues and to purchase equipment such as tablets or laptops that organisations are lending to residents. It has also been used by a number of organisations to appoint staff to lead on digital inclusion projects with specific groups of residents. Many of the funding bids included evidence of impact from their work with 100% Digital Leeds over the last two years and the staff who

have been appointed are being guided and supported by the 100% Digital Leeds team. This work is increasing the resilience of our third sector and 100% Digital Leeds is continuing to build the digital inclusion capacity of organisations across the city.

- WYCA recently launched their Local Digital Skills Partnership. There is an overarching ambition that the LDSP will improve digital capability across the whole skills spectrum, from the essential skills that help reduce digital exclusion, to the skills workers need in an increasingly digital economy, and through to the advanced skills required for specialist roles. 100% Digital Leeds is acknowledged as the leading digital inclusion programme in the region and 100% Digital Leeds is represented on the LDSP Board to contribute to the developing priorities of the LDSP.
- In recognition of the lead role of the 100% Digital Leeds programme at a regional and national level, MHCLG funded the Council to develop a Digital Inclusion Toolkit. This website was launched just before Christmas and the toolkit serves as a how-to guide on strategies that can be used when tackling digital exclusion in communities. Drawing initially on the combined experience and learning of 100% Digital Leeds and Croydon Council, the toolkit is a shared resource where any council or organisation can come together to collaborate. The funding proposal for Phase Two of the toolkit will see Leeds continuing to take the lead role and will include content written by some of the city's community organisations and communities of interest with the support of 100% Digital Leeds.

#### Additional economic support interventions

- 3.35 The Council has also carried out many further economic support interventions.
- 3.36 The Leeds MIT REAP team, supported by the Council, launched its 'LEAP' programme last autumn to help individuals facing a change in circumstance, inspiring them to make the leap to become part of a new wave of entrepreneurs. In addition to this, the Leeds MIT REAP team also launched its 'BUILD' pilot programme by inviting applications from November 2020. The programme 'BUILD a better tomorrow' is looking to find and support big ideas with a social impact, aligned to the Sustainable Development Goals and aimed at supporting entrepreneurs from diverse backgrounds across the region to turn their innovative, socially beneficial ideas into scalable businesses that investors want to back. This is a key milestone of the strategy which aims to accelerate innovation-driven entrepreneurship in the city and a timely intervention given the impact of the Covid-19 pandemic. The participants in the pre-accelerator programme have now been finalised and the intensive 12-week programme began in January 2021, providing learning, support and networks that founders need to build investable business propositions. The programme is committed to supporting underrepresented groups and is delivered by experts and entrepreneurs from across the Leeds City Region.
- 3.37 We also have a well-established Leeds Inclusive Anchors Network, comprising of the largest employers in Leeds which combined employ over 56,000 people. The Anchors are committed to supporting recovery and sharing learning and practice with a wider group of businesses across the Private sector in the city. The success of this programme has led us to expand the idea and we have begun engaging with our main Private sector firms across the city to determine how best to bring them in to our Anchors Network.

- 3.38 Work within our communities will also continue to be supported. Leeds has a thriving Third Sector providing critical support to the people of Leeds. For this to be maintained going forwards, the sector will require support and resources and we have established a group to understand the potential impact of Covid-19 on Third Sector organisations and communities and develop actions aimed at minimising the impact on the sector. Included in this work is action to ensure the Third Sector can influence and maximise its involvement with other sectors and its role in both the city and region's economy through the Local Enterprise Partnership, WYCA and via the West Yorkshire Economic Recovery Plan and the economic recovery approach led by Leeds City Council. Alongside this, work will also focus on continuing the development of community-led approaches to climate action, as well as the potential for a Third Sector Anchor Partnerships model.
- 3.39 The Council will also continue promoting the asset-based approach to community development (ABCD) that it has pioneered, which supports citizens to make the changes that are important to their community. Growing evidence shows ABCD to be an effective, sustainable and value for money approach to achieving thriving communities. Analysis of ABCD activity in Leeds has shown that it has had a real impact on communities by improving connections, enabling skills development and providing a springboard to employment. As communities are key to the approach to Inclusive Growth, strengthening the connections to place-based regeneration is key to the development of ABCD. Our aim is to develop stronger partnership working and a co-ordinated approach across the Council that will initially target priority neighbourhoods. Building on the work to date, ensuring that pathways to employment and investment in skills, especially use of digital, are developed at a community level is a priority focus.
- 3.40 As an example, Leeds Beckett University are evaluating the impact of the ABCD Pathfinder sites. Their research has provided a range of examples that illustrate the impact in terms of inclusive growth. The following case study was provided by the LS14 Trust: "Helen hadn't worked for a number of years while her children were young and initially offered to volunteer at the centre. After initially volunteering in the café, she is now employed at the centre and runs several groups. It has increased her confidence, given her purpose and cemented her connections in the community." Pathfinder sites are supporting residents with digital technology to connect and develop new skills and enhance quality of life. Communities are increasingly using social media platforms to communicate, connect and create new friendships. Local people are learning new languages, teaching each other skills and participating in choirs and social events online.

#### *Reset and Renew*

- 3.41 We need to ensure that we understand the challenges and opportunities that we face in recovery and that we have a clear focus and direction on the projects and partnerships that will address them.
- 3.42 Below and in the Leeds Economic Recovery Framework we have outlined our plans for resetting and renewing our economic growth ambitions and actions under six headings: Our Labour Market; Health/Communities; Our Centres; Transport and Infrastructure; Culture; and Innovation. Under each section within the economic recovery document are examples of transformational projects which we believe will help to build our economic recovery for the city.
- 3.43 Since the Economic Recovery Framework was published in October 2020 we have made tangible progress on a number of actions and initiatives.

- 3.44 Our centres work – Covid-19 has changed the way we think about place and how we use our spaces, as well as how we travel, work and shop. Before the coronavirus pandemic we knew that the way we worked and shopped was already changing, but the crisis has altered these further and work and leisure patterns now appear to be accelerating previous trends, such as working from home. The pandemic is accelerating trends in our centres and posing huge questions for cities like Leeds. Some sectors have seen five years of change occurring in less than six months, with Covid-19 accelerating structural trends around digital transformation, remote working and the shift from ‘bricks to clicks’ in retail. Many businesses are now considering how best to capitalise on these trends to support flexible working and reduce their office space. Major city centre retail locations are also being impacted by a reduction in office workers and shoppers, in Leeds city centre we have consistently seen footfall reduced by 66 percent or more. There have been some positive opportunities for our district centres, by enabling some to capture more spend locally, although they too will be challenged by the huge changes in the retail sector.
- 3.45 Although we can see the broad impacts on employment, travel behaviours and our local economy, we still need to better understand how Covid-19 is impacting different places across Leeds. At this point, we do not know how much of this change is structural and what is transitional. We do know, however, that cities evolve and change and that Leeds needs to adapt so it can continue to thrive moving forwards. Because of this, we have appointed a partner to work with us to help us understand the long-term transformational changes, challenges and opportunities for our city and district centres that are now in motion in Leeds. Through this work, we will explore responding to new ways of working; new ways of spending; how we can shape and engage with our centres; and the role of the Council and how we can use our assets and influence effectively to transition our centres to the ‘new reality’, maximise opportunities and mitigate threats. The output of this collaboration will result in a series of recommendations to help us address both the challenges and opportunities for our city and district centres in Leeds. These can then inform policy interventions, as well as considerations for future action.
- 3.46 Alongside this work we will shortly be launching an online survey for members of the public and businesses to complete, to enable us to capture their views and thoughts on the changes that are taking place in our city and local centres. Through this, we are hoping to hear about the changes people have had to make to how and where they work and where they choose to spend their money. The information gathered from this conversation will be included in the centres work that we will be undertaking with our partner, as outlined above.
- 3.47 Draft Connecting Leeds Transport Strategy published - We are committed to improving transport in and across our city. We want a world-class connected city and a people-focused city, with well-connected neighbourhoods and an easily accessible city centre, as well as a healthy city that allows more people to walk, cycle and be more active. In December 2020 we published the draft Connecting Leeds Transport Strategy which states how we will achieve our vision for Leeds “to be a city where you don’t need a car”. It also outlines the key challenges and opportunities facing the city; our “big moves” and targets for 2030 in order to achieve the city-wide vision; and supporting for the three pillars of delivering Inclusive Growth, improving Health and Wellbeing and tackling the Climate Emergency. We know that to realise our vision and to continue to deliver transformational change we need to work with partners and regional bodies, including WYCA and Transport for the North as well as central government. The draft strategy therefore presents options on how to allow the

continuation of our transport conversation, with the aim of everyone in the city agreeing to the Connecting Leeds Transport Strategy.

- 3.48 The public consultation and engagement exercise in relation to the draft strategy is ongoing and is open until 26<sup>th</sup> March 2021. This will inform the development of the Strategy ahead of its publication in summer 2021 and is hosted on a dedicated Commonplace site [here](#). Over the forthcoming weeks the Highways and Transportation team are launching a series of webinars and Q&A sessions to allow people to find out more about the Strategy and what it means for Leeds. The team will also be attending all Community Committees across the District. There has been a strong response to date, with 3,296 visitors to the site contributing almost 1,100 comments (figures from 2<sup>nd</sup> February 2021). The Council has also launched a webinar series to discuss the Strategy in more detail. These are free for everyone to attend and consist of a panel-based discussion including Executive Members, academic and industry leaders. The sessions will run through February 2021 and into March 2021.
- 3.49 Innovation - Leeds is an enterprising city with a broad-based economy, an ideal location for innovative and productive companies to start up and grow. We are strengthening our international links to encourage more trade and investment, with a focus on Health, Creative and Digital sectors, as well as university links. We are sharing best practice and adapting to the challenges of digitisation and Covid-19 through the Eurocities network. The programme emerging from our participation in MIT REAP, including BUILD, will also unleash innovation-driven entrepreneurs across the city and the region. Furthermore, the city is innovating at a community-level, including in the effort to address the Climate Emergency, with a partnership of local organisations receiving National Lottery funding to create jobs and provide grants for community groups in a bid to tackle the Climate Emergency, including through the creation of a Leeds Climate Assembly.
- 3.50 Culture and Tourism – We know that the Arts and Culture sector has a hugely important role to play in our economic and social recovery. We will facilitate consolidation of best practice from the lockdown period, which showcased the strength of our creative sector, whilst capitalising on opportunities to stabilise and re-establish sector growth. Our Culture Strategy will drive our ambition for Leeds to be a national centre for Creative and Cultural excellence supported by a vibrant cultural sector and our creative communities affirming Leeds as a great place to live, work and visit. We remain committed to Leeds 2023, an outstanding programme of cultural investment that will culminate in an international year of Culture in and around the city.
- 3.51 As society slowly returns to normal we will continue to support our Tourism partners, helping them to adapt their businesses and products. The #Rediscover Leeds campaign has been designed to help revive the city's rich Tourism, Hospitality, Leisure, Business and Cultural industries and we will continue to promote a positive, dynamic, diverse and outward-looking image on a global stage. We are now in planning for spring time onwards as we know that we need to continue to promote a positive, dynamic, diverse and outward-looking image on a global stage, seeking to increase both inward and local investment and using our international profile to push Leeds as the fantastic place it is.
- 3.52 Furthermore, just before Christmas 2020 we received confirmation that we had been successful in securing European funding for a regeneration project at Leeds Media Centre. We also heard that MAP (Music and Arts Production) Charity had been successful in their application to support the generation of Hope Foundry. Both projects are supported through the Council's Creative Workspace Fund.

3.53 Digital Strategy work – Digital increasingly touches all aspects of our lives, whether that be through the technology we use at home or at work, or the data we generate, consume and interpret. Better use of data and embracing technological innovation underpins the Council’s three pillars of delivering Inclusive Growth, improving the Health and Wellbeing of all our citizens and tackling Climate Change. Work has begun on the writing of the City Digital Strategy, which will provide a five-year strategic plan outlining how Digital will support the three pillars. Beginning in September 2020, the Council has convened workshops to discuss the different areas that the Strategy will focus on. These are continuing and will take place until March 2021. The areas covered at the workshops include: Digital Economy and Skills; Innovation and Collaboration; Digital Place/Smart Cities; Health and Wellbeing; and Digital Safety and Ethics. The sessions that have been held to date have had good attendance and have been positively received. Whilst the Council will have oversight of the City Digital Strategy, attendees are being encouraged to help shape it in terms of identifying priorities, outlining actions that will be taken forward and ultimately signing up to it themselves. It is envisaged that the first draft of the Strategy will be completed by spring 2021, following the completion of the workshops.

#### Building Resilience

- 3.54 Leeds is the economic heart of the region and in the longer term, post-coronavirus, the city will return to growth and our aspiration to make this as inclusive as possible, whilst addressing the Climate Emergency and being the best city for Health and Wellbeing, remains.
- 3.55 The region’s economy will undergo significant milestones in the coming year, including the impact of the UK having left the EU single market and West Yorkshire Devolution. The new relationship with the EU may impact sectors that have so far proved resilient to the specific challenges created as a result of Covid-19 and may cause further disruption, for example, to Manufacturing, a sector that is already in decline across the region. Devolution will create more local powers and funding, but this should not take away from our existing public services which need to be properly financed. The current financial pressure on the Public sector is impacting on our ability to deliver essential services; however we want to do more and will continue to lobby the Government for more support.
- 3.56 We know that in the longer term we need to continue to focus on building more resilience into our broad-based economy; protecting our most vulnerable and tackling inequality; improving people’s health and wealth; adapting to accelerating trends in work and travel patterns; delivering transformational projects across the city; and leading the way towards becoming a Net Zero City by 2030, an innovative world-class test bed for the UK.
- 3.57 The Council has received £18.6 million, as part of a successful £52.6 million bid made to the Government’s Getting Building Fund by WYCA, which will be used to deliver three regeneration projects that will boost economic growth and recovery from the Covid-19 crisis, help tackle climate change and improve residents’ wellbeing. £8.6 million will be used to progress the City Centre Park; £7.4 million for the expansion of Temple Green Park and Ride; and £2 million will be used for retrofitting and improving older terraced homes in the Holbeck area to improve the energy efficiency of properties and help reduce fuel bills. Actions will include new roofing, doors and windows, along with external wall insulation. A previous phase of this work led to 153 houses benefitting from the improvements and the new funding is expected to enable a further 100 homes to reach the same standards. The funding will also support ongoing partnership work in the area to support people to access jobs, educational

opportunities, healthcare and financial assistance by directly engaging with residents throughout the project's lifespan.

- 3.58 The development of the city's 19km District Heating Network is well underway, providing sustainable heat and hot water to homes, businesses and civic buildings using heat generated from household waste at the city's Recycling and Energy Recovery Facility. Work to install the second phase of the Network has progressed faster than planned in recent months due to a reduction in city centre traffic, meaning buildings can be connected to sustainable heating sooner than expected. Once fully built the Network will save 11,000 tonnes of greenhouse gases every year. The project has helped employ more than 430 people in the local low carbon sector.
- 3.59 Electric vehicles and electric vehicle charging is also a priority for the Council. As an authority we have more electric vehicles in our fleet than any other. Furthermore, in partnership with Highways England, we have launched a new electric vehicle scheme giving businesses, organisations and charities the chance to trial electric vans free of charge for up to two months. Not only does this tackle air pollution, but it also encourages organisations to reduce their own emissions. There are also now hundreds of public charge points in Leeds for electric vehicles, including free-to-use rapid charge points. Furthermore, the Council has launched an E-Bike scheme trial, whereby people can sign up to have an electric bike for free for two weeks, offering the chance to try them before buying
- 3.60 The Council is also committed to woodland creation and will plant 5.8 million trees, which has begun in autumn 2020. An additional 1,250 hectares of woodland will be created over 25 years, doubling the amount of woodland in Leeds. We are also planting more than 8,000 trees as part of a major flood alleviation scheme in east Leeds at Killingbeck Meadows and our White Rose Forest, a joint local authority-based venture covering the Leeds City Region, will aim to increase tree cover by a third in our part of Yorkshire.
- 3.61 Detailed proposals for the City Centre Park were approved in September 2020. A landmark for Leeds as the largest piece of green space in the city centre – and the largest new city centre green space in the UK – the park will provide a focal point for the redeveloped South Bank. The redevelopment of the former Tetley Brewery site has public space at its heart. The park will feature a series of connected and diverse open spaces, allowing it to be used year-round, day and evening, for a multitude of purposes. It will prioritise green spaces and pedestrian and cycle routes, connecting the city centre to the south of Leeds, meaning the City Centre Park will help with a top priority for Leeds: to reduce carbon emissions and improve air quality in the city centre. The park will provide opportunities to engage with the river and the potential to incorporate sustainable water management, acting as a landscaped catchment for the South Bank, as well as provide spectacular green space for people and communities to enjoy as a modern, child-friendly, 21<sup>st</sup>-century park accessible to all. It will also help deliver major supporting benefits by boosting the regeneration of the area, encourage new jobs, investment and growth, as well as help tackle climate change. Details of the first two hectares of the park including the following distinct areas and elements: The Tetley Triangle, an exciting new and dynamic public event space suitable for concerts, markets and outdoors cinema; Theatre Gardens, a modern ornamental and sensory garden; Central Park, a large green space for play and exercise, including a water feature or sculpture, grasses areas and parkland; The Green, a grassed and stepped amphitheatre and seating area for informal performance; The Hunslet Stray, a six-metre wide community pathway connecting pedestrians and cyclists from north to

south from Leeds Bridge; an avenue of cherry trees and a meadow path; and a one-kilometre exercise route around the whole park.

- 3.62 Additionally, work is set to start on a major office development in City Square as a vote of confidence for its drive to breathe exciting new life into this key gateway area. City Square House will stand on the Wellington Street side of the square, near Leeds City Station and the recently revamped Majestic Building. The 12-storey development will meet the needs of the post-coronavirus era via a clever blend of technology, open plan design and roof gardens – an ideal illustration of how the Business sector stands ready to bounce back from the effects of the Covid-19 pandemic. It is one of a number of forward-thinking schemes coming together in City Square, with the Majestic having been chosen as the home of Channel 4. Work is also continuing on several projects to improve Leeds City Station as part of the Leeds Integrated Station Masterplan and a competition was launched in September 2020 to find an expert design team that will oversee the wider transformation of City Square, delivering a vibrant and inclusive welcome to the city which reflects the Council's climate challenges and cultural ambitions.
- 3.63 Furthermore, work is progressing to introduce the British Library North to the city. The Library already has a presence at Boston Spa and although a comparatively little-known cultural asset, it is home to over two thirds of the Library's collection of 170 million items and to the national newspaper collection, some 750 million print pages. £25m has been secured from Government to develop a new library and the Grade I listed Temple Works building is being explored for its potential home.

#### Measuring our progress

- 3.64 A part of ensuring we build resilience into our economy is how we measure the actions that are being taken. As outlined in the report of July 2020, 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. We will continue to work with our partners, such as the Open Data Institute (ODI) to try and obtain and use new and different types of data.
- 3.65 As a way to measure Inclusive Growth alongside traditional economic measures we are adopting the Social Progress Index (SPI), as well as measuring success through lived experience. Designed by the Social Progress Imperative, a global non-profit organisations based in Washington DC, the SPI first launched in 2014 and is now used across the world, including by the United Nations, as a comprehensive measure of real quality of life to complement rather than replace traditional economic measures.
- 3.66 The SPI is built on three themes: Basic Human Needs; Foundations of Wellbeing; and Opportunity. We have been working to populate the indicators with data for the city. At the current time, we are working to collect data against a range of indicators and we are engaging with partners on this work, including in the Health and Third Sectors, to capture feedback and act upon it. We are aiming to have a version available in March or April 2021 and a final version for this year shortly after. As part of this work, Council officers will be trained in the methodology to run the SPI so we are able to take this forward in the coming years.
- 3.67 Further information on the Social Progress Index is provided at Appendix 1.

## Devolution

- 3.68 The Devolution deal itself includes a number of specific measures which will directly impact on West Yorkshire's ability to recover strongly. The most prominent of these include:
1. Greater control over adult education, skills and training budgets - The devolved Adult Education Budget (AEB) will provide c. £63m annually to address specific skills gaps in the local labour market. With young people being most affected by the economic downturn, ensuring we have skills programmes and reskilling opportunities in place will be crucial in supporting access to the jobs that are available, especially those in growth sectors, and supporting everyone to reach their full potential.
  2. Commitment and funding to enhance transport infrastructure and connectivity - The deal includes new powers and funding to improve the infrastructure needed to help people move around the city / region. This includes access to bus franchising powers, £317m from the Transforming Cities Fund to improve access to public transport and active travel, and crucially includes a commitment from Government to work with the region to develop proposals for Mass Transit.
  3. Access to new funding - The deal includes a £38m per year, 30 year gainshare agreement providing a flexible funding source to be allocated to local priorities. This is the largest gainshare amount of any English regional devolution deal to date and can be utilised to support any initiatives the region's leaders may identify.

## **Moving forwards – refreshing the Leeds Inclusive Growth Strategy**

- 3.69 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, as outlined above, as well as the work looking at the future of our city and district centres, also outlined above. Further Inclusive Growth Delivery Partnership events are also planned for March 2021 and will be for later in the year as well.
- 3.70 To inform the refresh of the Inclusive Growth Strategy the pieces of work undertaken throughout this calendar year. These will include updating the Leeds Talent and Skills Plan 2017-2023; a new Digital Strategy for and owned by the city; work focussing on the future of our city and local centres; creating green jobs and growing the green economy; Innovation within our city; and a refreshed Cultural Strategy for Leeds. All of these aspects will feed directly into the refresh of the Inclusive Growth Strategy, which will take place after the completion of the pieces of work outlined above. Members will be fully engaged with the refresh of the Strategy.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 A strong recovery for our city from the Covid-19 crisis requires a collaborative effort. In Leeds, we have a rich history of collaboration and a huge number of committed partners from wide range of backgrounds. Throughout the pandemic there has been a huge amount of collaboration between businesses, the Council, Third Sector organisations and other stakeholders. It has shown how well organisations can come together in many different ways across the whole of the city, for the good of the city and everyone in it.

- 4.1.2 The Covid-19 crisis has shown how well organisations can work together to help the city. Since the coronavirus pandemic began the Council has been engaging extensively with Government, local partners, Elected Members, the Leeds Inclusive Growth Strategy Ambassadors 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/fortnightly 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. Furthermore, the Inclusive Growth Partnership held its first virtual event in November 2020 which had over 130 attendees and was received extremely positively.
- 4.1.3 It is clear that we are going to need to refresh the city's Inclusive Growth Strategy and that to do this we will need to undertake consultation with key partners and stakeholders from across the city. We will do this once the economic impact of the Covid-19 crisis is clearer and when we have more certainty than the current period of flux. We have already begun engaging with the city through the Inclusive Growth Delivery Partnership and will continue to do so over the coming months. From this engagement we intend to continue close collaborative working with our partners and key stakeholders on both the progression of the refresh of the Inclusive Growth Strategy and the establishment of the Social Progress Index as a key measure of inclusive growth in Leeds. We are clear that ensuring our city's economic recovery will require the commitment and actions of all across Leeds, not just the Council.

## 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. 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.

## 4.3 **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 forwards through our recovery from the Covid-19 pandemic 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 following the Council's thorough review of finances and savings required to be made, there will be implications on what the Council can do moving forwards and 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 for Scrutiny Board has provided an update on the Council's progress on delivering Inclusive Growth. It is the second Inclusive Growth update report the Board since the outbreak of coronavirus, which has had an unprecedented impact on the economy and created a health emergency across the globe.
- 5.2 We have outlined our approach to recovery, using the three pillars of Inclusive Growth, Health and Wellbeing and tackling the Climate Emergency as the priorities to form the basis for our recovery in the most inclusive way possible. We have set out our continued approach to aid recovery from the coronavirus crisis and how we are looking to build resilience into the economy, support existing sectors and harness new opportunities. By taking an approach to economic recovery rather than a plan, we have been and will continue to adapt quickly whilst striving to build more resilience into our economy. The situation remains fast-moving with continued uncertainty around the overall impact of the crisis on the city's economy, which is also why we are taking an approach rather than a plan. This has been shown to have been the right decision to have made, given the change in Tier alert levels throughout the autumn and into the winter, as well as the national lockdown that began again at the start of January 2021.
- 5.3 Our ambition remains to create a strong economy set within a compassionate city and we will refresh our Inclusive Growth Strategy when the time is right after the immediate crisis has passed. Until this point is reached, we will centre our approach to economic recovery on Respond; Reset and Renew; and Build Resilience, as outlined in this report.

5.4 It is clear that we are going to need to refresh the city's Inclusive Growth Strategy and that to do this we will need to undertake consultation with key partners and stakeholders from across the city. This will include undertaking a number of pieces of work this year which will enable us to refresh the Inclusive Growth Strategy. We have already begun engaging with the city through the Inclusive Growth Delivery Partnership and will continue to do so over the coming months. From this engagement we intend to continue close collaborative working with our partners and key stakeholders on both the progression of the refresh of the Inclusive Growth Strategy and the establishment of the Social Progress Index as a key measure of inclusive growth in Leeds. We are clear that ensuring our city's economic recovery will require the commitment and actions of all across Leeds, not just the Council.

## **6. Recommendations**

6.1 Members are asked to note the approach being taken to continue to deliver Inclusive Growth across the city within the Leeds Economic Recovery Framework and agree any specific Scrutiny actions that may be appropriate.

## **7. Background documents<sup>1</sup>**

7.1 Appendix 1 – The Social Progress Index.

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<sup>1</sup> 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.