

**Name of meeting:** Cabinet  
**Date:** 13 July 2020  
**Title of report:** Kirklees Local Economic Recovery Plan

**Purpose of report:**

This paper presents the attached Kirklees Economic Recovery Plan in response to the economic impacts of the COVID19 pandemic. This plan has been developed in partnership with local anchor organisations and other key stakeholders. Approval is sought from the Cabinet to take the plan to wider engagement with the public and stakeholders.

<b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	<b>Yes</b>  <b>Expenditure &gt;£250,000 and affects more than 1 ward</b>
<b>Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?</b>	<b>Key Decision – Yes</b> This is only applicable to Cabinet reports  <b>Private Report/Private Appendix – No</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>Yes – the Recovery Plan will be considered by Scrutiny on 9<sup>th</sup> July</b>
<b>Date signed off by <u>Strategic Director</u> &amp; name</b>  <b>Is it also signed off by the Service Director for Finance?</b>  <b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>	<b>Karl Battersby - 02.07.20</b>  <b>Eamonn Croston - 02.07.20</b>  <b>Julie Muscroft - 02.07.20</b>
<b>Cabinet member <a href="#">portfolio</a></b>	<b>Councillor Peter McBride – Portfolio Holder for Regeneration</b>

**Electoral wards affected:** All wards

**Ward councillors consulted:** Ward councillors have not been consulted as a result of the need to develop a rapidly district-wide local economic recovery plan as soon as possible and will be engaged in parallel with the proposed consultation.

**Public or private:** Public

**Has GDPR been considered?** Yes

## 1. Summary

The local Economic Recovery Plan (ERP) has been developed in response to the economic impacts of the COVID-19 pandemic and details how the Council and its key public, private and voluntary sector partners can support the economic recovery.

The Kirklees ERP has been developed in parallel with and will inform the development of the West Yorkshire Recovery Plan. The draft ERP is presented to Cabinet for review and approval to enter into a wider programme of consultation with the public, businesses and other key stakeholders.

## 2. Information required to take a decision

### Economic impacts of the pandemic

2.1 The COVID-19 pandemic has affected the economy locally, nationally and globally in an unprecedented manner. Economic forecasts by the Organisation for Economic Cooperation and Development (OECD), Bank of England and other institutions all indicate that lockdown will result in the largest global economic shock since the Second World War. Some of the headline impacts locally include:

- 50,400 Kirklees workers had been furloughed by the end of May 2020, representing just under 25% of Kirklees residents in employment (just below the UK average of 27%)
- some 14,200 self-employed residents of Kirklees had received support through the Government's Self-Employment Income Support Scheme by the end of May 2020
- the claimant count for Kirklees (the number of people claiming Universal Credit and other out of work benefits because they are unemployed) increased from 10,225 at the end of March 2020 to 18,870 by the end of May, representing an increase of almost 85%
- 95% of Kirklees businesses report that their trade has been impacted by COVID-19 and 50% have closed their business temporarily during the lockdown.

2.2 Whilst the financial support provided by Government has mitigated impacts in the short term, the phased withdrawal of support through the furlough scheme in particular, commencing in August, is likely to see a very significant increase in redundancies. The recession that is anticipated is likely to be significantly worse than that experienced during the financial crisis of 2008/9 and most commentators agree that it will take at least 3 years, possibly longer, to return to pre-virus levels of output and employment.

### Aims of the Economic Recovery Plan

2.3 The primary purpose of the ERP is to set out how the Council and other stakeholders – including our key private sector employers, the University of Huddersfield; Kirklees College; and voluntary and community sector organisations – can directly support the recovery. Together, these 'anchor institutions' have a vital role to play in leading recovery efforts through investment, procurement and recruitment decisions and use of key property and other assets.

2.4 The draft plan covers the 2020-2023 period and has a strong focus throughout on supporting people, including our most vulnerable residents; other priorities include:

- the Council will kick start recovery efforts by assembling a £40m *Economic Recovery Fund* through repurposing our Property Investment Fund and Start Up and Retention Fund and prioritising other capital investments that will directly support the recovery.
- the importance of a clear focus on *job creation* during the recovery period through enhanced support for the growth of our existing businesses; scaling up our business start-up programmes; a renewed focus on inward investment; and ensuring that our capital projects and other procurement deliver more social value benefits for local businesses and residents

- mitigating the economic impacts of the virus on the future learning, employment and progression prospects of *young people*; the recovery plan proposals include a Kirklees Youth Guarantee to address this challenge
- tackling the *digital divide* between our most and least affluent communities and residents; the rapid shift to online working and learning and accessing services during the lockdown has exacerbated this issue
- developing the role and contribution of the *voluntary and community sector* to each of the Recovery Plan themes, building on the effective, cross-sector partnership working which characterised the lockdown phase.

2.5 The draft recovery plan is attached at Appendix 1. Some of the initiatives proposed include:

- developing a new package of *grant support* for businesses and social enterprises with potential to deliver jobs growth and other social value outcomes, targeting both existing SMEs and inward investors;
- scaling up our support for *business start-ups and self-employment*, including a major awareness raising campaign and linking advice/support for start-ups with subsidised accommodation through our business centre network or town centre venues
- implementing a *Kirklees Youth Guarantee*, complementing any further Government initiatives that may be announced following publication of the ERP; the Youth Guarantee will support all 16-18 year olds retain access to full-time education, pre-apprenticeships support or Apprenticeships, and support 19-24 year olds into Apprenticeships or employment
- scale up our *Works Better* programme and other employment and skills initiatives to continue to support adults furthest from the labour market to regain sustainable employment, utilising our tried and tested, community-based delivery models
- accelerating key *Blueprint* projects, including St George's Quarter (building on the exciting catalyst of the recently announced National Rugby League Museum) and development of the Southgate site in Huddersfield, and the Arcade in Dewsbury, utilising Council assets to kick start the regeneration process
- piloting regeneration programmes in *Batley, Cleckheaton and Holmfirth*, working with key community and business partners to develop and implement proposals that will support the economic diversification and revitalisation of these communities
- developing a *Good Work Charter* that sets out the minimum employment standards that we aspire to for residents of Kirklees and work with our anchor institution partners to implement it.

### **Options**

2.6 The Council could have determined not to develop a local Economic Recovery Plan and rely on proposals developed at city-region or Government level to support the recovery. This would reduce the scope to benefit local businesses through procurement activity and the potential to engage local voluntary and community sector in delivery. It is not recommended that this option is pursued.

### **Costs**

2.7 Financial matters are addressed in section 3 of the report.

### **Expected impact/outcomes/benefits**

2.8 The expected outcomes/benefits of the proposals set out in the plan will include:

- supporting business resilience and growth
- creating sustainable jobs
- mitigating the impact of the anticipated recession on our most vulnerable residents.

## **Risks**

- 2.9 There are a number of financial and delivery risks associated with delivery of the initiatives set out in the Economic Recovery Plan. These will be managed at both programme and project level. These include the ability to secure additional external funding to deliver some elements of the plan; and delivery risks associated with some capital projects in the context of the operating and market constraints facing the construction sector. It is considered that these are outweighed by the positive reputational benefits of putting in place a clear plan which sets out how the Council and its partners will lead and support the local economic recovery.

## **3. Implications for the Council**

### **Working with People**

- 3.1 There is an opportunity for substantive and in-depth engagement with residents and businesses on the draft ERP, if approved by Cabinet, to build a clearer picture of their aspirations for the economy post-lockdown and to help shape and prioritise interventions. The aim of this engagement is to:
- understand the principal concerns of Kirklees residents in relation to the economic impacts of COVID-19, building on the recently completed business survey
  - test the interventions proposed to address these impacts
  - ensure that the concerns of all groups are taken into consideration.
- 3.2 The intention is to promote a broad debate around what a better economy would look like to residents that might also promote the consolidation of positive behavioural shifts (lower levels of commuting etc.) that have been seen during lockdown. Engagement will be carried out via an online engagement platform and supplemented with semi-structured conversations with representatives of specific interest groups. The engagement will be promoted to Council staff and other partner organisations (e.g. Kirklees College, University of Huddersfield, KNH, Locala) as well as through the Council's social media channels.
- 3.3 The public consultation will be open for 6 weeks. Findings will be reported back to the Economic Recovery Partnership, Inclusive Economy Group and Economy and Neighbourhoods Scrutiny Panel.

### **Working with Partners**

- 3.4 The ERP has been developed with the multi-stakeholder Economic Recovery Partnership Group. Membership of this group includes representation from both large employers and SMEs; the University of Huddersfield; Kirklees College; Department of Work and Pensions; key business representative organisations including the Mid Yorkshire Chamber of Commerce and Industry, the Federation of Small Businesses and Calderdale and West Yorkshire Manufacturing Alliance; and Third Sector Leaders, representing the Kirklees voluntary sector.
- 3.5 There are also clear links to the developing West Yorkshire ERP through Council participation in the WY Board and officer group. There has also been engagement with the Kirklees Inclusive Economy Group and Third Sector Leaders, representing the voluntary and community sector. Delivery of the ERP will be driven by task and finish groups which will incorporate partner organisations where possible.

### **Place Based Working**

- 3.6 The ERP is a high level plan guided by intelligence on the impacts of the crisis at the most local level currently available namely district and by the views of partners with local knowledge. This includes the recently completed Kirklees Business Survey to which over 760 local businesses responded. Delivery of interventions will be designed incorporating local level intelligence and build on engagement with members, staff groups, partners and residents.

## **Climate Change and Air Quality**

- 3.7 Lockdown restrictions have had a positive impact on air quality while bicycle use has seen significant increases nationally. However, there is a risk that mixed messaging around use of public transport as the UK emerges from lockdown, alongside reduced capacity, result in increased private car use. Active travel measures are incorporated to mitigate this risk.
- 3.8 Development of carbon reduction and resource efficiency considerations within business support aim to encourage new and existing businesses to adopt more environmentally sustainable business models. The plan also highlights the opportunity to develop the concept of the circular economy as an integral part of the business support offer.

## **Improving outcomes for children**

- 3.9 The Economic Recovery Plan does not relate directly to outcomes for children although it does have a focus on young people aged 16 and over. However, mitigating the impacts of the recession on unemployment numbers will reduce the numbers of children in households in poverty and the availability of schooling and childcare is a key enabler for working parents to return to work.

## **Other (e.g. Legal/Financial or Human Resources)**

### *Financial*

- 3.10 The proposed Economic Recovery Fund will repurpose existing funding allocated in the capital programme including the Property Investment Fund; Start Up and Retention Fund and reprioritisation of other capital programme commitments to support the economic recovery. There is also scope to align the transfer of the Council's unspent Apprenticeship Levy funding to support private sector Apprenticeships and use of Business Rates Pool funding tied to the Employment Hub project to support recovery projects.
- 3.11 Individual interventions will need to draw on existing resource allocations, new funding streams that become available as the Government announces its plan for recovery and in the medium term through devolution.

### *Human resources*

- 3.12 There are no direct HR implications though the Good Work Charter may have implications for the Council's employment practices and People Strategy. The Council will also seek to transfer any unallocated Apprenticeship Levy funding to support the retention of Apprenticeships placements by employers.

### *Communications*

- 3.13 A detailed communications plan is being developed alongside the ERP covering staff, members, local employers and residents. Communications around the reopening of non-essential businesses has already occurred and will continue as more business types are able to open such as pubs, cafes and restaurants that are expected to open on 4 July.

## **Do you need an Integrated Impact Assessment (IIA)?**

- 3.14 A Stage 1 IIA has been undertaken suggesting the need for a Stage 2 IIA for Equalities considerations but not for Environment. The IIA will be used to identify key groups to engage during the consultation.

## **4. Consultees and their opinions**

- 4.1 The ERP has been developed with the Economic Recovery Partnership group as well as having been presented to the Kirklees Inclusive Economy Group and the leadership of Third Sector Leaders. The contributions of these stakeholders have been reflected in the draft plan.

## **5. Next steps and timelines**

- 5.1 Subject to Cabinet approval the local Economic Recovery Plan will be issued for a period of public consultation as described in paragraphs 3.1 and 3.2. The draft plan will then be amended to take into account public/business comments.

- 5.2 Members and officers will continue to input to the West Yorkshire Recovery Plan being developed by WYCA. Task and finish groups, involving Council officers and partners, are being established to further develop the key initiatives outlined in the plan and support accelerated implementation.

## **6. Officer recommendations and reasons**

1. Cabinet notes the content of this report and the draft Economic Recovery Plan and approves the draft plan for the purposes of public consultation.
2. Cabinet delegates authority to the Strategic Director Economy and Infrastructure to implement the consultation programme and finalise the Economic Recovery Plan in consultation with the Portfolio Holder for Regeneration.
3. Cabinet delegates authority to the Strategic Director Economy and Infrastructure and the Service Director (Finance), in consultation with the Portfolio Holder for Regeneration and the Portfolio Holder for Corporate Strategy and Asset Strategy, to establish the Economic Recovery Fund and pursue external funding to support delivery of the plan.
4. Cabinet delegates authority to the Strategic Director Economy, in consultation with the Portfolio Holder for Regeneration, to establish appropriate monitoring and evaluation arrangements for the Economic Recovery Plan and to prepare regular reports to the relevant Scrutiny Committee.
5. Cabinet delegates authority to the Strategic Director Economy, in consultation with the Portfolio Holder for Regeneration, for the delivery of the key projects outlined in the Economic Recovery Plan, where this authority is not already in place, and to commence any related procurement exercises

### Reasons

1. To enable Cabinet to approve the draft local Economic Recovery Plan to enable consultation and engagement with the public, businesses and other partners as soon as practicable.
2. To enable rapid and efficient finalisation of the plan, in accord with the scheme of delegations.
3. To enable the identification and implementation of recovery plan projects as soon as practicable.
4. To ensure appropriate arrangements are in place to monitor the progress and impact of the Recovery Plan and to afford appropriate opportunities for engagement via the relevant Scrutiny Panel(s).
5. To enable the identification and implementation of recovery plan projects as soon as practicable.

## **7. Cabinet Portfolio Holder's recommendations**

The Cabinet portfolio holder supports the recommendations which have been developed as a matter of urgency at the request of Cabinet to ensure the local Economic Recovery Plan can be subject to further consultation and implemented as soon as practicable.

## **8. Contact officer**

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## **9. Background Papers and History of Decisions**

Kirklees Local Economic Recovery Plan: Consultation Draft

## **10. Service Director responsible**

Angela Blake, Service Director Economy and Skills, [angela.blake@kirklees.gov.uk](mailto:angela.blake@kirklees.gov.uk), 01484 221000