



Economic Development, Transport and Climate Emergency Commission

Date of Commission Meeting: 13 October 2021

Economic Recovery Plan Update

Report of the Director of Tourism, Culture and Investment

Useful information

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Suggested content

1. Purpose of report

- 1.1 This report is a further update noting progress against the economic recovery plan that was launched in October 2020. This follows on from updates provided to this commission in March, June and August 2021. This report concentrates on key actions the council is taking to promote economic recovery.
- 1.2 The report outlines how the Scrutiny Review 'Economic Development at the Local Level' published in July 2020 has informed the development of the plan and resulting activities.

2. Recommendations

- 2.1 To note the contents and comment on this report.

3. Report

Background

- 3.1 The published recovery plan has helped to guide short term responses to the economic impacts of the pandemic. Work is also now under way to generate longer term plans for the city centre and the wider city economy. This report builds on the update provided to the scrutiny commission in March, June and August 2021.

Scrutiny Review 'Economic Development at the Local Level'

- 3.2 The Economic Development Transport and Tourism Scrutiny Commission published a review in July 2020 into 'Economic Development at the Local Level'. The report was specifically focused on the manifesto commitment to 'develop job creation, skills and investment plans for parts of Leicester which are economically excluded, including opportunities for local businesses and for young people to engage in positive activities', and how these aims might be achieved at a local neighbourhood level.
- 3.3 The five key recommendations of the report were as follows:

1. To make greater use of statistical data when developing policies and services.
2. To intervene at a local level, using engagement with residents and community organisations as a starting point for policy development.
3. To intervene at a Council level, noting that although there are strong Council policies on social value and procurement there is a risk that these policies may still leave some geographical areas behind. Specific activities to be considered include:
 - (a) hold job fairs within those neighbourhoods where economic activity is low and promote employment opportunities to local residents.
 - (b) have a specific focus on young people between the ages of 18 and 24 who are entering the labour market or been part of the 'gig' economy, who have been particularly negatively impacted by the pandemic.
4. To address 'poverty' issues first if people are to engage with the challenges of securing employment, and specifically advocates for individual support and personalised mentoring.
5. To focus on Inclusive growth - economic growth that is distributed fairly across society and creates opportunity for all.
 - (a) Persuade local employers to sign up to voluntary employment charters
 - (b) Reflect inclusive growth in plans to revive the economy post Covid-19, and lobby the government for additional resources
 - (c) To use the New Local Government Network framework for local inclusive growth to inform the design and delivery of local economic development within the city.

Recovery Plan Delivery

3.4 The ideas and recommendations in the report have been considered in the development of the economic recovery plan. Clearly much of the work of the Scrutiny review was conducted prior to the COVID-19 pandemic and the consequent major economic shock that has resulted. This economic shock has further exacerbated existing inequalities, and even though the economic context has materially altered, many of the recommendations in the review still hold. Some specific activities that build on the recommendations are as follows:

Use of data

3.5 As previously reported, a basket of data indicators has been developed to track Leicester's economic recovery and performance. This work is being developed by the Smart Cities team using the Open Data Platform, and involves sourcing, collating, analysing and uploading data from a range of Council services and external organisations onto the platform, where it can be presented and visualised. The benefit of using the Open Data platform is that economic data for Leicester can be combined with other data sets, for example public health data, to inform decision making. A range of economic indicators have already been uploaded onto the platform, including unemployment, Universal credit data and NEET data, and work to build the range of datasets on the platform continues.

3.6 The economic regeneration service has begun a comprehensive review of its services to determine how engagement is or isn't effective with the various communities that make up the city. This will cover both individual employment

support activities and business support interventions. This initiative is also linked to and part of the corporate equalities work programme.

Interventions

- 3.7 A major impact of the pandemic has been on unemployment, and particularly youth unemployment. It should also be noted that the impact of the pandemic has yet to play out in full. Particular sectors of the economy have clearly been hit particularly hard, and Covid-19 has had a significant impact on certain industries, for example hospitality, retail, the performing arts and some other creative industries. These sectors that have been impacted also employ large numbers of young people, and as in other towns and cities this has driven a significant increase in youth unemployment in Leicester. It is also worth noting that the Coronavirus Job Retention Scheme (furlough) only ended in September 2021, delaying the full impact of COVID on the labour market and youth unemployment.
- 3.8 Several existing and new labour market interventions to address unemployment, and specifically youth unemployment, are being developed and/or are being delivered, as follows:
- 3.9 Kickstart Programme: The City Council committed to creating 30 kickstart placements as part of the economic recovery plan. Leicester City Council has also been approved as a Kickstart Gateway organisation by the Department for Work and Pensions (DWP). This supports six-month work placements for young people aged 18-24 years that are in receipt of Universal Credit, paid at the national minimum wage. In many respects this scheme is similar to the previously successful Future Jobs Fund. The initial Kickstart application creates 87 job opportunities across local SMEs, Leicester City Council and Leicestershire County Council. There is potential to grow this number once more roles have been identified and approved in local SMEs and the local authority, and indeed a further 25 roles in the City Council have recently been identified. All young people will be offered training support via the Adult Education service whilst employed.
- 3.10 Kickstart extensions: The city council in partnership with the LLEP and the County Council also initiated a scheme that will provide £500k from LLEP resources to local businesses to enable them to employ young people for an extra 6 months on top of the standard 6 months being supported by government. That scheme is being administered by the City Council's economic regeneration team and has just been launched. This has been specifically designed to support disadvantaged individuals such as those with disabilities and ex-offenders.
- 3.11 Employment Hub: Leicester City Council has secured a further £2.0m from the European Social Fund (ESF) to continue the delivery of the Employment Hub until December 2023. This project provides a co-ordinated offer for businesses and individuals who are seeking apprenticeship, traineeship, and work placement opportunities. It will link businesses with individuals we are supporting through the National Careers Service, Job Centre Plus, Connexions and the Princes Trust, particularly those hardest to reach. The extended project aims to support a further 300 SMEs and create a further 225 new jobs (in

addition to the initial targets in the first phase to support 220 SMEs and 165 jobs created) across the city and county. This sub regional approach is a requirement of the ESF funding. Throughout the pandemic, the Employment Hub has been delivering a programme of 'virtual' recruitment 'Hub 100' recruitment fairs that have proved popular and neighbourhood based events will be tested.

- 3.12 Youth Employment Hub: Leicester City Council has also recently launched this new centre in the old Visit Leicester tourist information site on Granby Street though the building itself has some drawbacks and other options are being considered for a more permanent base. The Council has been successful in attracting a further £2m of ESF funding to establish this city centre hub to support young people into employment, together with funding from DWP. The centre provides support to young people in Leicester looking to move into employment by providing a joined up service with DWP and other providers such as the Employment Hub, LASALS, Connexions, The Princes Trust, Futures, DMU and other relevant agencies, and links in with several community hubs in libraries and community venues across the city. To date 100 young people have been supported.
- 3.13 Ex-Offender Project: Working with the Police & Crime Commissioner's office and DWP, the City Council has secured £35k from the DWP Flexible Support Fund to recruit a project coordinator to work with employers to create employment opportunities for ex-offenders. This project is also embedded within the Employment Hub and Youth Employment Hub. Noting the recommendation in the scrutiny review, a key element of the project is the launch of an employment charter with local businesses.
- 3.14 Onsite Construction Hub: With part funding of £518k from the Construction Industry Training Board (CITB) this project will support over 400 individuals to move into the construction industry by providing dedicated training and practical onsite construction experience. This project will establish pathways for young people looking to work in the construction industry.
- 3.15 LASALS Redundancy Support Package: providing careers advice and planning; online job search, application and interview skills; employability skills including courses to retrain and digital skills for work.
- 3.16 Graduate Retention: Partnership with De Montfort University and University of Leicester, with joint project manager. Includes Leicester Graduate City project (with £840k ESF grant) supporting graduates with internship opportunities with local businesses.
- 3.17 City Council as an Employer – A key element of the recovery plan was for the council itself to prioritise and support 70 extra entry to employment opportunities within the council workforce over the next two years (30 kickstart placements, 30 apprenticeships, 10 graduates). That work has been led by the Organisational Development Team and championed by senior managers including the Chief Operating Officer, and has included the appointment of a dedicated officer to drive that work. The council is on track to deliver the targets.

3.18 The council is consulting extensively with community organisations and residents over plans to regenerate the heart of Stocking Farm and in many parts of the city is carrying out neighbourhood retail area improvements.

Strategy and resources for Inclusive Growth

(b) Reflect inclusive growth in plans to revive the economy post Covid-19, and lobby the government for additional resources

(c) To use the New Local Government Network framework for local inclusive growth to inform the design and delivery of local economic development within the city.

3.19 Inclusive growth principles have been reflected in other recent strategies for Economic Growth and recovery. The Leicester and Leicestershire Enterprise Partnership recently adopted an economic growth strategy for 2021-2030 that highlighted inclusive growth as one of four pillars to guide action. A relevant extract is included below...

INCLUSIVE

Create a resilient, adaptive workforce where all residents have access to skills and career progression and are paid the living wage

OPPORTUNITIES:

- Diversity and international links of population and communities
- Progress in youth, employment and careers services

CHALLENGES:

- ▲ Concentrations of deprivation
- ▲ Low education and skills attainment
- ▲ Social, economic and health inequalities

1. *Informed choices and routes to job and skills progression*
2. *Improve skills and qualifications attainment and employability of the workforce*
3. *Improve access to work, labour market inclusion and wellbeing at work*
4. *Improve jobs quality, in-work progression and pay*

3.20 Work is continuing on a new city centre economic plan and a wider growth strategy for the city. Inclusive growth principles will also be engrained into these documents as they are developed.

3.21 Clearly the ability to deliver economic recovery also rests on the availability of resources. There is considerable uncertainty around longer term funding to support economic development. Government announcements on available resources to support the economic recovery are expected in the Autumn statement at the end of October 2021.

3.21 Community Renewal Fund: As previously reported, Leicester was identified as one of 100 priority areas for the £220m Community Renewal Fund (CRF). This aims to support people and communities most in need across the UK to pilot programmes and new approaches to prepare for the UK Shared Prosperity Fund. The CRF is proposed to invest in skills, local business, communities and place, and supporting people into employment.

- 3.22 Leicester City Council was invited to submit CRF bids to government on behalf of the city with a combined value of up to £3m, although there is no guarantee of any funding. Bids are encouraged by government to be at least £500k in value and since all monies need to be spent by March 2022 and as 90% of the funds are revenue, this is extremely challenging.
- 3.23 The council promoted the opportunity widely throughout the city. A total of 29 proposals were received requesting support of circa £18.5m. Following a rigorous appraisal process five projects were shortlisted and have been included in Leicester's CRF submission to government on 18 June. Government will then decide whether to fund all, some or none of the projects. Although funding decisions had been promised from the end of July, at the time of writing the outcome of this has not yet been announced.
- 3.24 Several of the submitted bids were led by, or included, local community organisation partners. Should CRF funding be awarded, this will provide resources to deliver some of the additional targeted individual support recommended by the Scrutiny review.

5. Financial, legal, and other implications

5.1 Financial implications

Not applicable

5.2 Legal implications

Not applicable

5.3 Climate Change and Carbon Reduction implications

Not applicable

5.4 Equalities Implications

Not applicable

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Not applicable

6. Background information and other papers:

None

7. Summary of appendices:

None

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

10. If a key decision please explain reason

N/A