

## CHESHIRE AND WARRINGTON LEP

### CHIEF EXECUTIVES REPORT JUNE 2020

#### Summary

1. Coronavirus will not have been defeated until everyone in the UK has been vaccinated with a vaccine that is effective. Nevertheless, for the time being, infection rates and deaths are well below their peak, and the emphasis is now switching to economic recovery, a point underlined by the Chancellor's statement on 8 July. The LEP and Marketing Cheshire have and continue to play an important role. Since March, when the crisis started we have:
  - Been in touch with virtually every business in C&W to ensure they were aware of the immediate financial help available to get them through the crisis;
  - Provided detailed assistance on financial support to 1000 businesses;
  - Helped track down 1000 businesses in Cheshire East so they could receive their £10,000 business grant;
  - Run a series of webinars on a range of issues, including on re-opening town centres and ways in which visitor and hospitality businesses could replace revenue lost as a consequence of social distancing;
  - Created a £1 million fund to provide free training for people who have been furloughed;
  - Launched and put £30,000 into our computers for schools initiative, generating donations from other businesses now totalling the equivalent of £100,000;
  - Taken the lead on ensuring the sub-region has sufficient capacity and capability to handle the forthcoming increase in unemployment;
  - Successfully bid for £15.5 million for capital projects that will help restart the economy;
  - The Pledge has run over 25 virtual employer led careers sessions. This included a 4 day Careers Festival with students registering from 77 different schools across Cheshire and Warrington, involving presenters from local employers, colleges, universities and training providers.
  - We have promoted businesses digital offer and reopening messages on social media. Soft-launch of new social campaigns for Chester, Cheshire and Warrington to promote attractions, hospitality and the visitor economy initially in the region and then more widely. Frozen fees for all Marketing Cheshire members for 2020.

#### Summary point:

- To deliver these interventions the LEP has led the Economy Recovery Cell for the sub-region. This has been attended by all three local authorities, BEIS, Job Centre Plus, and business representative organisations. This group is now providing advice on the next steps on proposals for job creation and economic recovery.
2. Looking ahead recent Board meetings have already identified the objectives for the sub-region's medium term recovery plan, and are starting to flesh out the detail of the projects and programmes we will need to put in place to make them a reality – including the work we will have to do in the relatively short term to attract more jobs to the area.
  3. The latest position on a number of these initiatives are described below.

#### Chancellor's Statement

4. The statement made by the Chancellor on 8 July contained almost 50 separate initiatives, all of which are relevant to our own thinking about how we help the C&W economy to recover. A summary of all of them, prepared by Andy Hulme, is attached. The most interesting and most important are the measures to encourage businesses to retain furloughed workers, and to provide training and work placements for all under 24 year olds. We will need to reflect these measures in our own plans to help people in C&W who become unemployed due to Covid.

#### Restarting the Economy

5. Our major attractions are operating with significantly reduced capacity, but early signs are encouraging with visitors returning and booking in advance online. Many retailers have now reopened with social distancing measures introduced in town centres and out of town retail parks. Footfall is at about 50% in Chester and 70% in Warrington. Anecdotal evidence suggests that despite reduced dwell time there was increased consumer spend.
6. Restaurants and pubs reported significantly reduced trade, with many continuing take away and delivery services. The early picture with accommodation is mixed. Those hotels that are open have reported positive messages from customers. However, many are still not open including flagship hotels such as the Grosvenor and Peckforton Castle. Self-catering providers are beginning to take bookings, with some now almost full for the summer.
7. Through Marketing Cheshire, we are speaking regularly with our networks, monitoring local data, and conducting business and consumer surveys. This will allow us to develop a more complete picture over the coming weeks. We are also promoting businesses through our Chester, Cheshire, and Warrington campaigns; and working with BEIS and the Cabinet Office to showcase positive stories.

### Supporting the Unemployed

8. Andy Farrall is chairing a group working up plans to support people made redundant and at risk of redundancy bringing together the LEP, Job Centre Plus/DWP, BEIS and the three LAs. Some of its initial thinking will need to be adjusted in light of the Chancellor's statement, but to date it was focussing on four key cohorts - the newly unemployed; those at risk of redundancy; young people about to leave school; and the self-employed.
9. In each case the objective is to ensure each group gets clear information and advice, that processes are in place to help them find a job, appropriate skills and retraining support is available, and that start-up and pre-start-up support is available to those that want it. The group is also paying particular attention to working with larger companies making large numbers of redundancies, and that, crucially, sufficient capacity is available to deal with levels of unemployment that could be four times the level we had in C&W as recently as mid-March.

### Getting Building Fund

10. C&W was awarded £15.5 million from the Getting Building Fund – the shovel ready projects fund discussed at last month's Discussion Forum. The projects this money will be used to fund have to be negotiated and agreed with the Secretary of State. A separate paper will therefore be coming forward for the Board meeting under Part II (the confidential part) of the agenda.

### Accelerate

11. I am delighted to be able to report that the first 40 trainees are now receiving training through the Accelerate programme, with more in the pipeline. The emphasis now, will be on catching up on the backlog so that we can still meet the objective of getting 19,000 people through the scheme with high quality training within the next 2½ years. It is therefore encouraging that Marketing Cheshire's advertising campaign is already generating a number of very positive enquiries.

### Computers for Schools

12. #GettingStudentsOnline Campaign launched on 1<sup>st</sup> June, and as I commented in the summary we have collected enough money for around 400 devices. A fantastic list of companies that have joined the campaign including Sellafield, the national Nuclear Laboratory, Port Swigger, Driveworks, Engie, LFI, and District Rotary Clubs. The Westminster Foundation supported with a £20k donation and we have had significant broadcast and print coverage achieved across the NW network including Granada Reports, BBC Northwest Tonight, BBC Radio (Stoke, Manchester, Merseyside), Radio City, and Dee 106.3.

### Catherine Walker

13. As many Board members will be aware, Catherine Walker is leaving us to join Cheshire West at the end of July. We will be transferring her marketing responsibilities to Marketing Cheshire and, for an interim period, getting agency support to take on the public affairs elements of her role. Catherine has achieved a lot in her relatively short time in the LEP, most recently playing a key role in generating publicity that has made Computers for Schools so successful, and securing Andy Haldane, Chief Economist at the Bank of England, to give the keynote speech at our (virtual) AGM at the end of September. Her new role means that she will continue to work closely with the LEP, so it is definitely not goodbye to her.

PHILIP COX

## ANNEX

### **Summary of the key policy decisions in the Chancellor's Statement for Jobs, presented to Parliament on 8<sup>th</sup> July 2020.**

***Job Retention Bonus*** – The government will introduce a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021. Employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Coronavirus Job Retention Scheme and the end of January 2021. Payments will be made from February 2021. Further detail about the scheme will be announced by the end of July.

#### **Supporting**

***Kickstart Scheme*** – the government will introduce a new Kickstart Scheme in Great Britain, a £2 billion fund to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.

***New funding for National Careers Service*** – The government will provide an additional £32 million funding over the next 2 years for the National Careers Service so that 269,000 more people in England can receive personalised advice on training and work.

***High quality traineeships for young people*** – The government will provide an additional £111 million this year for traineeships in England, to fund high quality work placements and training for 16-24 year olds. This funding is enough to triple participation in traineeships. For the first time ever, the government will fund employers who provide trainees with work experience, at a rate of £1,000 per trainee. The government will improve provision and expand eligibility for traineeships to those with Level 3 qualifications and below, to ensure that more young people have access to high quality training.

***Payments for employers who hire new apprentices*** – The government will introduce a new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1st August 2020 to 31st January 2021. These payments will be in addition to the existing £1,000 payment the government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan – where that applies.

***High value courses for school and college leavers*** – The government will provide £101 million for the 2020-21 academic year to give all 18-19 year olds in England the opportunity to study targeted high value Level 2 and 3 courses when there are not employment opportunities available to them.

***Expanded Youth Offer*** – The government will expand and increase the intensive support offered by DWP in Great Britain to young jobseekers, to include all those aged 18-24 in the Intensive Work Search group in Universal Credit.

***Enhanced work search support*** – The government will provide £895 million to enhance work search support by doubling the number of work coaches in Jobcentre Plus before the end of the financial year across Great Britain.

**Expansion of the Work and Health Programme** – The government will provide up to £95 million this year to expand the scope of the Work and Health Programme in Great Britain to introduce additional voluntary support in the autumn for those on benefits that have been unemployed for more than 3 months. This expansion will have no impact on the existing provision for those with illnesses or disabilities in England and Wales.

**Job finding support service** – The government will provide £40 million to fund private sector capacity to introduce a job finding support service in Great Britain in the autumn. This online, one-to-one service will help those who have been unemployed for less than three months increase their chances of finding employment.

**Flexible Support Fund** – The government will increase the funding for the Flexible Support Fund by £150 million in Great Britain, including to increase the capacity of the Rapid Response Service. It will also provide local support to claimants by removing barriers to work such as travel expenses for attending interviews.

**New funding for sector-based work academies** – The government will provide an additional £17 million this year to triple the number of sector-based work academy placements in England in order to provide vocational training and guaranteed interviews for more people, helping them gain the skills needed for the jobs available in their local area.

## **Protecting**

**Eat Out to Help Out** – In order to support around 130,000 businesses and to help protect the jobs of their 1.8 million employees, the government will introduce the Eat Out to Help Out scheme to encourage people to return to eating out. This will entitle every diner to a 50% discount of up to £10 per head on their meal, at any participating restaurant, café, pub or other eligible food service establishment. The discount can be used unlimited times and will be valid Monday to Wednesday on any eat-in meal (including on non-alcoholic drinks) for the entire month of August 2020 across the UK. Participating establishments will be fully reimbursed for the 50% discount.

**Temporary VAT cut for food and non-alcoholic drinks** – From 15 July 2020 to 12 January 2021, to support businesses and jobs in the hospitality sector, the reduced (5%) rate of VAT will apply to supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafés and similar premises across the UK. Further guidance on the scope of this relief will be published by HMRC in the coming days.

**Temporary VAT cut for accommodation and attractions** – From 15 July 2020 to 12 January 2021, to support businesses and jobs, the reduced (5%) rate of VAT will apply to supplies of accommodation and admission to attractions across the UK. Further guidance on the scope of this relief will be published by HMRC in the coming days.

## **Creating**

**Temporary Stamp Duty Land Tax (SDLT) cut** – The government will temporarily increase the Nil Rate Band of Residential SDLT, in England and Northern Ireland, from £125,000 to £500,000. This will apply from 8 July 2020 until 31 March 2021 and cut the tax due for everyone who would have paid SDLT. Nearly nine out of ten people getting on or moving up the property ladder will pay no SDLT at all.

**Green Homes Grant** – The government will introduce a £2 billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per household. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. In total this could support over 100,000 green jobs and help strengthen a supply chain that will be vital for meeting our target of net zero greenhouse gas emissions by 2050. The scheme aims to upgrade over 600,000 homes across England, saving households hundreds of pounds per year on their energy bills. The Government will pay for at least two thirds of the cost of the work - the Treasury says a homeowner installing cavity wall and floor insulation costing £4,000 would only pay around £1,320, with the Government contributing the remaining £2,680. Those on the lowest incomes could see the Government cover full costs worth up to £10,000.

### **Other measures announced by the Prime Minister on 30<sup>th</sup> June 2020**

**Construction Talent Retention Scheme** – The government is funding a Construction Talent Retention Scheme to support the redeployment of workers at risk of redundancy. This will help retain construction skills and match talented workers to opportunities across the UK.

**Office for Talent** – The government will create a new Office for Talent based in No.10, with delivery teams across government departments. The Office will focus on attracting, retaining and developing top research and science talent across the UK and internationally.

**Public Sector Decarbonisation Scheme** – The Clean Growth Strategy<sup>17</sup> set out the government's ambition to halve greenhouse gas emissions from the public sector by 2032. To help achieve this and support economic recovery, the government will invest £1 billion over the next year in a Public Sector Decarbonisation Scheme that will offer grants to public sector bodies, including schools and hospitals, to fund both energy efficiency and low carbon heat upgrades.

**Green Jobs Challenge Fund** – The government will invest up to £40 million in a Green Jobs Challenge Fund for environmental charities and public authorities to create and protect 5,000 jobs in England. The jobs will involve improving the natural environment, including planting trees, restoring habitats, clearing waterways, and creating green space for people and wildlife.

**Direct Air Capture** – The government will provide £100 million of new funding for researching and developing Direct Air Capture, a new clean technology which captures CO<sub>2</sub> from the air.

**Automotive Transformation Fund** – Building on the announcement last year of up to £1 billion of additional funding to develop and embed the next generation of cutting-edge automotive technologies, the government is making £10 million of funding available immediately for the first wave of innovative R&D projects to scale up manufacturing of the latest technology batteries, motors, electronics and fuel cells. The government is also calling upon industry to put forward investment proposals for the UK's first 'gigafactory' and supporting supply chains to mass manufacture cutting-edge batteries for the next generation of electric vehicles, as well as for other strategic electric vehicle technologies.

**Courts sustainability** – The government will invest £40 million to improve the environmental sustainability of the courts and tribunals estate in England and Wales, investing in initiatives to reduce energy and water usage. Housing

**Social Housing Decarbonisation Fund** – The government will establish a new Social Housing Decarbonisation Fund to help social landlords improve the least energy-efficient social rented

homes, starting with a £50 million demonstrator project in 2020-21 to decarbonise social housing. This will mean warmer homes and lower annual energy bills for some of the lowest income households.

***Affordable Homes Programme*** – The government has confirmed that the £12.2 billion Affordable Homes Programme announced at Budget will support up to 180,000 new affordable homes for ownership and rent in England. The £12.2 billion will be spent over five years, with the majority of homes built by 2025-26 and the rest by 2028-29. The Affordable Homes Programme will also include a 1,500 unit pilot of First Homes.

***Short-Term Home Building Fund extension*** – The government will support small- and medium-sized housebuilders that are unable to access private finance by boosting the Short-Term Home Building Fund, providing an additional £450 million in development finance to smaller firms. This is expected to support around 7,200 new homes in England, boosting housing supply and adding resilience to the market. A proportion of this fund will be reserved for firms using innovative approaches to housebuilding such as ‘Modern Methods of Construction’.

***Brownfield Housing Fund*** – The government will allocate a £400 million Brownfield Housing Fund to seven Mayoral Combined Authorities to bring forward land for development and unlock 24,000 homes in England. To allow authorities to begin delivering projects quickly, 90% of the fund will be allocated immediately on a per capita basis, with 10% to be allocated through a competitive process.

***Planning reform*** – The government will introduce new legislation in summer 2020 to make it easier to build better homes in the places people want to live. New regulations will make it easier to convert buildings for different uses, including housing, without the need for planning permission. In July 2020, the government will launch a policy paper setting out its plan for comprehensive reforms of England’s planning system to better support the economy and release more land for housing in areas that need it most.

### **Accelerating investment**

***NHS maintenance and A&E capacity*** – The government will provide £1.05 billion in 2020-21 to invest in NHS critical maintenance and A&E capacity across England.

***Modernising the NHS mental health estate*** – The government will provide up to £250 million in 2020-21 to make progress on replacing outdated mental health dormitories with 1,300 single bedrooms across 25 mental health providers in England.

***Health Infrastructure Plan*** – The government will provide a further £200 million for the Health Infrastructure Plan<sup>18</sup> to accelerate a number of the 40 new hospital building projects across England.

***Further Education (FE) estate funding*** – Building on the £1.5 billion commitment for FE capital funding made at Budget 2020, the government will bring forward £200 million to 2020-21 to support colleges to carry out urgent and essential maintenance projects. This will be the first step in the government’s commitment to bring the facilities of colleges everywhere in England up to a good level.

***School estate funding*** – The government will provide additional funding of £560 million for schools in England to improve the condition of their buildings and estates in 2020-21. This is on top of the £1.4 billion already invested in school maintenance this year.<sup>19</sup>

