

LLEP BOARD OF DIRECTORS

3.00pm, Tuesday 4 August 2020

MS Teams Call



AGENDA

TIME		ITEM	REPORT	DECISION / INFORMATION	LEAD
15:00	1.	Welcome and Apologies			Chair
	2.	Declarations of Interest			All
15.05	3.	Minutes LLEP Extraordinary Board Meeting 14 July 2020	Paper A	Decision	Chair
15.10	4.	Enterprise Zones NOT FOR PUBLICATION By virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework	Paper B	Decision	Mandip Rai Helen Miller
15.30	5.	Growing Places Fund NOT FOR PUBLICATION By virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework	Paper C	Decision	Alison Greenhill
15.45	6.	CV-19 Economic Recovery Plan and Reserves Policy	Paper D	Decision	Mandip Rai Fiona Baker
16:15	7.	Freeport	Verbal	Information	Mandip Rai
16.20	8.	National Policy Update	Verbal	Information	CLGU
16.30	9.	AOB			

Paper A

NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the next Board of Directors meeting



LLEP BOARD OF DIRECTORS

Minutes of the Extraordinary Meeting – 14 July 2020

(Microsoft Teams)

Attendance and Apologies:

Directors			
Kevin Harris	KH	Private Sector	Chair
Prof Robert Allison	RA	Universities	
Emma Anderson	EA	Private Sector	
Sonia Baigent	SB	Private Sector	
Chas Bishop	CB	Private Sector	
Verity Hancock	VH	Further Education	
Dr Nik Kotecha OBE	NK	Private Sector	
Ajmer Kaur Mahal	AKM	Private Sector	
Anil Majithia	AM	Private Sector	
Neil McGhee	NM	Private Sector	
Cllr Jonathan Morgan	JM	Leicestershire District Councils	
Andy Reed OBE	AR	Private Sector	
Cllr Terry Richardson	TR	Leicestershire District Councils	
Nick Rushton	NR	Leicestershire County Council	
Sir Peter Soulsby	SPS	Leicester City Council	
In Attendance			
Fiona Baker	FB	Leicester City Council	
Alison Greenhill	AG	Leicester City Council	
Pete Holmes	PH	Cities and Local Growth Unit (CLGU)	
Helen Miller	HM	LLEP	
Jacqui Moody	JMo	Cities and Local Growth Unit (CLGU)	
Tom Purnell	TP	Leicestershire County Council	
Mandip Rai	MR	LLEP Chief Executive	
Andrew Smith	AS	Leicester City Council	
Apologies			
Anne-Marie Hunt	AH	Private Sector	
Jaspal Singh Minhas	JSM	Private Sector	
Karen Smart	KS	Private Sector	
Peter Sutton	PS	Cities and Local Growth Unit (CLGU)	

Minute**Action**

Minute		Action
1.	<u>Welcome and Apologies</u>	
1.1	KH welcomed all present, commenting on the need to convene the Extraordinary meeting to determine the Getting Building Fund (GBF) project allocations within the timeframes allowed.	
1.2	Apologies for absence were noted as above.	
2.	<u>Declarations of Interest</u>	
2.1	The interests listed below were declared in respect of Paper C "Getting Building Fund" (Minute 5 refers).	
2.2	RA – Vice-Principal of Loughborough University and representing the HE sector. CB – Member of the Tourism Advisory Board. VH – Principal and CEO of Leicester College and representing the FE sector. Member of the Tourism Advisory Board. AM – Vice Chair & Chair of Audit, North Warks and South Leics College. JM – Leader of Charnwood Borough Council and representing District Councils. AR – Voluntary role with SportPark Project (Phase 1). TR – Leader of Blaby District Council and representing District Councils, District Towns Projects and Twycross Zoo. NR – Leader of the County Council as Highway Authority. SPS – City Mayor, with a number of projects in the city.	
2.3	Following the declarations, it was considered that the interests did not preclude Directors from providing background information and answering questions of other Board members to assist in the process of determining the allocation of the fund. It was accepted that individual Directors would remove themselves from any formal voting on specific schemes, if that procedure became necessary in considering the recommendations.	
3.	<u>Minutes and Actions - LLEP Board 7 July 2020</u>	
3.1	AGREED that the Minutes of the Board of Directors meeting held on 7 July 2020 be confirmed as a correct record.	
4.	<u>Actions and Progress Update - LLEP Board 7 July 2020</u>	
4.1	MR submitted a report, which provided updates on the status of the actions and progress since the Board meeting on 7 July 2020.	
4.2	AGREED that the updates on the actions be noted.	

Minute**Action**

5.	<u>Getting Building Fund (GBF)</u> <i>It was noted that the paper for this item had been marked <u>NOT FOR PUBLICATION</u> by virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework.</i>	
5.1	KH commented on the papers circulated and informed the Board that the funding recommendations were to be presented to Government within an anticipated timeline of 30th July 2020. He also advised that the LLEP and the Section 151 Officer would sign off the funding proposals agreed by the Board.	
5.2	MR submitted a report, which provided information on the process for the assessment of proposals for the Getting Building Fund (GBF). The report presented the outcome of the appraisal process and sought agreement on the allocation of the £20m GBF to projects.	
5.3	It was noted that at the Board meeting on the 7 July 2020, the background and process to date relating to the Getting Building Fund was discussed and the relevant report was provided for reference as an Appendix.	
5.4	In terms of the appraisal process, it was reported that 10 projects had been identified on an original list submitted to Government on 18 June 2020 and that all new projects were contacted for supplementary information relating to scalability, impact on outputs, match funding security/timeline of match funding and deliverability in 18 months. The deadline for return was 6 July 2020 and 8 new projects had responded to the request.	
5.5	It was reported that accelerated projects already had business cases, and discussions with the University of Leicester concluded that the project could not be delivered within the financial envelope that had been allocated to the LLEP area therefore LOCAS had not been assessed as part of that process. It was noted however that the LOCAS project remained of strategic importance to the LLEP area. The remaining accelerated project had been properly assessed.	
5.6	Further detailed information of the appraisal process undertaken by LLEP officers was described in the report. These elements included questions to be addressed from the business cases and any supporting documentation provided, together with the criteria following the Treasury Green book principles. The scoring methods and process against those measures according to Strategic Case, Economic Case, and Delivery Case were identified. This included the timescale on delivery, the strategic fit with the Getting Building Fund, the development work and that the eventual scheme demonstrated value for money against the anticipated outputs and outcomes delivered. The LLEP Team had also taken into consideration the on-going advice from CLGU. In this regard, the advice from CLGU that a 50/50 split in terms of profile was desired over the two financial years was noted.	
5.7	Directors referred to the scoring process and asked questions concerning the priority list as presented. In respect of the overall objectives of the LLEP it was recognised that the pipeline of projects was strong, with other funding streams being available for projects that had scored highly in meeting the criteria.	
5.8	In response to specific questions from TR, NM the wider regeneration benefits of the mixed-use St. Margaret's scheme were clarified, including the infrastructure links to the Waterside Enterprise Zone.	

Minute		Action
5.9	It was also clarified for JM that where projects such as J23 M1 A512 access improvements were previously submitted for EZ funding, this would be superseded by the GBF allocation.	
5.10	In respect of the SportPark, information was provided on the potential move of a DCMS arms-length body following recent communications. This update was welcomed by the Board particularly in terms of the regional impact, with the LLEP being identified as having the only suitable relocation site in the East Midlands. In response to a question it was considered appropriate to promote the stronger position for the LLEP in terms of skills and that enhanced work with the HE and FE sectors should be progressed.	
5.11	The Chair asked Directors to consider the recommendations identified from the appraisal as outlined in the report and appendices.	
5.12	It was confirmed that the three schemes with the highest scores were recommended for funding (St Margaret's Regeneration Gateway, SportPark at LUSEP, and J23 M1 A512 Access Improvements) with the remaining funds being allocated to the next placed project (Charles Street Transport Hub). The elements of that project that would be funded were outlined as Granby Street - pedestrianisation of part of Granby Street and St George Street - Improvements to create a pedestrian and cycle route	
5.13	The support to unsuccessful projects was reported and it was noted that lobbying continued to support businesses in the tourism sector, including Twycross Zoo, following the impact of Covid-19. The need to enhance the progress of electric charging stations in town centres and skills projects was also recognised.	
5.14	In conclusion, Directors joined the Chair in extending thanks and appreciation to the LLEP Team for their significant efforts in providing assessments of the projects in the limited time available.	
5.15	<p>AGREED to:</p> <ol style="list-style-type: none"> 1) note the process for the assessment of proposals for Getting Building Funding; and 2) approve the allocation of the £20m GBF to projects as outlined below: <ul style="list-style-type: none"> • St Margaret's Regeneration Gateway (£10.5m) • SportPark at LUSEP (£6m) • J23 M1 A512 Access Improvements (£1.8m) • Charles Street Transport Hub (part) (£1.7m) 	
6.	<u>Any Other Business</u>	
6.1	There were no items of Other Business.	

Paper D

PAPER D

LLEP BOARD

4 August 2020

Decision Paper



ECONOMIC RECOVERY PLANNING

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the LLEP Board on the progress of the Leicester and Leicestershire Economic Recovery Strategy and associated evidence base in response to the COVID-19 pandemic and ensuing economic crisis.
- 1.2 This report also seeks a decision by the Board on the targeted repurposing of GPF and reserve funds to mitigate the impact of Covid-19 on the local economy.

2. RECOMMENDATION

- 2.1 The Board is recommended to:
 - i) note the content of the report and associated appendices
 - ii) decide on next steps with regard to repurposing of existing funds

3. PROGRESS TO DATE

- 3.1 In addition to the announcement of national Recovery Roundtables, BEIS has established five thematic task and finish groups which will have MCA / LEP representation at a regional level. The groups have been tasked to produce recommendations by September for what should be included as the basis of a recovery plan.

Work will start on the first three immediately:

- Employment and skills
- Business Support (SMEs)
- Rural Recovery

The remaining groups will be established subject to capacity:

- Placemaking / High Streets
- City Centres

- 3.2 On 8 July the Chancellor announced the Plan for Jobs, a package of measures designed to support finding, creating and protecting jobs. A summary of the schemes together

with details of schemes announced the previous week is contained within a summary from the LLEP Network attached at Appendix 1.

3.3 The Economic Recovery Cell has commenced the development and population of a draft Economic Recovery Plan which will consider:

- the available evidence base and emerging indicators
- the announcements of further support measures
- the forecast impact on jobs and GVA

The document is at an early stage of development and cell members are currently developing the content. It is currently structured against the five LIS Foundations, but also links to the themes of the Recovery Roundtables and Task and Finish Groups outlined at 3.1 above. This is intended to ensure that, in the absence of a national recovery framework, all relevant themes have been identified and addressed. Once the initial draft has been completed it will be circulated to LLEP Board Members for comment.

3.4 The LLEP has taken out a subscription to the Experian Quarterly Regional Economic Forecast for the area. It is anticipated that a summary presentation on the conclusions from the first quarterly report will be available to be delivered as part of this item at the LLEP Board Meeting on 4th August. Summaries of current economic indicators are attached at Appendices 2 and 3.

4. REPURPOSING OF GPF AND LLEP RESERVES TO SUPPORT RECOVERY

4.1 As the Economic Recovery Plan develops, a clearer picture will emerge of potential gaps in funding and support to meet local needs, for example, the disproportionate effects of a continued period of lockdown in Leicester and Leicestershire on our local economy, compared to the rest of the country, any support requirements for sectors of importance to the local economy, and where there are gaps in financial support not addressed by national schemes, e.g. lack of furlough payments to company directors.

4.2 At the June Board we reported that there were a number of Growing Places Expressions of Interest. The Board agreed that these EOI should proceed. The following Business cases have been submitted, and are going through the appraisal process, the outcome of which will be presented to a future Board Meeting.

Company	GPF Proposed Scheme	Total Scheme Costs (£)	GPF Investment 'Ask' (£)
Litton Property Group	Construct 6,500 m2 of Grade A office facilities adjacent to East Midlands Airport and M1.	13.50 m	0.65 m
Pegasus Property	Highway infrastructure investment to accelerate delivery (of Broadnook Garden Village – 2,200 homes / 15 hectares	TBC	4.00 m

	employment (EOI due)		
Shearer Property Group	Investment in the retail offer at St Martin's Square, Leicester	5.45 m	0.73 m
Total			5.38 m

- 4.3 The current GPF balance is £6.98m. Should the above business cases be approved following appraisal, then the recommendation is to pause the current GPF investment programme and consider some of the remaining balance of £1.6m GPF that could be repurposed to support the recovery of the local area. It should also be noted that the award by government some years ago of the £12.6m funding came with very few conditions; conditions which have been fully discharged. Therefore, the Board has discretion, and has agreed in principle to deploy the GPF funds for Covid-19 recovery in any manner which is deemed of benefit to the local economy.
- 4.4 The same principle applies to the reserves of the LLEP. The Board will recall that the Finance Strategy 2020/22 stated that up to £1.4m of reserves could be accounted for by potential staff redundancy costs, pension liabilities, tax liabilities consequent upon incorporation and income received in advance. This calculation has been revisited for updated future planning.
- 4.5 As noted by the Board on 2nd June 2020 in the 2020/21 budget report, the available reserves after the planned drawdown to support the current year's budget are £1.8m. The reserve is held as a contingency against a number of events and costs. Significant ones include:
- A reduction in future income streams to the extent they are not offset by on-going staffing reductions;
 - Redundancy costs including notice periods and pension capitalisation should income streams reduce;
 - Tax liabilities that would arise should the LLEP cease to benefit from the Accountable Body's favourable VAT and Corporation Tax status;
 - Provision for LLEP contributions to priority programmes such as the Enterprise Adviser Network and
 - Possible clawback of funding received for previous programmes.
- 4.6 It is possible to account for the entire LLEP reserves if a pessimistic view is taken of the likelihood of all of these potential costs and income losses. A more pragmatic assessment, assuming that they will all not come to pass and not in full, suggests reserves of around £900k - £1m should be adequate in the usual course of business.
- 4.7 The level of reserves is however ultimately a matter for the Board. The Board might wish to release some in principle but defer a formal decision until the first budget monitoring of the financial year when the figures could be presented and discussed in more detail.

- 4.8 The LLEP Chief Executive's recommendation is that the Board agree to the principle that a proportion of the remaining balance of GPF be "ringfenced", along with a proportion of the reserves, to help support the delivery of the economic recovery plan wherever it is deemed appropriate to do so. The exact nature and scale of any intervention it is suggested should form part of the work stream of the newly formed Investment Panel and the LLEP Executive who could work to develop formal proposals to bring to the October Board within the financial envelope outlined above.

Summary of Appendices

1. Summer Statement 2020 – LEP Network Summary
2. Economic Indicators Presentation
3. LLEP Business and Economic Intelligence Update Issue 10

For further information please contact

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Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
Wednesday 8 July 2020

The Chancellor presented his **Summer Economic Statement** on Wednesday 8 July 2020.

“Today we act with a plan for jobs. Our plan has a clear goal, to protect, support, and create jobs.”

“We face profound economic challenges; IMF expects deepest global recession since records began; household consumption has fallen steeply; and businesses have stopped trading and hiring...in just two months our economy contracted by 25%, the same amount it grew in the previous 18 years.”

Notably, the government has confirmed that it will set out a **Budget and Spending Review** in the autumn with measures to support the longer-term recovery. These will detail further plans to invest in public services, to support innovation and growth-enhancing infrastructure with a National Infrastructure Strategy, and to seize global opportunities and to level up opportunity across every region and nation of the UK.

Job Retention Bonus

HMG is introducing a new **Job Retention Bonus** to reward and incentivise employers who keep on their furloughed employees. HMG 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.

The Chancellor then announced a three point ‘Plan for Jobs’:

Support people to find jobs:

- HMG announced a **‘Kickstart Scheme’** to support young people. Directly paying employers to create new jobs for 16-24 year olds at risk of long term unemployment. These will be “new jobs” with a minimum of 25 hours a week. In return employers must provide kick starters with training and support. HMG will pay the wages of these young people for six months, plus an amount to cover overheads. That means for a 24 year old, the grant will be c£6,500 and employers can apply from next month. £2bn is being made available to fund “hundreds of thousands of jobs”.
- **Traineeships** – HMG will provide funding to triple the number of traineeships and sector-based work academy placements. It will pay employers £1,000 to take on new trainees, with triple the number of places.
- **School leavers:** To support 18-19 year olds leaving school/college, HMG will provide £100m to create more places on Level 2 and 3 courses.
- **Careers:** HMG will “utilise private sector capacity” to deliver a new online, one-to-one job finding support service. Additional funding will also mean that over a quarter of a million more people will receive individualised advice on training and careers through the National Careers Service.

- **National Careers Service:** HMG 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.
- **Work Academies:** HMG 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.
- **Apprenticeships:** For the next six months HMG are going to pay employers to create new apprenticeships. This includes a new payment of £2,000 per apprentice, and a new bonus for businesses to hire apprentices 25 and over with a payment of £1,500.
- **Work Coaches:** HMG will double the number of work coaches and additional intensive support to those who have been unemployed for at least three months.
- **Flexible Support Fund:** HMG will increase the funding for the Flexible Support Fund by £150 million in Great Britain, including increasing 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.
- **Work and Health Programme:** HMG 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.
- **Job finding support service:** HMG 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.
- **DWP:** HMG will give an extra £1bn to DWP “to support millions of people back to work”.

Create jobs:

The Chancellor emphasised “Better roads, better schools, better hospitals, better high streets, creating jobs in all four corners of our country...This is going to be a green recovery”

- **Green Homes Grant:** HMG 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.

- **Temporary Stamp Duty cut:** HMG will temporarily increase the threshold 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 stamp duty. Nearly nine out of ten people getting on or moving up the property ladder will pay no SDLT at all.
- **Public Sector Decarbonisation Scheme** – The Clean Growth Strategy 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:** HMG 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** – HMG will provide £100 million of new funding for researching and developing Direct Air Capture, a new clean technology which captures CO2 from the air.
- **Automotive Transformation Fund:** HMG 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 in 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.
- **Social Housing Decarbonisation Fund:** HMG 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.
- **Brownfield Housing Fund** – HMG 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:** HMG 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.
- **Further Education (FE) estate funding:** HMG 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:** HMG 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.⁴⁰
- **School rebuilding programme:** HMG announced over £1 billion to fund the first 50 projects of a new, ten-year school rebuilding programme in England. These projects will be confirmed in the autumn, and further detail on future waves will be confirmed at the Comprehensive Spending Review. Construction on the first sites will begin in September 2021.
- **Towns Fund capital acceleration:** HMG will accelerate £96 million of investment in town centres and high streets through the Towns Fund this year. This will provide up to 101 towns across England with funding for projects such as improvements to parks, high streets, and transport.
- **Local road maintenance:** HMG will invest £100 million to deliver 29 local road maintenance upgrades across England in 2020-21, including eight bridge and viaduct repairs and improving local roads.
- **Manchester:** HMG will provide £10 million to develop plans for improving the reliability and capacity of the Manchester rail network.
- **World-class laboratories:** HMG will provide a £300 million investment in 2020-21 to boost equipment and infrastructure across universities and institutes across the UK.

Protect jobs

The Chancellor targeted the hardest hit sectors in hospitality and tourism. The sector employs over 2m people, with rural and coastal areas relying on these industries.

- **Eat Out to Help Out** – To support around 130,000 businesses and to help protect the jobs of their 1.8 million employees, HMG 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.
- **VAT Cut:** From 15 July 2020 to 12 January 2021, to support businesses and jobs in the hospitality sector, a 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.
- **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.

The 'Plan for Jobs' document is available [here](#).

MTD/8 JULY

Leicester and Leicestershire Economic Summary June 2020

Economic Summary – National and Regional



- Figures released 14th July show that the UK economy shrank by **19.1%** in the 3 months to May 2020
- Economy grew by **1.8%** in May but not enough to make up for fall of **6.9%** in March and **20.4%** in April. Some signs of recovery in house building and some manufacturing.
- UK economy **24.5%** smaller in May than in February
- Business Impact of Coronavirus Survey shows that **64%** of East Midlands businesses reported their turnover had decreased by at least **20%**, similar to UK (**65%**).
- However, **19%** in EM said turnover not affected and **12%** in EM reported turnover increase of **>20%** (better than UK at 9%)
- MakeUK forecasting **11%** decline overall in manufacturing

Leicester and Leicestershire June 2020

153,000 Employments Furloughed
(cumulative)

34,485
Claimants

18,856
Job Postings

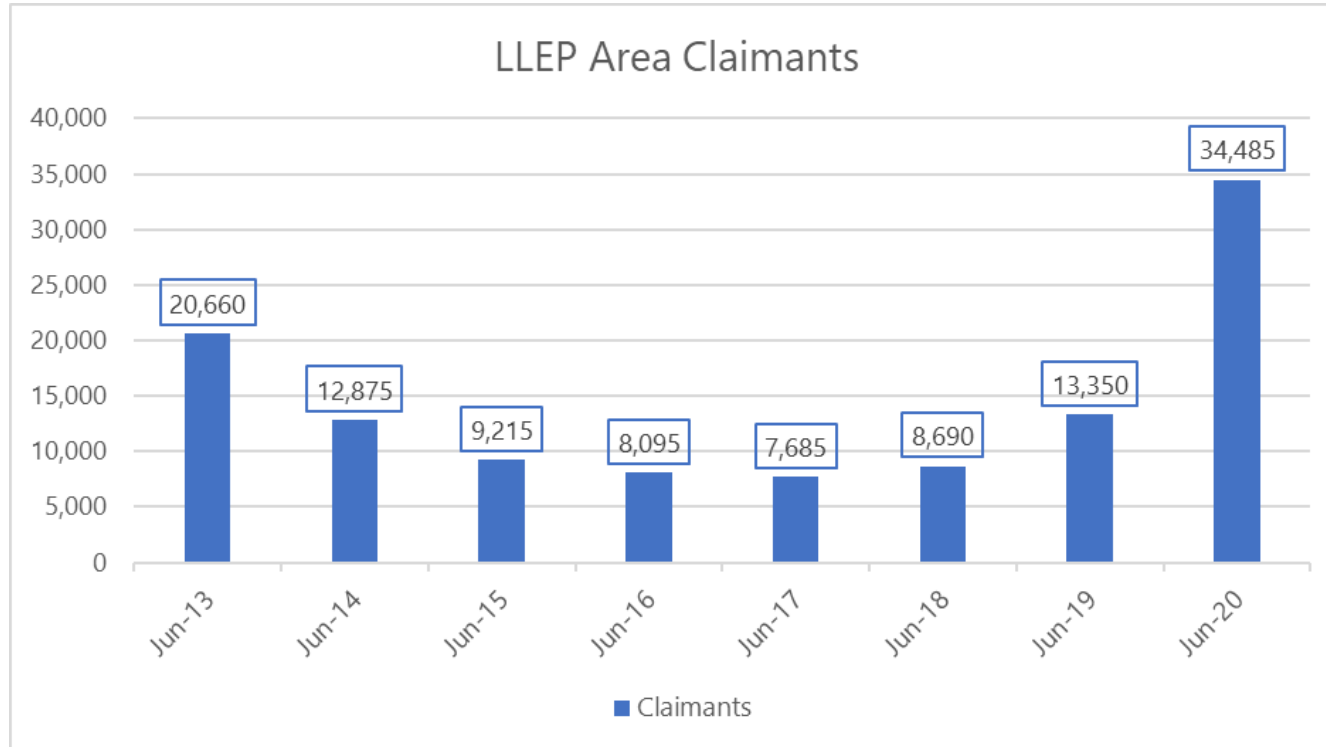
63
Business Closures

Extended lockdown in
Leicester City / Oadby
and Wigston

Unemployment and Employment

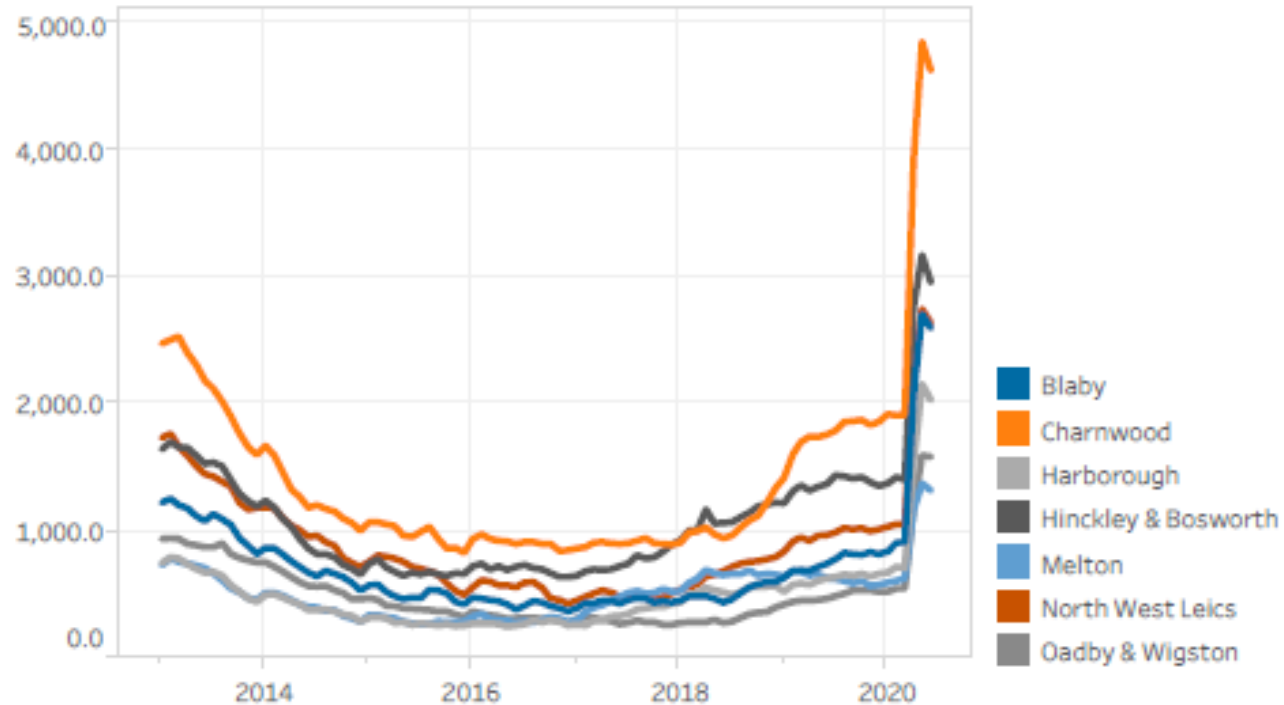
- LLR JSA+UC claimants up by 12,825 in April, 7,525 in May, down 565 in June
- Likely to worsen as at 30th June 28.9% of total employment in LLEP area had been furloughed since the scheme was put in place (153,000 people)
- Job postings have decreased by 33% (source EMSI –Jun '19 vs Jun '20) although there is a modest growth (6.3%) in job postings between May and June across most occupations.
- Most occupations impacted except health, care and some agriculture
- Biggest % drop elementary occupations, transport operatives, admin and sales
- Hotel occupancy down 79% in April and 75% in May on previous years

Claimant Count

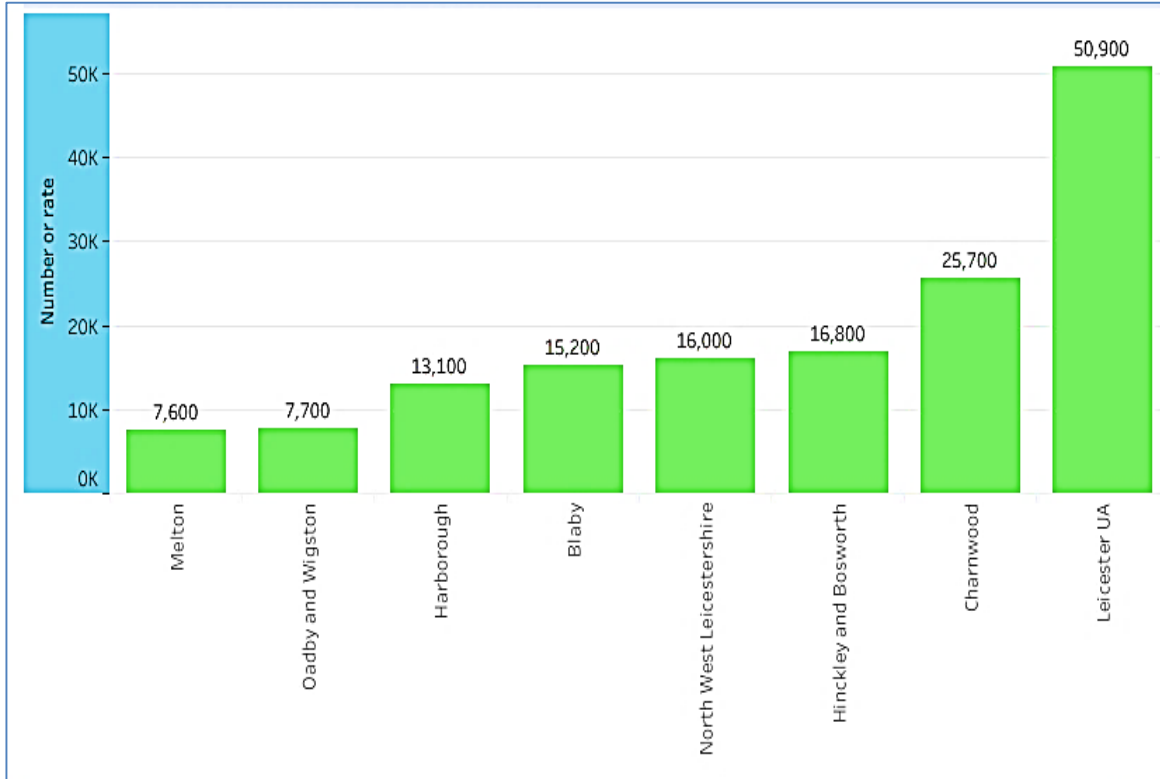


Claimant Count

Leicestershire Districts



Furloughed Employment

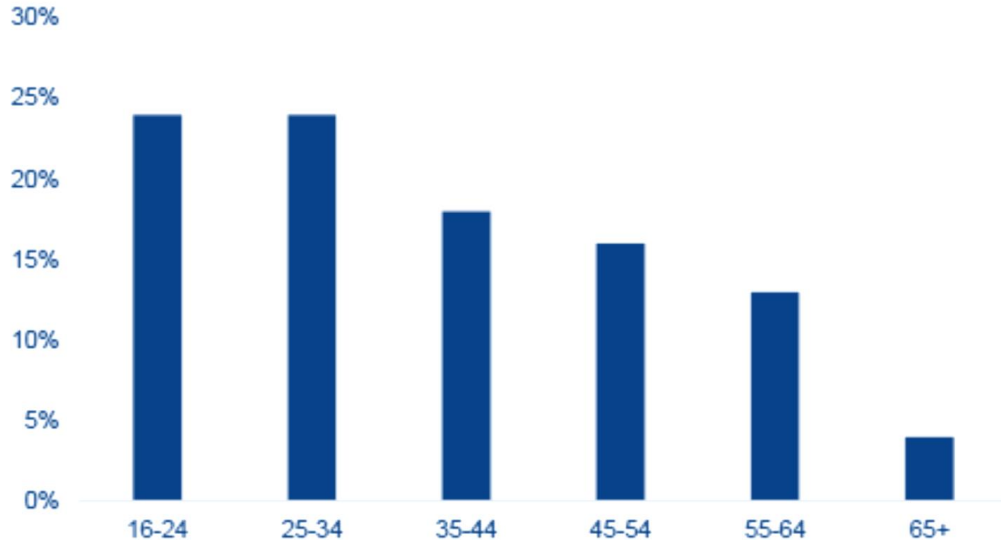


At 30 June 2020 **28.9%** of total employment in LLEP area **had been** furloughed (153,000 people)

Workers in shutdown sectors by age group

Workers in shutdown sectors by age group, 2020 Q1

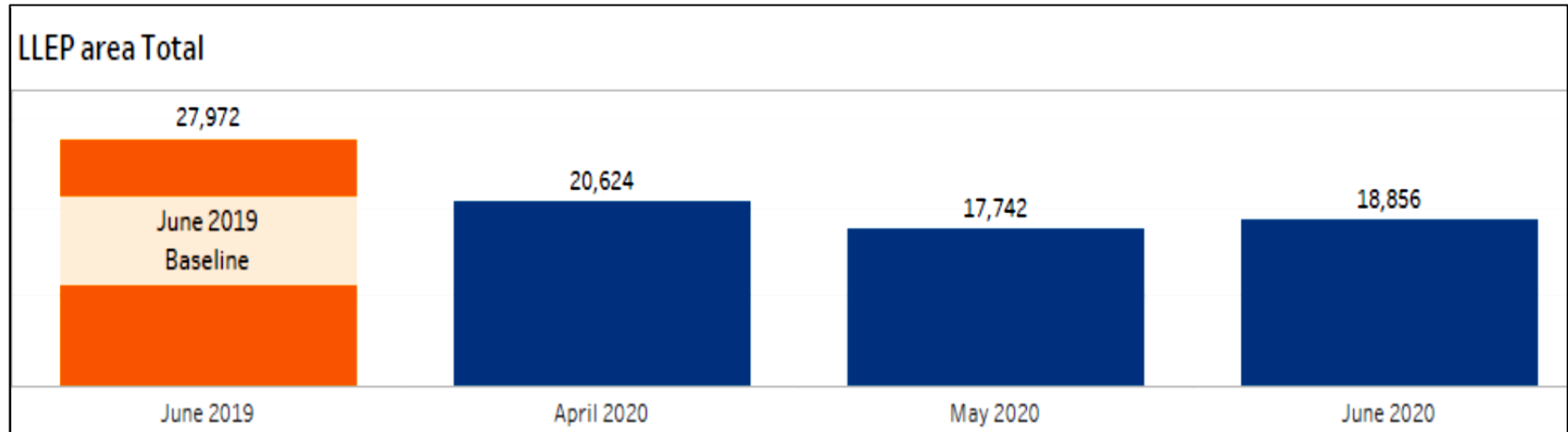
Nearly half of workers in shut down sectors are under 35



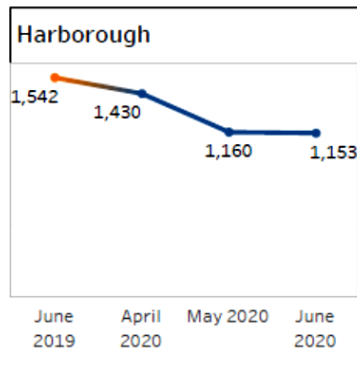
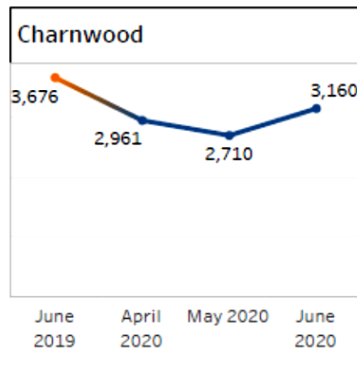
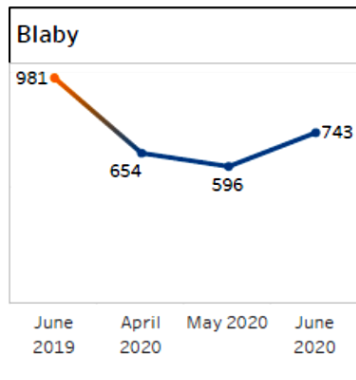
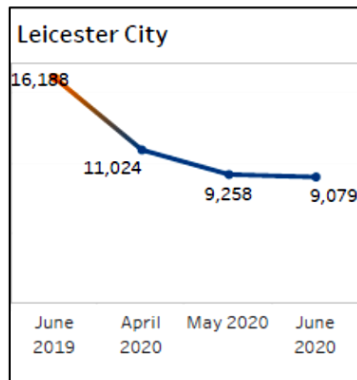
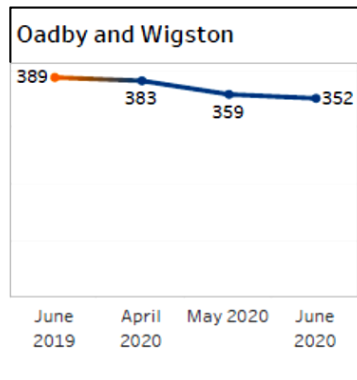
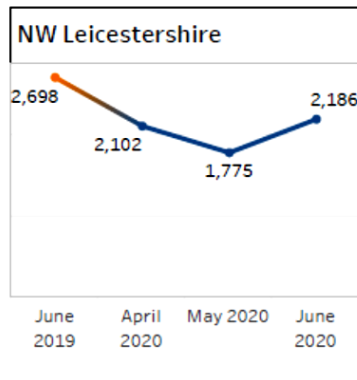
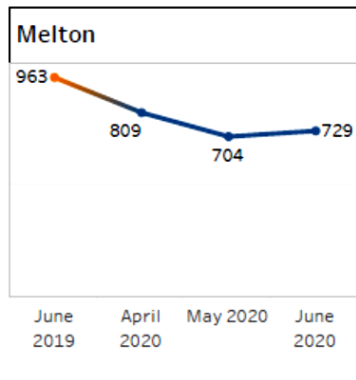
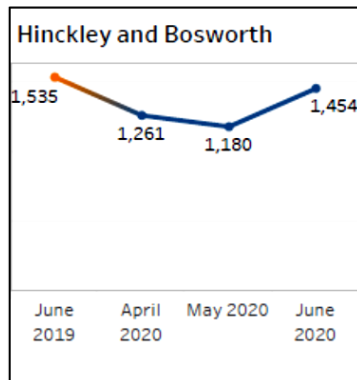
Source: ONS Labour Force Survey Q1 2020

Source: PwC UK Economic Outlook

EMSI Job Posting Data

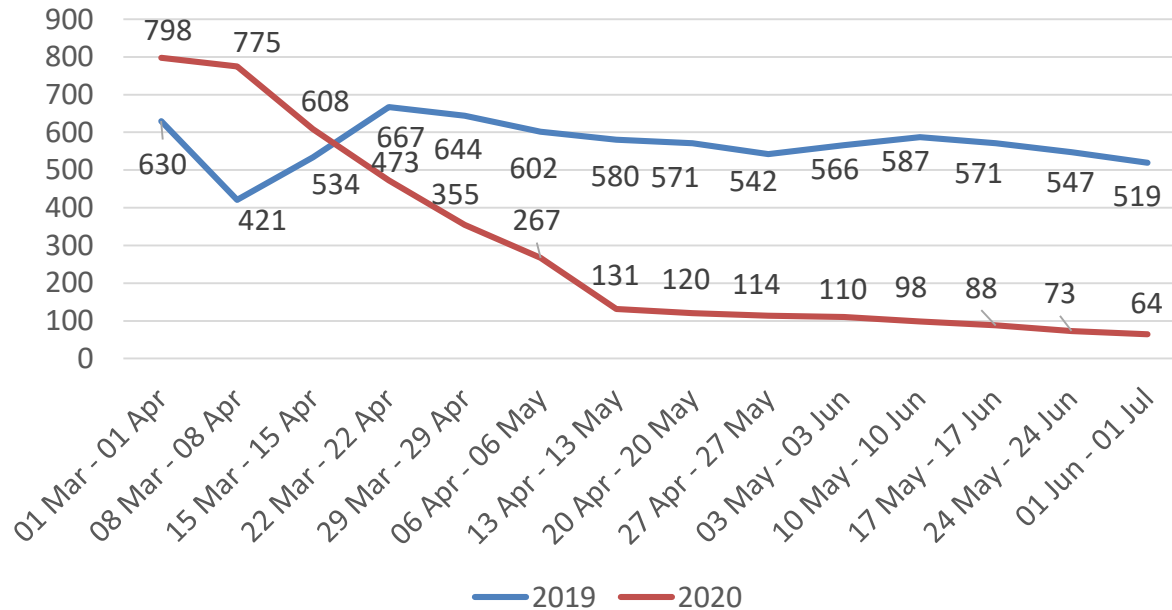


Job Postings by District



Business Closures

Dissolved or Liquidated Businesses Weekly Comparator



Reported business closures using the FAME database (Bureau van Dyck) show a disproportionate drop in business closures in comparison to the same period last year.

Given that the drop in closures coincides with the introduction of the Furlough Scheme, it is reasonable to conclude that the existence of the scheme may be artificially extending businesses' ability to trade.

LLEP Business and Economic Intelligence Update

Issue 10

23 July 2020

1. LSR Data Portal

Leicestershire County Council is working in partnership with the LLEP to provide a single online portal for economic data across Leicester, Leicestershire and Rutland:

<https://www.lsr-online.org>

The LSR Portal holds data across a wide range of economic indicators (in addition to other measures including health and wellbeing), the majority of which are available at district level.

The data can be exported in PDF or excel format and provides an accessible means of exploring public domain datasets at a local level, e.g. claimant count and furloughed workers.

Going forward, where the content of the LLEP Business and Intelligence Updates and Multi Agency Information Cell (MAIC) updates link to data held within the portal, we will provide the most up to date link within this document to enable readers to access the data directly.

2. Claimant Count

April 2020 saw the largest monthly rise in claimants on record. From March to April the number of claimants in Leicester and Leicestershire rose from 15,145 (2.3%) to 27,730 (4.2%).

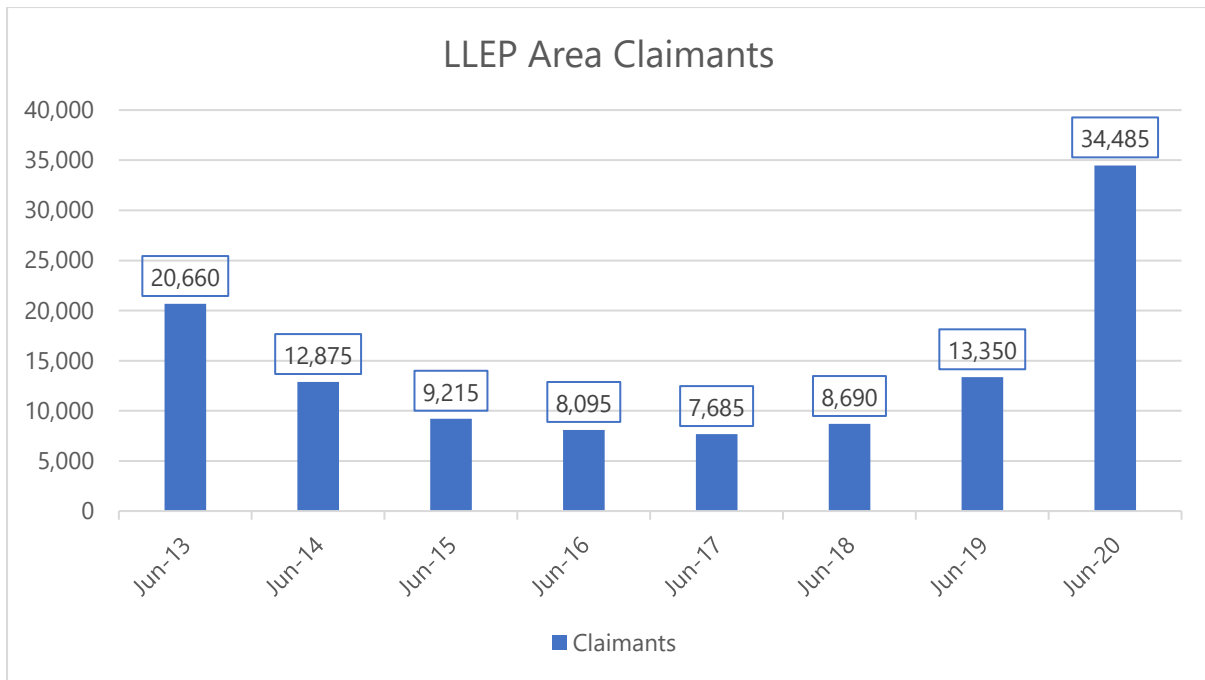


Figure 1 LLEP Area Claimant Count 2013-2020
Source: ONS

This was followed in May by another significant rise when the number of claimants rose to 35,055 (5.3%). It was uncertain how rises in April and May would be followed in June.

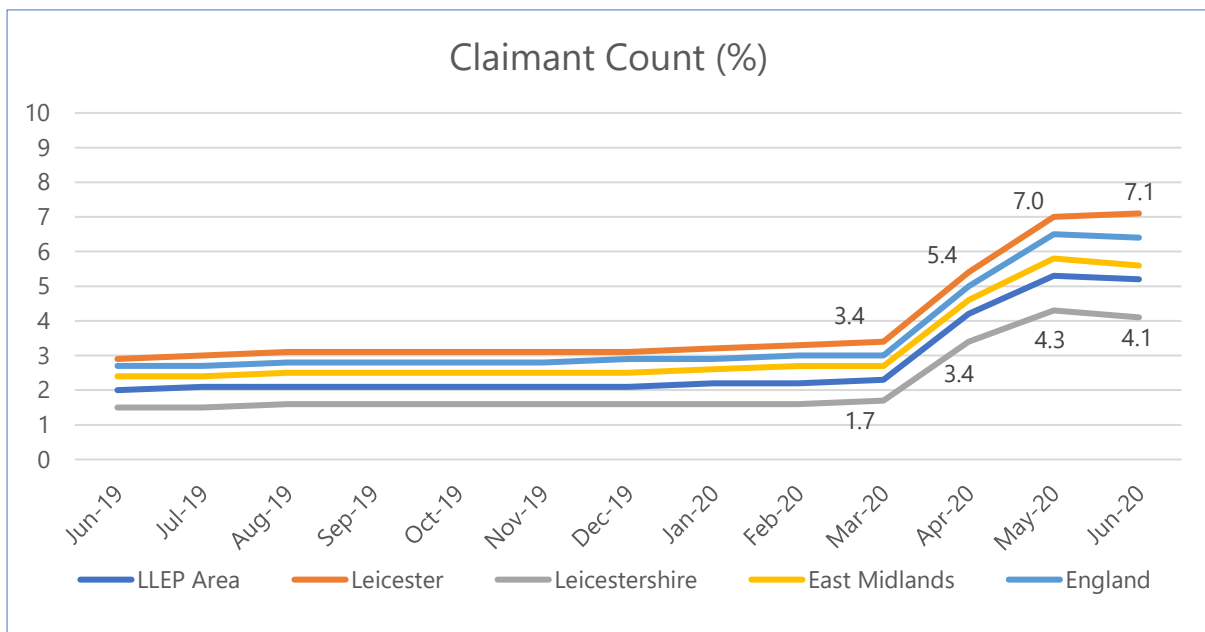


Figure 2 LLEP Area Claimant Count (%)
Source: ONS

The labour market figures published on 16 July show that claimant unemployment actually fell in June from 35,055 to 34,485 (5.2%), a fall of 570 claimants.

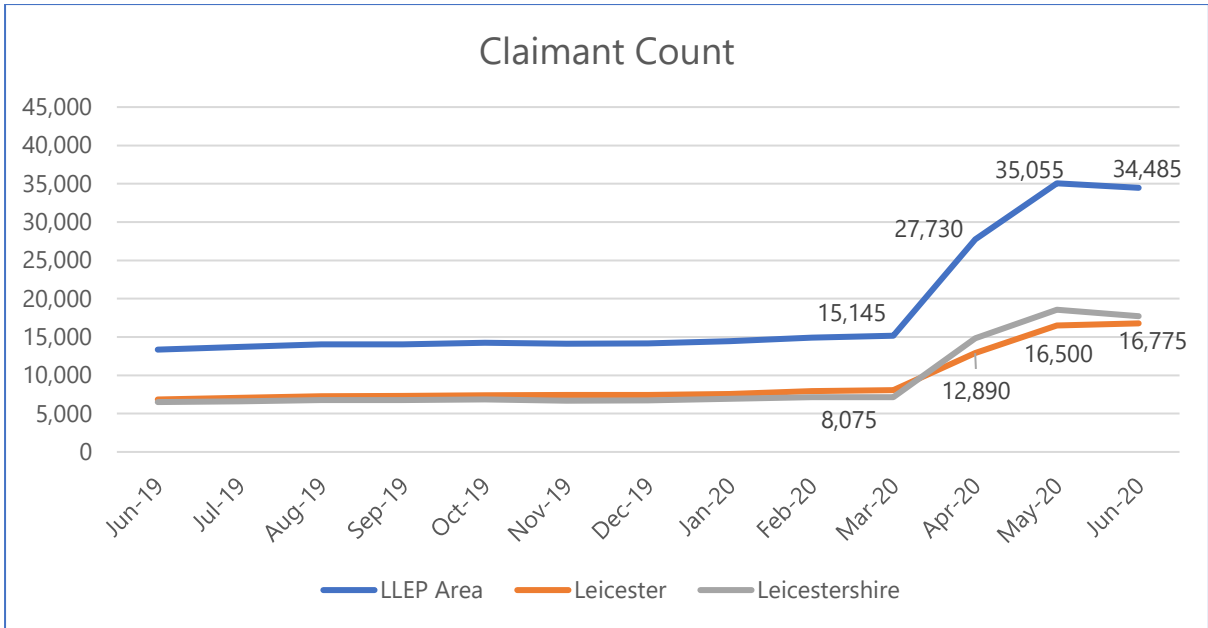


Figure 3 LLEP Area Claimant Count June 2019 - June 2020
Source: ONS

This is surprising but should not be taken in isolation as a sign that the impact of the pandemic will be less severe than anticipated.

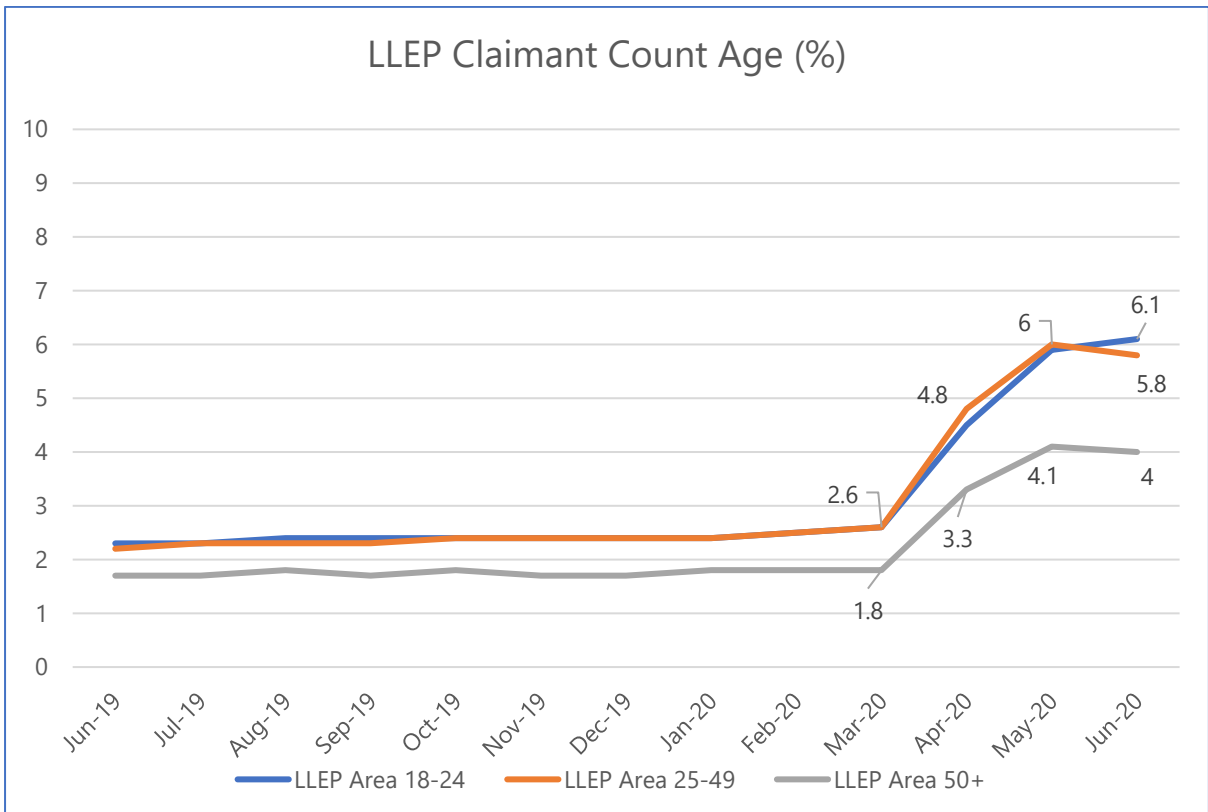


Figure 4 LLEP Area Claimant Count (%)
Source: ONS

The overall increase in the claimant count remains high and despite a concurrent small rise in the number of job postings in June, there is still expected to be a significant negative impact on the economy.

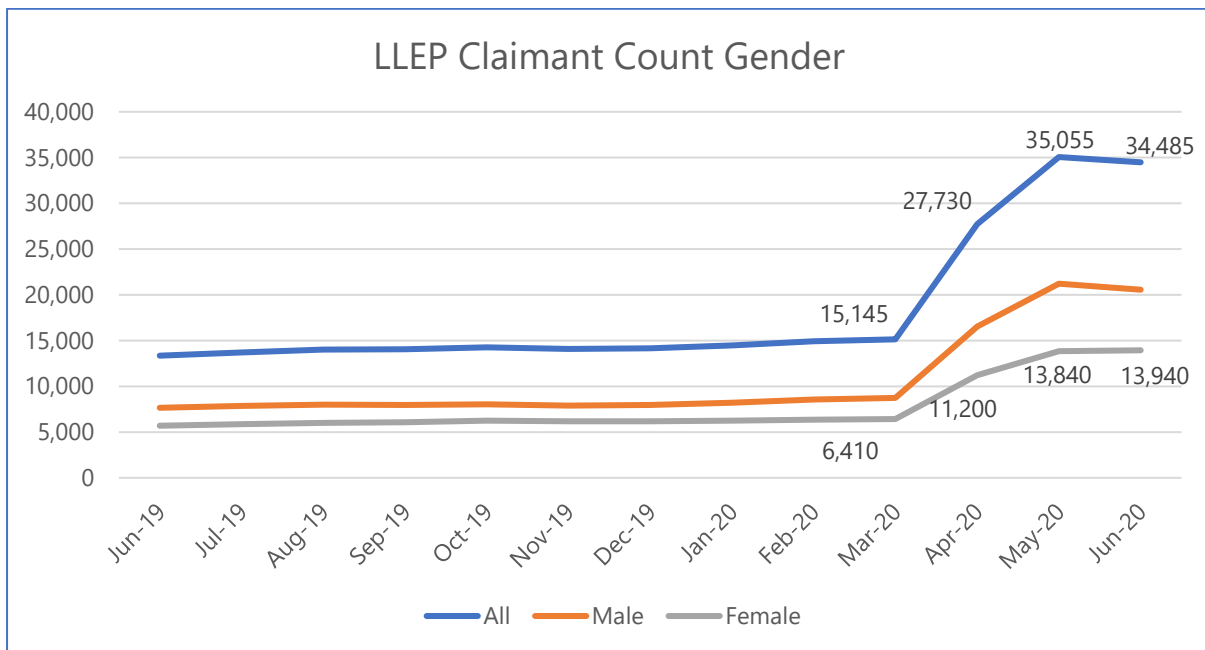


Figure 5 LLEP Area Claimant Count by Gender
Source: ONS

From May to June there was a slight rise in the number of claimants in the City (275) and a slight fall in the number of claimants in the County (-570). Over the same period there were falls in the numbers of claimants that are 25-49 and 50+. The number of 18-24 year olds however rose slightly.

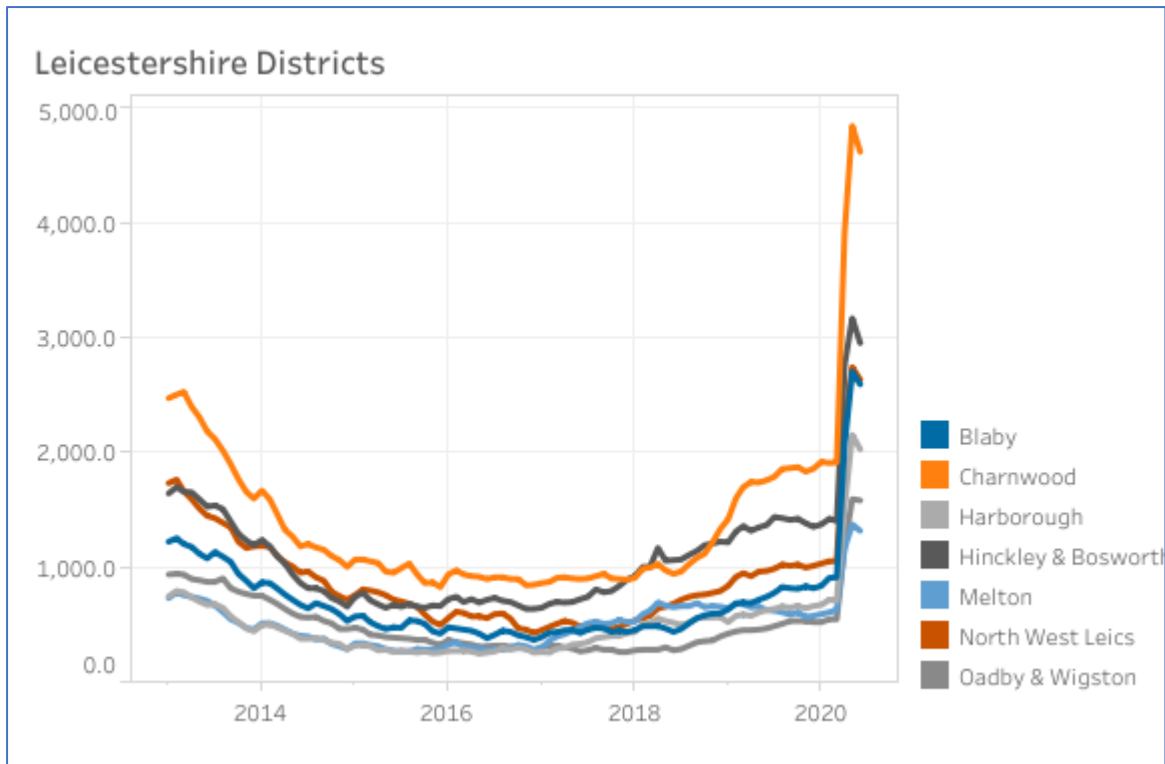


Figure 6 LLEP Area Claimant Count by District
Source: ONS

At a district level, Charnwood has seen the greatest increase in claimant count over this period, however, all districts saw a slight decrease during June.

Figures have started to flatten as the economy has started to reopen and people start to return to work. The extended period of lockdown for Leicester City, Oadby and Wigston and parts of Blaby and Charnwood had not been enacted during this period and we might expect that the impact of this extension will be seen in the claimant count for July. Notwithstanding these local circumstances it is widely expected that the cessation of furlough measures will result in a further spike in the claimant count in the autumn.

For more detailed data on claimant count data by district, visit the [Unemployment Dashboard](#) on the LSR Portal.

3. Furloughed Employees

At 30 June 2020 a cumulative total of 153,000 employments had been furloughed in Leicester and Leicestershire, a cumulative increase of 23,300 on the previous month equating to 28.9% of all employments in Leicester and Leicestershire. Leicester City had the greatest increase, seeing an additional 8,500 furloughed employments since 31st May.

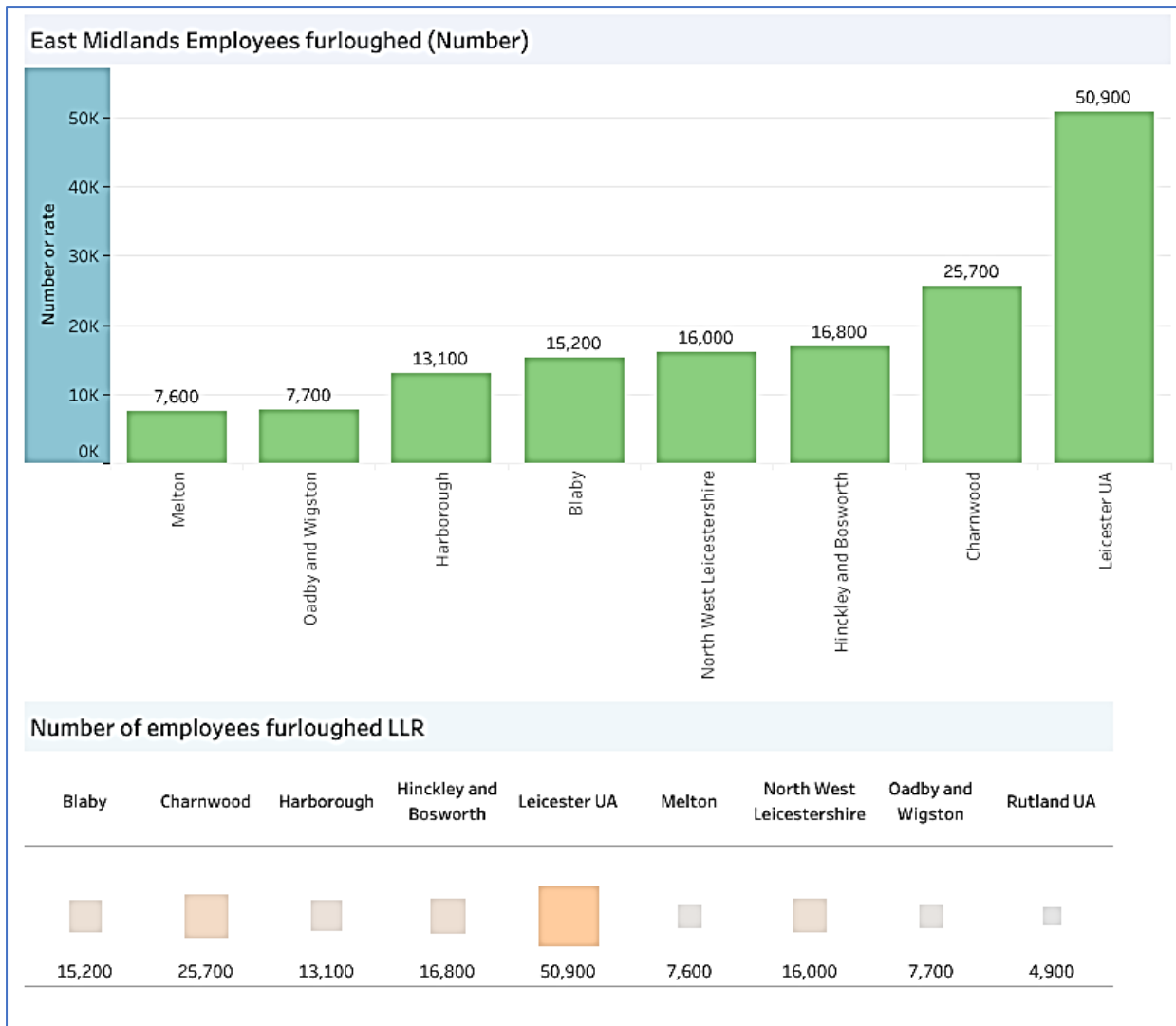


Figure 7 Furloughed Employments at 30 June 2020
Source: HMRC

For more detail including East Midlands comparators and an estimate of the [numbers furloughed in Leicester and Leicestershire by Sector](#) see the [Furloughed Staff Dashboard](#) on the LSR Portal.

4. Self-Employment Income Support Scheme (SEISS)

HMRC have published data on numbers claiming the Self Employment Income Support Scheme up to 30 June 2020. For more detail including East Midlands comparators see the [Furloughed Staff Dashboard](#) on the LSR Portal. An average 75% of all those eligible for SEISS in Leicester and Leicestershire have taken up the support.

District	Percentage take up	Value of SEISS payments
Blaby	78%	£12,500,000
Oadby and Wigston	77%	£5,100,000
Leicester UA	76%	£22,000,000
Hinckley and Bosworth	75%	£12,500,000
Charnwood	75%	£16,900,000
North West Leicestershire	74%	£10,200,000
Harborough	73%	£11,200,000
Melton	70%	£6,000,000
Average % / Total Value	75%	

Figure 8 SEISS Uptake in LLEP Area
Source: HMRC

5. Google Mobility Dashboard

The Google mobility data is now available via an [interactive dashboard](#) within the LSR Portal. The data was designed to chart movement trends over time by geography, across different categories of places such as retail and recreation, groceries and pharmacies, parks, transit stations, workplaces, and residential. Each Community Mobility Report is broken down by location and displays the change in visits to places like grocery stores and parks.

6. Economic Intelligence Update

As the COVID-19 crisis develops, research and insights are emerging from a range of organisations and links and summaries of relevant publications are listed below. It should be noted that we do not yet have a complete picture of the impact of COVID-19 and this is unlikely to emerge for some time, therefore much of what is emerging is predictive and should be interpreted with caution until such time as robust quantifiable data becomes available.

Covid-19 impact on Manufacturing

The latest Covid-19 [Manufacturing Monitor](#) from Make-UK provides insights into how the impact of the pandemic has had an effect on business performance including the level of furloughs, redundancies, production levels, and capacity to return to normal levels of trading.

Key insights (national data):

- 99% of manufacturers are openly trading
- 77% of firms have furloughed between 1% and 50% of their staff
- More than 53% plan to make redundancies in the next 6 months
- Over 45% have seen orders fall between 26% and 50%
- Almost 50% have reported an increase in logistic costs
- Over 41% expect it to take more than 12 months to return to normal trading conditions

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Whilst every effort has been made to ensure the accuracy of the information contained within this report, Leicester and Leicestershire Enterprise Partnership cannot be held responsible for any errors or omission relating to the data contained within the report.