

LLEP BOARD OF DIRECTORS

3.00pm, Tuesday 7 July 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 Board Meeting 2 June 2020	Paper A	Decision	Chair
15.10	4.	Actions and Progress Update LLEP Board Meeting 2 June 2020	Paper B	Decision	Chair
15.30	5.	LLEP Membership	Paper C	Decision	Mandip Rai
15.40	6.	Enterprise Zones	Paper D	Decision	Mandip Rai
16.00	7.	Governance Review	Paper E	Decision	Mandip Rai
16.15	8.	CV-19 Economic Recovery Plan	Paper F	Information	Fiona Baker
16.45	9.	National Policy Update	Verbal	Information	CLGU
16.50	10.	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 Members' Meeting



LLEP BOARD OF DIRECTORS

Minutes of the Meeting – 2 June 2020

(Microsoft Teams)

Attendance and Apologies:

Directors		Representing	
Kevin Harris	KH	Private Sector	Chair
Andy Reed OBE	AR	Private Sector	Vice-Chair
Prof Robert Allison	RA	Universities	
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	
Jaspal Singh Minhas	JSM	Private Sector	
Cllr Jonathan Morgan	JM	Leicestershire District Councils	
Cllr Terry Richardson	TR	Leicestershire District Councils	
Nick Rushton	NR	Leicestershire County Council	
Karen Smart	KS	Private Sector	
Sir Peter Soulsby	PS	Leicester City Council	
In Attendance			
Fiona Baker	FB	Leicester City Council	
Alison Greenhill	AG	Leicester City Council	
Iain Gillespie	IG	Universities	
Kevan Liles	KL	Voluntary Sector	
Helen Miller	HM	LLEP	
Tom Purnell	TP	Leicestershire County Council	
Mandip Rai	MR	LLEP Chief Executive	
Andy Rose	ARo	LLEP	
Colin Sharpe	CS	Leicester City Council – Accountable Body	
Andrew Smith	AS	Leicester City Council	
Peter Sutton	PSu	Cities and Local Growth Unit (CLGU)	
Apologies			
Emma Anderson	EA	Private Sector	
Anne-Marie Hunt	AH	Private Sector	

Minute		Action
1.	<u>Welcome and Apologies</u>	
1.1	KH welcomed all present to the meeting.	
1.2	Apologies for absence were noted as above.	
2.	<u>Declarations of Interest</u>	
2.1	CB declared an interest in Item 9 – As a project sponsor within the LGF programme.	
2.2	VH declared an interest in Item 9 – As a National Space Centre Trustee.	
3.	<u>Minutes and Actions – LLEP Board 4 February 2020</u>	
3.1	The minutes of the meeting held on 4 February 2020 were agreed as a correct record.	All to note
4.	<u>Operational Budget 2020/21</u>	
4.1	HM submitted a report, which provided the final budget position for 2019/20 and a reviewed Operational Budget for the forthcoming financial year 2020/21.	
4.2	Additional information on the granular level budget had been provided following a Directors briefing. It was noted that the end of year position showed no surplus, based on best accessible information, with some estimates due to unknown EZ business rates implications and LGF and other project decisions yet to be made.	
4.3	AGREED to note the end of year financial position for 2019/20 and approve the revised Operational Budget for 2020/21.	All to note
5.	<u>LLEP/Accountable Body Agreement</u>	
5.1	MR and AG submitted a report, which outlined the proposed Agreement and provided detail on the legal relationship with Leicester City Council for the provision of Accountable Body services.	
5.2	AGREED to note the roles and responsibilities of each party and progress the Accountable Body Agreement between the City Council and the LLEP.	MR/AG All to note
6.	<u>Enterprise Zones</u>	
6.1	MR submitted a report, which provided information on the response to the outstanding matters on the appraisal of project business cases seeking Enterprise Zone Business Rates investment. Detail had been further updated in a separate email to Directors.	
6.2	The report also provided a progress update on the EZ steering groups and matters arising, an update on the status of the Business Rates Legal Agreements and reaffirmed the next steps of the process.	
6.3	It was noted that the EZ Steering Groups had continued to meet to revisit and review priorities of individual EZs and it was intended to bring further details on EOIs and Business cases to the 7 July 2020 meeting.	

Minute		Action
6.4	A comment was accepted that on P2 of the submission the language should be amended and improved to encourage 'entry level jobs' to replace the existing definition of those roles.	
6.5	Concern was expressed at the ongoing negotiations with the Local Authorities, now over a number of years, and reputational damage to the LLEP. In response the legal implications and current progress with the authorities was reported and noted. The level of frustration was however recognised and accepted. The need for EZs to offer opportunities particularly post Covid-19 was also highlighted.	
6.6.	It was noted that significant progress was expected, but that revisions to the position of the billing authorities in respect of their retention of business rates was clarified.	
6.7	It was suggested that the 7 July 2020 meeting be identified as the meeting to finally resolve the issue. It was noted that a (virtual) meeting between parties had been deferred but re-convened for 11 June 2020 and the Board's position would be emphasised at that meeting. Each party would be urged to come to an agreement at that 11 June meeting. Previous contact with Civil Servants intended to progress the issue was clarified. It had been acknowledged that the matter was for local agreement.	
6.8	It was suggested that subject to all parties accepting, the invite to 11 June 2020 meeting between all the interested partners be extended to include the LLEP Chair and partners with specific interest.	
6.9	<p>AGREED to:</p> <ol style="list-style-type: none"> 1. approve the recommendation to progress the EOI for Charnwood Campus to full Business Case; 2. note the work regarding the phasing of the LUSEP EZ investment; 3. note the position regarding the Business Rates Legal Agreements; 4. note the next steps of the process. 5. Extend the invitation of the meeting between billing authorities LLEP and accountable body on 11th June to Kevin Harris, Cllr Jonathan Morgan and Cllr Stuart Bray. 	MR
7.	<u>Governance Review</u>	
7.1	MR submitted a report, which provided an update on progress of the LLEP governance review and sought comments on the proposed changes to the governance structure. Details of previous discussions with the Chair of the Programme Board, other Directors and the Executive were noted.	
7.2	The composition of the Investment Board as proposed to supersede the Programme Board required some careful consideration in respect of the Terms of Reference and the Board's relationship with that sub-group in finally approving investment decisions. It was commented that there was a need to avoid duplication of responsibilities and authority. The selection process would be developed to ensure appropriate levels of membership and the roles and relationship of the Business Gateway Panel and the Skills Advisory Panel also required greater clarity.	
7.3	The importance of the review was emphasised and that implementation of the new structure would be accelerated following an update to the next meeting.	

Minute		Action
7.4	It was suggested and accepted that a timeline to demonstrate the likely implementation of the review proposals was needed. An update would be submitted to the 7 July 2020 meeting.	
7.5	AGREED: That Draft Terms of Reference and processes for membership be brought to the next meeting on 7 July 2020.	MR/KH
8.	<p><u>Growing Places Fund</u></p> <p><i>It was noted that the paper for this item had been marked NOT FOR PUBLICATION by virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework</i></p> <p>8.1 ARo submitted a report, which referred to status of projects, the pipeline position and information regarding the potential repurposing of GPF to support economic recovery.</p> <p>8.2 Concern was expressed at the suggested recommendation to extend the time for a further three months, although it was accepted that progress had not been reported correctly previously, as the LLEPs understanding of the progress had been misinformed and therefore misjudged.</p> <p>8.3 Given the ongoing uncertainties and obstructions, options on a way forward were discussed. Comment was made on the previous extensions allowed with no significant progress. The effect of Covid-19 on the marketing of plots was expressed as a contributor to the current situation.</p> <p>8.4 The updated position regarding Norton Motorcycles and Donington Hall Estates was noted together with the Gresham / Fenwick redevelopment.</p> <p>8.5 Applicants for potential GPF support who had submitted an expression of interest would be invited to complete a detailed business case.</p> <p>8.6 It was requested that the positive position in respect of the standard of current projects in the pipeline to be recorded.</p> <p>8.7 AGREED to:</p> <ol style="list-style-type: none"> 1. accept the payment from Haywood Estates of £250k for current sale; 2. extend the deadline for full payment by Haywood Estates to 16th September 2020; 3. invite applicants for potential GPF support who had submitted an expression of interest to complete a full business case; 4. approve in principle potential option for repurposing some GPF on completion of gap analysis in Economic Recovery Plan and full business cases developed and appraised; 5. provide options in the event that Haywood's do not meet the obligation of full payment by September. 	MR/AG
9.	<p><u>LGF Programme</u></p> <p>9.1 MR submitted a report, which provided information on the updated position of the Local Growth Fund (LGF) for 2019/2020 and the profile for 2020/2021.</p>	

Minute		Action
9.2	Information was also included on the approval of Project Change Requests for Leicester Strategic Flood Risk Management Strategy and the Leicester North West Major Transport Scheme which had been recently approved by Programme Board, by way of written procedures. Clarity on that delegated process was provided together with an explanation of the apparent difference between the total funds and defrayal to projects. The letter from CLGU on potential retargeting of the fund was highlighted.	
9.3	<p>AGREED to:</p> <ol style="list-style-type: none"> 1. note the position of the LGF programme for 2019/2020 and 2020/21; 2. note the submission to the Programme Board in relation to the Project Change Request to the Leicester North West Major Transport Scheme and the Leicester Strategic Flood Risk Management Strategy 	
10.	<u>Covid-19 Economic Recovery Plan (ERP)</u>	
10.1	FB submitted a report, which provided an update on the development of the Leicester and Leicestershire Economic Recovery Strategy and associated evidence base in response to the COVID-19 pandemic and ensuing economic crisis. It was suggested that the presentation slides be shared with Directors and interested partners.	
10.2	Initiatives to share the information gathered more widely would also be considered, as the LLEP seen as a trusted source, with examples of best practice where possible	
10.3	<p>AGREED:</p> <ol style="list-style-type: none"> 1. that the LLEP Board Sub-Group provide oversight for the development of the recovery plan; 2. that the presentation slides be shared with Directors and interested partners. 	FB
11.	<u>National Policy Update</u>	
11.1	PSu provided an update, including implications of furloughed staff Government / employers contributions and work to support those businesses that had not been eligible for funding initially. Concern with seemingly low support to SMEs, particularly smaller limited companies was raised and would be reported back at BEIS. It was recognised that issues had changed considerably in a short time period and LEPs were being regularly updated. Issues were also being considered on the reopening of the Town Centres/High Streets initiatives.	PSu
11.2	AGREED that the update be noted	
12.	<u>Any Other Business</u>	
12.1	<p><u>Economic Recovery</u></p> <p>It was suggested that a Fast fund for funding be set up in response to some of the fast data and that the LLEP economic intelligence be shared with the press and considered as the go to place for Economic intelligence on the recovery.</p>	
12.3	AGREED that the LLEP Chair discuss with LLEP team how the media is utilised to promote the work on recovery planning.	MR/KH

Paper B



LLEP BOARD OF DIRECTORS – 7th JULY 2020

(Microsoft Teams meeting)

3.00pm - 5.00pm

ACTIONS and PROGRESS REPORT

1.	Introduction and Purpose of paper 1.1 The purpose of this report is to update the Board on the status of the actions and progress since the Board meeting on 2 nd June 2020: The LLEP Board is recommended to: i. note the progress since the last meeting.
2.	Operational Budget 2020/21 Budget monitoring reports to be provided at October Board meeting.
3.	LLEP/Accountable Body Agreement Agreement has been signed by both parties and uploaded on LLEP website.
4.	Enterprise Zones EOI proposal has been progressed to full business case which is being appraised and expected to be completed for August Board. ACTION: Extend invitation of the meeting between billing authorities LLEP and accountable body on 11 th June to Kevin Harris, Cllr Jonathan Morgan and Cllr Stuart Bray Meetings took place with all of the above members on the 11 th June and a subsequent meeting 18 th June to progress legal agreements. Further details on the legal agreements are included in Paper D.
5.	Governance Review ACTION: Draft TOR and processes for membership will be brought to the next meeting on 7 July. – completed. Further details in Paper E for decision.

6. **Growing Places Fund**

Haywood Estates (UK) LLP

Following June Board Haywood Estates have been notified that the repayment of £250,000 from current plot sales has been agreed. The repayment will be triggered when the sale complete. Haywood have also been notified that the repayment deadline has been extended to 16th September 2020 and that LLEP Board were clear that this represented the final extension. The Board instructed the Accountable Body (AB) to take those actions it deems appropriate to ensure that the debt is recovered, or measures are in place for eventual recovery, prior to 16th September. We will provide a Board update on the options considered and the proposed measures at the August 2020 meeting.

Gresham

As noted at the previous Board meeting the independent Monitoring Surveyors (Currie & brown LLP) report regularly to the development company (Aimrok) and the funding partners. The reports are comprehensive and cover all aspects of the construction process, including finance and regulatory requirements. To date no major or material issues have been identified. The last monitoring report did indicate that on site social distancing was proving challenging to contractors and sub-contractors. In addition, some supply chain difficulties for construction materials was also an issue. Neither of these difficulties were considered serious and while impacting on the current rate of construction would ease as lockdown restrictions were lifted.

Norton

The Accountable Body has requested an update from the Administrators (BDO LLP) on the position of secured creditors.

In addition, the AB has engaged solicitors, Weightmans LLP, to pursue the Personal Guarantee (PG) of Norton's former CEO Stuart Garner which was, alongside a land first charge, secured on the GPF loan. A notice has been served on Mr Garner and he has agreed to complete a liability and asset statement. Clearly, if BDO recover the GPF debt in full then the PG would fall away.

Pipeline

Board will be aware that a competitive process has been put in place to determine the GPF proposals currently on the pipeline. Proposals which meet the GPF criteria have been Invited to submit full business cases which upon receipt will be subject to due diligence. The results of due diligence and other checks and investigations will be brought to Board in due course

ACTION: Mandip and accountable body to provide options in the event that Haywood's do not meet the obligation of full payment by September - Meeting hosted on 29th June to follow options to be reported back to August Board meeting.

7. **LGF Programme**

LGF Programme Review has been submitted to Government for 17th June deadline. (Appendix1). The review highlights that within the LGF programme 14 projects have claimed their full LGF allocation therefore 6 projects are still to claim their remaining grants by March 2021 totalling £17,896,716.91.

In terms of risks, one of the projects, National Space Centre, is at high risk of not being able to continue with the final stage of the project if an extension is not forthcoming. An extension of 3-6 months has been suggested however this was not deemed long enough. Their remaining grant allocation of £654,766.89 has therefore been moved into post-March 21 above.

The Strategic Flood Risk Management project has also requested an extension to enable them to manage risks with delays in procurement and potential impact of weather and costs. An extension of 3 months might be sufficient, 6 months would be preferable. Their remaining grant is £2,022,833.77 - this has not been moved from this year's figures.

The LLEP team are continuing to monitor projects closely in terms of performance, delivery and spend and maintain regular contact with project managers.

On the basis of this review and given that the vast majority of spend is expected to be defrayed in-year to LGF projects as planned, the LLEP and Accountable Body are confident that they can manage full spend of the allocation for 2020/21 in year using existing freedoms and flexibilities.

In the review meeting, the Area lead confirmed their understanding that given the current status of the schemes, the LLEP and Accountable should expect to receive payment of the remaining third of the LGF later in the year. This would of course follow a further check that projects continue to progress as planned and as set out on the attached schedule. This is welcome, as it means that the LLEP and project sponsors/owners can continue with the schemes on the ground, in the expectation that the full funding will be forthcoming

Local Growth pipeline

A letter was received on 10th June from Rt Hon Robert Jenrick MP, Secretary of State for Ministry Housing Communities and Local Government (MHCG). The report was an invitation to come forward with ideas for accelerating existing Government funded capital projects, to generate new activity within 18 months, to help create jobs and raise overall demand in the economy

The Commission from MHCLG required a prioritised list of projects in the event that further local growth funding should be made available by government. The LLEP team reviewed our current pipeline and invited partners to submit projects and 32 project submissions on the government's template were received.

	<p>The timescales meant that the review of projects had to take place very quickly. The shortlist submitted to Government was based on the following criteria:</p> <ul style="list-style-type: none"> • Projects that could be accelerated as part of current LGF programme • New projects that had full business case or well developed proposal (either for LLEP or other funding e.g. DfE, Transforming Cities Fund, ERDF) • Projects that would PRIMARILY enable <ul style="list-style-type: none"> ○ town and city centre modernisation through targeted infrastructure investments unleashing their longer-term economic potential; ○ investment in physical connectivity to improve the functioning of the local economy; ○ investment in innovation ecosystem including through improvements to research and development facilities driving up business productivity; ○ improvements to human capital (skills capital); ○ improving digital connectivity, in order to support economic performance, particularly in more isolated areas • Projects that could demonstrate good strategic fit /deliver within 18 months and have economic impact on the area • Projects that will aid recovery from COVID taking also into account the impact of COVID on the locality • Projects that would respond to the government’s ‘levelling up’ agenda • Projects that may have an alternative funding route such as those being progressed as part of the EZ business rates investment. • Ranking criteria was based on Strategic Fit, deliverability and short and long term impact. <p>The next stages of the process are unclear and at this time there no guarantee of any funding, as the letter from the Secretary of State outlined, they are at this stage, looking for potential projects that may be funded and it is possible that none of the projects will receive any funding.</p> <p>However, this has not been a wasted exercise because we have strengthened our pipeline to ensure we have projects for future calls beyond this 18 month delivery timeframe and this would also inform future fiscal events such as the Comprehensive Spending Review (CSR) later this year. The LLEP team so we will continue to work with partners on projects within the pipeline and that help to support the economic recovery of the LLEP area.</p>
8.	<p>Covid-19 Economic Recovery Plan (ERP)</p> <p>ACTION: Slides to be shared with Directors and interested partners. – Completed. Further detailed progress included in Paper F.</p>
9.	<p>AOB</p> <p>ACTION: KH to discuss with LLEP team how the media is utilised to promote the work on recovery planning. This action is on-going.</p>

Paper C

PAPER C

LLEP BOARD OF DIRECTORS

7 JULY 2020



Decision

Applications for membership

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the board's agreement to:
- i. Formally approve the recent requests to become a member of Leicester and Leicestershire Enterprise Partnership Ltd.

2. RECOMMENDATIONS

- 2.1 The LLEP Board is recommended to:
- i. note and approve the requests for membership to Leicester and Leicestershire Enterprise Partnership Ltd;
 - ii. agree to the formal template letter welcoming new members setting out their roles and responsibilities (Appendix 1).

3. BACKGROUND INFORMATION

- 3.1. Since incorporation in April 2019 membership of Leicester and Leicestershire Enterprise Partnership Ltd has included individuals and organisations. Membership of the company is open to persons who possess the characteristics (as appropriate) which is set out in the Articles of Association and
- i. apply to the Company in the form required by the directors;
 - ii. are approved by the directors; and
 - iii. sign a written consent to become a Member agreeing to be bound by these Articles.
- 3.3 Directors may refuse admission to membership if:
- i. in their opinion, the person does not possess the required characteristics of a Member pursuant to articles 25.1, 25.2, 25.3 and 34.1 (as appropriate); or
 - ii. in their opinion, they consider it not to be in the best interest of the Company to admit such person as a Member.

However, directors must act in the way they consider, to be in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole, this includes the need to act fairly between members of the company.

4. ROLES AND RESPONSIBILITIES

4.1 Companies, limited by guarantee, have members who act as guarantors, rather than shareholders. The liability of each Member is limited to £1 in the event that it was wound up. Members have certain rights and obligations given to them upon joining a company

- i. to receive notice of, attend, ask questions of the board and vote at Annual General Meetings; to inspect minutes of the same and request copies;
- ii. to appoint a proxy to attend, speak and vote at General Meetings if the member cannot attend;
- iii. to receive a copy of the company's annual accounts and reports;
- iv. to appoint and remove directors and to require directors to call a general meeting;

4.2 We have now recently received six applications for membership. Five of these are from the Public Sector and one is from a membership organisation

- i. Melton District Council, (Cllr Joe Orson)
- ii. Oadby and Wigston Borough Council, (Cllr John Boyce)
- iii. Hinckley and Bosworth Borough Council, (Cllr Stuart Bray)
- iv. North West Leicestershire district Council, (Cllr Robert Ashman)
- v. Harborough District Council, (Cllr Phillip King)
- vi. Leicestershire Rural Partnership, (Cllr Louise Richardson)

4.3 A Member that is an organisation is not an individual. The Organisation must give notice in writing to the Company the name of its Authorised Representative, the representative has the same voting rights as the Member Organisation would have, if it were an individual Member present in person at the meeting.

4.4 Subject to board approval of the applications, the applicants will be invited to sign and return the acceptance form (Appendix 1) to be formally appointed as members.

4.5 It is the intention, that once the Terms of Reference have been developed by the board for the Scrutiny Committee the membership will be drawn from this class of persons.

4.6 In line with S113 of the Companies Act 2006 approved members will be entered into the company's register of members.

Summary of appendices:

Appendix 1 – Acceptance of membership letter.

For further information please contact:

Mandip Rai
LLEP Chief Executive
Tel: 0116 4542911
E-mail: Mandip.raii@llep.org.uk

Leicester and Leicestershire
Enterprise Partnership Limited
23 Halford Street
Leicester
LE1 1JA

7 July 2020

[Member name]
[Member address]

Dear [Member name]

Membership of Leicester and Leicestershire Enterprise Partnership Limited (the Company)

Thank you for your application for membership of the Company.

Following a meeting of the board on 7 July 2020, I am pleased to confirm that your membership application has been accepted.

I can confirm that your name has been entered into the company's register of members.

I also enclose a link to the company's [Articles of Association](#) and the [Local Assurance Framework](#) which sets out details of how the company is governed.

Please do not hesitate to contact me if you have any queries.

Yours sincerely



Chair of the Board for Leicester and Leicestershire Enterprise Partnership Limited

I accept that by signing this letter I agree to be bound by the Articles of Association and the Local Assurance Framework, I acknowledge, if the company is wound up, the maximum I will commit to paying towards the company's debts is £1 and that this applies for the time I am a member and 12 months thereafter.

Signed

Print Name

Date

Paper D

PAPER D



LLEP BOARD OF DIRECTORS

7 JULY 2020

Decision Report

ENTERPRISE ZONES (EZ) INVESTMENT

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- i. seek board approval of the Business Rates Legal Agreements;
- ii. delegate responsibility for any final amendments to the legal agreements to the Chief Executive and accountable body S151 Officer;
- iii. inform the board of a proposal for the use of EZ business rates uplift between 2017-20.

2. RECOMMENDATION

2.1 The LLEP Board is recommended to:

- i. approve the EZ Business Rates Legal agreements;
- ii. delegate responsibility for any final amendments to the legal agreements to the Chief Executive and accountable body S151 Officer; following consideration and approval by the Billing Authorities;
- iii. agree in principle the proposal for the use of EZ business rates uplift between 2017-20, subject to business case approval by the board.

3. BACKGROUND INFORMATION

3.1 There are two Enterprise Zones (EZ) in the LLEP area:

MIRA Technology Park (MTP) EZ - a single site located in Hinckley & Bosworth, which has been operational since 1st April 2012 and the extension since 1st April 2016. Hinckley & Bosworth Borough Council (HBBC) is the billing authority.

Loughborough and Leicester Science and Innovation EZ - three sites located within Leicester and Charnwood which has been operational since 1st April 2017. Leicester City Council and Charnwood Borough Council (CBC) are the billing authorities.

- 3.2 EZ policy allows for local retention of 100% of the business rates uplift generated at an EZ site, accrued over a baseline, over a 25-year period. The principles for the retention and investment of the retained business rates are set out in the Business Rates Legal Agreements (Appendices 1-3) between each of the EZ billing authorities (Leicester City Council, Charnwood Borough Council and Hinckley & Bosworth Borough Council), the LLEP and Leicester City Council as its Accountable Body.
- 3.3 In February 2019 Board agreed that initially 85% of the rates (the total uplift minus the billing authority retention) would be utilised to repay any forward funding by local authority partners for EZ projects. The board has approved a programme of investment projects which continue to be reviewed in terms of phasing and sequencing as part of the next stage of the process.
- 3.4 The next stage of the process for investment is outlined below:
 - i) The local billing authority will be invited to advance funding for investment in projects. Should the opportunity be declined there will be an open call to invite a local authority partner(s) to invest in the prioritised project(s).
 - ii) If and when a local authority investor is identified, a financial due diligence process will be undertaken by the investing local authority(s) including the consideration of updated business rates forecasts and state aid compliance.
 - iii) Once the due diligence and negotiations with investing local authority(s) have concluded, a legal agreement setting out the terms of the funding will be agreed and signed by all parties including the project sponsor, investor, the LLEP and Leicester City Council as accountable body.
 - iv) Funding agreements will include a requirement for project sponsors to underwrite the investment to provide assurance to the investing local authority partner and to reduce risk.
 - v) A final decision report will be presented to the LLEP Board of Directors to approve the funding agreements.

4. USE OF EZ BUSINESS RATES 2017-20

- 4.1 As part of the EZ Business Rates legal agreement discussions it was proposed that a proportion of the rates uplift collected between 2017-20 should be ring-fenced for activities to aid Covid-19 recovery for businesses on and connected to the EZ sites through programmes of support. Appendix 2 outlines the potential sums involved. It is proposed that the billing authorities prepare business cases for the use of the funding through the EZ Steering Groups and these would be presented to the LLEP Board for agreement at a future meeting.

Summary of appendices:

1. Charnwood Borough Council Draft Legal Agreement
2. Hinckley and Bosworth Borough Council Draft Legal Agreement
3. Leicester City Council Draft Legal Agreement
4. Summary of Funding Profile for EZ Rates 2017-20

For further information please contact:

Mandip Rai
LLEP Chief Executive
Tel: 0116 4542911
E-mail: Mandip.raii@llep.org.uk

Paper E

PAPER E

LLEP BOARD OF DIRECTORS

7 JULY 2020



Decision

LLEP GOVERNANCE REVIEW

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- i. Seek board agreement to the terms of reference and membership of the LLEP Investment Panel.

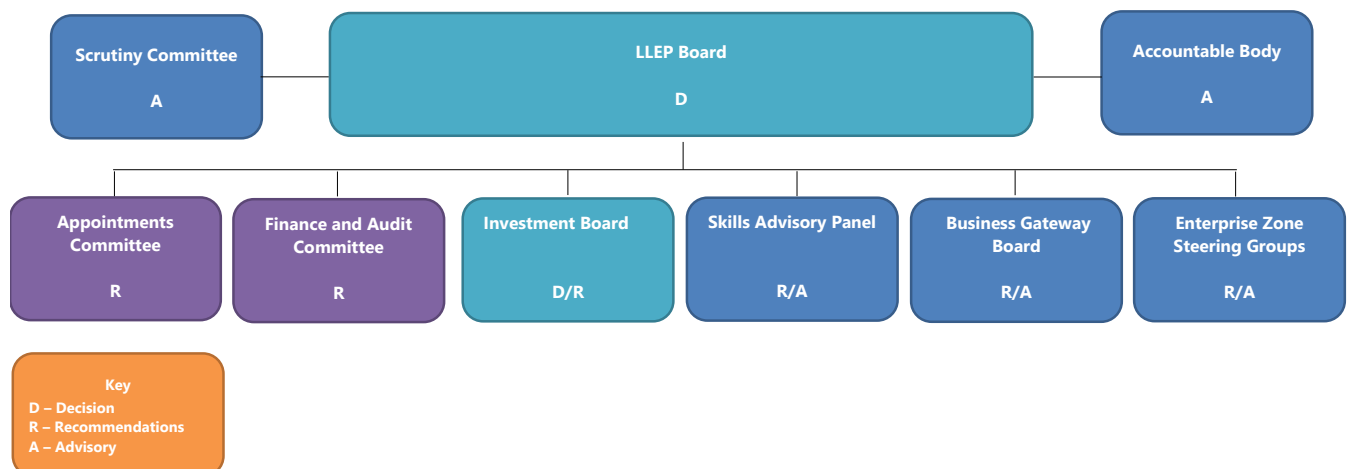
2. RECOMMENDATIONS

2.1 The LLEP Board is recommended to:

- i. agree the terms of reference and membership of the LLEP Investment Panel.

3. BACKGROUND INFORMATION

3.1 At the meeting on 2 June the board agreed to progress the proposed changes to the LLEP governance structure as illustrated below and to prioritise the formation of an Investment Panel. Following consultation with the Chair, Vice-Chair and Chair of the Programme Board, draft term of reference for the Investment Panel were sent to board directors on 19 June and nominations sought by 26 June.



PAPER

- 3.2 The terms of reference for the Finance and Audit Committee and Scrutiny Committee will be presented to the board at a future meeting. The board is recommended to agree the terms of reference and membership of the Investment Panel.

Summary of appendices:

1. Investment Board Terms of Reference.

For further information please contact:

Mandip Rai
LLEP Chief Executive
Tel: 0116 4542911
E-mail: Mandip.rai@llep.org.uk

LLEP Investment Panel Terms of Reference

Purpose

The Investment Panel is a sub-committee of the LLEP Board. The Panel does not have any delegated decision making authority unless specifically granted by LLEP Board.

1. Objectives

- i) To oversee an open and transparent approach to the appraisal of projects and the award of funding by the LLEP Board to appropriate projects that bid into monies allocated to the LLEP (e.g. Local Growth Fund, Growing Places Fund, EZ business rates) and to do this on behalf of the LLEP Board, and making recommendations to the LLEP Board for approval or not of projects and then ensuring that LLEP Board approved recommendations are taken through to appropriate contracting and award of funds.
- ii) To monitor performance against contracted projects and performance of the relevant fund overall, considering output and outcome performance, funding and spend profiles and monitoring of risk. Where performance is poor the Panel will also consider appropriate courses of action and make recommendations to the Board, including if necessary, the reduction or withdrawal of funding.
- iii) Provide assurance to the LLEP Board and the Accountable Body that proper and reasonable decisions are being proposed and that the checks and monitoring of project performance are undertaken.
- iv) Work with the Accountable Body to ensure the standards in the Local Assurance Framework are met.

2. Reporting Responsibilities

- i) The Panel Chair shall report formally to the LLEP Board on its proceedings after each meeting on all matters within its objectives.
- ii) The Panel shall make whatever recommendations to the Board it deems appropriate on any area within its duties where action or improvement is needed.
- iii) The Panel will report on fund allocation, spend performance, output performance and risk to the LLEP Board at the next Board meeting following each Panel meeting.
- iv) When appropriate, written reports will be provided to the Investment Panel for matters of urgency outside of the regular meeting schedule via written procedure.

3. Membership

- 3.1 The Investment Panel will be chaired by a LLEP Board Non-Executive Director and its membership will include five other LLEP Board Non-Executive Directors and may include the Vice-chair but not the Chair of the LLEP Board. The Panel members will elect its Chair.
- 3.2 Appointments to the Panel shall be agreed by the LLEP Board for a term of 3 years.
- 3.3 In the absence of the Panel Chair, the remaining members present shall elect one of themselves to chair the meeting.
- 3.4 Members of the Panel are encouraged to attend each meeting. If members cannot attend, they will be encouraged to submit their views in writing.
- 3.5 The Investment Panel is supported by the LLEP Executive and secretariat and the Accountable Body (Leicester City Council).

4.0 Format and Timings of Meetings

- 4.1 The Investment Panel will meet bi-monthly running, where appropriate, the month prior to the LLEP Board meeting.
- 4.2 The meetings and papers of the Panel will be in the same format as and subject to the same conditions as the LLEP Board meetings and papers.
- 4.5 In accordance with the national guidance:
 - (i) Meeting agendas and papers will be circulated 5 clear working days before the meeting takes place;
 - (ii) Minutes of Panel meetings to be circulated within 10 clear working days of the meeting taking place. This may be in draft if internal LLEP processes require clearance before the minutes are finalised.
 - (iii) Any declaration of interest made at the meeting will be included in the minutes of the Panel meeting. A new declaration of interest will be updated on the relevant member's register of interest.
 - (iv) The quorum necessary for the transaction of business shall be three members. The Panel meetings can either be conducted in person or virtually.
- 4.6 Where a meeting of is not quorate no business shall be transacted other than information items for consideration and a vote as to the date the meeting will be reconvened.

- 4.7 The agenda for the Panel meetings will be developed in consultation with the Panel Chair.
- 4.8 Where appropriate, and as required, decisions can be taken by written procedure which will follow the written procedure process established for the LLEP Board and set out within the LAF.

Paper F

PAPER F

LLEP BOARD

7 July 2020



Discussion 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.

2. RECOMMENDATION

- 2.1 The Board is recommended to:
- i) note the content of the report and associated appendices
 - ii) reflect on the content within discussion at LLEP Board Meeting

3. PROGRESS TO DATE

- 3.1 The Economic Recovery Cell(ERC) meets fortnightly to progress work towards economic recovery. The three Leicester and Leicestershire Universities are now represented on the cell as leads for the Ideas Foundation, incorporating the work currently being undertaken on the MIT REAP project.
- 3.2 Whilst the government has yet to announce the format of its expected National Economic Recovery Plan, the Business Secretary, Alok Sharma has announced five 'recovery roundtables' bringing together businesses, business representative groups and leading academics. These roundtables will consider measures to support economic recovery and ensure the right skills and opportunities are in place for our workforce over the next 18 months. Focused on five key themes, each group will explore how business can work with government to deliver economic growth and jobs:
- **The future of industry:** How to accelerate business innovation and leverage private sector investment in research and development;
 - **Green recovery:** How to capture economic growth opportunities from the shift to net zero carbon emissions;
 - **Backing new businesses:** How to make the UK the best place in the world to start and scale a business;
 - **Increasing opportunity:** How to level up economic performance across the UK, including through skills and apprenticeships and
 - **The UK open for business:** How to win and retain more high value investment for the UK.

The themes identified may be a precursor to the structure of the recovery strategy, and therefore going forwards we will ensure that they are factored into the work on a local recovery plan.

- 3.3 An initial meeting of the Economic Analysis Group will take place on 27th July 2020. An immediate priority will be the mapping of current activity / research being undertaken by partners in terms of the economic impact of Covid-19 on Leicester and Leicestershire.
- 3.4 A summary of current research projects being undertaken either directly through the LLEP or where the LLEP is a partner, is listed at Appendix A. All of these (with the exception of the Leicester and Leicestershire Business Survey) started or are planned to start after the onset of the Covid-19 pandemic. The projects listed will provide valuable evidence to support the development of the Economic Recovery Strategy. Through consultation with the Economic Analysis Group, a further assessment will be made of where there are gaps and whether partner organisations are able to undertake the work or if there is a requirement to commission further research.
- 3.5 A draft *Interim Economic Impact Assessment: People, Employment and Skills* has been completed and is attached at Appendix 2. At this stage the document is reflective of emerging predictions of the impact of Covid-19 on skills and employment at a national level. Local data has been included where available, but due to data lag we anticipate that the assessment will remain dynamic and subject to regular updates as we gather more intelligence and data on the 2019-20 academic year is published. This paper was the main agenda item at the Skills Advisory Panel meeting on 25th June. The Panel endorsed the findings within the paper and going forward further work will be undertaken to determine key priorities, map current provision in place, identify gaps and determine investment priorities, pending the announcement of further details of the Future Skills Fund.
- 3.6 Work has commenced on the Economic Impact Assessments for Place and Business with progress being reported to the Economic Recovery Group. At its most recent meeting on 26th June the ERC agreed that the MIT REAP action plan, once completed, would be sufficiently detailed to serve as a baseline evidence and impact assessment for the Ideas strand, and that the Place impact assessment would be taken forward through the Strategic Planning Group.

Summary of Appendices

1. Summary of current and proposed research activities
2. Draft Interim Economic Impact Assessment: people, skills and employment

For further information please contact

Fiona Baker
Head of Strategy and Engagement
Tel: 0116 454 1550 or 07590 444 140
Email: Fiona.baker@llep.org.uk

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Post-Covid-19 commissioned evidential research by LLEP or in partnership with others

Project	Overview	Status	Lead
Leicester and Leicestershire Business Survey	Business survey commenced January 2020 after being postponed due to Brexit with a target sample of 1000 businesses. Prior to the outbreak of Covid 350 interviews had taken place, a further 400 took place in the early stages of the outbreak and then interviews ceased as businesses became difficult to contact. The remaining 250 interviews will be undertaken in July, giving a comparable picture of pre, early stages and during the pandemic. Although questions will incorporate the impact of Covid, they cannot be changed substantially as this would impact on the validity of the questionnaire.	In progress	LLEP/BMG
Covid-19 Tracker Survey	LLEP is investigating the potential to conduct a tracker survey with a set cohort of businesses to monitor changing business sentiment as the impact of Covid-19 continues over time, thereby avoiding a single snapshot view in this fast-changing scenario.	Not started	LLEP
Digital Skills in the workplace	As part of their ESF programme, SERCO were awarded Development Funding to undertake research into a specific aspect of provision. This takes the form of a qualitative study of employers' perceptions, requirements and barriers to developing digital skills in the workplace. Initial findings should be available in July	In progress	SERCO
Warehousing and logistics	Earlier this year G L Hearn and MDS Transmodal were appointed to undertake a study on warehousing and logistics in Leicester and Leicestershire as part of the existing SGP work programme. All authorities and the LLEP are represented on a time limited task and finish group which is led by Harborough District Council. This follows an earlier study on the sector in 2014 and a partial update study commissioned by Harborough District Council in 2016 which helped	Draft report completed	SPG

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	to inform the consideration of planning applications at Magna Park, near Lutterworth. Given the dynamics of the sector which continue to evolve at pace, strong market demand, and a need to look forward over longer timescales a new study is being undertaken. The final report will be presented to SPG in July.		
Low Carbon Economy, Goods and Services	Midlands Energy Hub has submitted a proposal for a piece of research which will provide each of the constituent LEP areas with sufficient information to form policies aimed at the development of the low carbon economy goods and services sector within their geographies. The project will provide a robust evidence base that will inform the economic recovery plans, supporting a green recovery. Green recovery has already been identified as one of the themes for the Economic Recovery Roundtables and the Midlands region requires a robust evidence base in order to position itself to take advantage of this situation.	Not started	Midlands Energy Hub
Food and Drink Survey	<p>Food and Drink manufacturers and producers have been particularly impacted by COVID-19 and so a new sector focused survey is looking at these impacts, but critically wanting to hear direct from business as to what type and level of support they need to prepare for the months ahead as business and the economy start to recover.</p> <p>An online survey of Leicester and Leicestershire Food and Drink Businesses commenced in early June 2020 with draft findings expected to be published by the end of July.</p>	In Progress	Nottingham University / Food and Drink Forum
Natural Capital Baseline Report	Prior to the onset of Covid-19, the LLEP was on the point of commissioning a review of natural capital evidence to inform the LIS This was in response to comments from DEFRA on the evidence base underpinning the LIS, highlighting a need to include more specific references to the economic opportunities that could arise from the area’s natural capital assets. There also needs to be	Specification drafted	LLEP / Leicestershire County Council

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	<p>acknowledgement of the risks to natural capital that could arise if economic growth is not appropriately managed. Whilst this activity was paused due to Covid-19 it remains valid and procurement will shortly take place as the first stage in developing a more comprehensive natural capital evidence base for our area and ultimately a natural capital investment plan. The scope of this brief is limited to the initial strategic assessment.</p>		
<p>Supply Chain</p>	<p>The impact of supply chain disruption and fracture to businesses following Covid-19 is a key risk. Midlands Engine Observatory is proposing to conduct research on supply chains with the objectives of de-risking, building resilience, understanding vulnerabilities, strengthening supply chains and informing policy.</p> <p>All ME LEPs are supportive of this proposed collaborative piece of work regarding Midlands supply chains which will probably focus on three key sectors / supply chains in the first instance.</p>	<p>Not started</p>	<p>Midlands Engine</p>
<p>Digital High Street</p>	<p>Over the last three years Loughborough University has produced a Digital High street Index, which looks at changes in Leicestershire town centre businesses in terms of their digital skills.</p> <p>The index initially set the baseline as to the number of businesses that had a website, the number who traded on-line both by webpage and by smart phone, usage by the retailers of social media as a marketing tool and which channels are being used.</p> <p>The index is due to be re-collected on June 19th this summer and the information will prove vital in measuring the impact on the High street of Covid19 and will demonstrate if there has been a shift, especially in our independent retailers towards on-line sales which will make them</p>	<p>Ongoing</p>	<p>Leicestershire County Council</p>

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	more resilient.		
Forecast scenario modelling – GVA / employment / business base	As the economy reopens following the initial lockdown period a clearer picture will emerge on the overall impact. However, there will still be a requirement to undertake some scenario modelling of the longer-term impact on GVA, employment, and business demography in order to inform the development of the longer-term Economic Development Plan. It is anticipated that the LLEP will commission this work through external consultancy, and that there will be allowance for a range of predicted scenarios.	Not started	LLEP / TBC
Sector impact analysis	It is clear that the impact of Covid-19 differs between sectors, and that sectors themselves can be differently affected depending on geography. Representative bodies of many sectors are working on national sector recovery plans, however, there will be a need to examine the impact on our wide range of local sectors, both in terms of support for those which have been adversely affected and in identifying those where the crisis has generated opportunities for growth.	Not started	LLEP / TBC

Interim COVID-19 Economic Impact Assessment for Leicester and Leicestershire: people, employment and skills

18 June 2020



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Introduction

This assessment forms part of the wider Economic Recovery Strategy planning for Leicester and Leicestershire, and the purpose is to identify key issues arising which will impact on future planning.

The impact of COVID-19 on the economy has been immediate and will be far reaching. The situation is still evolving and therefore it will be some time before conclusive data is available. This report is therefore interim and largely predicated on forecasted outcomes drawn from desktop research. As further data becomes available and more sectors of the economy return to work the report will be updated on an ongoing basis.

Summary Findings

Predictions from economists suggest that the UK could be facing the deepest recession in the post-war era with a consequent impact on employment and skills.

The impact on sectors is wide-ranging: hospitality, leisure, and creative industries have been severely affected by lockdown. Other sectors, such as logistics, have experienced growth, particularly in this geographical area. Whilst we don't yet know what the overall impact will be, we can anticipate that there will be a need to provide timely labour market information and careers advice to both young people and adults.

Young workers (aged up to 25) are likely to be disproportionately disadvantaged by any downturn in the economy. Significant support will need to be put into place to mitigate against rising numbers of NEET¹ and a future where earning potential is scarred for years ahead by the effects of recession. They are likely to be the hardest hit for a number of reasons including missing education, reduction in apprenticeship opportunities, a more competitive labour market and lack of workplace digital skills.

As more people are working from home by default, workers under 25 and over 55 are the most limited in what they can do from home. Two of the LLEP area's large employment sectors, manufacturing and logistics, are among those sectors where the workforce is least likely to be able to work from home.

Unemployment figures have risen significantly during the initial lockdown period, the eventual position will not be clear until all sectors have returned to work and the Coronavirus Job Retention Scheme has wound down in the autumn.

The requirement for digital skills both in the workplace and to operate effectively in society has been thrown into sharp focus by the impact of lockdown and working from home. More needs to be done to ensure that those least likely to have these skills, such as part-time workers, women and those with a background in retail, construction and manufacturing are able to acquire them.

¹ NEET – Not in education, employment or training

Baseline Data and Future Analysis

In March 2020, coinciding with the onset of the pandemic, the LLEP published its [Skills Evidence Base Summary](#) for Leicester and Leicestershire. Clearly, as is the case with the evidence base for the Local Industrial Strategy (LIS), this data is now not sufficient to enable the development of a Skills Strategy in the context of the impact of COVID-19. However, it is a rich source of baseline data against which the impact of COVID-19 can be measured, as data becomes available.

Where data exists, we have tried to include it within this document, however, the impact of Coronavirus continues to shift and is subject to data lag. For example, it will be some time before we see unemployment statistics settle as the winding down of furlough arrangements is expected to result in an increase in both redundancies and business closures. At the time of writing, much of the data available is at a national level, rather than specific to Leicester and Leicestershire.

The government is currently considering a Future Skills Fund in the wake of COVID-19 but has not yet released details on what form this will take. A discussion paper was circulated following the most recent meeting of the LEP Skills Network which gives some indication of the direction of travel (Appendix A) but should not be interpreted as confirmed government policy.

Economic Context

All indicators suggest that this is likely to be the deepest recession of the post war era and that it will result in an unprecedented fall in UK GDP. The quarterly figures for UK GDP released on 12 June showed that the UK economy had fallen by a record 20.4%².

² It should be noted that the monthly growth rate for GDP is volatile. It should therefore be used with caution and alongside other measures, including the three-month growth rate, when looking for an indicator of the longer-term trend of the economy.

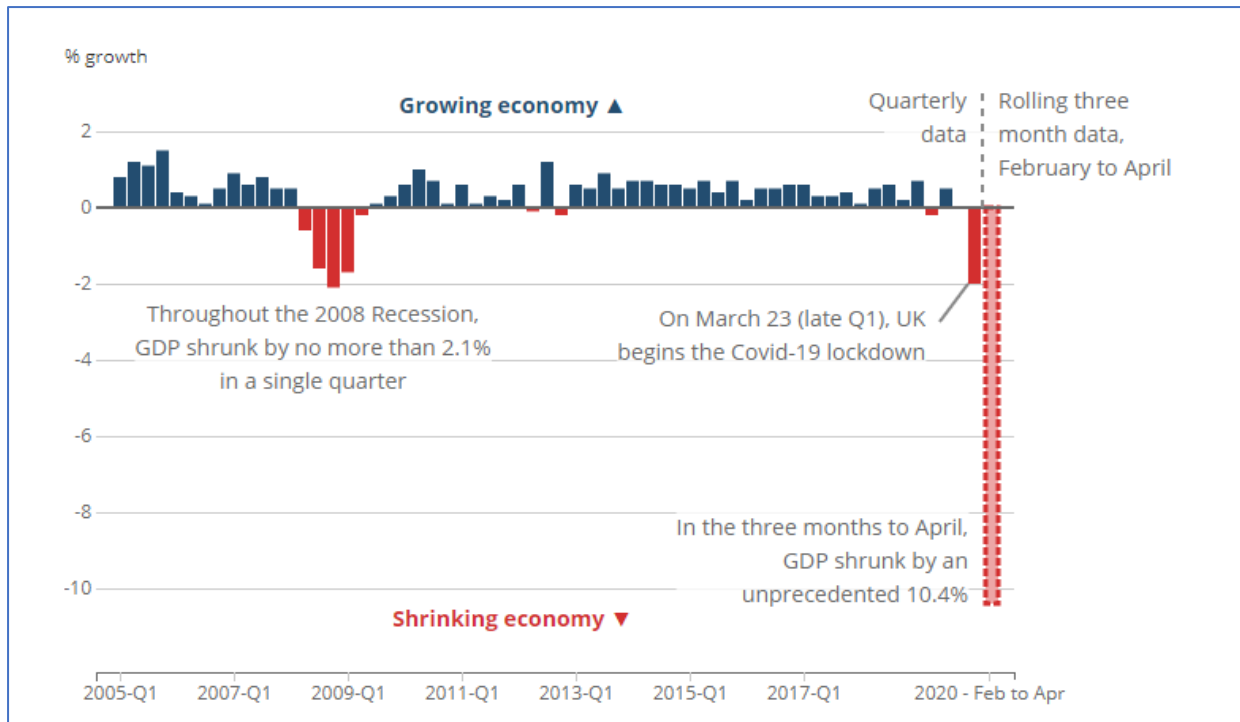


Figure 1 Gross Domestic Product May 2020
Source: ONS

The World Economic Forum has identified a number of risks associated with the pandemic at a global level³ however they are also reflective of potential risks to the economy of Leicester and Leicestershire and impact on employment, skills and opportunities.

- Prolonged recession of the global economy
- A surge in bankruptcies (large firms and SMEs) and a wave of industry consolidation
- Failure of certain industries to properly recover
- Protracted disruption of supply chains
- High levels of structural unemployment⁴
- Another outbreak of the disease
- Tighter restrictions on cross border movement and goods
- Cyber-attacks and data fraud due to a sustained shift in working patterns

To aid economic recovery, on 8 June, the Business Secretary, Alok Sharma, announced five 'recovery roundtables' bringing together businesses, business representative groups and leading academics. They will consider measures to support economic recovery *and ensure the right skills and opportunities are in place for our workforce over the next 18 months.*

Focused on five key themes, each group will explore how business can work with government to deliver economic growth and jobs:

³ World Economic Forum, *COVID-19 Risks Outlook: A Preliminary Mapping and Its Implications*, May 2020

⁴ unemployment resulting from industrial reorganisation, typically due to technological change, rather than fluctuations in supply or demand.

- **The future of industry:** How to accelerate business innovation and leverage private sector investment in research and development
- **Green recovery:** How to capture economic growth opportunities from the shift to net zero carbon emissions
- **Backing new businesses:** How to make the UK the best place in the world to start and scale a business

• **Increasing opportunity:** How to level up economic performance across the UK, including through skills and apprenticeships

- **The UK open for business:** How to win and retain more high value investment for the UK

Economic Impact Assessment for Leicester and Leicestershire – People and Skills

Sectoral Impact

The pandemic (and measures taken to limit its effect) have affected different sectors to a greater or lesser extent. Some sectors have experienced little or no contraction, others, e.g. aviation, hospitality and the arts have been so adversely affected that recovery to pre-COVID levels is likely to be prolonged. The COVID-19 Economic Impact Assessment for Business will contain more detail on how sectors have been affected. As an initial means of identifying which sectors have been most immediately affected or are most vulnerable, we can use numbers furloughed. The percentage of employed furloughed within each sector can be calculated nationally but not by local authority. However, we can use the national percentages to estimate the numbers in each sector furloughed locally. It should be noted that using this methodology results in an error in the calculation of the total number furloughed. The total number of workers furloughed in Leicester and Leicestershire to 31 May 2020 was **129,700**, however, applying national percentages results in a total of 133,785, an **overestimate** of 4,085. The figures should therefore be interpreted with caution as a guide only to the numbers likely to have been furloughed in each sector.

Sector	% of Sector Furloughed (National)	LLEP Area Employment	Estimated Numbers Furloughed (LLEP Area)
Wholesale, Retail, Motor Vehicle Repair	39.1%	78,000	30,484
Manufacturing	39.4%	59,500	23,450
Accommodation and food services	70.0%	29,500	20,648
Construction	53.1%	22,000	11,685
Business Administration and support services	26.6%	42,000	11,154
Professional, scientific and technical activities	20.4%	39,000	7,969
Arts entertainment recreation & other services	29.4%	24,000	7,046
Transport and storage	23.3%	27,500	6,409
Health	9.9%	53,500	5,304
Education	9.2%	47,000	4,327
Information and communication	14.4%	13,000	1,872
Property	24.8%	6,500	1,614
Financial and insurance services	6.9%	11,000	758
Agriculture, forestry and fishing	9.0%	6,025	541
Mining, quarrying and utilities	4.1%	10,750	436
Public administration and defence	0.4%	20,500	88
Other		0	0
Total		489,775	133,785

Figure 2 Estimated number of employees furloughed in LLEP Area to 31 May 2020

Source: HMRC, Coronavirus Job Retention Scheme Statistics, June 2020 / LLEP Annual Economic Profile 2020

There are local circumstances which need to be considered in making any judgement regarding sectors at risk, e.g. whilst aviation in general is a high-risk category, East Midlands Airport continues to be one of the ten busiest airports in Europe during the COVID-19 crisis and has continued to operate 60% of its scheduled flights due to its large freight operation.

A recent analysis of the ONS labour force survey by TUC⁵ found that nationally

- Of 4,352,000 UK workers aged 25 and under, 890,000 work in either accommodation and food, or arts, entertainment and recreation.
- It means that 20% of workers aged 25 and under work in these two sectors, compared to 6% for workers older than 25.
- Workers aged 25 and under are therefore three times more likely to work in one of the two sectors where jobs are at greatest risk.

Figure 3 shows that women workers aged 25 and under face the greatest risk of all. They are six times more likely than male workers over 25 to work in the highest risk sector, accommodation and food.

The LLEP area has a slightly higher proportion of economically active women compared to both the East Midlands region and England. In the LLEP area 73.3% of working aged women were in employment compared to 71.7% nationwide. Although the difference is not great, it suggests that any economic impacts that disproportionately affect women will be felt in the LLEP area.

% of workers employed in at-risk industries by age and gender (UK)			
	Accommodation and food	Arts, entertainment and recreation	At risk industries
All in employment	5	3	8
All over 25	4	2	6
All 25 and under	15	5	20
Men over 25	3	2	6
Men 25 and under	12	5	17
Women over 25	5	2	7
Women 25 and under	18	5	23

Figure 3 Percentage of workers employed in at risk industry by age and gender (national figures)
Source: TUC Analysis of ONS Labour Force Survey (Jan-March)

However, we can see from Figure 2 that there are sectors in which the impact will be felt less heavily. Leicestershire's position in the centre of the logistics golden triangle taken together with the increased demand in online shopping and home deliveries has meant the logistics sector has seen unanticipated growth over the last 3 months. Health, and pharmaceutical supply sectors and essential retail have also seen increased demand and there is a

⁵ TUC, Research Note: Young Workers and At-Risk Industries, 12 June 2020

heightened interest in the Low Carbon sector. A more detailed analysis of the impact on sectors will be undertaken as part of the Economic Impact Analysis for Business.

Occupations

Drawing on ONS Data, Learning and Work Institute have identified the categories of occupation in Figure 4 as those most likely to be at risk.

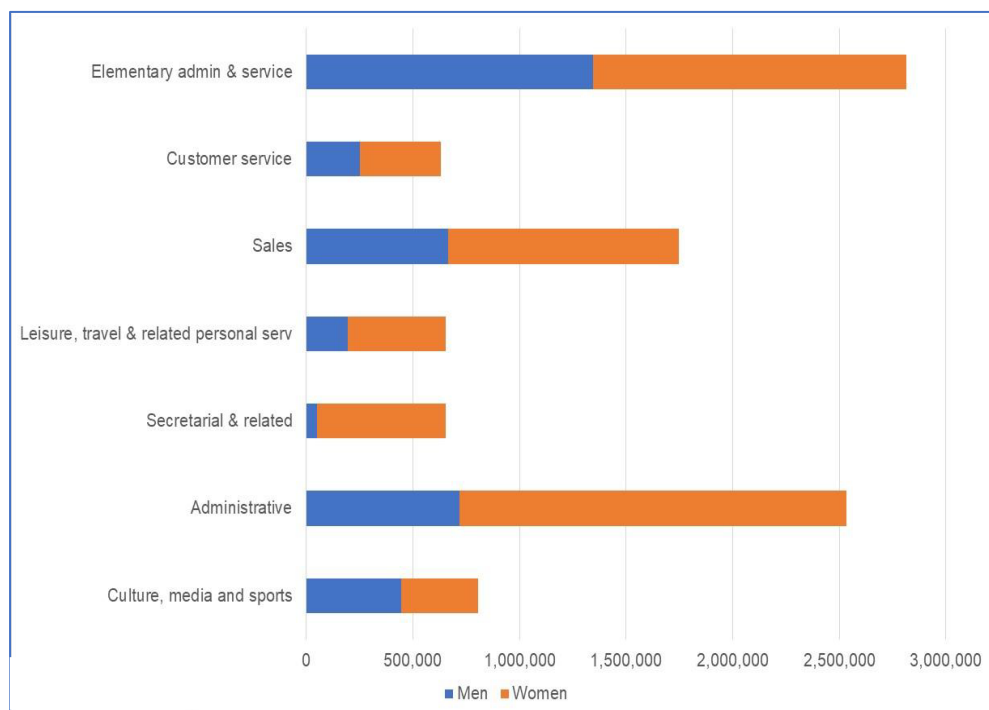


Figure 4 Employment in occupations most at risk (national)
Source: ONS / Learning and Work Institute

Figure 5 shows that almost a third of the total LLEP area workforce are employed in these categories.

LLEP Area employment in occupations most at risk		
	Numbers employed	% of workforce
Elementary, admin & service	47,700	9.0
Customer Service	15,600	3.0
Sales	20,600	3.9
Leisure, travel and related personal service	8,600	1.6
Secretarial and related	8,300	1.6
Administrative	38,700	7.3
Culture, media and sports	10,500	2.0
Total	150,000	28.3

Figure 5 - Percentage of LLEP workforce engaged in 'at risk' occupations
Source: ONS Annual Population Survey 2019

Those who can do their work from home are most likely to be able to weather this crisis without severe impacts on their health, job security and earnings. A survey from the

Resolution Foundation⁶ found that those aged 25-39 are most likely to be working from home during the crisis, and most likely to expect to do more of this in the future. Conversely, the youngest employees and those aged 55 and older are the most limited in what they can do from home.

Two of the LLEP Area's key sectors, manufacturing and logistics, are among those sectors where the workforce is least likely to be able to work from home.

Unemployment

It is expected that there will be a shift from a pre-COVID position of near full employment to post-COVID era of high unemployment. The Learning and Work Institute paints a bleak picture of the likely fallout.⁷

We face the risk of a perfect storm in the late summer – with elevated unemployment, a slow recovery in vacancies, winding up the CJRS (Coronavirus Job Retention Scheme) leading to increased exits from work, a collapse in apprenticeship numbers related to overall labour market changes, and up to 800,000 young people leaving education and entering the labour market.⁸

To date in Leicester and Leicestershire there have been relatively few notified redundancies, with the exception of Ibstock Brick and Triumph, although the impact of redundancies at Rolls Royce will be felt in Leicestershire. However, it is widely expected that redundancies will increase over the autumn as support schemes, in particular the Jobs Retention Scheme, wind down. Past recessions show the impact of joblessness is uneven, but this will be particularly hard reaching in areas reliant on vulnerable sectors. In previous recessions, the wide spread of industries making up the Leicester and Leicestershire economy have cushioned the area from large scale redundancies associated with reliance on a single sector large employer.

⁶ M Gustafsson, *Young workers in the coronavirus crisis: Findings from the Resolution Foundation's coronavirus survey*, Resolution Foundation, 19 May 2020

⁷ Learning and Work Institute, *Getting Britain Back to Work*, May 2020

⁸ K Henahan, *Class of 2020: Education leavers in the current crisis*, Resolution Foundation, May 2020

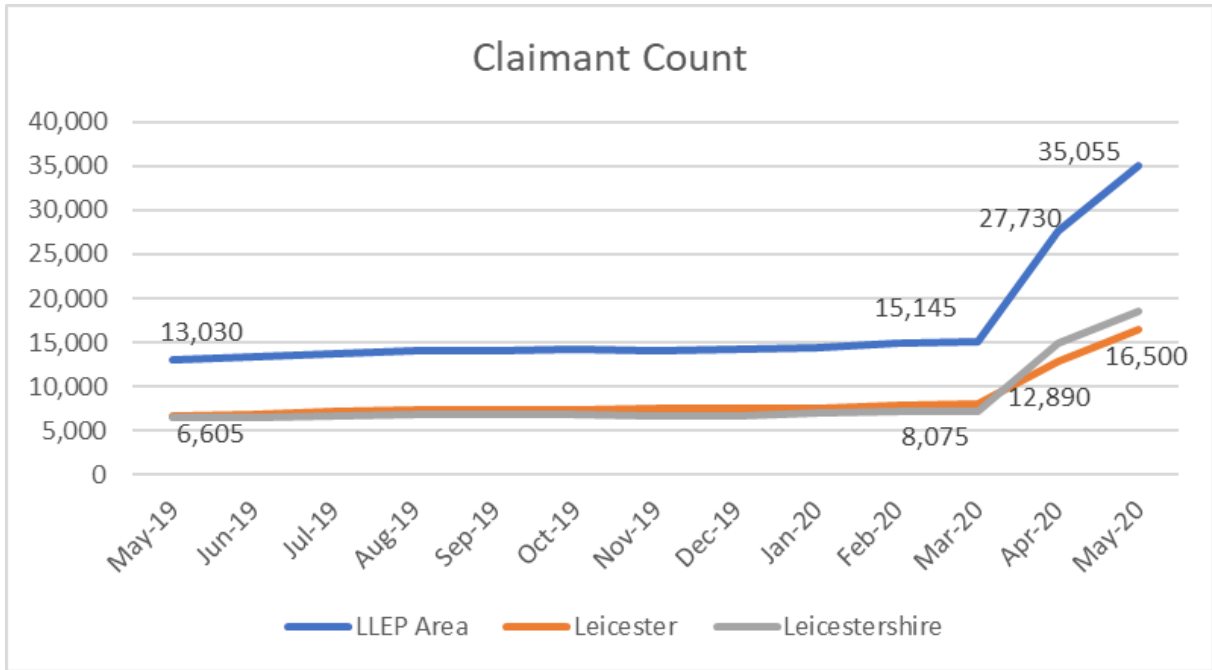


Figure 6 LLEP Area Claimant Count May 2020
Source: ONS

April 2020 saw the largest monthly rise in claimants on record. From March to April the number of claimants rose from 15,145 to 27,730. This is a claimant rate of 4.2% (from 2.3% in March).

The number of claimants rose from 27,730 in April to 35,055 in May. This is a rise of 7,325 claimants (or 26.4%). The rise in claimants over a 2-month period is 19,910 which translates to a percentage rise of 131.5%.

In the short term we can see that those who are 25 to 49 are more likely to have become claimants. There are now 20,150 claimants within this age bracket. In March there were 8,585. This is a rise of 11,565 claimants or 134.7%.

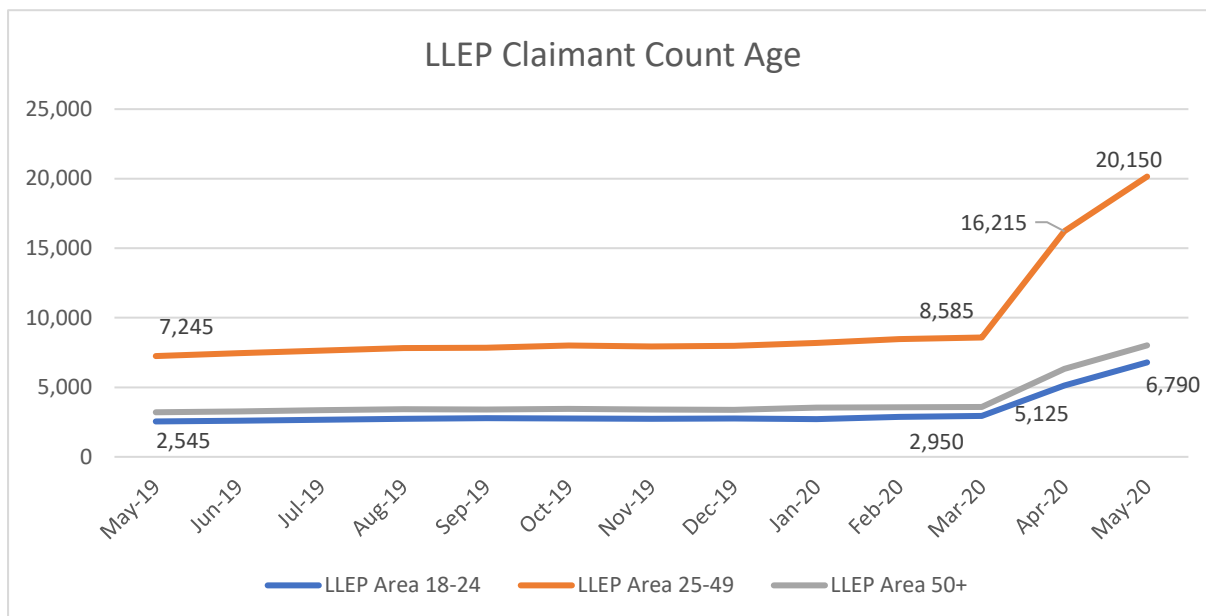


Figure 7 LLEP Claimant Count Age
Source: ONS

What is uncertain is how these figures will change over the following months, will they start to flatten as the economy starts to open and people start to return to work or will there be continued growth in claimants? The closure of the CJRS is widely predicted to result in an increase in notified redundancies.

Young People

The population of **Leicester** is significantly younger than average:
17.1% of the population are aged **16-24** compared to the England average of **10.7%**
 For **Leicester and Leicestershire** combined, **13.1 %** are aged 16-24⁹

All of the emerging reports conclude that young people are likely to be the hardest hit by the fallout of the pandemic, and that there are a number of factors which contribute to this as follows:

- It is anticipated that a large cohort of young people will need support to catch up on learning.¹⁰ There are also concerns about those from disadvantaged background and a predicted widening of the attainment gap due to lost schooling during the crisis. Disadvantaged pupils in both City and County performed lower than England

⁹ LLEP Annual Economic Profiles

¹⁰ <https://www.tes.com/news/Covid-19-sunaks-emergency-budget-what-it-needs-offer-fe>

averages in 2019 at GCSE level (aged 16). The gap between disadvantaged and non-disadvantaged students is wider in the county but this is due to both lower performance of non-disadvantaged and better performance for disadvantaged. Any adverse impact on disadvantaged students is likely to impact pupils in Leicestershire.

- Young people are most likely to work in vulnerable sectors¹¹ and least likely to be able to work from home.¹²
- They are the group most likely to use public transport¹³ and therefore have difficulty in getting to work if far from home in the immediate recovery period.
- NEET levels likely to rise again, the reductions seen in over the last decade may be wiped out by the effect of COVID-19 (although may be mitigated by more staying in education as measures of the NEET cohort in Leicester and Leicestershire includes 16-17-year olds only).
- Fewer apprenticeship places will be available for those wishing to follow that route, shutting off a route to employment for many young people (see section on Apprenticeships below).
- A rise in experienced workers with transferable skills joining the labour market will increase competition for jobs and disadvantage young people.
- Employers want young people to have experience of the world of work, but this will be difficult under social distancing conditions, further affecting their employment chances and likelihood of becoming NEET. Continued employer encounters will be critical in preventing a rise in NEET.
- Young people will find it harder to access the labour market as they are likely to become the last choice of employers in what is predicted to become an overcrowded labour market. Leicester City has a higher than average 16-24 population and could therefore suffer more in terms of the effect on young people.
- The IFS reports that entering the labour market during a recession can have a negative effect on earnings for years afterwards. Experience from previous recessions tells us that graduates will be less likely to find work and will start off in lower-paying occupations than they might have expected. Young people looking to enter the labour market for the first time this year are likely to be even worse affected.¹⁴ Those

¹¹ TUC, [Research Note: Young Workers and At-Risk Industries](#), 12 June 2020

¹² M Gustafsson, *Young workers in the coronavirus crisis: Findings from the Resolution Foundation's coronavirus survey*, Resolution Foundation, 19 May 2020

¹³ A Davenport and P Levell, *Changes down the line: flattening the curve of public transport use*, Institute for Fiscal Studies, May 2020

¹⁴ Johnson, P, *A bad time to graduate*, Institute for Fiscal Studies, 17 April 2020

graduating this year will find it harder to find employment and, especially, harder to find well-paid employment than did their immediate predecessors. This will impact on their earnings for a considerable period of time. Pre-COVID, around 33% of the LLEP area workforce was underemployed and given the increased difficulties in securing employment it seems that this is likely to increase during any recession.

- Under normal circumstances, we would have expected just under half of 18-year-old secondary school leavers, and a minority of 18-24-year-old higher and further full-time education leavers, to stay on in full-time study¹⁵. These figures are likely to increase as young people find it difficult to find employment, with a consequent strain on the Adult Education Budget.

Apprenticeships

Whilst there are no official statistics available at a local level, national data published by ESFA¹⁶ shows a steep decline in Apprenticeship starts in April compared to the same period last year with just 7,000 starts compared to 24,800 in April 2019. (This comparison is however, heavily caveated as last year's figure was taken from a later data return and ESFA would not normally include data for the very latest month and is only doing so as a result of COVID-19. For example, at this point in 2018/19, data reported to date for April starts was only 67.5 per cent of the final figure based on end of year data. Reporting of data by providers at this time may be further affected by the pandemic. Therefore, extra care should be taken in comparing and interpreting the data.)

The ESFA data release also includes figures from 23 March, when lockdown started, to the end of April.

AGE	2018/19 (at this point last year)		2019/20 (reported to date)	
	Apprenticeship Starts	Proportion of total	Apprenticeship Starts	Proportion of total
Under 19	4,020	15.3%	1,040	8.0%
19-24	7,610	28.9%	3,390	26.1%
25+	14,700	55.8%	8,590	66.0%
TOTAL STARTS	26,330		13,020	

Figure 8 Apprenticeship starts from 23 March to 30 April 2020, reported to date
Source: ESFA

Albeit that these figures are subject to the same caveats as above, only 50% of the number of starts registered by this time last year have been recorded.

Opportunities for young people were hit the hardest with a 74% decline in under 19 starts.

¹⁵ K Henahan, *Class of 2020: Education leavers in the current crisis*, Resolution Foundation,

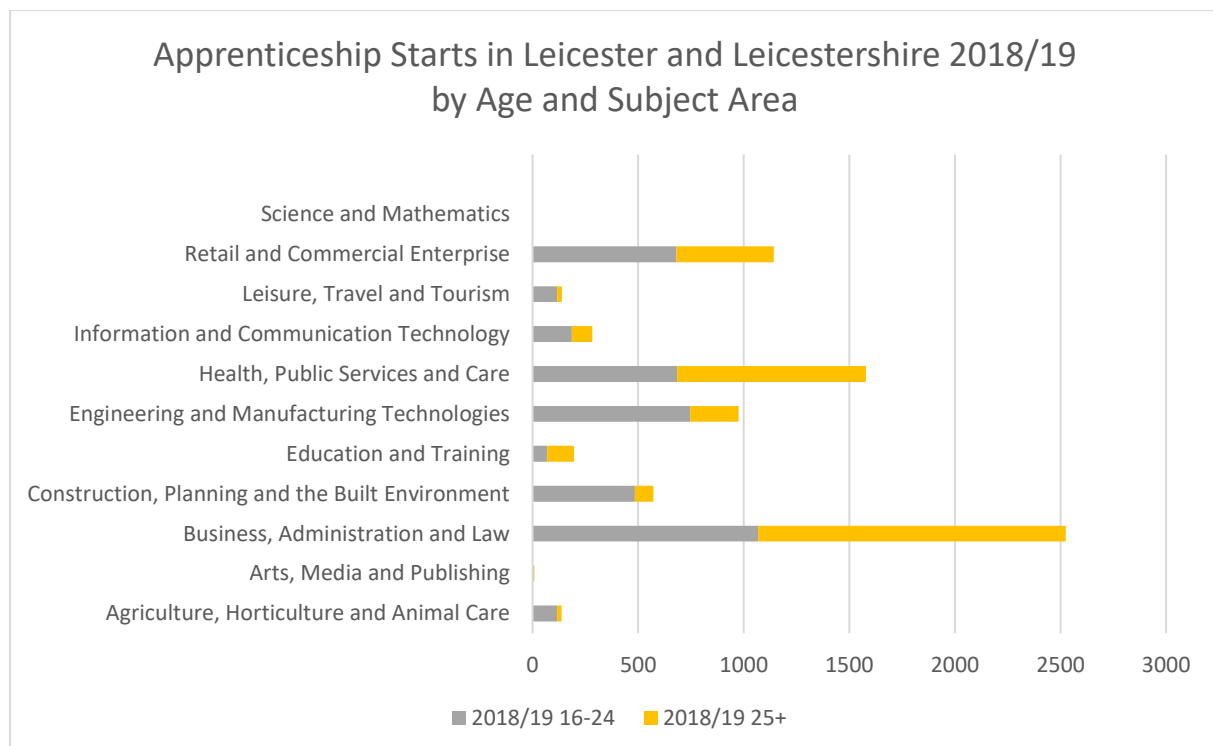
¹⁶ <https://www.gov.uk/government/statistics/apprenticeships-and-traineeships-may-2020>

It is reasonable therefore to assume that apprenticeship starts in Leicester and Leicestershire have been similarly impacted since the start of the lockdown. The nature of the qualification means that there are difficulties in transitioning to online delivery, apprentices have been furloughed and pipelines have ground to a halt due to frozen recruitment and reductions in staff on site due to social distancing regulations.

Intelligence from employers gathered by Leicester College, the largest apprenticeship provider in the area, suggests that they will not be recruiting the same number of apprentices in 2020-21 as they did in 2019-20 with an anticipated reduction of 43% across all sectors with business, engineering and construction likely to be most affected. Whilst Leicester College does not deliver apprenticeships in hospitality and food, the continued closure of bars, restaurants and cafes is expected to impact on the numbers of apprentices taken on by employers.

The Federation for Industry Sector Skills and Standards (FISSS) has identified that the apprenticeship sector is more exposed to disruption than the general economy as the youngest workers and those with the least qualifications are least likely to work from home.¹⁷ In Leicester and Leicestershire, 16-24 year olds, account for 54.5% of Apprenticeship starts.

If we take the ability to work at home as a proxy for resilience to the impact of COVID-19, FISSS has undertaken research showing that younger workers are likely to be disproportionately affected by virtue of their relatively low qualifications and the requirement for on the job training and supervision. FISSS found that 8.3% of Apprentices occasionally work from home compared to 25.3% of non-apprentice workers.¹⁸



¹⁷ FISSS, Briefing Note: The Apprenticeship Sector's Resilience to Covid-19, April 2020

¹⁸ Ibid

Figure 9 Apprenticeship Starts in Leicester and Leicestershire 2018/19 by Age and Subject Area
Source: ESFA Localities Data Cube

The Skills Summary for Leicester and Leicestershire published earlier this year shows that Apprenticeship starts in Leicester City were already lagging behind the national average – COVID-19 will further impact on this meaning that there is a lot of work to do to play ‘catch up’.

Adults

Those with no qualifications and in entry level jobs will be most affected by the fallout from COVID-19. It is clear that hospitality is the single most affected sector in terms of numbers furloughed.

We have already noted that those with no qualifications are among the groups most vulnerable to unemployment as a result of COVID-19. In the LLEP area **9.9%** of residents have no qualifications¹⁹ and this is more pronounced in the city, where **19%** of residents or almost 1 in 5 of the working age population have no qualifications – 11.2% above the national average. This puts them at a significant disadvantage in a crowded job market where there will be a lower demand for entry level jobs.

Pre-COVID the LLEP area was experiencing an above-average demand for entry level labour rather than skills in LLEP area²⁰. This concentration on unskilled, entry level roles may be disadvantageous in a post-COVID world where the more highly skilled may be less affected as they are more likely to have digital skills and be able to work from home.

It is anticipated therefore, that there will be significant numbers of adults who will need training to help them move from declining sectors to those which are less affected or have the potential to expand or recover more quickly.

Going forwards, we can anticipate that there will be a shift in ways of working, including more homeworking, and digital skills will be critical to this.

Adults furthest from the labour market could find themselves competing with more skilled and experienced job seekers. This could entrench inequality for workers with additional workplace needs, travel barriers or other issues that require investment of time or resources from employers.

School Closures and Social Mobility

School closures are likely to reverse progress made to narrow the gap in the last decade, and research conducted by EEF suggests that the attainment gap between disadvantaged children and their peers, will start to widen again.²¹ Effective remote learning can mitigate

¹⁹ ONS, Annual Population Survey, 2018

²⁰ LLEP Skills Evidence Base Summary

²¹ Education Endowment Foundation (2020) *Impact of school closures on the attainment gap: Rapid Evidence Assessment*, London: Education Endowment Foundation

the extent to which the gap widens, however, schools report difficulties in disadvantaged pupils accessing the internet. They are less likely to have sustained access to a laptop, and schools in the LLEP area report instances where a household's only access to the internet is via a mobile phone with limited data allowance as there is no land line. Government support with technology support through the allocation of laptops for looked after and disadvantaged children has been slow to be implemented and sustained support will be needed to help disadvantaged pupils catch up.

A survey by the Sutton Trust²² found that during lockdown, private schools are almost twice as likely to be still teaching A level content as state schools (57% vs 30% receiving regular work and feedback from teachers).

Sutton Trust also found that those university applicants from working class backgrounds were twice as likely to have insufficient access to internet access, devices for learning, or a suitable place to study, compared to those from middle class homes.

Further Education

Following the merger of Stephenson and Brooksby Colleges, there are now four strong Further Education Colleges within the LLEP area, all rated good, and all in a position to lead on delivering the skills required to enable economic recovery given sufficient funding.

AoC forecast that in the longer term there will be a rise in FE numbers due to more young people aged between 16-25 applying for places due to higher unemployment and being crowded out of jobs.

Apprenticeship numbers are likely to fall, and there may be difficulties in securing work placements for T-Levels whilst staffing is reduced, and social distancing is being maintained.

Many of the at-risk groups identified as potential recipients of a Future Skills Fund will look to Further Education to meet their needs going forwards (Appendix A).

Higher Education

There is likely to be a short-term reduction in demand for university places with as many as 17% of those expected to start university in September 2020 considering deferral of their studies until the 2021/22 academic year²³. Whilst universities have continued to deliver learning online throughout the lockdown period and are intending to deliver a blended

²² R Montacute and E Holt-White, *COVID-19 and Social Mobility Impact Brief #2: University Access & Student Finance*, The Sutton Trust, May 2020

²³ London Economics, *Impact of the Covid 19 pandemic on university deferral rates and student switching*, London Economics, 20 May 2020

learning offer in the new term there are concerns that this will not meet the expectations of prospective students.

On average UK universities are expecting a 15% reduction in domestic students and 50% in international students. Figure 11 shows the numbers enrolled in the three LLEP area universities in 2018-19.

HE Enrolments 2018-19 by domicile			
Domicile	DMU	Leicester	Loughborough
UK	79.3%	76.4%	77.0%
EU	4.6%	3.8%	27.1%
Non-EU	15.9%	19.8%	18.1%
Total Non-UK	20.5%	23.6%	23.0%
Not Known	0.2%	0.0%	0.0%

Figure 10 HE Enrolments 2018/19 by domicile (all years, programmes and modes of study)
Source: HESA

The HE sector has also recognised the importance of being embedded locally²⁴ in order to attract students who live closer to home and to deliver learning which will support the regeneration of the local economy. This will also be important in continuing to engage with local businesses to secure placements and job opportunities. A summary of the current key issues affecting universities is attached at Appendix B.

Careers Information Education and Guidance

Pre-COVID we knew from research by Education and Employers²⁵ that young people's aspirations are increasingly disconnected from the areas of job growth – five times as many young people wanted to work in arts, culture, entertainment and sport as there were projected demand in the economy. The disparity between young people's aspirations and the jobs available in the local economy is likely to be further exacerbated by the impact of COVID-19. The post Covid landscape is likely to be significantly different to 'before' and young people will need help and guidance to navigate this.

The government has tasked schools with providing each young person in secondary education a minimum of seven encounters with employers and at least two opportunities for experiences of the workplace. Colleges are expected to provide learners aged 16-18 with at least two encounters with employers and an experience of the workplace during their programme of study.²⁶ Research tells us that a young person who has four or more meaningful encounters with an employer is 86% less likely to be unemployed or NEET²⁷ Pre-COVID Progress on increasing the encounters young people has been made on a local and national level towards this through the Careers and Enterprise Company (CEC) Enterprise

²⁴ Universities UK, *Achieving stability in the higher education sector following COVID-19*

²⁵ M Rogers, N Chambers and C Percy, *Disconnected: Career aspirations and jobs in the UK, Education and Employers*, January 2020

²⁶ Department for Education: *Careers strategy: making the most of everyone's skills and talents*, December 2017

²⁷ Gatsby Institute

Adviser Network (EAN) and Careers Hubs. This is, however, still a long way off the numbers needed and redoubled efforts will be needed to secure the numbers of encounters required for each year group.

Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Overall shortfall
4,000 (33%)	3,000 (25%)	2,500 (21%)	600 (5%)	1,500 (14%)	600 (6%)	1,100 (11%)	13,200 (17%)

Figure 11 Additional employer encounters needed in Leicester and Leicestershire area and year groups (schools and colleges combined)²⁸

A recent survey by the University of Warwick highlighted the importance on the role of parents and carers with regards to be an influencer or in an advisory capacity. However, there is a recognition that parents and carers are not always confident about the advice and support they provide, including career options and labour market options, because of their own lack of understanding²⁹.

Timeliness of LMI reflecting the changes in the local labour market will make it more difficult for young people and adults to make appropriate choices in a changed labour market. There may be a rise in demand for transferable skills / less demand for sector specific skills.

Digital Skills

Digital skills will be of key importance in a post COVID era where working practices may be subject to change and where those without digital skills will be disadvantaged in terms of employment prospects. However, the level of digital skills across the population and the workforce is still below where it needs to be.

The recent Lloyds Bank Consumer Digital Survey³⁰ found that:

- The UK workforce is still digitally underpowered –an estimated 52% of the workforce lack digital skills in the workplace. This is particularly prevalent in manufacturing, retail and construction sectors. Those in entry level jobs are therefore most likely to be affected by the impact of COVID-19 as are also likely to have the lowest digital skills, limiting their ability to move in the job market.
- Equally as concerning, given the impact that we know Covid-19 is predicted to have on young people, the survey also found that working 15-24-year-olds are significantly less likely to have the digital skills required in the workplace than their older counterparts who are 25-54.

²⁸ Percy, C. and Tanner, E. (2020). Closing the Gap: Employer Engagement in England's Schools and Colleges in 2019. London: The Careers & Enterprise Company.

²⁹ Barnes, S-A., Bimrose, J., Brown, A., Gough, J. & Wright, S. (2020). [The role of parents and carers in providing careers guidance and how they can be better supported: Practice report](#). Coventry: University of Warwick, March 2020

³⁰ Lloyds Bank UK Consumer Digital Index 2020

- Part-time workers are digitally disadvantaged. They're also less likely to have access to the Internet at work, meaning that they have less opportunity to improve.

Upskilling and increasing levels of digital skills across the region is therefore critical to the response to and recovery from Covid-19. Supporting the regeneration of the economy, particularly if entry level roles decrease and the jobs available demand a higher levels of digital skills. Increased provision of digital content and services in society as a whole will also drive this requirement

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Youth Futures Foundation, *Young, vulnerable, and increasing –why we need to start worrying more about youth unemployment*, April 2020

Appendix A - Discussion paper: Boosting skills to support economic recovery from the COVID-19 crisis; 5 June 2020

The information set out in this note is intended to enable discussion and does not reflect government policy.

It is likely that the UK is entering its deepest recession in the post-war era, and we do not know how quickly the economy will recover. For the economy to emerge stronger and more productive than before, both individuals and businesses will need support to navigate the crisis.

We are already seeing significant growth in the number of people entering unemployment. The OBR projects that it will increase from 1.3m to 3.4m, with 2.5m still unemployed at the end of 2020. The labour market which emerges from this crisis will likely be the toughest for generations, with the current hibernation of thousands of businesses possibly followed by a longer period where they are reluctant to return to their pre-crisis recruitment and training behaviour. And the unemployed cohort may well look different to how it did pre-crisis, with a much higher number who have medium- and high-skills and a track record of employment in sectors which may have shrunk significantly.

Any new support will need to deliver what the economy needs and be targeted at those who will be hardest hit. It should give those without work the ability to maintain their work readiness and gain new skills to get a better job and help to deliver a workforce for the future high-skilled economy.

At-risk groups who will likely require skills/training support during the recession include:

- **Education leavers.** They have less work experience and will enter a jobs market with high unemployment and few vacancies. Leaving education during a recession can have a large and long-lasting effect on employment and earnings. Low attainers are worst affected, but graduates suffer too.
- **Young people in the jobs market.** Even in normal times, youth unemployment has long-term effects on earnings / wellbeing. And young people experience greater, more persistent increases in unemployment from recessions.
- **Lower-skilled adults.** They become less employable during recessions and employers are less willing to hold onto them, resulting in increased unemployment.
- **Those made unemployed since March or who are at work/furloughed within 'at risk' sectors.** Some sectors may be more likely to see job losses, with the crisis accelerating trends creating shifting skills needs in the economy.
- **Those in the worst affected places.** Some local areas may feel the economic impact of the crisis more acutely than others. It is the local economies already performing poorly – those needing to 'level up' - that will likely struggle the most to recover.

There are a number of options for steps that government could take to meet this challenge:

- 1) **A package to support unemployed people closest to the labour market.** There has been a sharp increase in new claims to UC since the start of the pandemic. We will need to deliver immediate support to help the newly unemployed back into work as the recovery kicks in.
- 2) **Targeted measures to improve access to apprenticeships.** Past recessions point to the likelihood that we will see reduced employer investment in training, and so government will need to take steps to stimulate employer demand to fill vacancies and invest in the future.
- 3) **Measures to support adults to retrain for advanced and higher technical skilled jobs.** Adults of all ages will need support to retrain/upskill to get high-skill / -productivity jobs in line with the sectors and occupations most likely to thrive into the future. This is particularly true of those slightly further from the labour market, who are least likely to find work straightaway even if the recovery is swift.
- 4) **Measures to prevent a generation of school/college leavers becoming NEET.** Around 900,000 people aged 16-24 leave the education system each year, including around 400,000 pupils who leave school without going back into classroom education. Skills support will be needed to help them 'wait out' the worst of the labour market crisis and so avoid the scarring effects of being NEET.
- 5) **Improving access to digital skills training.** The Skills Toolkit – a newly created online platform to direct people to a set of high-quality and -priority courses - could be enhanced with paid-for qualifications co-funded by Government, reflecting the skills employers need

Appendix B – COVID-19 Higher Education Sector Update 12 June 2020

1. The impact of Covid-19 risks creating great volatility in the Higher Education sector for 2020-21.
2. In addition to Higher Education providers themselves, the three main bodies leading Higher Education planning for 2020-21 are:
Universities UK - represents the Higher Education sector and Vice Chancellors; makes recommendations to government
 - **Office for Students** - the universities' regulator with a focus on quality and value for money from Higher Education
 - **UCAS** - the portal for applications and admissions to UK universitiesThe current Universities' Minister is Michelle Donelan.
3. Across the Higher Educator sector planning is taking place based on a broad forecast of a 15% reduction in UK/EU domestic student applicants and 50% reduction in international students starting at university in 2020-21. For international applicants some universities are looking at starting more students in January 2021 rather than this October to help mitigate this impact; however, the picture is currently unclear.
4. There are varying forecasts around the proportion of existing students who may choose to defer their studies in 2020-21 and only return in 2021-22. Universities have different policies around allowing deferral, and again, unfortunately it isn't possible to give any precise figures on this at the current time.
5. Most domestic students wishing to start university in 2020-21 are required to reply to their university offers with their firm choice by 18 June. This will give a first indication of applicants' intentions for coming to university this autumn.
6. BTEC results will be issued on 12 August and A level results day will happen on 13 August as scheduled. Results are being awarded by schools and colleges based on cumulative evidence of a student's performance, rather than end of year exams which have been cancelled in their totality. Students can appeal their grades and the current intention, in these cases, is to allow these students to take an exam for the subject in autumn 2020. This would obviously prevent any student in this position entering university for the 2020-21 academic cycle.

7. The government and Office for Students have issued a number of statements and implemented some new temporary regulations in the Higher Education market during this period:
- In March universities were instructed not to engage in offer-making behaviour that could negatively impact student choice. This focused particularly on scrutiny of Higher Education practice around making unconditional offers (where students are offered a confirmed university place irrespective of their eventual grades).
 - It has been emphasized universities must maintain their focus and commitments around widening participation access.
 - All providers have been set an individual cap on their UK student intake to assist fair distribution of new student recruitment across the sector and support applicants to make a choice that is right for them. The cap is set at 5% above institutional forecasts.
 - The government will award 10,000 discretionary extra places with a focus on 5,000 ring-fenced places for nursing, midwifery and allied health sciences.

8. University clearing gives applicants the opportunity to:

- Apply for a university place if they hadn't already done so before 30 June
- Try to secure an alternative place if they haven't got the grades they needed for their chosen universities
- Try to go to the university they originally wanted, but didn't get an offer
- Decline an accepted firm place and go to another university instead, if they are accepted

The university clearing period for UK/domestic applicants is open from 6 July - 20 October. For most universities the intensive period of clearing will take place immediately as A level results are released on 13 August. After clearing there will be greater clarity around expected new student numbers (UK students) in Leicestershire in 2020-21.

9. International applicants have until 31 August 2020 to meet the academic conditions for entry in autumn 2020-21. This includes meeting English language requirements. English language testing was paused at centres in many countries due to Covid-19, with a potential impact on the international student recruitment market; however some of this testing is now being made available more readily online.

10. The Office for Students has issued a statement to universities (10 June) requiring institutions to provide clear and timely information on how their courses will be taught in 2020-21. This includes the extent to which courses will be taught online, providing enough information for applicants to make an informed decision about choosing and starting their course. Universities are required to give clear information about the balance students can expect between physical and virtual delivery and balance between lectures, seminars and self-learning.
11. The three Leicestershire universities have issued preliminary statements about their plans for delivering teaching in 2020-21. Although messaging varies, the broad pattern for the universities is that campuses will be open, but large-scale lectures will, or may, be delivered wholly online due to social distancing restrictions.

Planning for smaller seminars, studio, workshop and lab-based teaching is being organised to enable the best possible environment for learning while maintaining safety of students and staff and social distancing rules. This is a rapidly changing picture, reflecting the changing national situation more widely, and universities are working at high pace to provide updated information to applicants and students on the amount of face to face teaching they will receive.

Estates departments have been preparing campuses for the partial return of staff and students over time, putting in place building plans, reception screens and other adjustments to ensure social distancing can be adhered to.

12. The universities are running digital open days as follows:
 - Loughborough University - 24-27 June
 - University of Leicester - 3 July
 - De Montfort University - 4 July

One upside of the rapid development of digital open days will be the possibility to engage a larger and more international audience than would currently attend a physical open day.

13. Although, as in many other industries, there is an urgent wish to restore normal face to face operations, the necessity of delivering university teaching and services online has led to innovations in digital engagement and significant digital upskilling of staff.

These have the potential to enrich the overall university experience beyond Covid by adding value to the core face to face experience.

14. Universities UK has recently proposed a package of measures to government to achieve stability in the sector following Covid-19, which is appended below or can be read at: https://www.universitiesuk.ac.uk/news/Documents/uuk_achieving-stability-higher-education-april-2020.pdf

Adele Browne

Head of Careers and Employability

De Montfort University

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