



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

STRATEGIC BOARD AGENDA PACK

Friday 4th September 2020
Zoom Video Conference



Agenda

Item 1	10:00	Welcome	Chris Brodie	
Item 2	10:05	Minutes from 16th July meeting Declarations of Interest Matters arising: <ul style="list-style-type: none">• Devolution White Paper• BEIS Inquiry on Post-Pandemic Economic Growth: Levelling up	Chris Brodie	Pg. 3
Item 3	10:10	Skills COVID-19 Pot <ul style="list-style-type: none">• Decision to agree the focus of the Skills COVID-19 Recovery Fund	Louise Aitken	Pg. 6
Item 4	10:30	COVID-19 Economic Impact Update and Strategic Direction <ul style="list-style-type: none">• Decision to agree format of future updates	Helen Russell/Sharon Spicer	Pg. 18
Item 5	10:55	AOB and Close		

Future Strategic Board meeting dates:
2nd October; 11th December; 19th March 2021

Minutes of Strategic Board 16th of July 2020

Attendees

Chris Brodie	Chair
Sarah Dance	Deputy Chair
Adam Bryan	CEO
Aideen Sadler	Opportunity South Essex
Ana Christie	Team East Sussex
Angela O'Donoghue	Further Education representative
Carol Ford	Kent and Medway Economic Partnership
Carole Barron	Higher Education Representative
Claire Lewis	Success Essex
Clive Soper	Team East Sussex
Cllr David Finch	Essex County Council
Cllr David Monk	Kent District/Borough/City Councils representative
Cllr Graham Butland	Essex District/Borough/City Councils representative
Cllr Rob Gledhill	Thurrock Council
Cllr Rodney Chambers	Medway Council
Cllr Roger Gough	Kent County Council
Cllr Ron Woodley	Southend Borough Council
Cllr Rupert Simmons	East Sussex County Council
Geoff Miles	Kent and Medway Economic Partnership
Graham Peters	Team East Sussex
Jo James	Kent and Medway Economic Partnership
Liz Gibney	Kent and Medway Economic Partnership
Penny Shimmin	Social Enterprise Representative
Perry Glading	Opportunity South Essex
Richard Davidson	Success Essex

Apologies: Miles Adcock, Keith Glazier, Prof Karen Cox, Matthew Arnold

Other attendees:

Amy Bernardo	ECC	Tim Rignall	Southend BC
Amy Ferraro	SELEP Secretariat	Tristan Smith	ECC
Charlotte Moody	ECC	Vivien Prigg	SELEP Secretariat
Chris Burr	Southend-on-Sea Borough Council	Joanne Cable	Medway Council
Dave Evans	ESCC	Lorna Norris	ECC
Helen Dyer	SELEP Secretariat	Marwa Al-Qadi	ESCC
Helen Russell	SELEP Secretariat	Peter Shakespear	ECC
Howard Davies	SELEP Secretariat	Richard Dawson	ESCC
Iain McNab	CLGU	Sarah Nurden	KMEP
Ian Lewis	Opportunity South Essex	Stephanie Mitchener	ECC
Michael Veasey	ECC	Stephen Taylor	Thurrock Council
Rhiannon Mort	SELEP Secretariat	Steve Evison	ECC
Suzanne Bennett	SELEP Secretariat	Christopher Seamark	KCC

This meeting was held as video conference and a recording can be found by [clicking here](#); the timestamp of the start of the discussion for each item is indicated in brackets

Item 1: Welcome and introduction

- 1.1. Chris Brodie welcomed the Board to the virtual meeting.

Item 2: Minutes of last meeting, declarations of interest, matters arising (0'32" timestamp on video)

- 2.1. The Board **agreed** the minutes of the last meeting subject to a correction of the value of the GPF funding gap.
- 2.2. The following interests were declared:
- i) Carole Barron declared an interest relating to the Docking Station project on behalf of the University of Kent.
 - ii) David Monk declared an interest relating to the Romney Marsh project in his district.
 - iii) Angela O'Donoghue declared an interest relating to the Transport and Logistics Institute that is managed by South Essex College.
 - iv) Geoff Miles declared an interest in the Javelin Way project as Kent Music are looking to be involved in this project.
 - v) Sarah Dance declared an interest relating to the Docking Station and any projects related to the Thames Estuary Production corridor, of which she is co-Chair.
 - vi) Graham Butland declared an interest relating to the project Horizon 120 Business Park in his district.
 - vii) Rupert Simmons declared an interest relating to the Fast Track Business Solutions project as a Director of Sea Change Sussex.

Item 4: Getting Building Fund – our £85m package (5'20")

- 4.1. The Board **noted** the strict criteria from government as set out in section 3.
- 4.2. The Board **agreed** SELEP's project package to a value at, or just under, £85m. An indicative list is set out in Appendix A and D for consideration by the Board, noting that full approval by Accountability Board in the same manner to LGF projects is required before investment is made.
- 4.3. The Board **noted** that a reserve list of projects will be presented to October Board in order that any projects agreed by Strategic Board now that can't proceed for any reason, can be swapped for an alternative prioritised project. This will be dependent on HMG providing assurances that projects can be swapped under the conditions of the Getting Building Fund.
- 4.4. The Board **noted** the administration costs of this addition to the SELEP Capital Programme, the cost of taking projects through the Independent Technical Evaluation (ITE) process in particular. It should also be noted that there will be an increased cost to be met by the sponsoring and delivery organisations as they are required to undertake monitoring and evaluation. There is no indication that HMG will fund these costs.
- 4.5. The Board **noted** that the Assurance Framework will require revision to update for the assessment of these projects. This will be done following consultation with Accountability Board in accordance with the SELEP Assurance Framework.

Item 3: Nomination of SELEP representative on Transport East Forum (26'56")

- 3.1. The Board **agreed** that Perry Glading, Chair of Opportunity South Essex Federated Board, will represent SELEP on the Forum of Transport East.

- 3.2. The Board **agreed** that Trevor Scott, board member of Success Essex Federated Board, will act as Deputy.
- 3.3. The Board **noted** that George Kieffer, formerly the SELEP Board representative to the Transport East Forum, stood down from the Transport East Forum in March 2020.

Item 5: AOB and Close (31'00")

- 5.1. Sarah Dance explained to the Board that the MP Roundtable was a success, and that the final GBF project list will be shared with the MPs.
- 5.2. Chris Brodie updated the Board on the Catalyst South LEP group and their success in communicating priorities with Ministers.
- 5.3. Chris Brodie explained that we are awaiting final sign off by the Treasury for the final third of the LGF funding.
- 5.4. There was general praise of the effort relating to the creation of the GBF project list by officers and Board members, and also the general collaborative pan-LEP working steered by Chris Brodie.
- 5.5. It was noted to include a focus on the Skills agenda at the next full Strategic Board meeting.
- 5.6. Jo James suggested creating a working group around international trade. Adam Bryan to take forward initially with a view to future SSF opportunities.
- 5.7. Chris Brodie closed the meeting.

Item 3: Recommendations for the £2 million Skills COVID-19 Recovery Fund

1. Purpose

- 1.1. The purpose of this report is to seek Strategic Board (the Board) approval of the proposed use of the £2 million revenue Skills COVID-19 Recovery Fund as set out in this paper.

2. Recommendations

- 2.1. The Board is asked to agree to the focus, process and criteria for the £2 million Skills COVID-19 Recovery Fund as set out in this paper.
- 2.2. The Board is asked to note that the Accountability Board will be required to approve:
 - 2.2.1. proposed procurement approach;
 - 2.2.2. the award of funding with consideration for value for money;
 - 2.2.3. delegation of decision making to SELEP's Chief Executive Officer in respect of delivery of the programme, including the award of grants funding or contracts, within the £2m revenue Skills COVID-19 Recovery Fund.

3. Background

- 3.1. At the Board meeting in June 2020, it was agreed to repurpose £2 million of Growing Places Fund for a revenue Skills COVID-19 Recovery Fund. The funds are intended to provide support to the skills and employment landscape which has been significantly impacted by COVID-19.
- 3.2. Since the June Board meeting, consultation on the focus for this funding has taken place with a range of key stakeholders including the SELEP Skills Advisory Panel, SELEP Skills Working Group, Coastal Working Group, Digital Skills Partnership and local authorities. This has enabled the identification of common themes and areas of need.
- 3.3. Regular updates and conversations regarding the funding have also taken place with relevant government departments including the Department for Education (including the National Retraining Scheme Team), Department for Work and Pensions and Department for Digital, Culture Media and Sport. Regular conversations are also taking place with partners such as Job Centre Plus and the National Careers Service who will clearly be important to successful delivery.
- 3.4. Alongside consultation, ongoing research and evidence gathering has been undertaken to identify the type and scale of need and to identify existing support and funding. This includes the SELEP Business Survey referenced in the June Board pack and with relevant headlines included in the appendix section. Papers, reports and feedback from a range of organisations such as the Princes Trust and Institute for Employment have also been utilised for this exercise. A key report taken into consideration is the recently published government's 'Plan for Jobs 2020' which sets out incentives including apprenticeships and recruiting young people.
- 3.5. Given the scale of the challenge, local needs will likely exceed the £2 million funding pot. To that end, priorities outlined in this paper and through the consultation and research will also be utilised to support any cases to the Department for Work and Pensions to issue new calls for tender for the SELEP area using the European Social Fund Reserve pot.

4. The impact of COVID-19 on the skills and employment landscape across SELEP

- 4.1. The impacts of COVID-19 are clear and significant. As of August 2020, it is confirmed that the UK



has entered the deepest recession since records began. In the SELEP geography, as of July 2020 there are 160,000 people claiming out of work benefits compared to 63,785 in the same period last year. Younger people are disproportionately impacted, making up 33,000 of the total number and with 10.2% of 18-24 on out of work benefits compared to 6.3% of the working age population. This has been coupled with significant numbers of people being furloughed; at the end of June 553,500 people were furloughed which is 34% of the workforce across SELEP. Sectors such as arts, creative and hospitality have been particularly impacted. Regional figures show that 72% of employees working in the hospitality sector in the East of England were furloughed and 73% in the South East. Figures are also high for arts, entertainment and recreation at 66% and 69% in the East and South East respectively.

- 4.2. Given the scale of new unemployment which is set to increase at the end of furlough in October, supporting individuals into jobs is crucial at this time. The focus needs to be on meaningful jobs, offering long-term opportunities. Positively, there are sectors which are still recruiting and still facing skills shortages. For example, considerable numbers of vacancies are continuing in construction, health, care, logistics, IT and food production (see Appendix B). Some of these sectors have historically struggled to recruit due to misconceptions about the roles on offer. Therefore, there is a renewed opportunity to highlight and recruit to these.
- 4.3. Feedback from employers on the Skills Advisory Panel (which has met more frequently during this period) confirmed what the evidence illustrates and that some sectors locally are experiencing higher demand and others lower than they would usually. The clear feedback from the Skills Advisory Panel was also that funding should be employer led, flexible and assisting individuals (of all ages) into jobs.
- 4.4. COVID-19 has also changed the way learning and working is undertaken with more focus on digital connectivity than ever before. Online learning and access to appropriate kit and connectivity has been vital and where this is not available, digital exclusion has been highlighted. In many cases, this has further exacerbated issues of deprivation and inequality. Official ONS figures illustrate that 5.3 million people nationally do not have access to the internet. 7% of households have no internet access. Translating these figures to the SELEP area, an estimate would be that at least 333,000 people don't have internet access and even where they do this may be patchy and via pay as you go mobiles and devices. Research shows also that even where access is possible, individuals may be unable to use the internet or devices.
- 4.5. In addition to connectivity and kit, basic digital skills are currently fundamental to accessing work, training and support. There are a wide selection of online resources and support but accessing these can be problematic and confusing. The Lloyds Bank Consumer Index measures basic digital skills and its report outlined that 21% of people lack full basic digital skills and 8% have no basic digital skills at all. Furthermore, 10% of working adults are without basic digital skills and people with a registered disability are four times more likely to be offline.
- 4.6. In such a fast changing and accelerated environment, gaps are emerging for local support and innovation in areas such as bespoke online learning, support to access apprenticeships, virtual work experience and navigating the current range of support and initiatives. Building on the success of the SELEP Sector Support Funded 'Delivering Skills for the Future' Tutor Bursary programme, there is an excellent opportunity to address such gaps which will not be covered by national funding. This would also further enable a proactive local approach, help establish the SELEP area as a national leader and would be an opportunity to share best practice with other areas.

- 4.7. It should be noted that the Board will separately consider a £2.4m Business support fund which is likely to recommend support for entrepreneurial skills and business start-up for those recently unemployed and made redundant.

5. Proposed procurement packages

- 5.1. As outlined in section 5.9 below and based on Essex County Council's procurement team advice, it is proposed to split the fund into separate procurements within a single framework which address the areas of need based on the feedback and evidence. This will ensure that programmes can be delivered effectively and according to the area of specialism required. The criteria for all procurements are recommended as follows and will be incorporated into specifications:

Eligibility Criteria	Notes
Scope must be pan-LEP	Projects must demonstrate impact in all federated areas and proportionate benefits
Programmes must respond to Covid-19	Projects must demonstrate a response to Covid-19 challenges and the short- and medium-term impact of these
Projects must illustrate understanding of the local skills landscape and economy	In order to ensure effectiveness, projects should illustrate clear understanding of the local skills landscape and economy including existing work with and support from local employers for the proposed approach.
Projects must not duplicate existing or forthcoming local and national programmes	In order to ensure maximum impact and value, projects should not duplicate existing programmes and should illustrate a good knowledge of the existing offer. Programmes should address gaps, such as industry qualifications.
Projects are not required to provide match but should illustrate added value	Match will not be a requirement given that this can often be a barrier to funding. However, projects should outline where they can bring added or increased value, whether financial or in-kind.
Projects should deliver against SELEP's objective to build an inclusive economy	Projects will be asked to outline how they will support specific cohorts and increase diversity as well as addressing issues such as digital exclusion.
Funding will to support revenue spending only	Capital bids will not be accepted (with the exception of the purchase of kit to address digital exclusion).
Programmes should deliver within one-year of funding award	Projects will be asked to demonstrate an ability to mobilise efficiently and effectively in order to address challenges at speed.

- 5.2. Based on the evidence and consultation outlined above, the table below captures the recommended procurements and approximate dates for launch, with procurement support being provided by Essex County Council (ECC) in their capacity as Accountable Body. It is

proposed that there will be no match requirement for this funding as this has been a barrier with other pots such as the European Social Fund.

- 5.3. There will be general principles for all procurements which will include a LEP wide approach, evidence of local employer support and collaboration and a good understanding of the local landscape in terms of the labour market, LEP Economic Strategy Statement and also existing programmes. Provision should not duplicate national mainstream or local funding but should cover gaps (e.g. industry qualifications). Support to specific cohorts will be included, for example to address issues such as gender and ethnic diversity in certain sectors and support for particular age cohorts.
- 5.4. Winning bidders will be required to update the Skills Advisory Panel, Digital Skills Partnership and Federated Boards and to report progress against specific outputs and targets to the main LEP Board at regular intervals. Programmes should also carry SELEP branding and make clear reference to the fact that they are SELEP funded.
- 5.5. The total £2million pot will undergo evaluation for value for money in accordance with ECC's procurement processes. Additionally, a decision case will be taken to SELEP's Accountability Board in September setting out minimum outputs, cost comparisons with similar programmes and the procurement approach.
- 5.6. Programmes will be expected to deliver within one year of being awarded the contract.
- 5.7. There will be a single framework for procurements and continued consultation will take place with relevant government departments and local partners to ensure no duplication.
- 5.8. Preliminary conversations have illustrated that there may be the opportunity to add to the overall funding pot and create efficiencies where there is consensus on the approach. For example, Essex County Council is exploring adding funding rather than setting up a separate procurement process. Any additional funding would of course be reflected in targets and outcomes to be ring-fenced for the relevant geographical area.
- 5.9. *Proposed procurements in the framework:*

<i>Procurement focus</i>	<i>Type of activity</i>	<i>Value and approx. outputs</i>	<i>Timeline for delivery</i>
Pathway to jobs in SELEP growth sectors	<ul style="list-style-type: none"> • Training specifically to get recently unemployed / redundant adults into identified jobs in key sectors – collaborative approach with employers • Ensure no duplication with existing government programmes and target cohorts accordingly • Targeting construction, health, care, rural and coastal economy, logistics, engineering, in that order of priority and with the ability to adapt if government sector support funding is launched 	<p>£945,000 value of total procurement</p> <p>Up to 3 x £315,000 contracts to cover different sectors as listed</p> <p>Minimum of 300 people supported into jobs</p>	As soon as possible due to current unemployment and end of furloughing



	<ul style="list-style-type: none"> To include wrap around support tailored to the individual To include awareness raising of the sectors and increasing their attractiveness Ability to agree change of sector focus according to government responses and changing market needs 		
Maximising jobs arising through the digital revolution	<ul style="list-style-type: none"> As digital jobs are cross cutting, this would offer training for digital roles across all sectors and for jobs such as coding, software development, web design and video production. Increased focus and demand due to COVID-19. To include element of raising awareness of the sector and increasing diversity. Collaborative approach with employers. Potential to work with National Retraining Scheme team at DfE who are piloting digital boot-camps in other areas and to build on experiences of similar programme in Lancashire 	<p>1 x £300,000 contract</p> <p>Minimum of 100 people supported into jobs</p> <p>Depending on demand to support people into new jobs, could also include digital upskilling for those in work</p>	October / November
Digital Skills for all – kit and training	<ul style="list-style-type: none"> Getting kit and connectivity to those without it and where this is a barrier to training or employment (with conditions and checks on kit and connectivity for a minimum period). A loan scheme model for the kit will be explored. High quality training to address the now universal requirement for basic digital skills, in virtually all roles. Such training could be offered to quite large cohorts and include collaborations with corporates to ensure maximum impact. Package to include training for those with no, some and developing digital skills. Given evidence shows access likely to be lower in deprived areas, ensure districts with lower skills rates / higher unemployment are targeted as 	<p>1 x £300,000 contract</p> <p>(£200,000 kit and connectivity, £100,000 basic digital training)</p> <p>Minimum of 1,000 people to receive basic training</p> <p>Minimum of 750 people supported with kit and connectivity</p>	October / November

	well as BAME groups and individuals with disabilities.		
Innovative solutions to skills barriers	<p>Building on the success of the 'Delivering Skills for the Future' Tutor Bursary Programme, the need for pan-LEP innovative approaches to addressing gaps have arisen during Covid-19 and which are unlikely to be addressed through government funding. With the Board's agreement, these would be delegated to the SELEP Chief Executive Officer in consultation with the Skills Advisory Panel.</p> <p>To enable response to current challenges and innovation, it is proposed to be flexible. Examples could include:</p> <ul style="list-style-type: none"> • Online learning solutions to training for growth sectors • Virtual training and work experience packages • Support with apprenticeship levy transfer and accessing government incentives • Supporting employers to access quality training provision and navigate the skills landscape 	<p>£375,000</p> <p>3 x £125,000 contracts (or more / less dependent on cost of each solution)</p>	November / December
Project management Contingency / leveraging additional government funding	<p>Shared Project Manager for Skills and Business Support pots. To enable effective monitoring, project management and reporting to the Board.</p> <p>Early conversations with DCMS have indicated for example that year 3 funding for the Digital Skills Partnership <u>could</u> be provided if matched by the LEP. Similar opportunities may open up for the Skills Advisory Panel funding.</p> <p>Delegation to the SELEP CEO is therefore requested on use of funds for these purposes with certain conditions.</p>	<p>£80,000</p> <p>£35,000 Project management</p> <p>£45,000 Digital Skills Partnership match funding</p>	<p>As soon as possible</p> <p>As required – possibly post April 2021</p>

6. Next steps and timescales

- 6.1. Pending the Board's approval, procurement could take place in October 2020. This would enable a proactive approach to unemployment and the end of furlough. This fits well also with a planned



Skills Advisory Panel and Digital Skills Partnership online conference on 8th October and supporting resources to showcase sectors locally.

- 6.2. There would be a four-week deadline for applications with a commitment to confirming the winning bidder within three weeks).
- 6.3. Specifications will include the ability to be flexible as circumstances change. The Board will be asked for approval of any proposed changes via written procedure.
- 6.4. Procurements will be drawn up in consultation with the Skills Advisory Panel, Skills Working Group and Digital Skills Partnership. To ensure no conflicts of interest, the SELEP Secretariat with Accountable Body support will make final decisions on the content.
- 6.5. Panels will be formed in accordance with the set criteria in the procurement Lots to provide input to the evaluation of bids with SELEP Secretariat members and including local authority representation and representatives from key stakeholders such as the Skills Advisory Panel and Digital Skills Partnership, where there are no conflicts of interest. Evaluations will be in accordance with the procurement rules. All final decisions will be delegated to SELEP's Chief Executive Officer following Accountability Board approval.

7. Accountable Body Comments

- 7.1. In July 2020, the SELEP Accountability Board approved the use of £2m of the Growing Places Fund (GPF) grant to establish a revenue COVID-19 Skills Fund to support COVID-19 recovery, this potentially could be a grant fund or a loan fund or a combination thereof.
- 7.2. This report sets out the proposals for the application of this fund as revenue grants or service contracts as appropriate to be allocated through the three proposed funding streams. In addition, £35,000 of the funding is to be ring-fenced to provide resource to oversee delivery of the fund; any additional costs associated with implementation of the scheme, such as procurement and legal cost will need to be met by the SELEP Secretariat revenue budget if no alternative funding source is identified.
- 7.3. The process of procurements will be required to be undertaken via a legally compliant route in line with the Accountable Body's Procurement Regulations, as required by the Assurance Framework; this process is to be supported by the Accountable Body's Procurement team to facilitate this.
- 7.4. In addition, the procurements of each funding stream will need to meet the following requirements of the SELEP Assurance Framework:
 - 7.4.1. Assuring value for money
 - 7.4.2. State Aid regulations are met
 - 7.4.3. Agreeing clear criteria for prioritisation, including alignment to the SELEP Economic Strategy Statement
 - 7.4.4. Ensuring open advertising of the funding opportunity
 - 7.4.5. Confirmation of monitoring arrangements
- 7.5. Following successful procurements, the Accountable Body will put in place the appropriate legal agreements with the winning bidders, assuring the agreed criteria for award of funding are incorporated.
- 7.6. The above arrangements will be subject to approval from the SELEP Accountability Board in



September 2020 to the proposed procurement approach.

8. Appendices

8.1. Appendix A: Overview of existing and forthcoming initiatives

The Government's Plan for Jobs 2020 contains information about support for employment. This includes the following and it should be noted that at the time of writing, further detail is due to be provided by the government on the detail of these schemes. Such schemes will be considered when preparing calls for tender and applicants will be asked to illustrate how they will ensure a joined-up approach:

- *The job retention bonus* – a one off payment of £1000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021.
- *The kickstart scheme* to create 6-month placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. This will cover 100% of the National Minimum Wage for 25 hours a week.
- *Additional funding for traineeships for 16-24-year olds* – funding employers who provide trainees with work experience £1000 per trainee.
- *Additional funding for the National Careers Service* - an additional £32 million nationally to increase support on training and work over the next two years.
- *Payments for employers who hire new apprentices* – a new payment of £2,000 to employers in England for each new apprentice under 25 and £1,500 for each new apprentice aged 25 and over. From 1st August 2020 to 31st January 2021. These are in addition to the existing £1,000 payment the government already provides for 16-18-year olds and those under 25 with an Education, Health and Care Plan.
- *Expansion of the Work and Health Programme* – supporting those on benefits that have been unemployed for more than 3 months. This is in addition to existing provision for those with illnesses or disabilities.
- *Job finding support service* – to help those who have been unemployed for less than three months to increase their chances of employment.
- *Flexible Support Fund* – to be increased to provide support to claimants by removing barriers to work such as travel expenses for interviews.
- *Sector based work academies* – to be increased and to offer sector based training and guaranteed interviews for more people.
- *Construction Talent Retention Scheme* – to support the redeployment of workers at risk of redundancy to help retain construction workers
- There are also various local initiatives and current and forthcoming SELEP European Social Funded programmes. Key local and national support has also been captured at <https://www.southeastlep.com/our-strategy/skills/support-and-opportunities/> and will be added to in coming weeks.

8.2. Appendix B: Key data and research

8.2.1 Current out of work benefit claimants overview (July 2020)

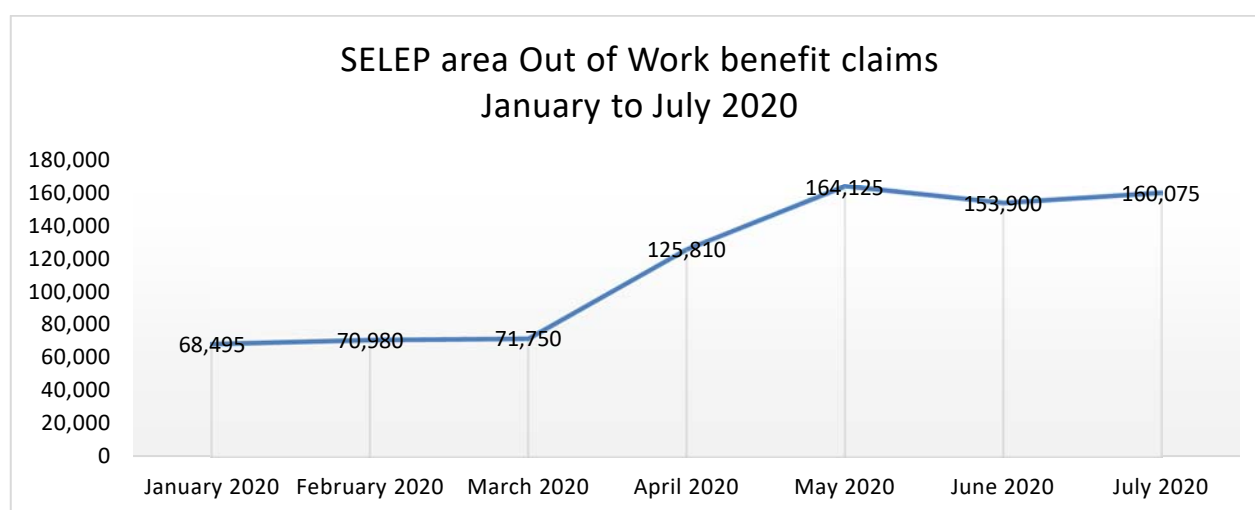
(Office for National Statistics Claimant count)

	SELEP area numbers	SELEP area (%)	UK (%)
All people	160,075	6.3%	6.5%
Females	94,700	7.5%	6.3%
Males	65,380	5.0%	4.3%
<i>NB due to rounding, the male / female cohorts don't exactly match the 'all people' total</i>			

8.2.2. Current out of work benefit claimants: age breakdown (July 2020)

	SELEP area numbers	SELEP area (%)	UK (%)
Aged 16+	160,075	6.3%	6.5%
Aged 16 to 17	350	0.4%	0.5%
Aged 18 to 24	32,920	10.2%	9.3%
Aged 25 to 49	88,465	6.7%	7.0%
Aged 50+	38,330	4.6%	4.9%

8.2.3. Increase in out of work benefit claims during COVID-19 period



8.2.4. Claims made to the Coronavirus job Retention Scheme as of 30th June 2020

County / unitary authority	Employees furloughed	Take-up rate (as proportion of eligible employees)
SELEP total	552,500	30%
East Sussex	68,300	31%

Essex	204,000	30%
Kent	196,000	29%
Medway	35,300	28%
Southend	23,300	29%
Thurrock	25,600	31%

8.2.4. Impact on vacancies during COVID-19

Job vacancies generally have decreased significantly during the COVID-period, with the difference in advertised vacancies as great as 15,000 at various points compared to the same time last year. However, the picture has started to improve and some sectors still have significant vacancy numbers, starting to increase again. This is illustrated below and which has helped to inform the sector focus.

Total vacancies in SELEP area compared to the same period last year:



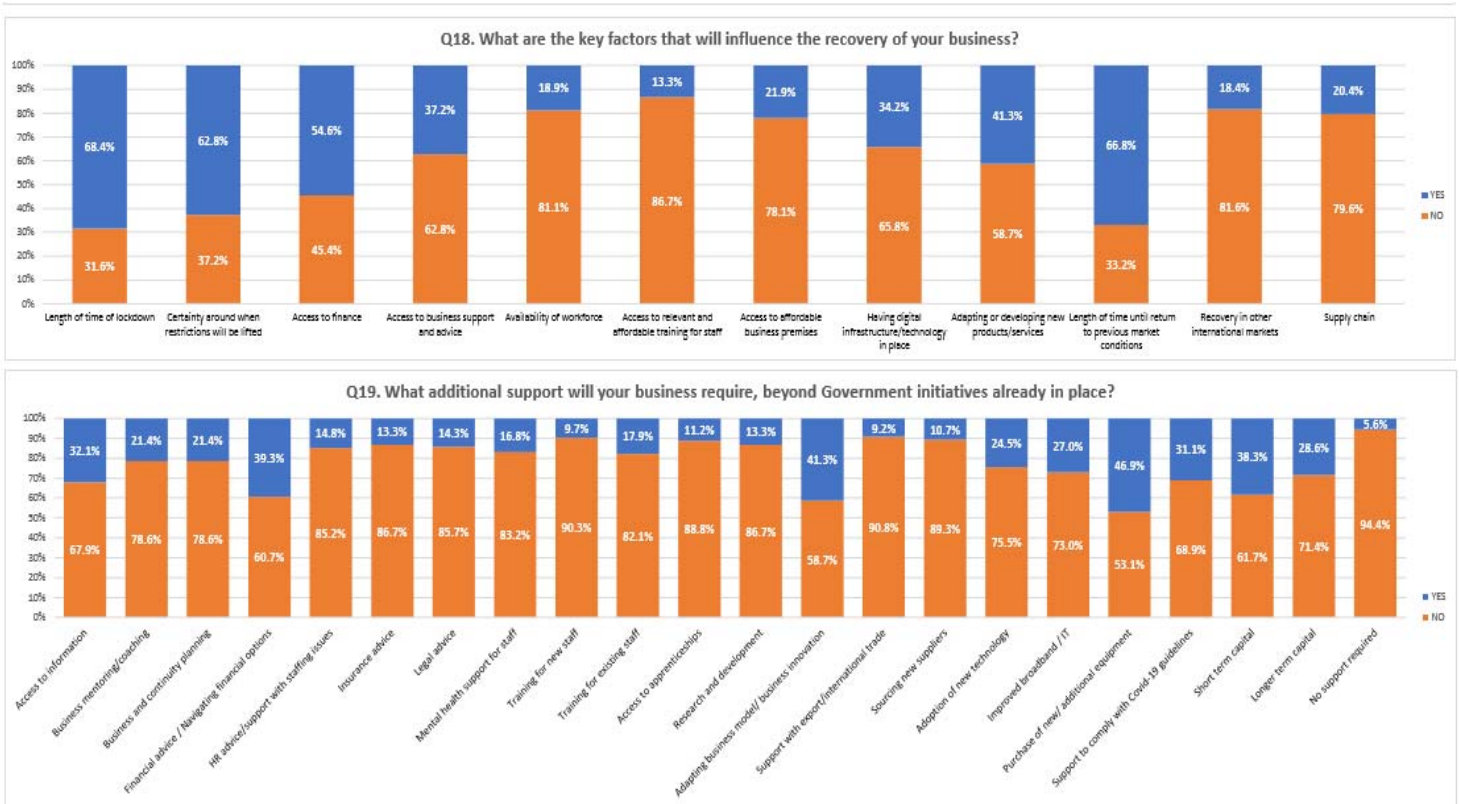
Occupations with the most vacancies in July /August:

Job Title	Latest 30 Days Unique Postings (Active)	Latest 30 Days Unique Postings % Change (Active)
HGV/Large Goods Vehicle (LGV) Drivers (Transportation and Material Moving)	1,296	62.8%
Family Support Workers (Community and Social Service)	1,295	0.5%
Teaching Assistants (Education, Training, and Library)	1,211	-11.3%
Home Care Social Workers (Community and Social Service)	1,092	17.0%
Personal Care Assistants (Personal Care and Service)	971	2.6%

Surveyors (Architecture and Engineering)	903	8.5%
Teachers (Education, Training, and Library)	782	-8.3%
Bathroom Cleaners (Building and Grounds Cleaning and Maintenance)	720	10.8%
Registered Nurses (Healthcare Practitioners and Technical)	713	-2.1%
Warehouse Assemblers (Production)	621	20.3%
Healthcare Assistants (Healthcare Support) (Healthcare Support)	580	1.0%
Science Teachers (Education, Training, and Library)	555	-16.3%
Staff Nurses (Healthcare Practitioners and Technical)	552	-17.6%
Traffic Control Technicians (Transportation and Material Moving)	515	66.1%
Certified Teachers (Education, Training, and Library)	512	7.6%
Physiotherapists (Healthcare Practitioners and Technical)	510	15.1%
Delivery Drivers (Transportation and Material Moving)	490	34.2%
Trust Administrators (Management) (Management)	483	5.7%
Customer Service Assistants (Office and Administrative Support)	472	11.8%

8.2.5 Headline feedback from SELEP Business Survey (196 responses)

18.9% of respondents said that the availability of workforce would influence their recovery and 13.3% said access to relevant training was important. Access to apprenticeships and training for new and existing staff was also highlighted as being important to recovery.



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Position: SELEP Skills Lead

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Item 4: COVID-19 Economic Impact Update and Strategic Direction

1. Purpose

- 1.1. The purpose of the paper is to provide an update to the Strategic Board (the Board) on the SELEP economic intelligence report and invite a discussion on the future production of an Economic Recovery and Renewal Strategy.

2. Recommendations

- 2.1. The Board is asked to note the economic intelligence update and agree that SELEP officers continue to produce the information in this format.
- 2.2. The Board is asked to note the update on the production of an Economic Recovery and Renewal Strategy, which will be provided at the meeting, and discuss the best approach to producing the strategy.

3. Background

- 3.1. The COVID-19 pandemic and the subsequent restrictions imposed since March 2020 continue to have a significant impact on the global and national economy. While various external estimates and scenarios have been published the full extent of the impact and potential length of recovery are still unclear.
- 3.2. The Board received a report in June which outlined the work that is taking place to understand the economic impacts across the SELEP region and a summary of the initial findings. This work is ongoing and will be used to inform the Board and support its decisions on future activities.
- 3.3. The Board will also be aware that our previous work to publish and implement a SELEP Local Industrial Strategy (LIS) has been paused due to the crisis. In the interim we have published a COVID-19 Economic Response Statement which sets out the most significant impacts and opportunities for our economy. This is based on current intelligence and on SELEP economic priorities identified within current strategies and local area recovery strategies. The statement also outlines the support that SELEP is providing to protect and boost the economy in the short term.

4. Economic Intelligence Reporting

- 4.1. Following feedback at the SELEP Board meeting in June, a SELEP Economic Data and Intelligence web page has been developed which provides an overview of key trends and data. This allows all partners to access the data as and when required, as well as enabling them to view the source data for further detail and analysis. This web page will be updated monthly.
- 4.2. There is a significant amount of information and intelligence being produced in relation to the current economic challenges, with many partners and federated areas also producing their own analysis. For the purposes of the SELEP Economic Data and Intelligence web page, key metrics are provided building on the 'dashboard' report shared at the June Board meeting. At a SELEP area level this includes key health, labour market and business data. National data is also provided for each of these areas, as well as for Gross Domestic Product (GDP) and Purchasing Managers Index (PMI) data which can be used to monitor overall economic trends.
- 4.3. The data can be found on the following page of the SELEP website:
<https://www.southeastlep.com/our-strategy/economic-data-and-intelligence/>
- 4.4. The Board are asked to agree that information continues to be provided in this way.

- 4.5. We will continue to review data, feedback and intelligence sources to increase our understanding of these impacts as more information becomes available. Further, more detailed analysis can also be undertaken as required to inform specific Board activities or discussions.

5. Development of an Economic Recovery and Renewal Strategy

- 5.1. The data and intelligence outlined above will be used, alongside the existing LIS Evidence Base and other available information and plans, to inform the development of a SELEP Economic Recovery and Renewal Strategy.
- 5.2. The Minister for Regional Growth and Local Government, in response to a letter from the LEP Network, has confirmed that the LIS programme of work, combined with ongoing analysis of the impacts of the health crisis, should guide strategic thinking in recovery.
- 5.3. However, LEP area strategies will also need to align with emerging national policy and funding and therefore our approach will be informed by the Government's White Paper on Devolution and Local Recovery, which is expected in autumn 2020.
- 5.4. The SELEP COVID-19 Economic Response Statement and supporting intelligence provide an interim position which can be used to inform activities and support communications with stakeholders. It is intended to be a living document which will evolve and be updated as appropriate. The Board are asked to consider how the initial opportunities impacts and opportunities identified within this statement, and in the federated areas plans, might feed into SELEP's longer term Economic Recovery and Renewal Strategy. The statement is attached as appendix A and can also be found on the link provided in 4.4 above.

6. Next Steps

- 6.1. Pending approval from the Board, data on the economic impacts of COVID-19 will continue to be updated on a monthly basis in the format described above.
- 6.2. Discussions with the Board will inform the ongoing planning and preparation for a SELEP Economic Recovery and Renewal Strategy and a further update on progress will be provided to the Board on 2nd October 2020.

7. Accountable Body Comments

- 7.1. The Accountable Body has no specific comments to add to this report.

8. Supporting Papers

- 8.1. Appendix A: SELEP Economic Recovery Statement (attached)

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Statement from Christian Brodie, Chair of South East Local Enterprise Partnership

“The impact of COVID-19 on the global, national and regional economies is already significant. The changes to our way of life have presented challenges of a scale that have pushed many to re-evaluate priorities and ways of operating. The South East business community – like so many others across the UK – is facing one of its most challenging times to date.

“Businesses and the public sector need to work closely together to understand these impacts and how best to act and invest to ensure a swift recovery where possible. We need to limit impacts where we can to sustain our economy and seek out those opportunities to actively boost it.

“The immediate response to the pandemic from Government has been swift with an unprecedented

COVID-19 Economic Response Statement

level of fiscal response that has been critical to support the national economy.

“SELEP is working collaboratively to provide a response for this area which is shaped by local knowledge, business insights and expertise and will protect and boost our economy in the short, medium and long term.

*“This includes **£90m of investment to accelerate the recovery effort**, ensuring that investments in projects are focussed on the immediate benefits of new job creation, for example in delivering key infrastructure, but that such investments provide longer term positive economic impacts.”*

This document sets out the potential impact on the SELEP economy and how we will work in partnership to support economic recovery through:

- *supplying businesses with **immediate and up to date advice on the support available**. This is being provided through multi-mode communications and our successful **Growth Hub**, which has supported more business engagements over the last 3 months¹ than the previous year combined;*
- *reviewing and repurposing the funding we have at our disposal. Whilst we will*

*continue to invest in important infrastructure in our region to ensure that businesses have the environment they need to operate, we know that our economy needs a variety of support right now. This is why we are repurposing funds to expand our **Sector Support Fund by a further £1m**, helping sectors to adapt, diversify and innovate; establishing a **£2m Skills Fund** to support those that need to reskill or train for new employment; and increasing our capacity to provide widespread help and assistance through a **£2.4m SME Business Support Fund**;*

- *leading the local implementation of the **‘Getting Building Fund’** and ensuring that the **£85m** we have at our disposal is positioned to boost economic recovery and targeted to projects which will deliver by March 2022; and*
- *building our **economic intelligence** to inform medium to long term strategy for economic recovery and growth. It is important that we don’t just react in the short term but work with partners to ensure that we have an evidenced strategy for how we support the **recovery and growth of our economy over the medium and longer term.***

¹ April – June 2020

SELEP's Economic Priorities

With 170,000 businesses, the vast majority of which are small enterprises, and a population of around 4.2 million, SELEP is the largest LEP outside of London. It is encircled by 375 miles of coastline and home to eight seaports that power trade and support the area's £90bn contribution to the UK economy. SELEP is sectorally strong and diverse and the area has planned investment on a significant scale, including nuclear power at Bradwell, Lower Thames Crossing and the largest development of garden communities in the UK.

Whilst this all presents great opportunity, we also face some key challenges in being home to some of the most deprived areas in the country, many of which are coastal, and will have been significantly affected by the COVID-19 pandemic.

Building on the SELEP Economic Strategy Statement - *Smarter Faster Together* - and the distinctive strengths, challenges and opportunities set out in the draft SELEP Local Industrial Strategy, there is a strong foundation on which to respond to the current economic crisis. In particular, this work highlighted:

- the South East's critical role as a **global gateway** and as a leading location for inward investment, connecting the UK with international markets and with important links into and around London

- the scale of opportunity to deliver **communities for the future** that will create the best places to live and work, driving better design and innovation and supporting our shift to becoming a net zero carbon economy

- the importance of creating a **coastal catalyst** to harness the opportunities within our coastal communities and to promote greater inclusion and change. The estuary has some of the most challenged coastal communities in the country and our aim is to improve the economic fabric of our coastal and rural areas.

In addition, the draft LIS highlighted the importance of cross cutting issues such as developing a workforce that is fully equipped to respond to new technologies and a changing economy; increasing innovation activity and R&D performance; and embedding clean growth principles and investing to help us mitigate the impacts of climate change. These issues are particularly relevant as we seek to respond to the economic challenges being felt as a result of COVID-19.

SELEP will continue to develop our understanding of what the impact of COVID-19 means for our businesses and the area's distinct economic characteristics. This will include, but is not limited to:

- the impact on international trade and investment and our role as the global gateway to the UK;

- the impact on infrastructure developments and the significant growth planned for our region;
- the impact on our towns and high streets and on those areas that already face economic challenges, including many of our coastal communities where some of the UK's most intense deprivation is found;
- the impact on specific sectors including education and the cultural, tourism, and hospitality industries; and
- understanding the biggest workforce and technological challenges facing our businesses; and the opportunities to support businesses and sectors to innovate and adapt to the changing economy and new ways of working.

SELEP is also an integral part of the Greater South East economy and we work in partnership with our neighbours to contribute to a strong and coherent voice for southern LEPs – Catalyst South. This combined area has an economic output of £359bn. It provides 16% of the UK's jobs and history shows its high jobs growth potential, with 1.9% growth in the last 5 years². It is therefore vital that we support this economy to bounce back strongly and quickly for the benefit of the whole of UK plc.

² As of 2018

Economic impacts of COVID-19 – What we understand so far...

Across the SELEP area, the estimated reductions of up to 14.3%³ in output could see our GDP reduce by over £12bn this year. By the start of June, we had already seen a 10% increase in unemployment, equating to an additional 7,800 more unemployed, and by the end of June over a third of our workforce had been furloughed. Although we hope for the majority this will be temporary, it is likely to result in further increases in unemployment as Government support reduces.

We have also seen benefit claims rise significantly and at a higher rate than the national average, with over 156,000 people claiming universal credit compared to 63,000 in the same period last year⁴ and claims doubling since March.

In terms of resilience, our skills levels remain below the national average and particularly some of our coastal and rural areas have barriers around digital connection and access.

There has been considerable take up of Government grants and support, with over £780m awarded to SELEP businesses. Some of our most significant sectors are also amongst the most affected, with employment in health, retail and education making up over a third of all jobs in the region.

The impact on tourism is huge particularly for our coastal and rural areas, with 28% of employees in coastal towns working in the accommodation and food sector and the aviation sector also having a large presence in the SELEP economy.

Estimated impact on SELEP GDP of up to

-£12bn

if a 14.3% contraction in the SELEP economy

SELEP has already seen a

10%

increase in unemployment
An additional 7,800 unemployed

93,000

Additional universal credit claimants compared to the same time last year.

34%

of employees furloughed across the SELEP area

The creative industries will potentially be the last sector to return and the South East region is predicted to see the biggest impact outside London, resulting in 82,000 job losses and a £4.7bn reduction in GVA. In contrast sectors such as health and care and food production have seen huge spikes in demand.

With education predicted to be the hardest hit sector in terms of output, our 9 Universities and 17 Further Education colleges are likely to be disproportionately impacted. The future income and financial sustainability of our universities is at risk along with concerns for student outcomes. There

has been a 75% reduction in appetite for September apprenticeship starts in Essex alone.

Our local SELEP Business Surveys have shown us that our businesses remain resilient and keen to move forward, with 58% looking to change the way they operate and 49% saying they welcome support to adapt their business models and innovate – particularly through technology-based solutions. Positively, 27% also indicated that they felt that the crisis had presented opportunities for their business.

SELEP's Response

SELEP provided an immediate response to support businesses during the initial impact of the COVID-19 and the introduction of lockdown and social distancing measures.

Particularly at this very early point, communication was a critical part of this response, through which SELEP has worked to:

- ensure businesses are kept up to date with developments and that they are provided with clear advice and can access relevant business support, funding and training;
- gather intelligence to understand the impact and challenges faced by businesses and using this to influence policy makers; and
- demonstrate leadership and work with the Southern LEPs and the LEP network to influence Government policy and response on behalf of our businesses.

³ OBR, July 2020

⁴ June 2020 compared to June 2019

In response to the substantial shift to remote working and the need for companies to adapt their operating models, SELEP's Digital Skills Partnership (DSP) has also been identifying opportunities for businesses to upskill to respond to this new way of operating.

Throughout the crisis and in response to the various Government announcements, SELEP has continued to work with all business support organisations, directly and through our South East Business Hub, including Chambers of Commerce and the Federation of Small Businesses, European-funded business support programmes, and with local and national government. This ensures that support can be adapted wherever possible and provides a better understanding of the issues faced by businesses now and the potential future impacts.

The SELEP Strategic Board took decisive action to review and repurpose the resources at its disposal as well as attracting new Government funding to support the short- and medium-term recovery of the area. This includes:

- expanding our Sector Support Fund by a further £1m to provide funding that will help those sectors most affected by the pandemic;
- establishing a £2m Skills Fund that will support those that need help to retrain and upskill in response to the changes in ways of working and the impact on jobs;
- establishing a £2.4m SME Business Support

Over £90m of investment in SELEP's economic recovery

£85m on building projects through the Getting Building Fund

£2.4m for SME business support

£2m for skills

£1m for additional sector support

Fund to aid the stabilisation and recovery of the region's SME base, which will complement the current business support landscape;

- leading the local implementation of the 'Getting Building Fund' and to deliver £85M investment in projects that will boost economic recovery for example by improving digital connectivity, regenerating towns and workspaces, improving skills provision, supporting the visitor economy and providing sustainable transport solutions;
- reviewing and reprioritising our capital Local Growth Funds to ensure that there remains a strong case for intervention across all projects in light of the COVID-19 pandemic; and

- working closely with industry and partners through Federated Areas and LEP wide forums and Working Groups, such as the Major Projects Group, Coastal Group, South East Creative Economy Network, Skills Advisory Panel, Rural Working group and Housing and Development and more, so that the LEP can identify and facilitate the activities needed to mitigate the risks and seize the opportunities that become available.

The details of these new funds are being developed to take account of emerging needs and priorities and they will be made available on the SELEP website following approval by the SELEP Strategic Board.

Economic Recovery and Growth

As the economic impacts of COVID-19 become clearer, SELEP will review the priorities identified in the Economic Strategy Statement and the draft Local Industrial Strategy and in line with Government's plans, this will inform our longer-term response to economic recovery and growth.

However, there are some areas that we know will need particular support if the SELEP economy is to bounce back strongly from this economic crisis.

These include:

- **supporting businesses to adapt, recover and grow**, including through our successful Growth Hub, a new business support fund targeted at SMEs and a further £1m to extend our Sector Support Fund programme to help those most affected;
- the **re-skilling of our workforce, supporting people back into the labour market** and helping businesses to adapt to new ways of working, with a skills fund to address emerging needs, promotion of additional

Government support for programmes such as apprenticeships and traineeships and trailblazing work to improve digital skills through our Digital Skills Partnership;

- driving forward **innovation, research and development** to help stimulate the economy and increase productivity, including collaboration across our nine universities and through the SELEP Major Projects Group which brings together the nationally significant infrastructure projects across the South East;
- promoting and enabling **clean recovery** in the future planning of our towns and communities, which will include delivery of 40% of the UK's garden communities programme and investment in 12 of our communities through the Towns Fund and Future High Streets Fund and supporting our coastal communities;
- addressing gaps in **digital connectivity**, ensuring that SELEP has the skills and infrastructure required to support this across all areas including our coastal and rural communities;

- **accelerating planned growth** through investment of £85m Getting Building Funds to deliver projects by March 2022 which will boost the economy and provide much needed jobs, as well as supporting our major projects to deliver long term economic and social benefits;
- helping to tackle the **implications of Brexit** for industries across SELEP, particularly those such as ports and logistics which will be heavily impacted; and
- continuing a **strong dialogue with Government**, as a LEP and as part of Catalyst South and national LEP network, to ensure that the opportunities and challenges we have in supporting economic recovery are clearly understood.

In addition, the four federated areas of the LEP, Success Essex, Opportunity South Essex, Kent & Medway Economic Partnership and Team East Sussex, are considering localised impacts and developing local recovery plans.



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

