**STOKE ON TRENT & STAFFORDSHIRE**

**LOCAL ENTERPRISE PARTNERSHIP**

**EXECUTIVE BOARD MEETING**

**16 APRIL 2020**

**Summary of SSLEP COVID-19 Activity**

1. **Summary**
	1. This paper updates the Board on SSLEP partner activity in response to COVID-19 and sets out the process for developing a COVID Recovery Plan.
2. **Background**
	1. COVID-19 was first reported in China in December 2019 and has subsequently spread around the world, officially classed as a pandemic on 11 March 2020. Since then over 1.4 million cases have been reported and there has been unprecedented worldwide government response which has had a global social and economic impact. In the UK, on 17 March 2020, the Chancellor announced a £330 billion package to support businesses and, later, the self-employed. On 23 March a full UK lockdown was announced by the Government.
	2. The long- term impacts on the UK and SSLEP economy of the virus and subsequent actions are as yet unknown and remain difficult to predict. Impacts are likely to depend largely on the length and extent of restrictions on the movement of people and businesses and central government and local agency response to the crisis.

1. **COVID-19 Partner Activity: Intelligence Gathering & Response**

**Stoke-on-Trent & Staffordshire Growth Hub**

* 1. The SSLEP Growth Hub is the main portal for handling business queries relating to Covid-19 impacts and support Covid-19. The Growth Hub received 1,961 business enquiries in the first two weeks of the crisis. All partners are directing enquirers to the Growth Hub website where business support information is updated daily and consistently across all platforms. 93% of hits on the website over the last two weeks relate to Covid- 19 issues. Updates have also been issued, as information arrives, through 24 bulletins direct to the business base. Growth hub webinars are now underway with finance providing a key theme.
	2. Growth Hubs are providing a detailed weekly return to BEIS comprising of a range of business intelligence which comes from both Hub and partners interactions with the Stoke-on-Trent & Staffordshire business base. Information is provided by partners every Friday lunchtime for inclusion in the report. (Details of how to provide input to the process were re-circulated on 24 March. Anyone requiring further detail please contact the SSLEP team).
	3. BEIS is providing additional funding to Growth Hubs in order to boost their capacity in undertaking additional work in relation to Covid-related business support activity. SSLEP Growth Hub will receive an additional £331,500 in 2020/21 to “*strengthen and, in the short term, ensure that there are the resources to respond to Covid-19 and the needs of businesses across England.*”

**Staffordshire Chambers of Commerce**

* 1. Staffordshire Chambers is contracted to deliver parts of the Growth Hub work. In addition to this, the Chambers have a number of other areas of intelligence gathering and practical business support work in train, as follows:
* Direct contact is being made with all chamber members, start-up business contacts from over the past 3 years, Chamber Sector Group members and businesses participating in the chamber’s mentoring scheme with a view to providing information and logging business needs for use in lobbying with British Chambers, Ministers and supporting work with partners.
* Retail fact sheets have been produced and provided to town centre managers and Business Improvement Districts
* A series of Webinars are being delivered around topics such as: finance help for businesses & the self-employed; effective home working; looking after mental health amid Covid fears; and general business support clinics.
* A package of training is under preparation through the Skills Hub focussed on retail & leisure opportunities.
* Continuing to man the Business Crime Helpline, working with Staffordshire Police.
* An online member business survey will be issued post Easter.

While events and all face-to-face delivery is suspended, some Chamber staff have been furloughed.

**City & District Council Grant & Funding**

* 1. The government is providing £20 billion of business rate support and grant funding administered through our District, Borough and City Councils through a general small business rate and rural rate relief grants and specific support to retail, hospitality & leisure businesses. At the point of writing, this funding has yet to be received by local authority partners, however, council partners are adapting & setting up systems and are already issuing funding to businesses.

**Response to Covid-19 Group Chaired by Staffordshire County Council**

* 1. This group includes partners from the County and City Councils, LEP secretariat, SSLEP Growth Hub, Federation of Small Businesses and Chambers of Commerce with the agreed purpose to share, direct and coordinate intelligence and resources in response to the COVID-19 crisis. The Group meets weekly and is: sharing details of partner activity, identifying key issues for business and for partners in supporting business needs, agreeing immediate actions to improve support activity, information flow and consistent messaging for businesses, and exploring recovery actions to meet needs e.g. additional small grant funding scheme to meet gaps in provision.

**Stoke City Council Diagnostic Report**

* 1. City of Stoke-on-Trent Council is well underway in issuing funding to businesses and is mapping local impacts using local economic intelligence and social care & health data in order to pull together activity milestones and develop a six month economic map for the area, on to which short, medium and longer term actions can be built into a City Recovery Plan. An online survey of all city businesses will be issued shortly to assist in ensuing support is appropriately targeted.

**SAP Project Group Data Insights**

* 1. AELP intelligence has been gathered nationally from FE Colleges and independent training providers (ITPs) and schools to establish the current impact on operating arrangements. Anecdotal evidence from local providers backs up the UK-wide findings. Colleges moving to online learning where possible. ITPs noting cancellation and suspension of apprenticeships, lack of cashflow for ITPs is halting training provision. As survey of ITP will provide better quality data on the position. Early years child minders and nurseries have been severely affected with high percentage closures.
	2. Local evidence points to the vulnerability of our area due to the prevalence of jobs in immediate high-risk sectors: accommodation and food service activities; arts, entertainment and recreation; manufacturing; and wholesale and retail. These sectors make up 33.5% of SSLEP area businesses and comprise of 39.5% of our jobs. Additional insights on a significant fall in job vacancy postings in the area point to potential future downturns in skilled trade, associate professional/technical operators and administrative roles.

**SSLEP Secretariat Activity**

* 1. SSLEP Secretariat has the following areas of work in train at present:

SSLEP direct discussion with BEIS on key funding & programme issues:

* At present the Local Growth Fund (LGF) programme ends on 31 March 2021 and all LGF funding must have been defrayed by this date. Some LGF projects are subject to further delay due to lockdown/inability for contractors to work on site. SSLEP concerns over ability of all schemes to meet the expenditure deadline have been raised with BEIS colleagues and clarification is being sought. This issue is obviously common to most LEPs.
* Discussions have taken place on the potential for SSLEP to convert current LGF programme unallocated LGF (currently approximately £384,000) from capital to revenue for potential immediate use against recovery work. (See below on potential uses for this funding).
* The secretariat has requested consideration by BEIS to providing faster access to and greater flexibility in the use of some of the new allocation confirmed in the budget against Covid recovery work, as a mix of capital and revenue. This could be around £6 million/LEP to be spent by end of March 2022.

Working with Midlands 9 LEPs and LEP Network

* Weekly conversations have been set up between the LEP Network Board and senior civil servants (Central Local Growth Unit). Ministers join these meetings every other week. These meetings present an opportunity for providing real time intelligence on local economic impacts, lobbying on issues such as those raised above and to receive messages on government planning to support local areas. WM area is represented on the Network Board by GBSLEP and weekly calls with the WM 6 LEPs are timetabled the day before to enable LEP Chairs & CEOs to discuss the detail of messages and requests from WM area.

SSLEP Chair & CEO hold Network, WM 6 LEP and Midlands 9 LEP

* Regular calls to discuss local impacts and local activity to mitigate. Looking across the country at all other LEPs, there are two types of activity to date:
* Many Growth Hubs are conducting local business surveys among their business bases, aligned to raising awareness of/signposting to government business support and to existing services provided by Growth Hubs.
* So far, approx. 4 LEPs (e.g. Coast to Capital, Bucks Thames Valley) have launched small grant schemes using revenue underspend and/or a re-purposing of Growing Places Funding.

Use of Unallocated SSLEP Funding

* The secretariat has been exploring with partner EU and skills officers, the potential for using unallocated LGF funding against the extension of existing programmes that might be adapted to meet current immediate difficulties e.g. the ESF Redundancy & Workforce programme and the young people’s & NEETS workstream. Expansion of EU funding programmes would require separate permissions through Managing Authorities but have the advantage of having ready-established systems & processes in place to get going quickly and providing the ability to draw down further EU funds to expand the investment made in the business community. Managing Authorities have notified partnerships and delivering bodies of their willingness to be flexible in current circumstances however detail is still awaited on how this flexibility translates into activity. The secretariat is exploring other ideas and opportunities that might provide immediate support using this funding. Any thoughts are welcomed. *Allocation of this funding is a Board decision*.

Improving Qualitative Evidence of Impact

* While considerable detail on the impact on our business base is coming through our Growth Hub, Chambers and FSB, some of the detailed impacts are less readily available for some of our larger businesses. The secretariat is contacting a sub-set of these with a view to gaining detail on their concerns & impacts, perceived gaps in government provision for them and their supply chains and any early thoughts on recovery planning. This information will be fed into recovery planning work. This work will take the form of telephone interviews, conducted over the two weeks following Easter.

SSLEP LIS Sub-Groups & Covid Recovery Plan

* With a newly developed LIS and an evidence base recently gathered, SSLEP partners are in a relatively good place to respond in putting in place a Recovery Plan that looks to the future economy of our area and continues to build that vision, providing lasting opportunities for our businesses and communities for the longer term, while delivering on essential short, medium and longer term response activity.
* The 19 March LEP Board agreed that each of the four SSLEP Board Sub-groups – Future Workforce, Growing Business, Innovation and Place - would be tasked with identifying, recommending, promoting and programming areas of COVID-19 recovery work. The outputs of each of these four sub-groups will be brought together into a SSLEP Covid-Recovery Plan.
* The first two sub-groups – Future Workforce and Growing Business – meet for the first time on 15th and 16th April, respectively. The second two groups will meet at dates soon to be established thereafter.

**Recommendation: That Board Directors note the intelligence gathering and partner activity underway that will feed into the development of a SSLEP Recovery Plan via the identified sub-group delegated mechanism.**

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