

3 November 2020

Agenda Item: 7

REPORT OF THE CORPORATE DIRECTOR, PLACE

UPDATE ON THE ECONOMY AND PROGRESS WITH THE ECONOMIC RECOVERY ACTION PLAN 2020-2022

Purpose of the Report

1. To update Members on the post-lockdown national response and the work the Council and its partners are undertaking, especially in relation to the Economic Recovery Action Plan.
2. To seek approval to continue development of a healthy work bid for £643,601.

Information

3. The coronavirus pandemic, changing economy and the pressing need to get Nottinghamshire back on its feet in the wake of COVID-19 is why, on 15 September, this Committee approved the Council's Economic Recovery Action Plan 2020-2022.
4. In the intervening 49 days, an unprecedented package of measures continues to be developed, refined and delivered by the Council and partners (locally and nationally) to get businesses up and trading again; restore business, consumer and community confidence; and support for those who do lose their jobs.
5. For ease of reading, this report begins with an update on the national response and the impact of this support across Nottinghamshire and concludes with highlights of the decisive action the Council and its partners are undertaking to get our economy back on its feet.

Key take outs from the National Response

6. The government announced a new Job Support Scheme (JSS) to replace the furlough scheme and began from the start of November. Having undergone a revision since the announcement of the JSS, its aim is to stop mass job cuts. Instead of a minimum requirement of paying 55% of wages for a third of hours, as announced in September at the launch of the Winter Economic Plan, employers will have to pay for a minimum of 20% of usual hours worked, and 5% of hours not worked.
7. The government will now fund 62% of the wages for hours not worked. This more than doubles the maximum payment to £1,541.75 a month. In the most generous case, the taxpayer will now go from funding 22% of wages to just under half. The scheme will, as before, be open to all small businesses and larger businesses that can show an impact on revenues.
8. It is aimed at addressing the gap in support for businesses in tier two restrictions but is not explicitly tied to that status and is available across the United Kingdom (UK). The tables to follow, illustrate the breakdown of contributions under the various schemes. In all schemes,

employers must pay National Insurance and minimum pension contributions. By September 2020, circa 2.5 million people registered for the scheme, bringing the total claims to 6.3 million – 23% of the employed workforce.

9. Original Furlough Scheme (ended November 2020)

Employer pays 20%	Government pays 60%	Pay falls by 20%
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10. Job Support Scheme (for Tier Three businesses forced to close)

Government pays 67%	Pay falls by 33%
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11. Part-time Job Support Scheme (for all business affected by restrictions)

Employee must work at least 20%	Employer pays 4%	Government pays 49%	Pay falls by 27%
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*Source HM Treasury

12. Official figure from the Office of National Statistic (ONS) show, the UK unemployment rate has risen to its highest level for two years. The unemployment rate grew to 4.1% in the three months to July, compared with 3.9% previously. Young people were particularly hard hit, with those aged 16 to 24 suffering the biggest drop in employment compared with other age groups. As mentioned in the Poverty report which features on today’s agenda, a time lag in reporting means we are unable to obtain up to date data for Nottinghamshire. What is known, is that young people (particularly school and university leavers) who tend to rely on entry-level jobs to get them started in the world of work, will be particularly hit hard by the economic fall out of the pandemic on the retail and hospitality sectors.
13. The VAT cut was also extended from mid-January to the end of March. VAT rates cut for hospitality and tourism from 20% to 5% will remain in place until 31 March 2021, rather than 13 January 2021. The expectation is that the measure would help protect 2.4 million jobs through the winter.
14. UK debt passed £2 trillion in August, now exceeding the size of the economy, as the government has been forced to cover a wide range of coronavirus-related costs (from the furlough scheme and bailouts for rail firms to business rates holidays and VAT cuts for hospitality and tourism). This is the highest level of debt seen since the 1960s. Some economists expected the economy to stagnate for the rest of the year.
15. The Eat out to Help out scheme (which the Government set aside £500m to cover the cost of) helped drive significant spend (+25% versus previous five weeks) and trips back (+8%) in the Out-of-home (OOH) advertising market and encouraged trips earlier in the week (versus Thursday to Sunday). It has also boosted sales in pubs and bars, full-service restaurants and wholesale. Since then, tighter restrictions were announced across the United Kingdom on 22 September, including a 22:00 closing time for pubs in England. All pubs, bars and restaurants restricted to table service only. Takeaways can continue.
16. Government have confirmed their intention to transform the training and skills system. A major expansion of post-18 education and training to level up and prepare workers for the post-COVID economy was announced by the Prime Minister on 29 September. Measures include:

Lifetime Skills Guarantee to give adults the chance to take free college courses valued by employers and new entitlement to flexible locals to allow courses to be taken in segments, boosting opportunities to retrain and enhancing the nation's technical skills.

17. See **Appendix A** for further details on the National Response and a summary of the Department for Work & Pensions (DWP) Employment Support Programmes.

Action the Council and its partners are undertaking

18. Work has accelerated at pace in terms of the actions outlined in the recently approved Economic Recovery Action Plan. Key highlights of the last month include:

- £1 million funding has been secured from Department for Business, Energy and Industrial Strategy (BEIS) through the Green Homes Grant Local Authority Delivery Scheme to retrofit homes
- The continued encouragement of Modern Methods of Construction (MMC) in the County through the sale of Rolleston Drive
- Being accepted to submit a bid for the Social Housing Decarbonisation Fund working with partner organisations following an Expression of Interest
- Nine apprenticeships ranging from lead adult care worker to senior leader's master's degree with a levy transfer value of £129,000
- Through the Redeployment Triage service there have been 103 employment outcomes, 68 progressed into learning and 11 progressed into work
- Since the beginning of April our Growth Hub advisors have engaged with almost 550 Nottinghamshire businesses providing direct support and offering access to digital and webinar-based advice (figures correct to end of June)
- Since the September launch of the broadband gigabit voucher scheme, Gigabit coverage in rural areas has already risen to 14.92% (i.e. +1.09%)

19. In line with the Economic Recovery Action Plan and through the commissioned services of partner organisations the Council is delivering the following:

- **Inspire**
Inspire Learning was formed in 2016 and delivers educational services for the whole community, enabling Nottinghamshire residents to develop their skills by following courses tailored to their needs. Inspire is offering 32 places under the Kickstart Scheme. Inspire is actively promoting additional Traineeship and Apprenticeships, taking advantage of the recently announced employer incentive payments to encourage more engagement with these initiatives.
- **Via**
Via East Midlands provides highways and fleet management services in Nottinghamshire. Via is currently supporting 51 active apprenticeships across a wide variety of disciplines including highways maintenance and electrical, fleet mechanics, human resources and business leadership.

- **Arc Partnership**

Arc Property Services Partnership Limited (trading as Arc Partnership) is a joint venture between Nottinghamshire County Council and Scape Group. Arc Partnership has been successful in establishing several local frameworks aimed specifically at SME local companies within both Nottinghamshire and the wider area. This represents 42 suppliers, 32 (i.e. 76% of which are within the Derby, Derbyshire, Nottingham and Nottinghamshire area, and 36 (i.e. 86%) are classed as SME's.

20. See **Appendix B** for the details around the November update. Going forward, Members can expect to receive regular updates on the Economic Recovery Action Plan which will reflect changing circumstances, the latest business intelligence and how specific sectors (such as tourism, the commercial production of food by farming (i.e. agri food) and health and social care) have been impacted by the pandemic and the skills and employment interventions that are required due to changes in the labour market.

Supporting residents into long term and sustainable employment

21. Launched in November 2017, the Work and Health Programme is the Department for Work and Pensions (DWP) contracted employment provision aimed at helping persons who have a disability, the long term unemployed and specified disadvantaged groups to find sustained work.

22. Nottinghamshire County Council works to improve health and well-being and reduce health inequalities in the local population. Our aim is to continue to support workplaces, their individuals and communities in Nottinghamshire to not only live and work well but also to thrive and flourish. Committee's approval is being sought to approve continued development of a European Social Fund (ESF) bid on the basis that pound for pound match funding will be met from existing staff resources whose work is aligned to the activity. If successful, this will provide support that is distinct and additional to that available through Jobcentre Plus.

23. In November 2019, the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (D2N2 LEP) launched a European Social Fund (ESF) call for Active Inclusion – Healthy work. This call sought projects to build a locally integrated employment service that: tackles the deep-seated barriers to work for all who need it; makes best use of available resources; reduces duplication by integrating national and local health, employment and other support services; and enables people to access sustainable work and progress.

24. The ambition is to provide additional and complementary activity to those people who are not able to access the Work and Health Programme, yet still need support to get themselves back into employment. The call had a total ESF available of £4m and a minimum project value £1m of ESF, applicants required eligible match at 50%.

25. Futures Advice, Skills and Employment (Futures), our jointly owned social enterprise is leading a bid working with Nottinghamshire County Council and a wider partnership, that will build a team of specialist advisers, case loaders (to work long term with beneficiaries) and Business Engagement staff (who will work to deliver the model). The project will support and ensure full coordination with our existing services such as i-work. The Council will benefit from four additional posts: One Employment Coordinator and three Employment Inclusion Workers. Subject to due diligence and project approval by DWP, the D2N2 European Social Investment Fund Committee (D2N2 ESIF Committee) will provide £643,601 in match funding for the Healthy Work Project which is expected to run from April 2021.

26. In the event of the project bid being successful, the Council will enter into a formal agreement (for which a further report will be presented to Committee as appropriate).

Other Options Considered

27. The ESF funding opportunity aligns with our Employment and Health Strategy 2020-30 and therefore the 'do nothing' option was discounted.

Reason for Recommendation

28. A healthy workforce is a thriving workforce. This is not just in terms of health but also in terms of efficiency and culture. The ESF funding opportunity, provides the Council and Futures with the opportunity to work with businesses across Nottinghamshire to help influence approaches to workplace health.

Statutory and Policy Implications

29. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

30. The match funding required for the ESF bid is being matched from existing staff being matched into the programme who work on aligned activity. Therefore, no financial cash match is required from Nottinghamshire County Council.

RECOMMENDATION

1) To approve continued development of the healthy work bid for £643,601.

Adrian Smith
Corporate Director, Place

For any enquiries about this report please contact: Nicola M^cCoy-Brown, Growth and Economic Development ext. 72580

Constitutional Comments (CEH 15/10/2020)

31. The recommendation falls within the remit of the COVID-19 Resilience, Recovery and Renewal Committee under its terms of reference.

Financial Comments (SES 13/10/2020)

32. There are no specific financial implications arising directly from this report.

33. Paragraph 25 details that the match funding required for the ESF bid, is being matched from existing staff who work on aligned activity. Therefore, no financial cash match is required from Nottinghamshire County Council.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- *Notification of Decisions taken under urgency procedures: Gigabit Broadband Voucher and Green Homes Grant Schemes*, report to Policy Committee, published on 30 September 2020
- *Social Housing Decarbonisation Fund Demonstrator*, published on 9 September 2020 by the Department for Business, Energy & Industrial Strategy. Available online at: <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator#history>
- *Economic Recovery Action Plan 2020-2022*, report to COVID 19 Resilience, Recovery and Renewal Committee, published 15 September 2020
- *Employment and Health Strategy 2020-2030*, approved by Policy Committee on 18 March 2020 and available online at: <https://www.nottinghamshire.gov.uk/policy-library/72899/employment-and-health-strategy-2020-30>

Division(s) and Member(s) Affected

- All