



## CABINET – 30TH SEPTEMBER 2020

**SUBJECT: COVID 19 – ECONOMIC RECOVERY FRAMEWORK**

**REPORT BY: INTERIM CORPORATE DIRECTOR OF COMMUNITIES**

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### **1. PURPOSE OF REPORT**

- 1.1 This report provides Cabinet with an overview of our economic recovery framework which comprises three distinct phases as follows:
- The Restart phase.
  - The Revive phase.
  - The Renew phase.

### **2. SUMMARY**

- 2.1 The Covid-19 pandemic is causing unprecedented disruption to our communities and the local economy. In response the Council has prepared a framework for recovery which aims to support the Council and the wider county borough to recover. The framework sets out 5 underlying principles, one of which includes “Business support”.
- 2.2 The County Borough faces immediate challenges as the effects of Covid is impacting across all sectors, businesses and jobs. Business Partners face the urgent task of understanding the evolving implications of Covid-19 for their businesses and are struggling to understand how to respond. For our part we are trying to support businesses and people who are facing redundancy with the massive challenges that lie ahead. The Economic recovery framework supports the “Business support” principle and this report outlines the economic recovery framework we are using based on three distinct phases as outlined above.

### **3. RECOMMENDATIONS**

- 3.1 To acknowledge the significant government response and rapid role out of financial and business support that has taken place in the Restart Phase to help businesses in the County Borough.
- 3.2 To note the research that is being undertaken during the Revive Phase to understand any longer lasting impacts of Covid and a potential no deal Brexit on the local economy.
- 3.3 To agree the Strategic Direction proposed for the Renew Phase.

#### **4. REASONS FOR THE RECOMMENDATIONS**

4.1 To provide a cohesive framework for economic recovery.

#### **5. THE REPORT**

5.1 The Covid-19 pandemic is causing unprecedented disruption to our communities and the local economy. In response the Council has prepared a framework for recovery which aims to support the Council and the wider county borough to recover. The framework sets out 5 underlying principles, one of which includes “Business support”.

5.2 The Covid-19 pandemic is causing unprecedented disruption to the local economy. The initial economic shock is expected to lead to recession, and the timing and pace of economic recovery is highly uncertain, added to this we face a potential no deal Brexit which will place even further pressure on the economy. The County Borough faces immediate challenges as the effects of Covid is impacting across all sectors, businesses and jobs. Business Partners face the urgent task of understanding the evolving implications of Covid-19 for their businesses and are struggling to understand how to respond. For our part we are trying to support businesses and people who are facing redundancy with the massive challenges that lie ahead.

5.3 This report provides Cabinet with an overview of our economic recovery which supports the underlying principle of “Business Support” detailed within the Council’s Framework for Recovery. The Economic recovery framework comprises of three distinct phases as follows:

- The Restart phase.
- The Revive phase.
- The Renew phase.

##### The Restart phase

5.3 The Restart phase is very much a ‘led by government’ period supporting the phased lifting of restrictions. It is envisaged that this could take up to a year during which time there will be a continued need for some form of Government financial support which will be critical to ensure that this phase is successful.

5.4 The response to date by Government at all levels has been rapid. Outlined below is a brief overview of the Restart phase to date:

- The Council has set up an **Emergency Business Support Team** Chaired by the Head of Regeneration & Planning, comprising officers from: Regeneration, Finance, NNDR, Procurement, Communications, Rural Development Plan, Housing and Leisure Services, Welsh Government, Caerphilly Business Club Representatives and the Cabinet Member Cllr Sean Morgan.
- General information, communication and signposting to Business Wales and other forms of government relief and guidance and the creation of a dedicated E-Newsletter for Business. 8,000 contacts made on average per week through the Business Newsletter

- **Financial Business Support** in the form of the administration of a multitude of grants as follows:
  - NNDR - £32.2 m – 2781 applications
  - Phase 2 of the ERF Caerphilly - Micro 158, and 14 Sole Traders and 20 SME applications across Food and Drink, Construction and Tourism,
  - Start Up Grant - an allocation of money has been given to each Local Authority and Caerphilly have been allocated £210K which equates to 84 grants at £2500 each but is over-subscribed.
  - Caerphilly Enterprise Retail Safety Grant - £50k allocation which equates to 250 grants at £200 – to support retailers to reopen (on a first come basis).
  - Streamlined the Caerphilly Enterprise Fund to make it more reactive and broadened the eligibility to enable businesses to diversify business to react to Covid.
  - Working with Charities and Sports clubs to access Sport Wales grants.
  - RDP Post Covid Grants for rural business.
  - Rent Deferral Scheme for Council tenants requiring support in the short term.
- **Supplier Relief**
  - Supplier risk analysis and targeted support to supply chain companies;
  - Prompt support for companies at risk;
  - Prompt administration of payments;
  - Targeted intervention to ensure suppliers continue to be paid;
  - Ongoing monitoring of business needs.
- **Employer Support**
  - Working with multiple companies and training local people in readiness to take up work opportunities as they arise e.g. Transcend, Universal Glass, pharmacy positions, Shadow Scaffolding, William Hare etc;
  - Set up a Redundancy Response Team comprising Community Regeneration Officers, Careers Wales, Department of Work and Pensions, Coleg y Cymoedd etc to develop a response to the increasing unemployment rate.
  - Relaunched the Caerphilly Business Club with 150+ members already signed up.
- **Reopening Towns**
  - Set up a working group to consider physical interventions such as road closures, street widening etc., comprising Regeneration, Planning, Highways, Licensing, Trading Standards and the Police.
  - Implemented initial social distancing measures and signage and advice;
  - Grants to business for safety measures;
  - Business Survey – online and in person in all Principal Towns to determine business requirements and the ability to trade safely outside where required
  - Design team set up to develop the measures required to support outdoor opening.
  - £400k active travel grant from WG to support physical intervention measures.
  - Repurposed Targeted Regeneration Initiative Thematic to provide grant aid for modifications for businesses to trade outdoors.

- Eat Out to Help Out discount scheme provided a 50% reduction for sit-down meals in registered cafes, restaurants and pubs from Monday to Wednesday every week throughout August 2020.
- **Tourism Recovery**
  - Tourism Recovery Group comprising Head of Regeneration & Planning, Transformation Manager Regeneration Officers and Venue Managers set up to prepare Tourism Attractions Recovery Plan.
  - Recovery Plan prepared to inform reopening and transformation of venues to the new way of working.
- **Economic Recovery Plan**
  - Commissioned research to better understand the potential implications for local businesses. The research will focus on understanding how the pandemic, which is leading to a sharp recession and possible depression, is impacting on the business community. The research will also consider the implications of a no deal Brexit on top of the Covid-19 fallout and inform the development of the Economic Recovery Plan.
  - Working with Planning Services to consider how planning policy should change to allow towns to diversify.
- **Identification of major construction projects**
  - Caerphilly Placemaking Plan
  - Working with the WLGA on shovel ready schemes for financial support to kick start the economy.
  - Social Procurement – training opportunities/local supply chain opportunities.

### The Revive phase

- 5.5 The Revive Phase may take between 12 to 18 months and will be tied to progress with testing, a readily available vaccine and public confidence in getting back to something like normal. Proactive plans and interventions led by public authorities will be of key importance.
- 5.6 The full impact of Coronavirus on the local economy is not known, and it is too soon to say which businesses have suffered the most. There are lots of questions to answer such as:
- Will the economy experience a phased and lengthy return to normal?
  - Will there be an immediate economic bounce back?
  - What new trends and customer behaviours have been embedded in our daily lives longer term?
- What is certain is that we will be living with Coronavirus for some time and the firing up of the economy will be risky because protecting public health is the national priority.
- 5.7 To better understand this we have commissioned a short piece of research to focus on how the pandemic, which is leading to a sharp recession, is impacting on the business community in the county borough. The research will also consider the implications of a no deal Brexit on top of the Covid-19 fallout. It will stress test

scenarios to look at how different scales of economic impact may adversely affect the Caerphilly economy and the different sectors of the business community.

- 5.8 The research will review wider literature on both the potential economic implications of Covid-19, including changes to working practices, and a no deal Brexit. Primary quantitative and qualitative survey responses will be collected from the business community using online and telephone approaches to canvas a wide audience. A sample framework will also be drawn up to specify the key sectors in Caerphilly to target them for their views and comment on the impacts to date, and potential future risks.
- 5.9 This evidence will be analysed using basic economic modelling to understand the scale of the potential risk for the Caerphilly business community. These findings, including a review of the potential Brexit scenarios will be key to informing the Renew phase.

### The Renew Phase

- 5.10 Picking up where A Foundation for Success and our Masterplans Plans had started by addressing the structural and strategic improvements that are necessary to drive local economic growth, the Renew Phase will include renewed policy interventions, financial support and the delivery of major construction projects to create opportunities for the local economy and local supply chains and work for local people and will include for example:
- Securing funds from the regional and UK Landscape to overcome high-level public sector challenges working closely with business to use innovative new solutions (SBRI/CCR Challenge Fund).
  - Understanding the future industrial growth areas as shaped by the Covid19 pandemic and working with business to inform our place in the local and regional economy in the future.
  - Driving the delivery of major construction projects to kick start economic recovery.
  - Renewing policy interventions based on the findings of the research via the Replacement Local Development Plan to:
    - Enable people to work from home and reduce the need to travel;
    - Allow businesses to grow and prosper through the delivery of suitable land and premises to meet the needs of business;
    - Enable the diversification of our towns to be vibrant places to live, work and visit with services at the heart of the local economy;
    - Support town centre re-invention and capitalise on the ‘town first’ principle with appropriate land use interventions;
    - Release land for new housing development;
    - Facilitating Active travel and modal shift.
  - Accelerating Caerphilly Placemaking 2020 with a focus on 21<sup>st</sup> Century Schools, Caerphilly Homes, New Leisure Facilities, etc.
  - Accelerating Caerphilly Placemaking plan projects with the initial focus on Caerphilly Interchange, HQ Building and Ness Tar.
  - Ensuring that the significant public sector investment has the maximum social impact for the local and regional economy.
  - Improving access to the digital front door and addressing digital poverty as a barrier to employment.

- Influence regional and Welsh policy and programme development – role as member of CCR Regeneration Group, WG regional town centre group etc. through a continued dialogue with the WLGA.
- Build on developing relationship with WG Business Wales, WG Regeneration Team and WG Valleys Taskforce so we can dovetail support packages.
- During this stage we could concentrate on developing a coherent marketing strategy for the county borough to attract in new investment.
- Reinvigorating Blackwood Town Centre Masterplan emphasising public realm improvements.
- Prepare and Finalise the Final Masterplans for:
  - Heads of the Valleys (completed in Draft form 2019/20);
  - Newbridge to Risca Corridor.

## **Conclusion**

- 5.11 Whilst this report gives an overview of the framework for economic recovery and provides an overview of the work that is being undertaken to aid economic recovery at the time of writing, it should be noted that this is a fast moving policy environment with new initiatives being announced on an almost daily basis. Officers are working collectively to ensure that as new initiatives are announced they are acted upon and rolled out.

## **6. ASSUMPTIONS**

- 6.1 At the time of writing it is assumed that additional government support will be forthcoming for additional business sectors through both UK and Welsh Government and this support will be rolled out by the appropriate teams in the Council.
- 6.2 That there will be further future spikes in the Covid Pandemic which will result in the intermittent lockdown of parts of the economy over the coming 12 months.
- 6.3 That we are facing a no-deal Brexit which will further impact on our economic recovery.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

### **Corporate Plan 2018-2023.**

- 7.1 The report contributes towards or impacts predominantly on the following Corporate Well-being Objectives:

Objective 2 - Enabling employment.

Objective 3 - Addressing the availability, condition and sustainability of homes throughout the county borough.

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment.

Objective 5 – Creating a County Borough that supports a Healthy Lifestyle in accordance with the Sustainable Development Principle within the Well-being of Future Generations (Wales) Act 2015.

Objective 6 – Supporting citizens to remain independent and improve their well-being.

### **A Foundation for Success 2018-2023.**

7.2 The report recommendations contribute towards the following Regeneration Objectives to:

- Build a more resilient and diversified economy for the county borough;
- Support economic growth, innovation and enterprise;
- Create an environment that nurtures business;
- Enhance the competitiveness of the county borough;
- Boost business support;
- Enhance opportunities for physical improvement and investment through active place making; and
- Improve the delivery and diversity the housing stock across all tenures within the county borough to meet housing need and create strong cohesive communities.

## **8. WELL-BEING OF FUTURE GENERATIONS**

8.1 This Economic Recovery Framework contributes to the Well-being objectives as set out above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act and it is aimed at improving the economic, environmental, social and cultural well-being and recovery of the area.

8.2 As such it aligns with the following well-being goals:

- A Prosperous Wales – Providing more jobs and housing in the area will create more wealth for the local population.
- A Resilient Wales – Providing additional and more diverse employment and housing opportunities will make the area more resilient to external economic factors.
- A Wales of Cohesive Communities – providing local employment and more diverse housing options will help to stabilise and develop local communities and prevent outmigration.

8.3 The report recommendations are consistent with the five ways of working as defined within the sustainable development principle in the Act. The five ways of working of the sustainable development principle, listed in the Act are:

- Long Term – The importance of balancing short-term needs with the need to safeguard the ability of future generations to meet their long-term needs;
- Prevention - How acting to prevent problems getting worse, may help public bodies meet their objectives;
- Integration – Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies;
- Collaboration – Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives;
- Involvement – The importance of involving people with an interest in achieving

the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 There are no specific equalities implications associated with this report for any specific groups or individuals therefore a full equalities impact assessment has not been carried out.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 None

## **11. PERSONNEL IMPLICATIONS**

- 11.1 None

## **12. CONSULTATIONS**

- 12.1 All consultation responses are reflected in the report.

## **13. STATUTORY POWER**

- 13.1 The Local Government Acts 1998 and 2003.

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