



CABINET – 8TH DECEMBER 2021

SUBJECT: COVID 19 – ECONOMIC RECOVERY FRAMEWORK

REPORT BY: COPORATE DIRECTOR, ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

1.1 This report provides Cabinet with an update on our economic recovery framework which comprises three distinct phases as follows:

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

The focus of this report is the Revive and Renew phases following an initial 'Government led' restart phase that delivered financial and employer support at pace in response to the pandemic.

2. SUMMARY

2.1 The Covid-19 pandemic is causing unprecedented disruption to our communities and the local economy. In response the Council prepared a framework for recovery which aims to support the Council and the wider county borough to recover. The economic recovery framework, 'Delivering Prosperity after Covid' has been prepared to deliver our strategic objective of Supporting Business.

2.2 Welsh Government emergency financial support effectively ended during August 2021 and their response has now moved to a growth phase for which the economic recovery framework will complement based on the following key objectives:

- To build a more resilient and diversified economy for the county borough.
- To support economic growth, innovation and enterprise.
- To create an environment that nurtures business.
- To enhance the competitiveness of the county borough.
- To boost business support.
- To identify key business investment sites.
- To improve the links between business, schools and training providers.

3. RECOMMENDATIONS

- 3.1 To agree the Strategic Direction, Objectives and action plan proposed for the Revive and Renew Phases.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To provide a cohesive framework and action plan for economic recovery.

5. THE REPORT

- 5.1 The Covid-19 pandemic has caused unprecedented disruption to our communities and the local economy that has been exacerbated by the transition from being a part of the European Union during this period and combined have created logistical challenges and supply chain disruption for local businesses. In response the Council prepared a framework for recovery which aims to support the Council and the wider county borough to recover. The economic recovery framework, 'Delivering Prosperity after Covid' has been prepared to deliver our strategic objective of Supporting Business and builds on the Councils 2018 – 2023 regeneration strategy, A Foundation for Success' which sets out 7 key objectives to support business.
- 5.2 On 7 August this year, the country moved to Alert level 0 which allowed a number of remaining business sectors and premises that were affected by the regulations to open but there is still a requirement for businesses and employers to undertake coronavirus specific risk assessments and take reasonable measures to minimise exposure to, and reduce the spread of coronavirus. Some businesses are starting to recover but at the end of July 2021 there were still around 3,000 employees furloughed in the county borough which is around 3% of the workforce.
- 5.3 The Covid crisis has reinforced the fundamental role of the foundational economy to the well-being of our citizens. It provides the infrastructure of everyday life, serving our essential daily household needs, keeping us all safe and civilised, and provides jobs at the heart of our communities in healthcare, childcare, food, housing, energy, construction, waste and recycling.
- 5.4 The impact of Coronavirus on the local economy is becoming clearer since the restart phase response, with industries that rely on personal interactions suffering more than others, such as the hospitality and leisure industries. The longer-term impacts on structural changes to industry and the service economy are still to be understood but it is evident that we will be living with Coronavirus and its effects for some time.
- 5.5 Research carried out during the height of the pandemic confirmed that the majority of businesses in the county borough were negatively impacted by coronavirus through operational limitations to their business, loss of staff and reductions in turnover. 31% of businesses surveyed felt their staffing requirements would decrease in the long term but on a more positive note, 12% of businesses surveyed had been able to diversify their offer bringing new services or products to the market and to communities in the county borough.
- 5.6 The research identified that 42% of firms felt they needed specific business support to help with the challenges presented by Brexit. In response to this research, the Regeneration Service will be employing an International Trade Support Officer for a fixed period to work with businesses across the county borough to support their overseas trading requirements and aspirations.

- 5.7 This report provides Cabinet with an overview of the revive and renew phases of our economic recovery framework, 'Delivering Prosperity after Covid' following the restart phase which focussed on reopening town centres safely in the early stages of the pandemic and the targeting of businesses in the county borough to distribute over £55m of emergency phase business support funding on behalf of the Welsh Government.

The Revive phase

- 5.8 Using the Council's regeneration strategy, A Foundation for Success, and the suite of area-based masterplans as a basis for addressing structural and strategic improvement, the Revive phase will include policy interventions, financial support and the delivery of major construction projects to create opportunities to provide a diverse range of employment and training opportunities and opportunities to local business supply chains, and will include:

- Securing funds to overcome high-level public sector challenges, working closely with business to utilise innovative solutions.
- Understanding future industrial growth as influenced by Brexit and the pandemic, and work with business to strengthen Caerphilly's place in the regional economy.
- Expediting delivery of major construction projects as a catalyst for growth.
- Renewing policy interventions through the Second Replacement Local Development Plan (LDP) – working from home, reducing the need to travel, provision of suitable land for development, diversification of town centres, facilitating Active Travel and modal shift.
- Accelerating Caerphilly Town 2035 and the Place Shaping Framework projects.
- Ensuring maximum social impact and social value from public sector investment.

- 5.9 Critical to the delivery of the objectives of the economic recovery framework are the following areas identified in the regeneration strategy: Implementation of strategic masterplans, innovation, cluster networks and skills that will be addressed through the following priority areas with each priority having a series of actions identified in the framework:

- Development of the Foundational Economy.
- Homes for the Future.
- Development of cluster and innovation opportunities.
- Improving resilience through education training and careers advice.
- Transport Infrastructure and connectivity.
- Town Centre Regeneration & Diversification.
- Tourism Recovery.
- Reconfiguration of existing employment sites and identifying new sites.

The Renew Phase

- 5.10 Building on the Revive Phase the Council-approved Wellbeing and Place Shaping Framework provides a list of potential civic investments across Caerphilly in excess of £231m that align explicitly with the Council's adopted Wellbeing Objectives which are due to be delivered in the next 5 years.

Long-term investments in infrastructure such as that proposed within the Place Shaping Framework, holds the potential to rebalance the local economy, enhance productivity and create jobs and opportunities across Caerphilly County Borough. This is of great importance as we support our communities to rebuild a sustainable and resilient future post Covid. The opportunity exists to work together to create a better and more prosperous Caerphilly for everyone, further embedding the Council's "TeamCaerphilly" collective community and civic leadership model of delivery

Strategic improvements that are necessary to drive local economic growth in the Renew Phase for example are:

- Improve access to the digital front door and addressing digital poverty as a barrier to employment.
- Influence regional and Welsh policy and programme development as a 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 Task & Finish Groups so we can dovetail support packages.
- Developing a coherent marketing strategy for the county borough to attract in new investment.
- Prepare the Final Masterplans for:
 - Newbridge to Risca Corridor; and
 - Greater Blackwood.

Conclusion

5.11 The Council, in partnership with the Welsh Government, has been at the forefront of responding to the immediate and short-term needs of local businesses as both coronavirus and Brexit have unfolded. There is now a pressing need to support and strengthen the local economy and in order to do this a renewed strategic approach is required to address this unprecedented period of economic turbulence and lay the ground to enable the county borough to build back better.

5.12 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. The detailed actions to be undertaken over the period of the framework are included in the appendix section of the report, a number of which will require financial support to deliver and staff within the service are looking ahead to the opportunities presented by the Levelling Up and UK Shared Prosperity Funds.

6. ASSUMPTIONS

6.1 At the time of writing it is assumed that there will be no further emergency government support through both UK and Welsh Government.

6.2 Wales will be at alert level zero for the immediate future.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 The document 'Delivering prosperity after covid' sets a framework for economic recovery for the Council to work within and outlines a number of actions that will

support the Council to contribute to a prosperous Wales for the benefit of our citizens. The primary evidence for the direction of the framework is based on the work undertaken for the Council's Regeneration Strategy which covers the period 2018 – 2023 and has been supported by business research carried out during the early part of covid to assess the impact of both covid and Brexit on our business community. The actions identified within framework are positioned to impact positively on our residents and include actions in areas that are socio-economically disadvantaged within our community.

[Link to full Integrated Impact Assessment](#)

8. FINANCIAL IMPLICATIONS

- 8.1 The report sets the framework for supporting economic growth aligned to the Council's previously agreed Regeneration Strategy and taking account of the impact of the pandemic. There are no direct financial implications arising from this report in the context of the framework. Projects and work streams that require financial input linked to the framework for economic recovery will be brought forward where required.

9. PERSONNEL IMPLICATIONS

- 9.1 The report sets the framework for officers working to support economic growth and prosperity and there are no direct personnel implications arising from this report in the context of the framework. Projects and work streams that require changes to staff resources will be brought forward where required.

10. CONSULTATIONS

- 10.1 All consultation responses are reflected in the report.

11. STATUTORY POWER

- 11.1 The Local Government Acts 1998 and 2003.

12. URGENCY

- 12.1 This report is subject to the 'call-in' procedure.

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Appendices:

Appendix 1 – Recovery from Covid – A Foundation For Success