



Report to Growth, Infrastructure & Housing Select Committee

Date: 26 November 2020

Title: COVID-19 and Local Economic Recovery Update

Relevant councillor(s): Martin Tett – Leader; Steve Bowles – Cabinet Member for Town Centre Regeneration

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Recommendations: For the Select Committee to note the response to the second national Covid-19 lockdown and the update on activity on economic recovery, programmes and EU Transition within the Leader's and Cabinet Member for Town Centre Regeneration portfolios.

Economic Development

Local economic impact and response to second national Covid-19 lockdown

1. Buckinghamshire Council's partnership with Buckinghamshire Business First (BBF) and Buckinghamshire Local Enterprise Partnership (BLEP) has enabled us to work closely with the local business community and provide guidance, support and funding for those whose business has been affected by COVID-19. The Select Committee have been provided with information on that response and economic recovery progress at the meetings held on 25 June 2020 and 1 Oct 2020. The mechanisms used to deliver this response under the first wave of lockdown are still in place along with the benefit of learnt lessons, and therefore, the Council is in a strong position with its partners to deliver an effective response in the second wave of lockdown which started on 5th November 2020 and extends to 2nd December 2020.
2. This new lockdown period has important differences to the previous lockdown in the spring/early summer. Schools and universities remain open as will many businesses in the manufacturing and construction sectors and many businesses have taken steps to adapt operating models to enable them to better weather disruption. People can attend work if it is deemed that they cannot work from home. The lockdown does require pubs, restaurants, and most retail (except essential retail and which now includes garden centres and hardware stores) to cease trading (exceptions are being made for takeaway/delivery services).

3. Despite these differences, it is anticipated that the second national lockdown will lead to a shrinking of the local economic output for the second time in 2020, and is expected to push back recovery by up to a year. Nationally, Capital Economic estimate that the second lockdown will result in GDP falling by 8% in November with knock-on implications for unemployment.
4. It is estimated that approximately 3,445 Buckinghamshire businesses will be required to close (or only offer click and collect/takeaway services) during the second wave lockdown (11% of all registered businesses). These businesses employ around 30,455 employees (13% of the Bucks workforce versus 15% of the workforce nationally).
5. In response to the new lockdown, a new business support package was announced including the extension of furloughing and the extension of other support schemes such as the Bounce Back Loans Scheme. The government also offered further financial support for businesses to compensate them for loss of business from the emergency and the resulting second lockdown.

Additional Support Initiatives for Business

6. The Council is responsible for administering the **Local Restrictions Support Grant (LRSG)**, a fund of £7m which has been received by Buckinghamshire to distribute and which will be allocated as soon as possible. This grant provides financial support for those businesses which are not able to continue to trade during the new lockdown. To receive funding those businesses will need to meet a number of eligibility criteria including:
 - Properties with a rateable value of £15,000, or less will receive a grant of £1,334 per four weeks
 - Properties with a rateable value of more than £15,000 and up to £51,000, will receive a grant of £2,000 per four weeks
 - Properties with a rateable value of more than £51,000, will receive a grant of £3,000 per four weeks
7. As before, there will be some businesses who 'slip through the net' such as those who do not pay rates or have no rateable premises and there is also concern from those businesses who are allowed to open and therefore not eligible for support but who expect greatly reduced customer numbers which will negatively impact the viability of their business.
8. These businesses may be able to benefit from the support offered by the **Additional Restrictions Grant (ARG)**. This provides funding to the equivalent of £20 per head of population, to be used for one off discretionary payments to support businesses that are affected by the lockdown but not legally required to close. For Buckinghamshire, this amounts to £10.9million. The ARG is open to businesses which have been adversely impacted by the latest lockdown restrictions but are not eligible for other government support schemes. For qualifying businesses, the ARG offers a one-time grant allocation based on the number of employees.

9. As before, the Council will look for ways to communicate to businesses that are eligible to encourage them to apply. This includes through BBF, social media and local radio stations.

Update on local economic recovery and programmes

ERDF Reopening High Street Safely Fund and activity

10. The Council submitted a spend proposal for the £461K grant allocation to Government in July in line with the criteria to focus on reopening high streets safely and which includes signage, pavement stickers and temporary interventions to enable social distancing. Earlier this month, we were contacted by our ERDF link to review and agree the content of this plan. One of the strands includes monitoring and review and so work is underway to collect base position data for our towns and includes what help or support businesses may need looking forward including being able to trade on line and which will be used to help maximise the efficiency of the spend of the Additional Restrictions Grant outlined above.
11. Our Town Centre Partnership in Aylesbury and the Business Improvement District (HWBIDCo) in High Wycombe have also been proactively providing on the ground support to our town centre businesses: ensuring information is provided about Covid compliant trading and ongoing support is in place. Both towns have introduced Covid-safe activities and animations to bring some life back into our high streets and build confidence that they are a safe place to return to. We have also been working to keep our local markets trading in a Covid-secure way.

Local Economic Recovery Plan

12. The Select Committee received a detailed update on the content of the economic recovery plan at the last meeting. The current phase of the plan is primarily focusing on developing the insight and research indicators to assess the changing impact on the Buckinghamshire economy and the shape and speed of local economic recovery.
13. The economic recovery plan is also being used to support investment propositions for Buckinghamshire through the emerging Devolution proposals but also on individual projects and investments. Buckinghamshire secured £7.7m in July 2020 from the Government Getting Building Fund on four important strategic projects;
- National Film and Television School Expansion £2.99m
 - AI Centre and iHub University of Buckingham £2m
 - Disruptive Space Innovation Centre (DISC) Westcott – Phase 1 £2m
 - Rural Broadband – Phase 3 Extension £710K
14. Work is well underway in the development of the projects; construction work will commence at the beginning of 2021 on the University of Buckingham facilities and on the new DISC facility at Westcott.

Skills to Screen: Aviation programme

15. This new initiative by Bucks LEP, ScreenSkills, Pinewood Studios and Enterprise M3 LEP aims to support a thousand jobseekers previously employed in the aviation industry at Heathrow airport to transfer their skills into the world-class screen industries based at Pinewood Studios. The programme will provide an opportunity for individuals to participate in an online introduction to the screen industries and receive support to identify their transferable skills. Those interested in pursuing a new career in screen will then apply for a series of online training events and 25 will also get work shadowing placements at Pinewood with the aim of filling vacancies in this rapidly growing sector of the economy across Buckinghamshire. The scheme has £85K of funding from the Department for Work and Pensions and was launched at the end of October 2020. As part of the Redundancy Task Force work, a second brokerage programme supported by People First is being developed to support the transition of people from the retail sector into the health and social care sector.

Expansion of Broadband

16. More than 750 rural homes and businesses will get gigabit-capable broadband by December 2021 as part of a £2.1 million scheme, supported by Buckinghamshire Council, Bucks LEP and Openreach, to extend the fibre-optic network further into Buckinghamshire's countryside. This further expansion of this programme aims to provide better connectivity to poor served businesses and will also aid the changes to the workplace we are seeing in the post-Covid 19 world.

The Kickstart Scheme

17. The Kickstart Scheme provides funding to create new job placements for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. BBF has identified 180 job openings in smaller Bucks businesses providing 1 or 2 placements rather than the minimum of 30 requested for the Kickstart programme application. BBF has passed the details to DWP but it would appear that larger businesses with 30+ placements are currently being prioritised.

Silverstone Technology Cluster

18. Buckinghamshire Council inherited from AVDC, the legacy of being one of the founding members of the Silverstone Technology Cluster (STC). The STC organisation exists to help the 4,500 businesses which are clustered within 1 hours drive of Silverstone Circuit within the high performance and technology sector. Help is focused on three key areas of; promotion, to raise the profile of STC members and their capabilities; support, focusing on business growth and encouraging businesses to scale up and; thought leadership, through Special Interest Groups which have been formed to bring like-minded companies together to seek out new commercial activities.

19. STC have been active in supporting businesses through Covid-19 with various strands of activity including; round table events held with MPs to give local businesses a chance to express their ideas, experiences and concerns relating to Covid-19, Brexit and the new Trade Bill (which Bucks LEP also attended); regular webinars on topics such as apprenticeships,

market opportunities in USA, business support and signposting to government advice. STC are also acting as broker for the Kickstart scheme bringing together businesses committing to providing 39 apprenticeship places. This activity is culminating in the STC Annual Conference being held in November to celebrate the continued growth and successes of the cluster and which is one of the economic strengths of Buckinghamshire.

EU Transition update

20. The UK left the EU on 31 January 2020 but the end of the EU transition period on 31 December 2020 is fast approaching. The Government communications campaign to encourage businesses and citizens to prepare; “The UK’s new start: let’s get going” and “Check, Change, Go” is underway but many businesses are still dealing with the Covid-19 pandemic as the more immediate concern.
21. The Government’s approach is for a comprehensive Free Trade Agreement and separate agreements on fisheries, law enforcement and judicial cooperation, aviation and energy. If negotiations are unsuccessful, the default position is a no-deal end to the transition period so various scenarios need to be planned for as thorough and complete preparation is impossible until the outcomes of negotiations are known.
22. Potential issues for the economy include that low income groups will be disproportionately affected by any price rises in food and fuel, compounded by Covid and the wider economy issues. World Trade Organisation tariffs and border checks may present supply chain, availability and cost issues regarding food, medicine, fuel and construction materials and there could be risks of stockpiling. There may also be disruption in the food supply chain.
23. BBF have set up the UK and EU Transition Hub which provides a range of detailed resources to support business with;
 - The latest advice on import and export rules
 - Information and tools surrounding immigration and employment changes, including sponsorship guidelines
 - Government advice including funding, labelling, safety requirements, haulage and more
24. A series of free trade-focused webinars are also available from November 2020 through to February 2021.
25. A Buckinghamshire EU Transition Task and Finish Group has been formed to, amongst other things, help to inform business (including suppliers) to prepare for the change in trade in goods, services, change in labour markets and revised regulations. This group will be meeting fortnightly to make sure that the Council has done what we can to prepare for the situation.