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Contact:/Cysylltwch â: Democratic Services



THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

18th September 2020

Dear Sir/Madam

REGENERATION SCRUTINY COMMITTEE

A meeting of the Regeneration Scrutiny Committee will be held in Virtually via Microsoft Teams - if you would like to attend this meeting live via Microsoft Teams please contact committee.services@blaenau-gwent.gov.uk on Wednesday, 23rd September, 2020 at 10.00 am.

Please note that a pre and post meeting will be held 30 minutes prior to the start and following the conclusion of the meeting for members of the committee.

Yours faithfully

Michelle Morris
Managing Director

AGENDA

Pages

1. SIMULTANEOUS TRANSLATION

You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required

We welcome correspondence in the medium of Welsh or English. / Croesawn ohebiaith trwy gyfrwng y Gymraeg neu'r Saesneg.

should you wish to do so. A simultaneous translation will be provided if requested.

2. **APOLOGIES**

To receive.

3. **DECLARATIONS OF INTEREST AND DISPENSATIONS**

To receive.

4. **REGENERATION SCRUTINY COMMITTEE** 5 - 14

To receive the minutes of the Regeneration Scrutiny Committee held on 8th September, 2020.

(Please note the minutes are submitted for points of accuracy).

5. **ACTION SHEET - 8TH SEPTEMBER 2020** 15 - 18

To receive the Action Sheet.

6. **ECONOMY – POST COVID-19 ECONOMIC RECOVERY** 19 - 26

To consider the report of the Head of Regeneration and Development.

To: Councillor J. Hill (Chair)
Councillor P. Edwards (Vice-Chair)
Councillor G. Collier
Councillor M. Cross
Councillor G. A. Davies
Councillor M. Day
Councillor L. Elias
Councillor M. Holland
Councillor H. McCarthy
Councillor J. Millard
Councillor J. C. Morgan
Councillor J. P. Morgan
Councillor L. Parsons
Councillor K. Rowson
Councillor B. Willis

All other Members (for information)
Manager Director

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COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: **THE CHAIR AND MEMBERS OF THE
REGENERATION SCRUTINY COMMITTEE**

SUBJECT: **REGENERATION SCRUTINY COMMITTEE –
8TH SEPTEMBER, 2020**

REPORT OF: **DEMOCRATIC & COMMITTEE SUPPORT OFFICER**

PRESENT: COUNCILLOR J. HILL (CHAIR)

Councillors P. Edwards
M. Day
G.A. Davies
H. McCarthy
J. Millard
J.C. Morgan
J.P. Morgan
L. Parsons
K. Rowson
B. Willis

AND: Corporate Director of Regeneration &
Community Services
Team Manager Development Plans
Team Leader Thriving Communities
Team Manager Regeneration Opportunities
Business & Regeneration Manager
Skills Development Manager – Aspire
Residential Development Officer
Marketing Projects Officer
Scrutiny & Democratic Officer

ITEM	SUBJECT	ACTION
No. 1	<u>SIMULTANEOUS TRANSLATION</u> It was noted that no requests had been received for the simultaneous translation service.	

No. 2	<p><u>APOLOGIES</u></p> <p>An apology for absence was received from the Chief Officer Commercial.</p>	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interest or dispensations reported.</p>	
No. 4	<p><u>TIME OF FUTURE MEETINGS</u></p> <p>It was agreed that future meetings of the Regeneration Scrutiny Committee be held at 10.00 a.m.</p>	
No. 5	<p><u>REGENERATION SCRUTINY COMMITTEE</u></p> <p>To receive the minutes of the Regeneration Scrutiny Committee held on 5th March, 2020.</p> <p>The Committee AGREED that the minutes be accepted as a true record of proceedings.</p>	
No. 6	<p><u>REGENERATION SCRUTINY COMMITTEE</u></p> <p>To receive the minutes of the special Regeneration Scrutiny Committee held on 16th March, 2020.</p> <p>The Committee AGREED that the minutes be accepted as a true record of proceedings.</p>	
No. 7	<p><u>ACTION SHEET – 5TH MARCH, 2020</u></p> <p>The Action Sheet arising from the meeting of the Regeneration Scrutiny Committee held on 5th March, 2020 was submitted, whereupon:-</p> <p><i><u>Forward Work Programme (Energy Prospectus)</u></i></p> <p>A Member requested that a copy of the Energy Prospectus be circulated to all Members.</p> <p>The Committee AGREED, subject to the foregoing, that the Action Sheet be noted.</p>	Scrutiny Officer

<p>No. 8</p>	<p><u>PROPOSED SCRUTINY FORWARD WORK PROGRAMME 2020/21</u></p> <p>The proposed Scrutiny Forward Work Programme for 2020/21 was submitted for consideration.</p> <p>In response to a question raised by a Member regarding the Town Centre Task & Finish Group, the Team Leader Regeneration Opportunities undertook to provide a briefing note to the Committee in relation to Town Centres and Welsh Government Transforming Towns Revenue.</p> <p>A Member stressed the importance of flexibility within the Forward Work Programme to address issues as required.</p> <p>The Committee AGREED, subject to the foregoing, that the report be accepted.</p>	<p>Team Leader Regen Opportun ities</p>
<p>No. 9</p>	<p><u>CARDIFF CAPITAL REGION AND WELSH GOVERNMENT ASPIRE ROLL OUT</u></p> <p>Consideration was given to report of the Corporate Director Regeneration & Community Services.</p> <p>The Skills Development Manager Aspire presented the report which sought endorsement of the Committee for submission of a proposal to Cardiff Capital Region to roll out the Aspire Shared Apprenticeship Programme, and to become the host Authority.</p> <p>The report also sought endorsement for submission of a proposal to Welsh Government to merge the Aspire Blaenau Gwent and Aspire Merthyr Tydfil programmes from September 2021, aiming to retain funding for both LA's to work with the education sectors, aiming to facilitate apprenticeships within the manufacturing sector. Both proposals would work in parallel with each other under the same management structure, which would be cost effective for both funders.</p> <p>The Officer went through the report and highlighted points contained therein.</p>	

	<p>In response to a question raised by a Member regarding section 6.2 of the report, the Officer confirmed that the expected outcome for over 300 apprentices would be across the Cardiff Capital Region, i.e. 10 Local Authorities.</p> <p>A Member asked what opportunities were available for people when their apprenticeships came to an end.</p> <p>The Officer explained that the Welsh Government programme was for 16+. Aspire engaged with many businesses and LA's across the region to identify skills gaps, and the statistics for Blaenau Gwent showed that most of our apprentices progressed into full-time employment. Apprenticeships commenced at Level 3, with opportunity to progress to HNC Level 4 or Degree Level 5. The main aim of the apprenticeship programme was meaningful employment at the end, and to successfully gain this via a learning pathway and training routes.</p> <p>The Committee AGREED to recommend that the report be accepted and endorsed the submission of two proposals, one to City Deal and the other to Welsh Government by the end of Summer 2020. Approval to provide a strategic context and clear focus to support a partnership and collaborative approach to implementing specific actions and associated Employment and Skills delivery (Option 1).</p>	
No. 10	<p><u>INTEGRATED RESPONSIVE TRANSPORT PILOT</u></p> <p>Consideration was given to report of the Services Manager Business & Regeneration.</p> <p>The Business and Regeneration Manager presented the report which sought Members views on the scope of the Integrated Responsive Transport Pilot project, and approval for the project to progress in Blaenau Gwent.</p> <p>The Officer spoke to the report and highlighted points contained therein. He said the project would pilot a new way of delivering bus services in Blaenau Gwent, working closely with the existing commercial service providers and plugging gaps within these services. The project would also work with Job Centre Plus to improve access to employment for those without access to a car. However,</p>	

	<p>during times in the day when the demand for the IRT service was lower, the buses may be available for journeys for shopping trips or other community provision. There was also scope for the project to support provision for school transport where this was needed, as this would help support the viability of the project long term.</p> <p>He confirmed that 2 buses would be procured as part of the project and would initially operate in the Ebbw Fach and Ebbw Fawr valleys. This pilot route was supported by transport data. As a result of Covid-19, what were once deemed commercially viable routes for operators were increasingly seen as 'un-commercial'. The precise timings and coverage of the service was still being determined in consultation with commercial and other operators.</p> <p>A Member asked how the routes and areas for the pilot would be decided. He said the last bus in Brynithel was 5 p.m. which made travel for work very difficult, and he asked that this area be considered as part of the pilot.</p> <p>In response the Officer confirmed that data relating to transport routes and demand was currently being examined. Challenges have been identified in the Ebbw Fach and Ebbw Fawr valleys, but there may be scope to adapt the pilot to other areas where demand was identified, in accordance with existing timetables and resources from existing operators; and also looking to make routes as flexible as possible for people travelling for work.</p> <p>A Member said he welcomed the report and hoped the pilot proved a success.</p> <p>In response to a question raised by a Member regarding provision of a bus service to the new hospital at Llanfrechfa, the Officer said this was the intention. Work was being undertaken to gain a clear understanding of existing commercial routes in the short and medium term in order to shape the pilot project into that service directly or linking with another provider.</p> <p>The Committee AGREED to recommend that the report be accepted and the Council progress with the pilot project and</p>	
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	introduce an Integrated Responsive Transport pilot to Blaenau Gwent (Option 1).	
No. 11	<p><u>REPLACEMENT LOCAL DEVELOPMENT PLAN - REVISED DELIVERY AGREEMENT</u></p> <p>Consideration was given to report of the Corporate Director Regeneration & Community Services.</p> <p>The Team Manager Development Plans presented the report which sought approval for a Revised Delivery Agreement for preparing the replacement Local Development Plan, and a Covid-19 Assessment of the Plan's evidence base, strategies and policies.</p> <p>The Officer spoke to the report and highlighted points contained therein. She said notification was received from Welsh Government on the 18th March, 2020 regarding the implications of COVID-19 on the preparation of LDPs, and stated that it was important not to progress plans that could be in conflict with legal requirements set out in the Community Involvement Scheme in their Delivery Agreements. Following discussions with WG, they confirmed that we should not proceed with the planned 2nd call for candidate sites.</p> <p>The Officer said while work on the Plan has proceeded in terms of building up the evidence base and considering comments received at Preferred Strategy Stage, the loss of one Member of the team to COVID-19 related redeployment, and limits placed on site visits, certain work streams had been delayed.</p> <p>Further correspondence from Welsh Government was received on 7th July, 2020 reflecting on the impact of COVID on the community and the exacerbation of social, economic and environmental inequalities. The Minister advised that our approach going forward must focus on addressing longstanding inequalities by taking a values based approach to recovery which promoted social economic and environmental justice, and the Minister identified the planning system as being central to shaping a better future for Wales and it was essential that all levels of Government</p>	

	<p>ensure that plans, policies and procedures improve the wellbeing of our people and resilience of our environment.</p> <p>The Minister also advised that LDPs currently undergoing review should undertake an assessment of the evidence, strategy and policies in terms of sensitivity to the consequences of the pandemic. A robust conclusion should be reached on the need for new evidence and any consequential changes to strategy and policy before progressing plan preparation. The Assessment was to be submitted to WG with requests to extend the Delivery Agreement.</p> <p>A Member commended the Officer on the work undertaken, and agreed that extra time was needed to focus on the impact of COVID-19. He then referred to section 5.7 of Appendix 2 which referred to plans to close the Civic Centre and replace the site with housing, and asked when this decision had been taken.</p> <p>In response the Officer explained that this proposal was already in the current Plan. The Civic Centre site formed part of the Northern Corridor and was one of our strategic sites identified for housing.</p> <p>The Member then requested a Member Briefing Session on how the LDP linked in with the Regional Development Plan.</p> <p>The Committee AGREED to recommend that the report be accepted and supported the Revised Delivery Agreement and Covid-19 Assessment Report as outlined (Option 1).</p>	<p>Team Leader Development Plans</p>
No. 12	<p><u>STRATEGIC HOUSING; CCRCD VIABILITY GAP FUNDING</u></p> <p>Consideration was given to report of the Team Manager Thriving Communities.</p> <p>The Team Manager presented the report which outlined the Cardiff Capital Region City Deal (CCRCD) Viability Gap Fund opportunity, and identification of potential development sites. The report also sought Committee support to progress business case(s) and associated work</p>	

	<p>in order to determine Viability Gap Funding and support an application to CCRCD.</p> <p>The Officer spoke to the report and highlighted points contained therein. She said based on the eligibility criteria, the housing delivery group had considered known development sites and undertaken a broad assessment to identify those sites that, in principle, meet the fund requirements, and these were outlined in Appendix 2. The Ashvale Site was currently identified as the site most aligned to the criteria and in a position to progress.</p> <p>She said utilising the available revenue fund would assist in providing a dedicated resource to support the project delivery team in satisfying the Viability Gap Fund requirements within the restricted timescales. To access funding, match funding would need to be identified and a meeting with the Resources Section had been arranged.</p> <p>Members welcomed the report.</p> <p>The Committee AGREED to recommend that the report be accepted and supported Option 1, namely to:</p> <ul style="list-style-type: none"> i. Note the Cardiff Capital Region City Deal (CCRCD) Viability Gap Fund opportunity; including the current position within Blaenau Gwent in respect of identifying potential development sites; and ii. Endorse and recommend Executive approval of continued exploration of the identified sites in order to determine the viability gap; and where appropriate progress business case(s) and associated work to support an application submission to CCRCD Viability Gap Fund. 	
<p>No. 13</p>	<p><u>LLANHILLETH PIT HEAD BATHS STUDY</u></p> <p>Having regard to the views expressed by the Proper Officer regarding the public interest test, that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information and that the report should be exempt.</p>	

RESOLVED that the public be excluded whilst this item of business is transacted as it is likely there would be a disclosure of exempt information as defined in Paragraph 14, Part 1, Schedule 12A of the Local Government Act, 1972 (as amended).

Consideration was given to report of the Service Manager Business and Regeneration.

The Service Manager Business and Regeneration presented the report which provided a summary of the current position in relation to the options report, and sought approval on a proposed way forward.

The Officer spoke to the report and outlined the history of the site. He confirmed that the Council had recently commissioned an independent report (Appendix 1), funded by Welsh Government, to identify a future use for the site. The report assessed a number of options and identified that residential development was the most realistic and deliverable option taking into account potential sources of funding available, and the fact that this was a candidate site in the new LDP.

The Officer said if this approach was agreed, Officers would proceed with wider consultation with local residents and Members, and begin discussions with RSLs to identify potential development partners and other preparatory work to establish costs. The outcome of this work would allow a detailed business case to be developed and presented for consideration.

A discussion ensued when a Member said he welcomed the report, and asked who would be responsible for taking it forward.

The Officer confirmed that he would be the Lead Officer moving forward, working closely with other Officers across the Council.

A Member expressed concern regarding money being spent on the building, and felt that more robust discussions should be held with the owner in the first instance.

	<p>Another Member concurred with the comments raised.</p> <p>In response a Member said this had been ongoing for many years, and he welcomed the report, but asked that local Members be involved at every stage. In terms of the residential option, he pointed out that this had previously been explored with an RSL but proved cost prohibitive and was unpopular with constituents.</p> <p>The Officer said the residential option was identified as the preferred option for potential funding opportunities. He said the site was challenging, and he was aware that it was an issue for local residents and Members. The approach outlined in the report would attempt to identify a viable use for the site, but would require a level of public sector intervention.</p> <p>A Member said discussions should take place with the owner before anything was progressed.</p> <p>The Corporate Director Regeneration and Community Services said this issue needed to be resolved. He understood the concerns of some Members but assured that all the issues raised would form part of the next stage and inform the future business case.</p> <p>A further discussion ensued.</p> <p>The Committee AGREED to recommend that the report which contained information relating to the financial/business affairs of persons other than the Authority be accepted, and supported the preferred Option 2 for the site to be redeveloped for residential use as outlined in the options report, and to develop a business case for the site for future consideration.</p>	
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Blaenau Gwent County Borough Council

Action Sheet

Regeneration Scrutiny Committee – Tuesday 8th September 2020

Item	Action to be Taken	By Whom	Action Taken
7	<u>Action Sheet – 5th March 2020</u> A Member requested that a copy of the Energy Prospectus be circulated to all Members.	Scrutiny and Democratic Officer	Copy of Energy Prospectus circulated to all Members
8	<u>Proposed Scrutiny Forward Work Programme 2020/21</u> A briefing note to be provided to the Committee in relation to Town Centres and WG Transforming Towns revenue.	Amy Taylor	Briefing note attached.
11	<u>Replacement Local Development Plan – Revised Delivery Agreement</u> It was requested that a Member Briefing Session be arranged to inform Members on how the Local Development Plan links in with the Regional Development Plan.	Lynda Healy / Democratic Support Officer	Date for the Member Briefing Session to be arranged.

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Regeneration Scrutiny Committee
Briefing Note
Welsh Government Transforming Towns Revenue Funding 2020/21

In January 2020, Deputy Minister for Housing and Local Government, Hannah Blythyn announced the £90 million Transforming Towns package of support for regenerating and increasing footfall in our town centres.

The announcement also included the identification of £500k revenue funding across Wales for 2020-21. The funding will be shared equally between the 22 local authorities equating to £25,000 per Local Authority. The money was earmarked for spend on a menu of possible options which will include developing masterplans; digital projects and provisions; community/stakeholder engagement; empty property/enforcement work; green infrastructure audit; place branding.

In order to secure their share of the funding each Local Authority had to submit an application outlining how they would propose to utilise the allocated funding. Within Blaenau Gwent work is already underway to develop masterplans for the Towns and we are working with Welsh Government on their programme to tackle empty and derelict buildings across town centres.

Therefore, in order to afford the newly established post of Town Centre Business Development Officer the best opportunity to support the businesses we focused our application upon place branding, marketing and communications along with digital projects.

Alongside the physical regeneration projects there is an increasing need for us to support our town centres in creating an offer that is attractive to local users, visitors and potential investors. Each of our towns can develop their own identities and this will only be made possible through working with our Town Centre Forums and businesses.

This proposal will take forward an overall place branding approach for Blaenau Gwent which will then be supported by each of the towns and the areas they most want to 'shout' about. This could be supported through the investigation of how a digital approach can support the traditional 'bricks and mortar' trading.

The Council will undertake the lead role in commissioning the place branding and supporting areas of work around place branding, marketing and communications along with developing digital projects. We are currently recruiting a Town Centre Business Development Officer which will be responsible for supporting and working with our Town Centres. This role will undertake the day-to-day project management role of this proposal supported by the Team Manager and Team Leader within the Regeneration Opportunities Team.

Alongside the place branding work, an agreed programme of marketing and communications to support the town centres will be developed and put into action with support from the Town Centre Forums. This piece of work will help establish the town identities and messages the towns wish to promote.

In addition to the above, the funding will be used to investigate how digital can be used to support our town centres in both their current role and future roles within the local community. The recent situation of COVID-19 has showed us how the community is

turning to local food providers such as greengrocers, butchers and local shops to avoid significant travel. What we must ensure is the positive steps that have been taken to shop locally are not forgotten and we seek to maximize the renewed connections the community have to our local shops.

The current situation has changed the way we all live, travel, work and shop and it is the right time to consider how our town centres can embrace this change and for those retailers not currently considered essential to have a high street presence, how can we support them in developing an alternative online presence that allows them to trade under many different and difficult circumstances.

Welsh Government have agreed to support our funding of £25,000 on the basis of the proposals detailed within our application and appointment of the Town Centre Business Development Officer will take forward the work to deliver upon the priority areas detailed within the application.

Agenda Item 6

Executive Committee and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Special Regeneration Scrutiny Committee**

Date of meeting: **23rd September 2020**

Report Subject: **Economy – Post COVID-19 Economic Recovery**

Portfolio Holder: **Cllr David Davies, Executive Member for Regeneration and Economic Development**

Report Submitted by: **Ellie Fry, Head of Regeneration and Development**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
04.09.2020		14.09.20			23.09.2020	14.10.20		

1. **Purpose of the Report**
 - 1.1 To set out the proposed strategy that Blaenau Gwent will adopt in response to the COVID19 pandemic to support the sectors and businesses in the County Borough as a progress update on the ongoing work taking place locally and feeding into the regional initiatives.
2. **Scope and Background**
 - 2.1 The COVID19 pandemic and lockdown have disrupted business and employment across Wales and the UK. The trading of most companies has been disrupted causing both short and long term issues across many sectors.
 - 2.2 This report looks at the background of data collated from various organisations and think tanks and then applies modelling to look at the possible unemployment figures for BG. It also considers all the businesses that need assistance and those that can add most to the local economy for the future.
 - 2.3 The strategy for recovery of the local economy does not include over £18m that has been invested into the economy through the various funds that have been made available to businesses and administered through Welsh Government and the Council (Economic Development and Finance teams.)
 - 2.4 Figures from NatWest Business Survey Quarter 2 2020 indicated that:
 - 76% of businesses in Wales were trading during lockdown; a higher proportion were trading at a far lower turnover than prior to the lockdown, and especially compared to the other three nations.
 - 62% saw a decrease in turnover (versus 58% for the UK) with 27% losing half or more of their sales (versus 23% for the UK).
 - For all businesses trading, 6% reported that their turnover had decreased to some extent compared with normal, with a quarter of trading businesses reporting turnover had decreased by more than 50%.

- 80% of large businesses (250+ employees) continue to trade, one in five temporarily closed - may be due to the higher proportion of these firms being in sectors like manufacturing and construction.
- Small firms (< 250 employees) experienced a marginally higher decrease in turnover although a greater proportion have lost more than 50% of their sales.
- By sector, the highest levels of current business activity were found in higher level professional services, reflected in the ease of working from home for employees.
- Two sectors hit hardest - accommodation and food service; and arts, entertainment and recreation - 4 out of 5 firms temporarily closed or paused with more than 50% decrease in turnover.

(Quarter 3 figures will not be made available until after September 2020).

2.5 Measured at the end of June 2020 the employment situation in BG saw:

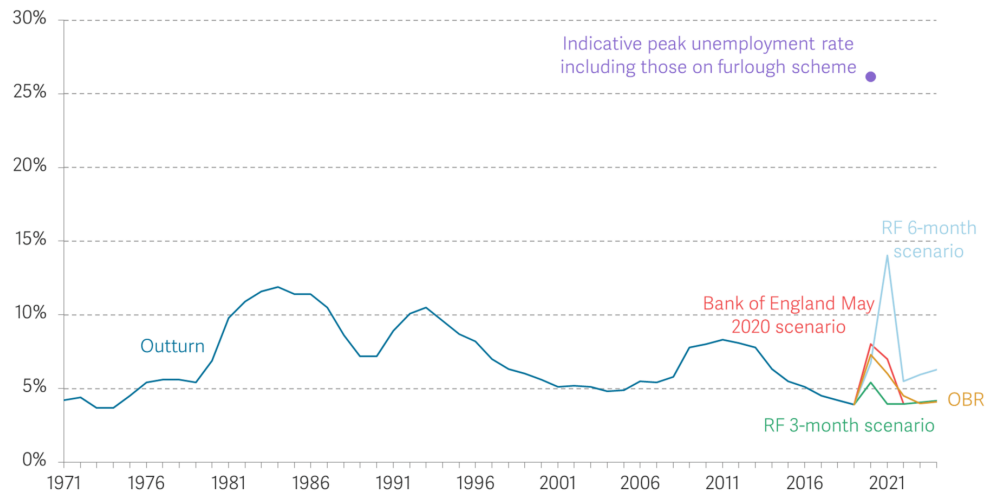
- Rise of 1385 new claimants since March (almost doubled figs to 3,135). The rate on increase is 79% (which is below the Welsh ave increase of 97%). BG had proportionally more claimants to start with (e.g. in March one of the highest rates against resident population (16 to 4) at 4%. Now 7.2%
- Breakdown by age on increase shows similar proportions to overall increase.
 - 16 to 24 (310 new claimants) to 720 overall 76% increase (below Welsh average).
 - 25 to 45 (815 new claimants – noting bigger age band) 82% increase (below Welsh average).
 - 50+ (265 new claimants) to 615 (below Welsh average increase proportionally).
- Our current rates of new claimants which proportionally is one of the lowest across Wales at 76% is possibly down to having a bigger manufacturing base which remained open through COVID-19 although it has to be remembered that our unemployment was higher than other areas in the first place.

2.6 Following the end of the government funded furlough period in October there is strong indication that these figures could worsen and a number of scenarios have been put forward by different financial organisations for the UK.

In terms of business closures estimated data is difficult to access but the Centre for Retail Research has predicted that across the UK some 17,565 shops will shut down during the year. The forecast is 9% higher than the 16,073 shops that closed during the course of 2019, according to the CRR's Retail in Crisis end of year report. That's 1,490 more shops than the 14,583 that closed in 2018.

Almost one quarter of all businesses temporarily closed or paused trading due to the COVID19 pandemic across the United Kingdom from April 2020. The sector with the highest share of business closures were those in the arts, entertainment, and recreation sector, with over 82 percent of them closed, compared with just 3.5 percent of human health, and social work businesses. Some of these may not reopen.

Scenarios for the unemployment rate

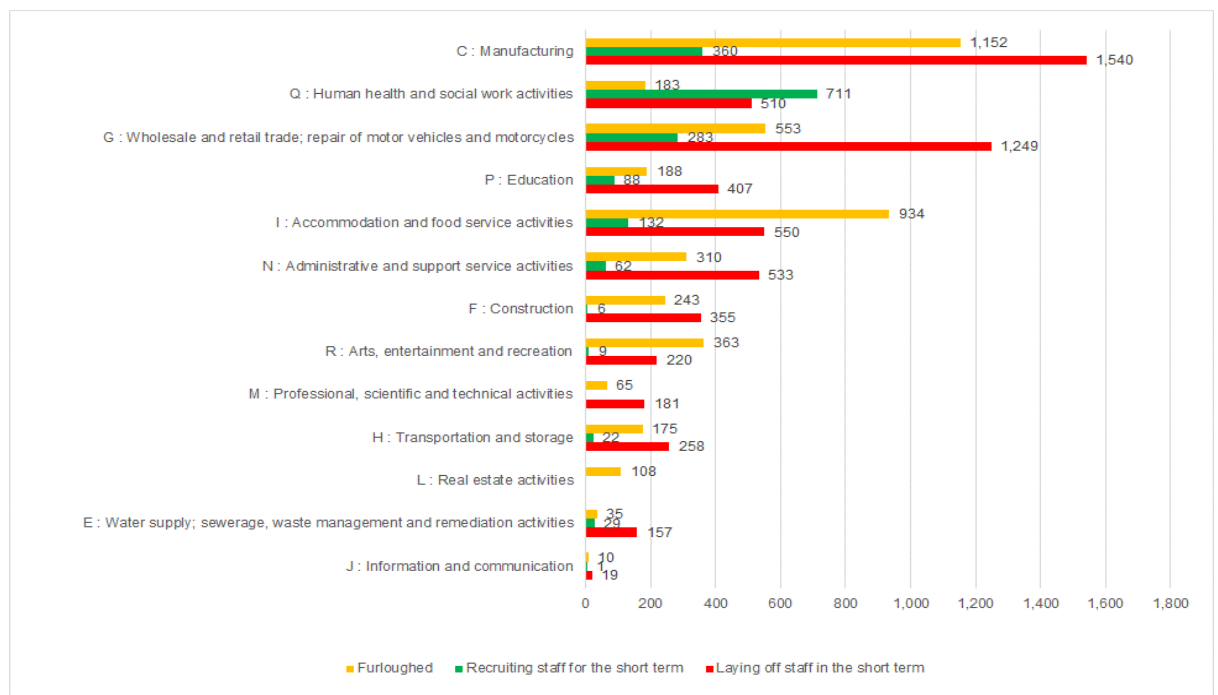


Notes: The indicative unemployment level when including those on the Government's furlough scheme (Coronavirus Job Retention Scheme) is based on the Bank of England's estimate of 6 million furloughed workers in 2020 Q2 combined with the annual figure for the unemployment rate.
Source: RF analysis of Bank of England.

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RF – Resolution Foundation,
OBR – Office for budget responsibility,
BoE – Bank of England (illustrative scenario)

- 2.7 The Loss of around 24% of the total workforce for the UK is anticipated as the worst case and indicates that between 15% – 23% in lower paid employment.
- 2.8 Looking at the COVID scenario modelling for BG; the sectors present in the County Borough have been identified and the percentages of potential employment loss have been applied to give a possible picture of what the resulting unemployment may be.



BRES (BUSINESS EMPLOYMENT REGISTER) 2018, BLAENAU GWENT

- 2.9 The COVID unemployment modelling has been applied to the different sectors and this gives us some actual figures for unemployment in BG. Worst case we could have just over 4,200 additional unemployed with 1,700 new employment expected over the same period. These figures have been modelled as the worst case scenario but need to be a large part of the considerations when putting together the response to the pandemic and recession.
- 2.10 The Bank of England reported in August that UK GDP is expected to have been over 20% lower in 2020 Q2 than in 2019 Q4. But higher-frequency indicators imply that spending has recovered significantly since the trough in activity in April. Payments data suggest that household consumption in July was less than 10% below its level at the start of the year. Housing market activity appears to have returned to close to normal levels, despite signs of a tightening in credit supply for some households. There is less evidence available on business spending, but surveys suggest that business investment is likely to have fallen markedly in Q2 and investment intentions remain very weak.
- 2.11 Alongside the potential disruption to businesses and resulting unemployment there are a number of trends and actions emerging, and we can begin to anticipate the initiatives we need to develop to enable BG businesses to adapt to the new situation:
- Digital maturity will be more important for business delivery across all sectors, and digital skills will become key.
 - Plans for manufacturing moves to robotics, AI will be brought forward across the world and we need to be able to compete.
 - On-shoring means more local supply chains will be sought from UK and EU by bigger businesses.
 - More resilient businesses may mean more storage required for finished products and raw materials.
 - Town centres will need a total rethink, almost everything retail will have some kind of on-line capability, if not based wholly on-line; hospitality venues have been the last to reopen with fewer staff.
 - As homeworking grows more quickly smaller towns could benefit over cities and as businesses change their working model COVID proof spaces with more circulation area inside and out are the new office space.
- 2.12 The strategic approach contains a mix of short and longer terms actions across a range sectors with partners to assist with effective delivery. The main areas are set out below but some of these will require a regional or all Wales approach where BG will need to influence the economic recovery work.
- Manufacturing tech advice, investment and skills
 - Digital skills program across all sectors
 - Supply chain support, sites and premises (on-shoring facilitation)
 - Specific support for growth companies and R&D in BG
 - Identify initiatives for 18-24 post-ed work related training (e.g. FJF)
 - Build the Foundational Economy
 - Widen accessibility through innovative/sustainable transport solutions
 - Enable more start-ups especially town centre and on-line
 - Progress with Test Facility as future facing anchor investment to BG

- 2.13 Manufacturing Tech Advice, Investment and Skills –WG Innovation Team
- Working with WG Regional Relationship Manager
 - Harnessing WG Innovation Team Services
 - Using madesmarter.com as a template
 - Gathering the relevant Innovation services into one package
 - <https://businesswales.gov.wales/expertisewales/support-and-funding-businesses/smartcymru>
 - Developing marketing collateral for businesses
 - Targeting growth manufacturing businesses, include R&D support
- 2.14 Digital Skills Programme Across all Sectors
- Training and upskilling in business and in communities
 - Working with Thales in cyber security skills delivery
 - Working with Superfast Business Wales
 - Feeding into the Regional Skills Partnership
- 2.15 Identify Initiatives for 18-24 work/training
- Aspire roll out to CCR (separate scrutiny report)
 - Future Jobs Fund or similar possible WG scheme - influencing
 - Partnering with HE/FE around the BG skills strategy initiatives
 - Using MTC Future Skills Report (November due date)
- 2.16 Supply Chain Support (on-shoring facilitation)
- BG procurement supply chain work to be prioritised
 - Working with RSLs on Foundational Economy Project
 - Working with SWCC, CBI and IOD on initiatives to link large companies and SMEs with SME supply chain businesses
 - Link in R&D opportunities
 - Marketing BG sites and premises to potential supply chain businesses
- 2.17 Sites and Premises (on-shoring facilitation)
- Identification of BG sites that require work to become ‘shovel ready’
 - Work to be undertaken to BGs Industrial Portfolio
 - Working with private sector partners and WG to ready sites
 - Enabling 5G and high speed infrastructure for businesses and encouraging adoption
- 2.18 Support for growth / strategic companies in BG
- Identification of those strategic companies and growing companies in BG
 - Work with WG and partners to understand their specific needs
 - Finding the right package of bespoke initiatives
 - Attracting in high growth tech start-ups (Tech Valley) through marketing
- 2.19 Enable more start-ups, especially Tech
- Work with the existing business support services to enable more start-ups especially town centre and on-line (using ProAct and ReAct)
 - Link with DWP on post redundancy initiatives
 - Work with business accelerators to support more tech start-ups
 - Ensure we have more ‘tech ready’ business units in BG
 - Market the Boxworx to small tech start-ups and university spin-outs

- 2.20 Build the Foundational Economy
 - Effect – speed up steps needed to reinvigorate the scheme
 - Town initiatives including pop-up and food business
 - Online towns – one application (app) for easy online trading
 - Make local supply chain links work better B2B
- 2.21 Enable workforce through innovative/sustainable transport solutions
 - Transport Strategy brief to direct BG's future transport needs post COVID
 - Integrated Responsive Transport (IRT) pilot project links to BID to service shift working
 - 5G use cases for improving/ de-risking travel by public transport

Work has already started on a number of these initiatives with a number of projects being re-worked to take into consideration what is required post-COVID19.

3. **Options for Recommendation**

Option 1: preferred option

- 3.1 To continue working with partners to focus on the initiatives that will bring the most benefit post-COVID to BG. Those that will improve employment opportunities and support businesses to progress with digital improvements and a mix of home, virtual and shared space working.

3.2 **Option 2: do nothing**

To not undertake any further work to the strategy or work on joint initiatives with regional partners.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

This review supports the Council's aims in the Council's Corporate Plan Refresh 2020-2022 in the following area:

- Support a fairer sustainable economy and community
- To enable people to maximise their independence, develop solutions and take an active role in their communities

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

So far much of the COVID response budget for businesses has come from Central and Welsh Government. As we work through the projects we will have a better understanding of any budget implications.

5.2 ***Risk including Mitigating Actions***

The risks of doing nothing leave us with a large economic liability and a future recession that may last longer than the last.

5.3 ***Legal***

No legal issues associated with this strategic report.

5.4 **Human Resources**

No HR issues associated with this strategic report.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

The supporting data has been supplied through the corporate team and business statistics from banks including the Bank of England. The actuals are based on Quarter 2 performance, but any scenarios are based on trends and the potential of what could happen.

6.2 **Expected outcome for the public**

A number of initiatives that can assist individuals and businesses to adapt to the new normal post COVID.

6.3 **Involvement (consultation, engagement, participation)**

The Blaenau Gwent Enterprise Board (BGEB) and the business support agencies are key consultees in this strategy.

6.4 **Thinking for the Long term (forward planning)**

The strategy is considering the long term needs of BG and businesses in the County Borough to adapt to the new normal.

6.5 **Preventative focus**

The strategy aims to assist business and workers in BG to understand and access assistance with the changes that are facing them over the next few years.

6.6 **Collaboration / partnership working**

We are working in partnership with other Council Departments and a wide variety of business support agencies, Business Wales, Welsh Government and Housing Associations.

6.7 **Integration (across service areas)**

The project team is made up of staff from Finance, Community Services, Environmental Health, Planning and Business and Innovation.

6.8 **EqlA (screening and identifying if full impact assessment is needed)**

Screening has been undertaken and no full assessment is required.

7. **Monitoring Arrangements**

7.1 The reviews are being monitored through CLT, Scrutiny and Executive.

Background Documents / Electronic Links

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