

Committee: **Regeneration Scrutiny Committee**

Date of meeting: **30th June 2021**

Report Subject: **Covid-19 Recovery - Economy**

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

Report Submitted by: **Owen Ashton, Service Manager Business & Regeneration**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
13.06.21	15.06.21	20.06.21			30.06.21	21.07.21		

1. Purpose of the Report

- 1.1 The purpose of this report is to provide Members with a summary of work undertaken and proposals to support economic 'recovery' within Blaenau Gwent.

2. Scope and Background

Background

- 2.1 Covid-19 has had an unprecedented impact on the global economy. Its effects will be felt for a number of years as the UK, Wales and Blaenau Gwent takes tentative steps towards 'recovery' from the global pandemic.
- 2.2 Studies have shown that the pandemic has had an uneven impact across the UK with some communities and sectors being disproportionately affected. The UK and Welsh Governments through 'furlough' and other schemes have attempted to reduce the impact of the pandemic, providing much needed support which has enabled some businesses to survive.
- 2.3 Despite this support, many communities and businesses face a challenging future, requiring fundamental shifts in where and the way in which they work. The successful roll-out of the vaccination programme provides hope for a return to some level of normality, however there is an emerging consensus that we may need to live with and adapt to Covid-19, its variants and future pandemics.

The Challenge

- 2.4 The challenge for government, both national and local, and for communities and businesses is to understand and adapt to new ways of working, embrace and integrate some of the changes which have been enforced during the pandemic. A key part of this is to understand the impact that Covid-19 has had on local businesses and to work with businesses to collaboratively

identify support measures to create a more resilient and sustainable economy within Blaenau Gwent.

2.5 Fundamentally, this may need to start with agreeing on what we mean by 'recovery' – does it mean a return to a pre-Covid-19 economy or something different? We will also need to be driven by data and evidence which could be obtained from various sources, most importantly from businesses and our communities. Business feedback and engagement will be key to any attempts at 'recovery'.

2.6 We will also need to agree on key areas to focus on – these could be 'Town Centres' and 'Business Parks' within the county borough and supporting businesses within these areas to address a number of challenges:

- 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.
- 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, as almost everything retail moves to on-line capability and hospitality venues will be the last to reopen with fewer staff
- As homeworking grows more quickly businesses change their working model and COVID proof spaces are the new office space

2.7 Alongside this, some of the responses to the challenges include actions across a range of partners and sectors including:

- 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
- Influence other economic recovery work in Wales and UK

2.8 There may be other actions that communities and businesses may see as more or equally as important – we want to understand what these are and how we can support businesses and communities.

The Next Steps

2.9 Members will recall a previous report to Council detailing proposals as part of the Blaenau Gwent Recovery Plan outlining the Council's approach. Tying in to the Recovery Plan, an Impact Assessment is currently being undertaken to establish a baseline and metrics, working closely with partners utilising

existing networks. The networks have already provided input into the actions identified in 2.7 which forms the basis of the emerging Impact Assessment and will continue to provide valuable data and insights to help shape and inform support programmes, metrics to be used, as well as providing sounding boards to test proposals and delivery agents.

2.10 We propose to continue engagement with these networks over the next few weeks to finalise the Impact Assessment which will feed into the Recovery Plan. However, a key challenge is that some businesses and the Council are in many ways still in a 'response' mode. Although many lessons have been learned, the opening up of the economy has only recently started and so it may take some time to fully reflect on and understand in detail the real impact of the pandemic and the steps needed.

2.11 The Council has already started this process and has been working with UK and Welsh Government to support businesses in a number of ways, for example the Regeneration department has worked closely with colleagues in Finance on administering Covid-19 relief funding on providing direct support as detailed below:

Grant scheme	No of Grants Awarded	Total Value of Grants
Self-Employment Bursary	30	£75,000.00
Freelancer & Cultural	74	£185,000.00
Freelancer & Cultural 'Top Up'	56	£140,000.00
Lockdown Discretionary	213	£420,500.00
Restrictions Discretionary (Round 1)	226	£452,000.00
Restrictions Discretionary (Round 2)	222	£444,000.00
	821	£1,716,500.00

2.12 This complemented by over £500,000 of funding via WG through its Valleys Taskforce and TRI programmes supporting Town Centre businesses to undertake improvements to Covid-proof their premises. In combination with other support programmes managed and administered with the Council's Finance team, local businesses have been provided with around £30m of Covid-19 support.

2.13 We are also in the process of submitting an application to the UK Government for the Community Renewal fund and will potentially be submitting an application for the Levelling Up fund. Collaboratively developing the Recovery

Plan will support these and other applications to UK and Welsh Government to facilitate economic recovery in Blaenau Gwent.

3. **Options for Recommendation**

3.1 Option 1 – Endorse the report and recommend any additional avenues of engagement and/or actions.

3.2 Option 2 – To not endorse the report.

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

4.1 The report supports the Council's Corporate Plan 2020-22 Outcome Statements:

- Protect and enhance our environment and infrastructure to benefit our communities
- Support a fairer sustainable economy and community

4.2 The Council's Well-being Plan for 2018-23 includes 5 Objectives. This project directly supports the objectives of creating 'safe and friendly communities' and 'forge new pathways to prosperity'.

5. **Implications Against Each Option**

Impact on Budget

5.1 Should Option 1 be taken forward there should be no direct impact on Council budgets at this time in terms of work to be undertaken.

5.2 However, with the pandemic continuing, and its longer term impacts as yet not fully understood, there is likely to be an impact on the Council's budgets in terms of loss of income from service charges and rents as businesses and residents struggle with payments. For 2020/2021, the Economy Portfolio received funding from the Emergency Hardship fund totalling £164,000 for loss of income.

5.3 Whilst not fully quantifiable at this time, it needs to be acknowledged as a potential ongoing impact on the Council's budgets, however, the recovery work should assist in reducing wherever possible the impacts by working with and supporting businesses and the community.

5.4 ***Risk***

Option 1 – The risks associated with Option 1 are that the Council may raise expectations on the extent of recovery that it can influence and may face challenges in effectively engaging with businesses and communities, many of whom are still actively engaged in responding to the pandemic.

Option 2 – The risk with option 2 is reputational in that the Council may be seen to not attempting to work with businesses and communities and provide a framework for ‘recovery’.

5.5 **Legal**

There are no legal implications anticipated at this stage and it is proposed that the engagement with businesses is undertaken on an informal basis.

5.6 **Human Resources**

Staff within the Regeneration and other departments will work collaboratively on data collection, analysis and engagement with businesses and communities.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

The Recovery Plan and proposals will be evidence-led and data-driven.

6.2 **Expected outcome for the public**

The Recovery Plan will provide a framework and reference point for the public to see the collaborative work undertaken with businesses and communities.

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

Consultation, engagement and participation will form the central pillar of the Recovery Plan.

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

The Recovery Plan will provide a long-term framework to support business and communities

6.5 **Preventative focus**

The Recovery Plan will hopefully establish measures and interventions to prevent similar pandemics having such an impact on the economy

6.6 **Collaboration / partnership working**

Collaboration and Partnership working will be a central pillar of the Recovery Plan.

6.7 **Integration (across service areas)**

The nature of the work required to co-produce the Recovery Plan will involve input and expertise from across the Council.

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

An Equalities Impact Assessment screening is currently being undertaken.

7. **Monitoring Arrangements**

7.1 To be confirmed.