

REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION

COVID 19 ECONOMIC RESPONSE UPDATE

Cabinet Member(s): Cllr Richard Chesterton

Responsible Officer: Mrs Jenny Clifford, Head of Planning, Economy and Regeneration

Reason for Report: To continue to provide members with update information regarding the Growth, Economy & Delivery team's latest COVID19 emergency economic and community response activities, to update members on the Devon-wide economic recovery work and seek members' endorsement for the current business support and economic recovery activities.

RECOMMENDATION: That the report be noted and that members endorse the current support and economic recovery activities set out in this report.

Financial Implications: There have been extreme impacts on the local economy, individual businesses, and the wider community as a result of the pandemic and the resulting lockdown. These problems could be exacerbated by potentially leaving the EU without a deal.

The Government's emergency financial response has been to make grant funding available to help support businesses. Many of these grants have been administered by the District Council. Members have previously been advised of the distribution of over £21 million of government grants by the District Council. This includes over £1 million made available in the form of the Discretionary grant scheme. In addition £73,686 has been granted by the Government to this Council through the European Regional Development Fund (ERDF) to implement a range of measures that will allow for the safe reopening of high streets and to also provide business advice and support in terms of the same. There has also been over £7 million worth of retail rate relief provided to local businesses.

Further grant assistance will be made available from Government should the District be subject to local lockdown restrictions. It is currently unknown how much grant support will be made available; however it is likely to be a similar amount to that previously made available for the discretionary scheme referred to above. Arrangements for a possible local lockdown grant are explained in more detail later in the report.

Budget and Policy Framework: The focus of this report is on the wider economic impacts rather than on how the Council's own budget and income have been affected. These latter issues will be addressed within financial reports to Cabinet as part of a mid-year budget update.

Work is underway to review Economic Strategies as a result of the pandemic. A future report will update members on any suggested changes to policy. In the meantime the current economic strategies will inform the focus of some of the

recovery plans read in conjunction with the Devon Economic Recovery Prospectus. Importantly there is a high degree of synergy between the themes in our existing Economic Strategy and those emerging through the Devon-wide recovery work.

Legal Implications: There are no legal implications arising from this information report.

Risk Assessment: The impact on the economy has been significant. Ongoing work will be focussed on mitigating risk to aid recovery.

In considering measures to support the safe reopening of the high streets within the District as a result of COVID-19, a risk assessment led approach has purposely been followed. Risk assessments have been carried out for all towns within the district incorporating a series of on-site assessments. Guidance and advice on safety in a post COVID-19 world has been at the core of this risk assessment process and is vital to ensure that risk is reduced and customer and trader confidence restored.

Advice has also been provided on our website to assist businesses in undertaking their own risk assessments before reopening.

Equality Impact Assessment: There have been unequitable impacts of the lockdown with it being felt greatest by many economically vulnerable individuals and households. There have been huge impacts on the medically vulnerable as a result of the need to be shielded from the wider community.

A range of initiatives have been put in place to seek to reduce the impact on the economically and medically vulnerable such as the The Mid Devon Covid 19 Support Fund (Devon County Council funded).

Recovery impacts need to continue to consider equality issues carefully.

Relationship to Corporate Plan: The work of the Growth, Economy and Delivery team supports the Corporate Plan priority strand: the economy, and specifically:

- Developing and delivering regeneration plans for our town centres
- Economic opportunities
- Economic and community confidence
- Promoting the development of the farming economy and local food production

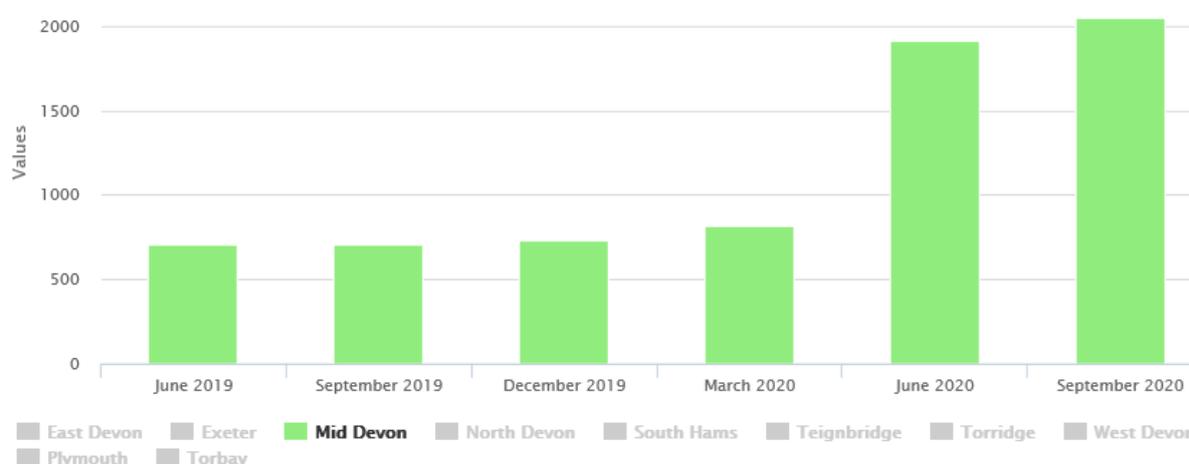
These objectives have even greater significance following the effects of the COVID19 pandemic.

Impact on Climate Change: Putting recovery plans in place to rebuild the local economy will present opportunities to further the climate change agenda, encourage greater use of renewables and support green tech businesses.

1.0 Introduction

1.1 At the time of writing there were 353 tested cases in Mid Devon and 19 deaths (with a COVID-19 positive test result). There were 3,829 in Devon (excluding Plymouth and Torbay) out of a total population of 802,375. In terms of the national situation, the UK has more than 789,229 confirmed cases and 44,158 deaths (Total deaths within 28 days of a positive test result for COVID-19).

- 1.2 At the time of writing this report data on the Devon County Council website indicates a total of 517 confirmed new cases in Devon in the last 7 days (of which 41 were in Mid Devon), 135 in Torbay, 247 in Plymouth and 149 in Cornwall over the same period.
- 1.3 The effect of the pandemic continues to have an enormous impact on the national economy. As reported at the last meeting the UK has now formally entered a recession, having had two consecutive quarters of economic decline. Between the first and second quarter, the economy has shrunk by 20.4%, the largest decline seen in the UK since quarterly records began.
- 1.4 Despite early signs of encouraging recovery it has been reported that the rate of recovery across the UK has significantly slowed, and in some cases further declined, after reaching a peak on September 4th 2020. At the time of writing the latest quarterly figures were not available. These will be reported to members once released.
- 1.5 At a local level, Devon County Council modelling evidence suggests that the Mid Devon economy will retract by around 10% (roughly 3% more than the rest of the UK) and it anticipates a 5-year recovery journey. The effects of the pandemic continue to have a significant impact on Mid Devon businesses. In terms of resilience, micro and small businesses with premises have had greater protection than some other businesses. This is because many of them have been eligible for Government grants and benefit from the furloughing scheme. These initiatives have enabled many small businesses to cover essential bills during lockdown and keep staff on. However, as these schemes have started to wind down, the effect on the labour market is significant.
- 1.6 The biggest concern for the District is the rise in unemployment. Between March 2020 and September 2020, the claimant count for Mid Devon has risen from 820 claimants to 2,055 claimants.



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- 1.7 With almost 9,000 Mid Devon employees currently furloughed, there is a significant risk that the number of claimants could substantially increase at the end of October as the extended scheme comes to a close. Work undertaken

by Devon County Council predicts that the effect on the Unemployment Claimant Count (% of Workforce 16-64) could range from an increase from 1.7% in March 2020 to between 6.1% and 9% in March 2021.

- 1.8 To counter this risk, the team is exploring projects with the Department for Work and Pensions and Devon County Council to provide support to help people get back into work as quickly as possible. We will report to members on the development of any jobs support programmes as they advance.

2.0 Emergency Responses Pending

- 2.1 As explained earlier in the report since the start of the pandemic there has been a wide range of emergency support activities undertaken by the District Council for local businesses and for the vulnerable. These have largely been funded from central government funds; many of which have now closed. The following paragraphs summarise additional emergency response activities that may be either triggered by a local lockdown, or are a continuation of pre-existing schemes. Throughout this period the Council's website has been continuously updated to reflect the current situation and help signpost opportunities for businesses such as those provided through the Growth Hub.

Business Assistance

- 2.2 The Growth, Economy and Delivery (GED) team is developing the application process for the next Government grant scheme. The scheme will be delivered to local businesses mandated to close if a local lockdown is put in place. It is likely that any local lockdown would cover the whole of Mid Devon rather than a smaller geographical area, though it may be sector focused, for example mandating pubs and restaurants to close. Mid Devon is leading on the development of the application process and has been sharing this work with other Devon local authorities to ensure as far as possible that the application process is consistent across the County.
- 2.3 The new scheme will be less generous than the previous grant programmes delivered between April and September. However, instead of a one-off payment, these grants would be made payable on a fortnightly basis (in arrears). The level of grant payable will be determined by the rateable value of business premises. For those businesses which are forced to close but which do not operate from rateable premises, there will be a discretionary scheme. The pot for the discretionary scheme is likely to only be a few thousand pounds. It is therefore likely that only a handful of businesses will receive support.
- 2.4 The GED team continues to signpost businesses to the Growth Hub for information relating to Government loan schemes and other support. The team has also been liaising with members and local MPs in circumstances where businesses are still falling through the gaps in support provision.

Community Support Plan for Vulnerable Residents

- 2.5 Up until the end of July, when 'shielding' formally came to an end, the Council's Shielding Hub did exceptional work to support vulnerable residents with essential food supplies and other support. Over that period the hub received 136 referrals, 295 enquiries and delivered 130 emergency food

packs and 105 top-up packs. Although August and early September saw a pause in activity, plans were being developed with Devon Council County and other Devon Districts to manage potential local outbreaks.

- 2.6 Following the recent surge in coronavirus nationally, these preparations have been accelerated, and officers are now actively engaging with voluntary sector partners and town and parish councils to put in place a community support plan for vulnerable residents in the event of a local or national lockdown. The emphasis will be on local support rather than centralised food distribution. The level of support being offered is potentially very different than during the first lockdown, with a greater emphasis on helping people remain independent.
- 2.7 The Government has recently updated its advice to those who are clinically extremely vulnerable (the 'shielding' group) but it is anticipated that a formal shielding programme will only be re-instated in the most serious situation. There are currently no areas in the country who have re-instated shielding.
- 2.8 The Mid Devon COVID 19 Support Fund is a Devon County Council funded hardship fund administered by CHAT and Navigate Charity on behalf of Mid Devon District Council. The fund allows for emergency payments to those in financial hardship due to the Covid19 outbreak to pay for essentials such as food, energy costs, essential travel etc. The scheme continues to receive a steady stream of applications. To date we have received 200 applications and distributed £16,234.62 in emergency funding. Demand has been slow over the last couple of months, but we are expecting an upturn in the autumn as further restrictions create more economic hardship

3.0 Town Centre and High Street Regeneration

- 3.1 At the last meeting of the Economy Policy Development Group it was requested that future meetings should regularly consider Town Centre and High Street regeneration. The following paragraphs provide a brief update on various initiatives; however importantly the GED team, is about to embark on a series of **Town Centre Health Checks** commencing with Cullompton in November 2020. This information will comprise both quantitative and qualitative data which will form a basis for regular review at future agenda items and will inform emerging Masterplan proposals for the three main towns.

Reopening our High Streets Safely

- 3.2 Members may recall that the Reopening High Streets Safely Fund (RHSSF) was launched by Government earlier in the year, funded by the European Regional Development Fund (ERDF). This initiative is to put in place measures to establish a safe trading environment for businesses and customers, particularly in high streets. Eligible interventions include communications/public information, business facing awareness raising activities and temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely. Liaison continues with the Town Councils and other partners with regard to ongoing review of the risk assessments for the towns. For example, in Cullompton issues identified at Exeter Hill have been further examined, in conjunction with both

the Town and County Council, and a temporary pavement widening scheme will be trialled shortly.

- 3.3 Our Communication Strategy continues to guide the approach to publicising the changes to the town centres, reinforce safety messages and provide increased confidence to visitors. Further to our previous media campaigns and adverts we will intend to be running additional campaigns over the coming months promoting Mid Devon towns and crucially reinforcing safety measures. Social media updates have also been used through the campaign and our website is regularly updated.

Cullompton HAZ Project

- 3.4 An important element of Cullompton's town centre regeneration is the ambitious heritage project. Cullompton's successful bid for High Street Heritage Action Zone (HAZ) project funding was formally announced by Historic England on the 19th September 2020. A Cullompton HAZ Project Officer has been appointed and commenced duties on the 14th September 2020.

- 3.5 Key projects within the programme are as follows:

- Initial contact with landlords of high and medium priority buildings (Oct – Nov 2020)
- Cultural Programme funding application deadline (December 2020)
- Monitoring and evaluation plan (December 2020)
- Grants guidelines and applications open (January 2021)
- Cullompton Conservation Area Management Plan update (March 2021)
- Mid Devon Shopfront Design guide (March 2021)

- 3.6 The first Cullompton Town Centre Regeneration Partnership Group meeting is taking place on the 28th October 2020, with membership from MDDC, the Town Council and local economy/ community groups. It will be chaired by Cllr Richard Chesterton. This group will act as a forum where partners can work together to further Cullompton's regeneration, enabling consultation, discussion and collaboration between key stakeholders.

'Love Your Town Centres'

- 3.7 The second round of the 'Love your Town Centre Fund' opened for applications on Thursday 1 October 2020. Applications will go to a Funding Panel for assessment with funding decisions announced by 13 November 2020.

- 3.8 Love Your Town Centre is a funding initiative to support ideas from local businesses, town councils or organisations with projects that will help revive high streets and help them to flourish for the future. Funding cannot be used for projects already delivered or initiated unless it is for a separate phase of a wider project. Applications must be for projects delivered within designated Mid Devon town centres or within Mid Devon town boundaries with a demonstrable direct positive effect on the town centre.

4.0 Team Devon Recovery Update

- 4.1 Within previous reports presented to the Economy PDG information has been provided with regard to the 'Team Devon' approach to economic recovery. Team Devon is a public and private sector partnership drawing in expertise from business, education, skills and public sector organisations to prepare a plan for economic recovery in the County. Mid Devon Officers have been active partners in the process. Other contributors to the 'Team Devon' recovery work include business representatives, Devon's County, District and City Councils, the Heart of the South West Local Enterprise Partnership, Dartmoor National Park and Devon's MP's.
- 4.2 A range of national announcements have occurred in recent weeks and Officers have worked with partners to consider these and have started to scope the opportunities for our recovery and implementing the Team Devon Recovery Prospectus.
- 4.3 The County Council is setting out a package of support and seeking funding of circa £6million to take forward a number of the priorities, working with Team Devon partners to deliver the 'Team Devon' COVID-19 Economy and Business Recovery Prospectus. The prospectus focuses upon securing support and delivering relief in four core areas: Our Businesses, Our Places, Our People and Our Opportunities.

Business and Sectors update

- 4.4 The '**Made in Devon**' initiative is a brand for businesses looking to demonstrate their quality promoted through a comprehensive marketing campaign and coupled with an approved trader scheme, which indicates to customers that the business is legal, honest and fair. District Council Officers continue to liaise with County Council colleagues with this emerging scheme.
- 4.5 The Small and Medium Enterprises and Tourism **Kick Start Grants** were launched on 1st September 2020 and have been administered on behalf of the HOTSW LEP by Devon County Council. To date 314 grant award letters have been issued across the area with an average grant size of £2,449.17. The funding for these grants is from the European Regional Development Fund and there are conditions on what the funds can be spent on. After the initial launch more than 600 applications were received in 3 days and the schemes were closed to allow time for processing and consider if there was sufficient funds to re-open. The tourism grants received less take up and was re-opened for 48 hours to additional applications. This second call has now been closed.
- 4.6 The County Council is identifying the degree of over-subscription, and noting the support required by businesses that is currently not eligible for funding under these schemes. This will be used to support additional funding requests to aid our businesses in line with the actions identified in the Recovery Prospectus.
- 4.7 Work continues across the partnership to develop and deliver programmes to assist those sectors that are most vulnerable.

Place update

- 4.8 There have been a number of areas of activity in which Mid Devon officers have been engaged with furthering the 'Team Devon' place agenda.
- 4.9 **The One Public Estate (OPE) programme** is a partnership between the Office of Government Property in Cabinet Office, the Local Government Association (LGA) and the Ministry of Housing, Communities and Local Government (MHCLG). The joint aim is to bring public sector bodies together, to create better places by using public assets more efficiently, creating service and financial benefits for partners and releasing land for housing and development. The partnership also delivers the Land Release Fund (LRF), a programme which enables councils to bring forward council-owned land for housing development. Officers have been pursuing funding opportunities through these channels and will provide further updates in due course.
- 4.10 Work on the **Getting Building Funding** continues with the Heart of the South West Local Enterprise Partnership. This includes 11 projects based in Devon. If projects are successful they will be able to proceed quickly as the funding has to all be spent by March 2022.
- 4.11 **Towns Study** - the HotSW LEP has allocated funding to a study on town centre regeneration post Covid-19 with 4 towns put forward for more in-depth study as part of the exercise, 2 in Devon and 2 in Somerset. Ilfracombe and Dawlish were put forward for Devon as two of the hardest hit areas. Lessons learnt will be applicable to Mid Devon towns.

Opportunities update

- 4.12 Work has begun on developing ideas around entrepreneurship and business start-ups, including building on Student Entrepreneurship activity led by Exeter University, promoting new social entrepreneurs working with the Dartington School of Social Entrepreneurs.
- 4.13 Similarly work has started to scope in more details green technology opportunities and how to stimulate ideas and innovation, through a potential grant or challenge fund if investment can be sourced.

People update

- 4.14 Significant additional activity around the People strand has continued over the past month. The majority of this activity has related to the delivery of the Chancellor's various announcements around people and skills during July / August, seeking to take forward the implementation of relevant elements. Core elements include:
- 4.15 Work has been ongoing on the implementation and arrangement of the **Kickstart** Programme within Devon. The Kickstart Scheme provides work placements for young people. It is a £2bn programme to support employers to create 6 month work placements for young people (16-24) to commence in November 2020. The scheme covers a young person's wages for 6 months at minimum wage for up to 25 hours a week. Also provides £1,500 of additional support to the employer towards training and other costs of employment. Devon County officers are currently developing the scheme with partners for a launch in November.

- 4.16 Following the beginning of the new term, Devon's Careers Hub staff are currently working across the County to implement the **Careers Hubs expansion**. This has included recruitment of additional staff to cover the Devon area, following a redistribution of capacity and the picking up of circa 20- 30 additional schools. Though still feeling a significant level of disruption from COVID, Schools have responded well to the offer to date.
- 4.17 **Redundancy and Employment Support** – Following discussions with partners Devon County Council has employed and deployed two additional members of staff to support emerging redundancy and employment support activity across the County. Staff are currently focused on both working with employers, but also seeking to put in place new processes and systems for addressing larger shocks which may occur later in the year. In addition, DCC is currently in discussions with colleagues at DWP about extra provision and projects in support of vulnerable groups, including youth employment support, mental health provision and support for older workers.
- 4.18 Additional work has been taken forward over the past month on **NEET** (Not in Education, Employment, or Training) **monitoring and support** as young people have returned to formal learning and vocational training. This has included specific activity focused on tracking and support individual interested in undertaking an apprenticeship across Devon, working with young people facing a barrier to progression, and enhanced tracking activity to capture and provide both the authority and partners with as complete a picture of young people destinations as possible.
- 4.19 **Digital Bootcamps / National Retraining Scheme** – Led by the Digital Skills Partnership, a formal application for £1.75m of support for 10 fast tracked training opportunities into high demand jobs within the Digital and Engineering sectors has been submitted to DfE on the 2 October 2020. This included 7 proposals covering the Devon and Plymouth area, across digital health careers, cyber security, electrical engineering and photonics and wider digital and coding options.
- 4.20 Whilst subject to national formula and regional decision making, **Devon Colleges have benefitted from additional capital support** over the summer period, including around £5m of direct support from DfE towards capital renewal, and £3m of funding from the HotSW LEP through the Get Building Fund towards new projects. This includes additional provision at Exeter College (Future Skills Centre), South Devon College (High Tech Centre) and City College Plymouth (Welding Centre).
- 4.21 In addition to the above, work has been ongoing to consider the recent announcements by the Prime Minister around future skills provision and resourcing. This includes the Government proposed universal offer to provide a Level 3 qualification to all those who have not currently achieved one (within a higher demand area), as well as additional investment in skills capital and other activity. Facilitation of this provision will provide a key focus for the People group over the next period, seeking to align the immediate support packages put forward by the Government to this new provision.

4.22 Clearly all of the above activities are moving forward within the dynamic of a constantly changing situation. As more information emerges the Economy PDG members will be updated.

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Circulation of the Report: Cllr Richard Chesterton
Cllr John Downes

List of Background Papers:

<https://www.middevon.gov.uk/residents/coronavirus-support-for-communities-and-businesses/>

<https://www.gov.uk/government/publications/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19>

<https://www.devonsomersettradingstandards.gov.uk/made-in-devon/>.