

**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. A breakdown of these funds is provided later in the report.

The recent roll out of a vaccine is encouraging; however we do not know how long national and local restrictions will be in force and it is therefore likely that further government grant assistance will be needed for some time.

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.

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 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.

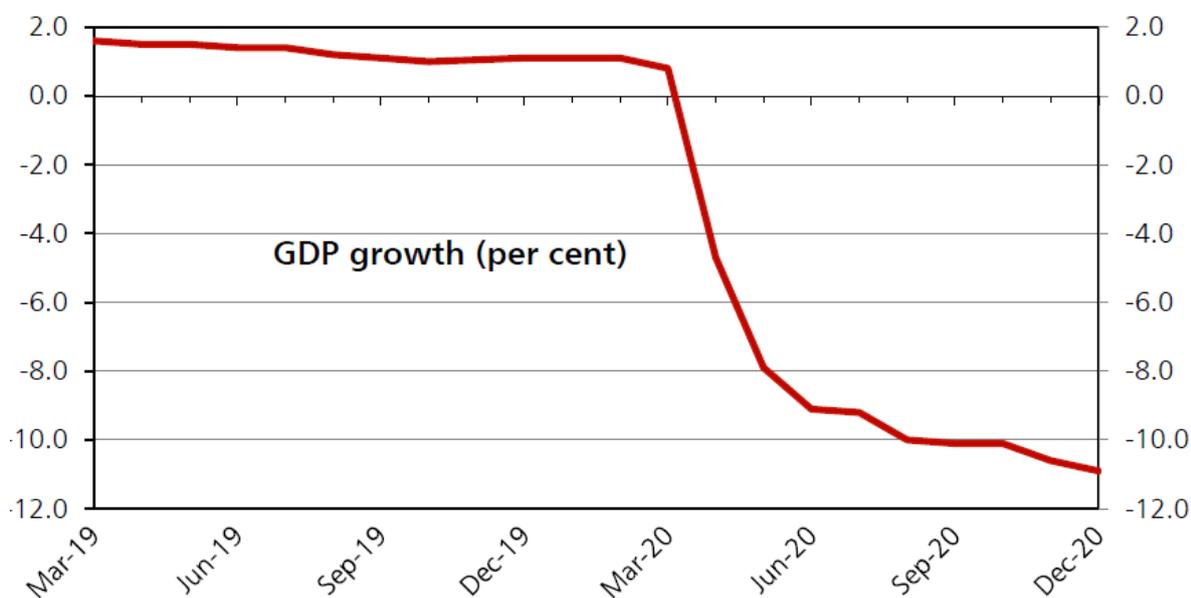
1.0 Introduction

1.1 At the time of writing (22 December 2020) there were 819 tested cases in Mid Devon and 26 deaths (with a COVID-19 positive test result). There were 9,526 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 1,888,116 confirmed cases and 64,908 deaths (Total deaths within 28 days of a positive test result for COVID-19).

1.2 At the time of writing this report the Devon County Council website indicates a total of 641 confirmed new cases in Devon in the last 7 days (of which 64 were in Mid Devon), 49 in Torbay, 176 in Plymouth and 118 in Cornwall over the same period.

1.3 The effect of the pandemic continues to have an enormous impact on the national economy. As previously reported at previous meetings the UK formally entered a recession earlier this year, 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. Whilst it is too early to have information regarding the latest national economic statistics the chart below based on a number of independent forecasts suggests a continuation in the worsening of the economic situation. Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. GDP is a measure of the size and health of a country's economy over a period of time.



*Average of independent forecasts for 2020; GDP growth
Source: Forecasts for the UK economy: a comparison of independent forecasts
HM Treasury December 2020*

- 1.4 The Government's independent forecaster, the Office for Budgetary Responsibility, predicts the UK economy will shrink by 11.3% this year - the biggest decline in 300 years. The UK's economic position is currently particularly concerning and at the time of writing a "no deal" Brexit looks increasingly likely.
- 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. Particularly badly affected are the hospitality industry, high street retailers and food and drink suppliers.
- 1.6 The biggest concern for the District is the rise in unemployment. Between March 2020 and November 2020, the claimant count for Mid Devon has risen from 820 claimants to 1,840 claimants. The November figure had dropped slightly from the September 2020 figure of 2,055; however there are concerns that the furlough scheme is currently masking the COVID19 impacts on unemployment. The recent news that the furlough scheme is being extended by another month to the end of April 2021 is welcomed; however with almost 9,000 Mid Devon employees currently furloughed, there is a significant risk that the number of claimants could substantially increase once the scheme

comes to an end. 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; however this work was undertaken before the extension to the furlough scheme.

- 1.7 To counter the risk of increased unemployment, the team is exploring projects with DWP 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 job support programmes as they advance.

2.0 Ongoing Emergency Response

- 2.1 Since the start of Lockdown restrictions in March there has been a wide range of emergency COVID support activities undertaken by the District Council for local businesses and for the vulnerable. These have largely been funded from central government funds; some of which have now closed. The following paragraphs summarise these various activities:

Business Assistance

- 2.2 At the time of writing over £30 million of business assistance grants have been issued. The table below summarises the various grant schemes and the total amounts of grant funding awarded:

<u>COVID Schemes</u>	<u>£ Awarded/Spent</u>	<u>Comments</u>
RHL & Small Business Grants	£20,007,500	Scheme Now Closed
Discretionary Grants	£1,129,000	Scheme Now Closed
Nursery Relief	£19,937	All Paid
Extended Retail Relief	£7,623,799	Applications Still Open
November Lockdown (National Scheme)	£662,258	Scheme Open to Applications
November Lockdown (Additional Scheme)	£243,826	Scheme Open to Applications
Sector Grant Scheme	£0	Scheme Open Applications Being Received
Tier 2 Grant (Open)	£0	Scheme Open Applications Being Received
Tier 2 Grant (Closed)	£0	Scheme Open Applications Being Received
Christmas Support Payment	£0	Scheme Open Applications Being Received
Council Tax Hardship (Government Funded Scheme)	£450,899	On-going work to award funding
DCC & MDDC Welfare Support Scheme	£29,000	On-Going Support Being Delivered
Test & Trace (Self Isolation Payments) Both Schemes	£17,000	Scheme Open Until 31/03/2021
Total Assistance as at 15/12/2020	£30,183,219	

- 2.3 93% of local lockdown grants had been paid at the time of writing. The remainder either requiring more information before they could be assessed or are being processed.
- 2.4 At the time of writing government guidance is still awaited regarding the Tier 2 grants, as is the government funding itself. Processes have been put in place by officers, applications have been invited (12th December 2020) and the scheme is ready to commence once funding arrives. Grant payments will continue during the Christmas period.
- 2.5 In addition to the Tier 2 grants mentioned above there is also the Christmas Support Payment grant which is for businesses who predominantly serve alcohol rather than food (wet-led). The Christmas Support Payment will be a one-off flat rate payment of £1,000 for December 2020 and is payable to the

ratepayer of eligible businesses on top of any other Covid-19 grants they are eligible to receive.

- 2.6 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.

COVID-19 Community Support Response - Vulnerable Residents

- 2.7 Following Devon being categorised as a Tier 2 area on the 2nd December 2020, "Clinically Extremely Vulnerable" (CEV) individuals were no longer able to register their requests for support on the national registration service, although the District Council still maintains a helpline and online request form in case any vulnerable residents get into difficulties. The national support scheme will only be reactivated if Devon was to move into Tier 3, or if there were to be another national lockdown.

- 2.8 The first lockdown was dominated by residents' fears over food security. Most residents have now organised themselves with regular food supplies through home delivery, family and friends.

- 2.9 Over the four-week period of the second lockdown there were only 86 requests for support, 54 through the national registration system and 32 locally, only one of these required a food delivery. The majority needed simply reassurance, but other requests included help with prescriptions, emotional support and financial hardship. The Housing Team have undertaken 2,445 welfare calls.

- 2.10 The Community Support Hub has now been stood down and residents are being encouraged to be as prepared as possible during the Christmas period; however, Officers intend to keep a watching brief in case there are any urgent requests for emergency support.

COVID-19 Local Support Fund (Financial Hardship Fund)

- 2.11 The hardship fund is still receiving applications, with 108 applications received during November. Applications continue to be administered by CHAT and Navigate who are able to link financial support with referrals to the food bank and money advice services. The Customer Welfare Officer is co-ordinating the Council's response to financial hardship by ensuring all applicants are linked into the Council's other support grants and reliefs as appropriate.

- 2.12 Details regarding the scheme can be found on the District Council website: <https://www.middevon.gov.uk/do-it-online/covid19-support/covid19-local-support-fund/>

3.0 Town Centre and High Street Regeneration

- 3.1 As referred to above 2020 has been a particularly challenging year for High Street businesses. Town Centre Health check work has commenced in Cullompton and will be reported at the next meeting. It is intended that this work will be replicated in the other towns as soon as resource is available, as

officers are currently tied up with grant administration work. This town centre health check 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 Work on minimising and mitigating the risk of the spread of COVID19 in our High Streets continues. This involves putting in place measures to establish a safe trading environment for businesses and customers, particularly in high streets. 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 and another meeting with the Town Mayors will be scheduled for the New Year.
- 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 intend to run 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 High Street Heritage Action Zone Project

- 3.4 An important part of the team's recovery work is the Cullompton High Street Heritage Action Zone project, co-funded by Historic England. There are a number of elements to the project. Recent developments are outlined below:
- 3.5 The 'Creative Cullompton' Cultural Programme funding application was submitted to Historic England on the 11th December 2020. This seeks funding for a cultural programme of activities to celebrate Cullompton town centre's culture and unique heritage, and to run in parallel to the capital projects. Feedback from Historic England will be available by the end of January 2021.
- 3.6 The Heritage Grants Schemes guidance documentation is under preparation, to be available in January 2021 with a view to launching the scheme as soon as possible.
- 3.7 An updated Cullompton Conservation Area Management Plan and Mid Devon Shopfront Design Guide have been drafted. These will be presented to the Planning Policy Advisory Group in January 2021.
- 3.8 The second Cullompton Town Centre Regeneration Partnership Group meeting is scheduled to take place on the 12th January 2021. This group acts as a forum where partners can work together to further Cullompton's regeneration, enabling consultation, discussion and collaboration between key stakeholders.

4.0 Team Devon Recovery Update

- 4.1 The 'Team Devon' approach to economic recovery continues; although public sector resource across the County has been prioritised on an extension of emergency response work following the second national lockdown and the subsequent categorisation of Devon as a Tier Two area.
- 4.2 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.
- 4.3 Team Devon partners are meeting in the New Year to review economic recovery actions and to refine the £6m package of support to deliver priorities from the Team Devon Recovery Prospectus; although this is still subject to Devon County Council budget setting. Officers are contributing towards the development of these actions which cover themes relating to 'place', 'business support', 'skills and employment' and 'opportunities'.
- 4.4 The focus of this recovery work is currently on the development of a pipeline of opportunities in readiness for details and announcements trailed in the Comprehensive Spending Review by the Chancellor. This work will be developed closely with the Heart of the South West Local Economic Partnership as part of their Build Back Better prospectus.

Contact for more Information: Adrian Welsh, Group Manager - Growth, Economy and Delivery
awelsh@middevon.gov.uk

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.devon.gov.uk/coronavirus-advice-in-devon/coronavirus-data/>

<https://www.devon.gov.uk/coronavirus-advice-in-devon/document/team-devon-covid-19-economy-and-business-recovery-prospectus/>

