

**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 lockdowns.

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 the current lockdown restrictions continue to have a dramatic impact on our businesses. Whilst the 'roadmap' to lifting restrictions is welcomed we await more information from the Chancellor's budget announcements as to further government grant assistance for the next financial year.

**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.

Economic Strategies are being reviewed 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. These assessments have been reviewed to reflect changing circumstances and government restrictions. Guidance and advice on COVID-19 safety requirements 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 there were 2,098 tested cases in Mid Devon and 70 deaths (with a COVID-19 positive test result). There were 19,150 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 4,144,577 confirmed cases and 121,747 deaths (Total deaths within 28 days of a positive test result for COVID-19). There have been 644 deaths in Devon within 28 days of a positive test result for COVID-19.

1.2 These figures are alarming and have increased substantially since the last meeting; however there is some positive news. At the time of writing 18,242,873 people have received a first dose of a vaccine and 669,105 have received a second dose. It is pleasing that at the time of writing the number of daily cases and hospitalisations are falling as the vaccine programme is being rolled out. This has given the Government sufficient confidence to set out its

roadmap out of lockdown and the related gradual lifting of restrictions. The Prime Minister set out an indicative programme for the lifting of restrictions subject to evidence that: the vaccine programme remains successful and that vaccines are sufficiently effective in reducing hospitalisations and deaths, infection rates do not risk a surge in hospitalisations, or that new variants do not appear that fundamentally affect this course of action. The roadmap therefore sets the following dates which are five weeks apart for the relaxation of restrictions. These dates are the earliest at which each of the stages will be undertaken. These dates are wholly contingent on the data and are subject to change.

**Step 1: 8 March**

- Schools and colleges are open for all students. Practical Higher Education Courses.
- Recreation or exercise outdoors with household or one other person. No household mixing indoors.
- Wraparound childcare.
- Stay at home.
- Funerals (30), wakes and weddings (6)

29 March

- Rule of 6 or two households outdoors. No household mixing indoors.
- Outdoor sport and leisure facilities.
- Organised outdoor sport allowed (children and adults).
- Minimise travel. No holidays.
- Outdoor parent & child groups (up to 15 parents).

**Step 2: At least five weeks after Step 1, no earlier than 12 April.**

- Indoor leisure (including gyms) open for use individually or within household groups.
- Rule of 6 or two households outdoors. No household mixing indoors.
- Outdoor attractions such as zoos, theme parks and drive-in cinemas.
- Libraries and community centres.
- Personal care premises.
- All retail.
- Outdoor hospitality.
- All children's activities, indoor parent & child groups (up to 15 parents).
- Domestic overnight stays (household only).
- Self-contained accommodation (household only).
- Funerals (30), wakes, weddings and receptions (15).
- Minimise travel. No international holidays.
- Event pilots begin.

**Step 3: At least five weeks after Step 2, no earlier than 17 May.**

- Indoor entertainment and attractions.
- 30 person limit outdoors. Rule of 6 or two households (subject to review).
- Domestic overnight stays.
- Organised indoor adult sport.
- Most significant life events (30).
- Remaining outdoor entertainment (including performances).
- Remaining accommodation.

- Some large events (expect for pilots) - capacity limits apply. •Indoor events: 1,000 or 50%.
- Outdoor other events: 4,000 or 50%.
- Outdoor seated events: 10,000 or 25%.
- International travel - subject to review.

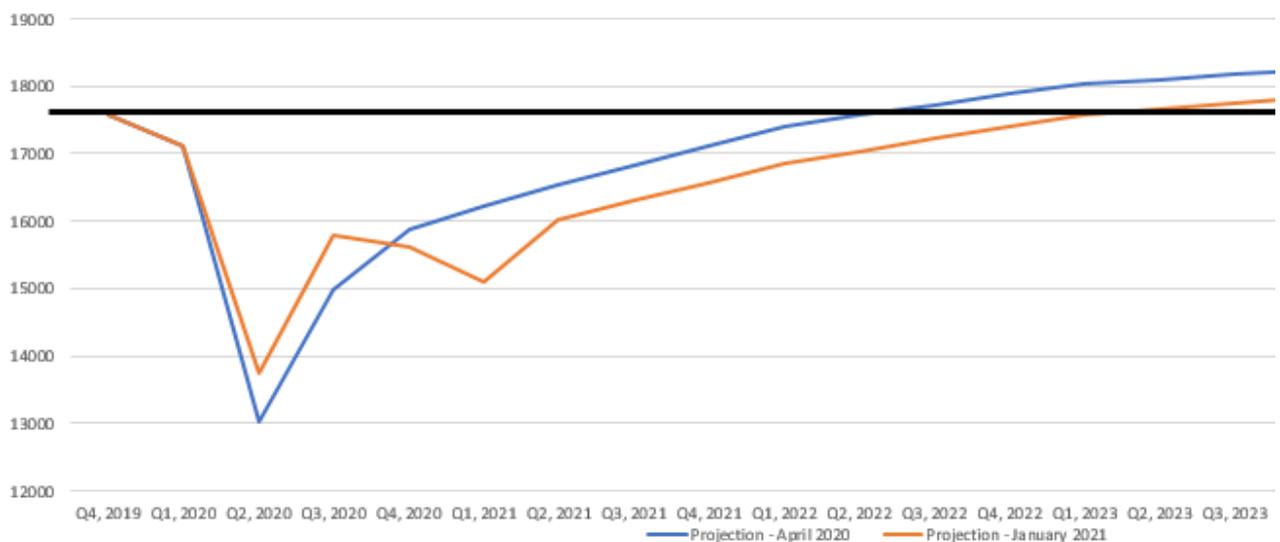
**Step 4:** At least five weeks after Step 3, no earlier than 21 June.

- No legal limits on social contact
- Nightclubs.
- Larger events.
- No legal limit on life events.

## 2.0 Economic Impacts of the pandemic

2.1 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 last year and witnessed the largest decline seen in the UK since quarterly records began. Some reports suggest that between January and November 2020 over 4,500 shops closed in town and city centres around the UK leading to the loss of almost 100,000 jobs.

2.2 Work undertaken by Devon County Council, set out in the diagram below, shows the predicted size of the Economic impact of the pandemic. The economic impacts are unprecedented. Importantly the Economy was slowing down prior to COVID shutdown and the events of the last year have exacerbated the situation unimaginably. The chart shows two modelling scenarios the first undertaken in April 2020 and the second in January 2021. This latter estimate shows a deterioration in the economy due to the third lockdown which is much deeper than originally expected.



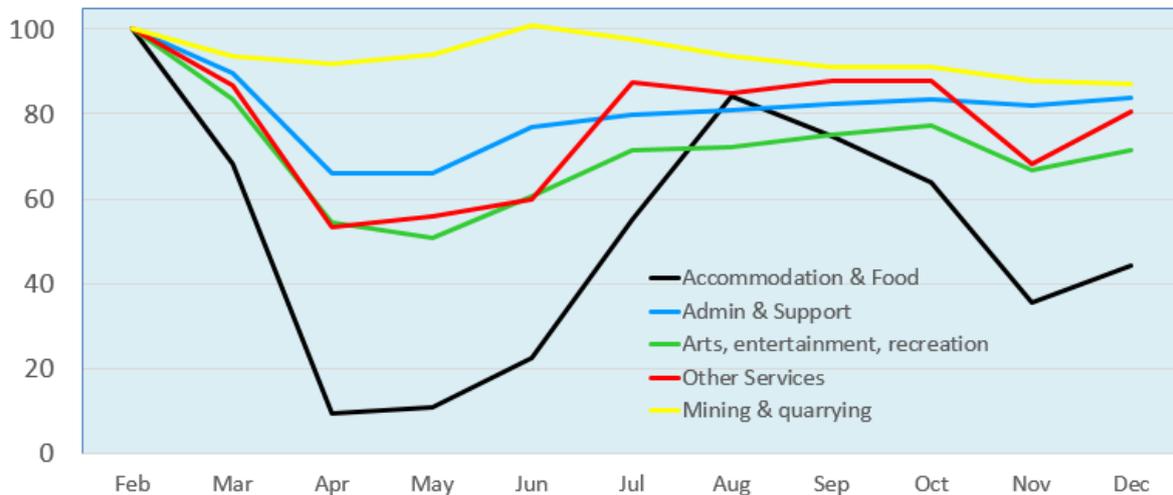
Source: Devon County Council

2.3 Devon County Council officers have been refining this information still further and now expect a double dip recession, though with a shallower second dip through q1 of 2021 (a reduction of around 4% in Gross Value Added (GVA)). This will mean a total reduction in 2020/21 financial year of around 14%.

2.4 There are however encouraging signs that the Devon economy will start to bounce back quickly over the summer, returning to growth by Q2 2021. Economy will then recover steadily into 2022 and 2023, six months later than previously predicted. The picture for Mid Devon however, is bleaker as it is expected to lag behind other areas of the County by potentially a further three to four years.

2.5 The graph below shows the sectors in the UK economy which remain hardest hit by the Pandemic at the end of 2020.

Feb = 100



Source: Devon County Council

2.6 The noticeable effect on the Accommodation and Food sector (the bottom line on the graph above) is a particular problem for the Mid Devon economy given the importance of the hospitality industry and related food supply chains (including agriculture). The high street retail sector has also been badly affected in the District as will be referred to in a subsequent item on the agenda.

2.7 The biggest concern for the District is the rise in unemployment. Since the start of the pandemic the rate of unemployment has risen from 1.7% in March 2020 to 3.9% in December 2020. The latest figures for January indicate a thousand more unemployed than this time last year. With over 10% of Mid Devon employees currently furloughed, there is a significant risk that the number of claimants could substantially increase when the scheme comes to a close (April 2021). To counter this risk, 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 jobs support programmes as they advance.

### 3.0 Ongoing Emergency Response

3.1 Since the start of Lockdown restrictions in March 2020 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

3.2 Since the last report the GED team officers have been ensconced in the delivery of business grant payments with respect to ten currently live grant schemes. Grant distribution is going well and the team have received very good feedback from businesses. Businesses have been delighted that the District Council has managed to turn around these payments so quickly and as such we understand is one of the best performing in the UK.

3.3 The table below sets out the financial assistance provided to Mid Devon businesses since the start of the pandemic. This information is current at the

<b>Funding Assistance</b>	<b>Paid</b>	<b>Status</b>
RHL & Small Business Grants	£20,007,500.00	Closed
Discretionary Grants	£1,129,000.00	Closed
Nursery Relief	£19,937.00	Closed
Extended Retail Relief	£7,623,799.00	Ongoing
November Lockdown	£898,686.00	Open
Additional Restrictions Grants	£1,497,957.00	Fully Spent awaiting potential top up from Government
ARG Top Up (Jan Lockdown)	£731,173.00	Open
Tier 2 & 3 Closed	£111,349.00	Open
Tier 2& 3 Open	£508,212.00	Open
January Lockdown Closed	£1,306,023.00	Open
January Lockdown Top Up	£2,615,000.00	Open
Christmas Support Payments	£51,000.00	Open
Council Tax Hardship	£450,899.00	Ongoing
DCC & MDDC Welfare Support Scheme	£29,000.00	Ongoing
Test & Trace (Self Isolation Payments) Both Schemes	£17,000.00	Ongoing
<b>Total</b>	<b>£36,996,535.00</b>	

time of writing an update will be provided at the meeting.

3.4 At the time of writing we are awaiting confirmation from government as to whether or not grant schemes will be extended and if so in what format and at what scale.

### COVID-19 Community Support Response - Vulnerable Residents

3.5 Referrals to the Community Support Hub remain low, with the majority being self or local referrals through our switchboard and on-line enquiry form. With the Leisure staff now focusing on the Community Testing, all enquiries are now being fielded by the Customer First team. In total we have received 68 referrals since the beginning of the January lockdown, 33 through the national registration website and 35 locally.

3.6 As of the 16<sup>th</sup> February a further 1.7 million people nationally have been identified as having an equivalent risk through a combination of medical and social risk factors to those who are Clinically Extremely Vulnerable and are being advised to Shield. At the same time the period of shielding has been extended to 31st March 2021. This addition represents a 42% increase in the Shielding list. The initial tranche of newly identified vulnerable, those between

the ages of 16-69, amounts to 5,753 in Devon, which may translate to approximately 600 people in Mid Devon being added to the shielding list.

- 3.7 This is likely to increase the number of enquiries considerably as many of these will be new to shielding. The Council will continue to provide a point of contact for these residents, and help them with priority supermarket slots and access other essential needs as needed.

#### COVID-19 Local Support Fund (Financial Hardship Fund)

- 3.8 Since the beginning of the latest lockdown we have had 149 applications to the hardship fund. The number of applications remains high at 20-25 per week. Nearly 50% are repeat applications. Also since the beginning of the pandemic we have now received 554 applications to the fund and distributed over £48k in emergency relief. Devon County Council has recently announced further funding of £600k across the county to relieve financial hardship, so we will hopefully soon be receiving a top-up to our depleted funds.
- 3.9 Discussions continue both internally and with partners in the Voluntary Community and Social Enterprise (VCSE) sector on how best to address financial hardship in the medium to longer-term once the initial restrictions are eased, and how best to support families with both immediate emergency support and more long-lasting advice to help them get onto a more sustainable financial footing.
- 3.10 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/>
- #### Reopening our High Streets Safely
- 3.11 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 prior to the expected reopening in April.
- 3.12 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 prior to the latest reopening. Social media updates have also been used through the campaign and our website is regularly updated.

## **4.0 Recovery Update**

- 4.1 The following section provides an update on some of the Mid Devon initiatives which contribute towards recovery and also wider Devonwide projects being taken forward through the 'Team Devon' partnership.

#### Cullompton High Street Heritage Action Zone Project

- 4.2 An important part of the team's recovery work is the Cullompton High Street Heritage Action Zone (HAZ) project, co-funded by Historic England. There are a number of elements to the project. Recent developments are outlined below:

- 4.3 At the time of writing the Fore Street Grants Scheme is nearing its launch and associated press coverage. This scheme will allow building owners and repairing leaseholders in the Fore Street area to apply for grant funding to support structural and historic reinstatement works. Similarly the Shopfront Improvement Grants Scheme is due to be launched at the same time. This will allow building owners and repairing leaseholders in the conservation area to apply for grant funding to support shopfront improvement works.

- 4.4 The updated Cullompton Conservation Area Management Plan and Mid Devon Shopfront Design Guide is being drafted. These will be presented to PPAG in March 2021 with consultation and community engagement to begin in April 2021.

- 4.5 At the time of writing officers are awaiting the outcome of the recent Cullompton Cultural Programme bid to Historic England. An update will be provided at the meeting. Once confirmed the Cultural Programme of activities to support the HAZ can be set out in more detail.

#### Town Centre Masterplans

- 4.6 During the last year the emerging Tiverton masterplan work has been revisited to take account of the Covid-19 pandemic and to seek the opportunity to embed tackling climate change into town centre regeneration. Key areas for intervention have been the subject of presentations and informal discussions with Cabinet, Ward Members, the Tiverton Town Council and the Tiverton Town Centre Partnership. This work will inform external funding bids and support current lobbying by officers for investment in the town.

- 4.7 Following consultation that took place last year, to inform a draft Cullompton Town Centre Masterplan, a second round of consultation is due to take place later in the year.

#### Electric Vehicle (EV) Charging Points

- 4.8 Officers are currently exploring opportunities for installation of EV charging points across the District which could have further benefits as a potential basis for the implementation of eco car clubs. This work is in its infancy and further updates will be provided as the project takes shape.

#### Re-opening of Cullompton Railway Station

- 4.9 Members may recall that Mid Devon District and Somerset West and Taunton Councils were successful in securing government funding through the 'Restoring Your Railways - Idea's Fund' for development of a Strategic Outline

Business Case to reopen stations at Cullompton and Wellington. An important milestone was recently achieved as the Strategic Outline Business Case (SOBC) was submitted to the Department for Transport (DfT). Officers will update members with regard to the next steps once the SOBC has been formally assessed by DfT.

#### Team Devon Recovery

- 4.10 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 latest national lockdown and the subsequent uncertainty as to when restrictions will be lifted.
- 4.11 'Team Devon' is a public and private sector partnership drawing in expertise from business, education, skills and public sector organisations to respond to the need 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. Devon County Council has recently approved £6m of investment into recovery measures to start to implement the Team Devon Recovery Prospectus. Mid Devon Officers continue to contribute towards these projects.
- 4.12 An important current area of activity for 'Team Devon' partners is development of a pipeline of projects in anticipation of forthcoming national funding opportunities. Whilst it is unclear the scale and nature of these funding opportunities the Government has made a pledge to 'Build Back Better' as part of its UK Coronavirus Recovery Campaign and attempt to 'level up' economic geographic disparity. This pipeline work, in association with the Heart of the South West Local Enterprise Partnership, aims to ensure that there are appropriate projects lined up ready for delivery should funding become available. Mid Devon Officers are actively pursuing opportunities for the District through this process.
- 4.13 The following paragraphs set out a brief update on a number of activities currently being undertaken within the County as part of the recovery agenda.

#### Listening Ear Programme

- 4.14 In response to the increasing number of calls for support from a range of business owners, a new 'Listening Ear' support service for businesses in Devon has been launched by Devon County Council, with 121 appointments bookable online.
- 4.15 The Service is offering businesses a safe and friendly space where they can talk to an experienced volunteer of the stresses and challenges, they face in running their business during the COVID-19 pandemic. Volunteers can also signpost businesses to other services if they need them. This pilot Listening Ear Service runs until 31st March 2021, working with Devon Communities Together and aims to support at least 40 businesses with at least 5 volunteers.
- 4.16 The service will also feature 2 x webinar/peer support style group sessions – the first of which is scheduled for 23rd February 2021.

- 4.17 Businesses who consider they could benefit from the programme are encouraged to go directly to the website to find out more and book a listening ear session online. <https://www.devoncommunities.org.uk/projects/listening-ear>

#### Devon Sustainable Food Partnership

- 4.18 This is a partnership across several themes/challenges from healthy food to food governance and everything in between. In January 2021, 'Sustainable Food Places' (SFP) awarded Devon County Council a grant of £5,000 for the development of a Devon Food Partnership. The partnership is in its very early stages of development. A 'Devon Strategic Food Partnership – The Beginning of the Journey' Webinar was held on 11 February 2021. The aim of the webinar was to share progress so far, hear from some key speakers with food partnership experience locally and nationally, and start the conversation around building a strategic food partnership for Devon. The webinar recording is available online. It is intended that working groups will emerge to carry this initiative forward in line with the SFP 6 key principles. More information will be provided to members as more details emerge.

#### Start Up Support – Social Entrepreneurs

- 4.19 The programme is designed to offer start up support to unemployed people or people at risk of unemployment because of the economic impact COVID 19. The focus is on turning social enterprise business ideas into reality and capitalising on the added social value to our communities.
- 4.20 Dartington School for Social Entrepreneurs have been contracted to deliver the project. Participants on the online learning initiative, which is made up of ten weekday sessions spread over eight weeks, will have the chance to learn from experts and existing entrepreneurs and creating a supportive network of people to overcome the challenges they are facing and build resilient social enterprises.
- 4.21 The course is for between 15 and 18 beneficiaries and will run between 1st Feb and 25th March 2021. Recruitment is currently underway with a social media campaign and referrals from job centres, Learn Devon and District Councils and community organisations to ensure a good geographical spread across the county. A press announcement will be released <https://www.devonnewscentre.info/devon-start-up-programme-for-social-entrepreneurs/>

#### Made in Devon Programme

- 4.22 The Made in Devon scheme was launched in September 2020 with an initial offer of free membership for the first twelve months to fifty local businesses. To date 33 applications have been received and are being processed. Applicants so far include food and drink producers, a garden centre, a hotel and a furniture company.
- 4.23 The full-time marketing officer for the programme has worked with a local design company to create a logo which can be used with service, hospitality, making and growing sectors.
- 4.24 Marketing and promotional work continues. The Scheme has a website: [www.madeindevon.org.uk](http://www.madeindevon.org.uk). Devon County Council has launched a radio campaign encouraging businesses to apply for Scheme membership. In addition, local businesses are being contacted directly. The initial aim is for the scheme to have at least fifty members by the end of March 2021.

#### **Contact for more Information:**

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**Circulation of the Report:**

Cllr Richard Chesterton  
Cllr John Downes

**List of Background Papers:**

<https://www.gov.uk/government/publications/covid-19-response-spring-2021/covid-19-response-spring-2021>

<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/>