

**REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION**

**COVID 19 LOCAL ECONOMIC RECOVERY PLAN**

**Cabinet Member:** Cllr Richard Chesterton, Cabinet Member for Planning and Economic Regeneration

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

**Reason for Report:** To update members on recovery activities undertaken to date and set out a proposed way forward with regard to the preparation of a districtwide COVID 19 Economic Recovery Plan.

**RECOMMENDATION:** That Members endorse the proposed approach to developing a COVID 19 Economic Recovery Plan.

**Financial Implications:** It is clear that 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. Nationally much analysis and modelling is underway to seek to understand in more detail the extent and nature of the economic impact. At a more local level, the latest 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 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.

Officers will continue to seek external funding to support recovery plan aspirations.

**Budget and Policy Framework:** The work programme set out in the report to develop a local economic recovery plan will run in parallel to the District Council's budget setting process for 2022/2023. This will help inform resource deployment and prioritisation decisions.

This strategy document will assist in the delivery of the objectives of the corporate plan and will serve to update the objectives and actions in the Economic Strategy to reflect the impacts of the pandemic. The recovery plan will also be informed by the wider context of policy and strategy documents at a County, regional and national level as set out later in this report.

**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.

The Recovery Plan work will need to consider risks. Projects emerging from this work will need to be taken forward with accompanying risks assessments.

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

A range of initiatives seek to reduce the impact on the economically and medically vulnerable:

- The Mid Devon Covid 19 Support Fund (Devon County Council funded) is a hardship fund for essential crisis payments. It is for those individuals who are in considerable financial distress.
- Similarly the Shielding Hub has also been extremely effective in supplementing the government effort to provide supplies for those who are particularly vulnerable to the pandemic.

Recovery plan impacts need to consider equality issues carefully. Economic Recovery plans will need to be the subject of Equality Impact Assessments.

**Relationship to Corporate Plan:** The work of the Growth, Economy and Delivery team supports the corporate objectives for the economy:

- Bringing new businesses into the District
- Business development and growth
- Improving and regenerating our town centres
- Growing the tourism sector

These objectives have even greater significance following the effects of the COVID19 pandemic and will need to form a basis for the local economic recovery plan.

**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.

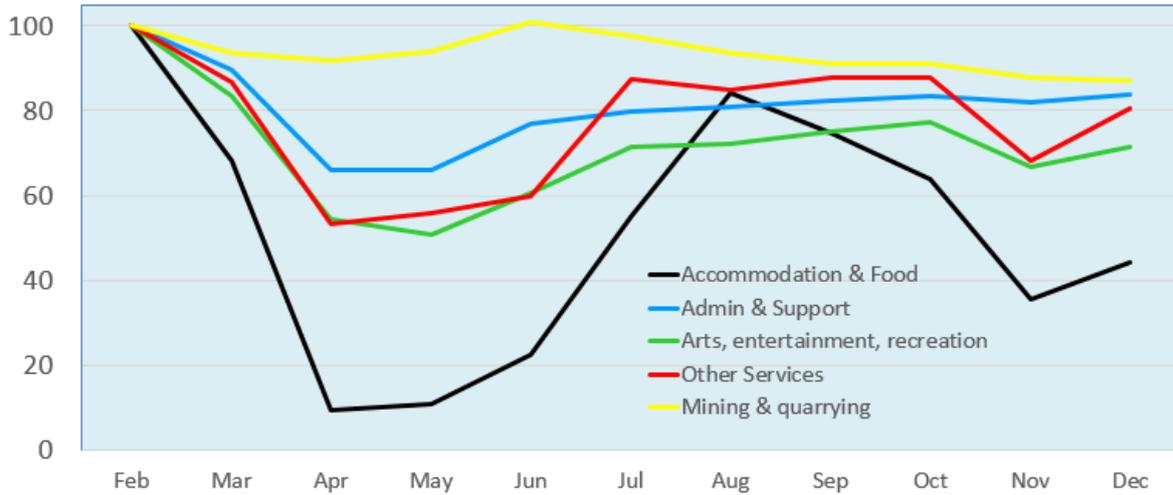
## 1.0 Introduction

1.1 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.

1.2 The impact of the pandemic, and related lockdowns, on the local economy is unprecedented. The Economy was slowing down prior to COVID shutdown and the events of the last 18 months have exacerbated the situation unimaginably. Members may recall that work undertaken by Devon County Council indicates that the deterioration in the economy due to the third lockdown was much deeper than originally expected. The picture for Mid Devon, is bleaker than much of the rest of Devon, as it is expected to lag behind other areas of the County by potentially a further three to four years.

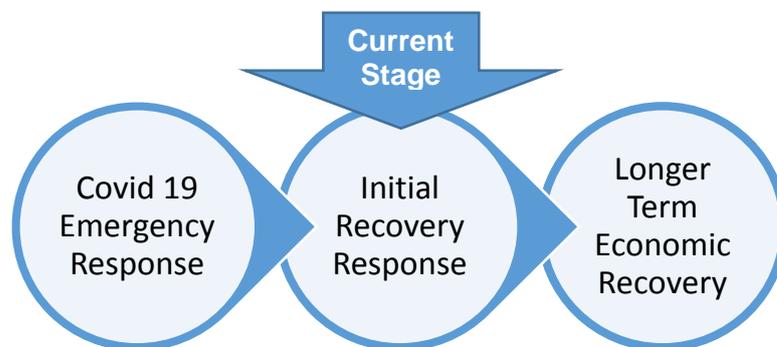
1.3 The graph below shows the sectors in the UK economy which remain hardest hit by the Pandemic during 2020.

Feb = 100



Source: Devon County Council

- 1.4 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.
- 1.5 A major concern for the District is the rise in unemployment. Since the start of the pandemic the rate of unemployment rose from 820 claimants in March 2020 to 2,055 in September 2020. Latest figures suggest an improvement from last autumn to 1,695 (May 2021); however there is a significant risk that the number of claimants could substantially increase when the furlough scheme comes to a close (30 September 2021). Tackling this rise in unemployment will need to be an integral part of future recovery plans.
- 1.6 The local response to the economic impacts can be seen as comprising of three stages:



- 1.7 The following sections explain progress with regard to the first two stages. This report then identifies a proposed approach for the development of longer term economic recovery plan.

## 2.0 Covid 19 Emergency Response

2.1 The following paragraphs summarise elements of the emergency response stage. Throughout this period the Council's website has been continuously updated to reflect the current situation. A link to our webpage can be found below:

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

### Business Assistance

2.2 The Covid related business grants programme continues to be a significant support mechanism for businesses emerging from lockdown restrictions. Since November, the grants team has provided more than £20,000,000 of funding to businesses, with more than 9,000 individual payments being made (many businesses will have received multiple payments).

2.3 Since April, the Restart Grant Scheme has provided support to 766 businesses, with a further 80 claims in the pipeline, being processed. The value of these grants is £5,776,000. Feedback about the scheme from the business community has been overwhelmingly positive. It has also been a highly collaborative piece of work, with economic development staff, finance and business rates all heavily involved in grant delivery and reporting and evaluation activities.

2.4 The payment of top-up discretionary grant funding has now finally been confirmed by the Department for Business, Energy and Industrial Strategy (BEIS) and will be received by Mid Devon District Council on 16 July 2021. There are more than 300 businesses that have already applied for this scheme since April and are awaiting payment. The grants team is ready to release funding to them as soon as it is received.

2.5 Throughout this emergency response stage businesses that are not eligible for funds have been signposted to the Growth Hub for further assistance.

### Community Support Hub

2.6 In March 2020, following the announcement of the first lockdown, the Economic Development Team was asked to facilitate the Mid Devon Shielding Hub for the Clinically Extremely Vulnerable and to manage the Covid Financial Hardship Fund. With support from staff from Leisure, Housing and Customer First a community support hub was created to provide essential food supplies, practical support and advice to vulnerable residents in need of help. Up until the end of July 2020, the hub received 136 referrals and 295 enquiries and delivered 130 emergency food packs and 105 top-up packs.

2.7 During the second lockdown in November, the shielding hub was reinstated, although with a changed focus from delivering food supplies directly, to ensuring vulnerable residents had access to food supplies through friends, family and preferential supermarket slots. In total the hub dealt with 86 requests for support, only one of these requiring a delivery of food supplies. At the same time the Housing Team made call-outs to 2,445 vulnerable tenants to make sure their needs were being met, and to offer advice and support when required.

- 2.8 During the third lockdown, the community support hub has continued the good work of offering advice and support to both the Clinically Extremely Vulnerable and other vulnerable residents with 68 referrals being received up until the 2nd week of Feb. The level of requests for support has been considerably less recently, although the impact of a large expansion to the shielding patient list is yet to be realised.

	Referrals	Enquiries	Call outs	Emergency Food Packs	Top-up Packs
Lockdown 1.0 (Mar – Jul 20)	136	295		130	105
Lockdown 2.0 (Nov – Dec 20)	86		2590	1	
Lockdown 3.0 (Jan - 21)	68		96		

#### Financial Hardship Fund

- 2.9 Throughout the pandemic, the District Council has been administering a Hardship Fund for those in financial hardship, in partnership with CHAT and Navigate charity. The Mid Devon COVID 19 Support Fund was set up initially with funding from Devon County Council and later from the government, to provide emergency support with essentials such as food, energy costs, essential travel etc. The scheme continues to receive a steady and increasing stream of applications. Since the beginning of the pandemic we have received 743 applications to the fund and distributed over £60k in emergency relief, as well as providing signposting to other emergency services and money and debt advice.

#### Self-Isolation Support

- 2.10 More recently, the District Council has been asked to respond to requests for financial and practical support from people having to self-isolate as part of the county-wide enhanced test and trace service. There is currently a small team supporting this initiative including members of the Benefits Team, Customer First, and the Growth, Economy and Delivery team. Since the beginning of May we have received 19 referrals, mainly for financial assistance, but in the last couple of weeks the number of enquiries has increased rapidly, and is expected to rise exponentially as the restrictions are reduced, and more people are required to self-isolate.

#### Liaison with the Community and Voluntary Sectors

- 2.11 Throughout the year we have continued to have regular meetings with voluntary sector partners and town/parish councils to co-ordinate our response to those most in need and to share information.

### **3.0 Initial Recovery Response**

- 3.1 In addition to the emergency response work referred to above progress has been made with regard to a number of initial recovery response activities. For the purposes of this report these activities have been grouped into four areas as shown in the chart below. It is important to note that the list of projects is

not exhaustive but provide Members with a broad indication of the breadth of activities currently underway.



### Team Devon Initiatives

3.2 The pandemic has had a multifaceted impact on the County. Given this complexity, and the limitation of resources from any individual partner, collaborative working has never been more important.

3.3 **‘Team Devon’** is a public and private sector partnership drawing in expertise from business, education, skills and public sector organisations to work towards the economic recovery of the County. Mid Devon Officers have been involved in the preparation of a **Devon COVID 19 Economy and Business Recovery Prospectus** launched last year. 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.

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

3.4 The prospectus sets out Devon’s shared vision for economic recovery over the next two years. The plan provides a single economic programme for the County to respond to the crisis and build the Devon economy back stronger and more resilient. It aligns activities to address the hardest hit places, communities and business sectors and capitalise on emerging new opportunities.

- 3.5 The prospectus has set the basis for a number of partnership initiatives currently underway. The table above lists a few of these initiatives. Officers have been liaising with our businesses to signpost them to these countywide opportunities.
- 3.6 Despite prioritising business grant and community support over the last year officers have also been taking forward a number of vital projects to assist the local economy's recovery and progress activities identified in the Economic Strategy. The following three key areas have been the focus of this initial recovery response and supplement the wider 'Team Devon' business support and development activities.

#### Infrastructure/Growth Projects

- 3.7 It is recognised globally that investment in infrastructure is key to economic recovery. Officers have been continuing to make progress with regard to key infrastructure projects at a vital time in their development (e.g. Cullompton Rail Station). Not only do these schemes provide a platform for recovery but also enable development sites to be unlocked. The growth agenda remains crucial to the District's future prosperity and can assist with increasing footfall in our market towns (e.g. Culm Garden Village).

#### Agriculture, Food & Drink/ Green Energy

- 3.8 The Mid Devon Economic Strategy recognises the importance of both the Agriculture, Food and Drink theme and Green Energy opportunities. As referenced above the agriculture, food and hospitality sectors have been badly affected as a result of the pandemic and reinforces the need to continue with projects allied to their recovery during this initial stage.
- 3.9 It should also be recognised that there will be opportunities with regard to rebuilding our economy back better perhaps the best example of this is the green economy. As a result activity continues in this area.

#### Place based activities

- 3.10 Our market towns have suffered greatly as a result of the pandemic and lockdown restrictions. The high street retail sector has been particularly affected. An important part of the initial recovery work has involved implementation of measures to enable our town centre business to re-open safely including supporting publicity. Officers have also been striving to keep a number of town centre strategic plans and projects moving forward whilst also developing the case for potential bids for funding (e.g. Community Renewal Fund).

### **4.0 Longer Term Economic Recovery**

- 4.1 As identified in section one, it has been predicted that it will take a number of years for our local economy to reach pre-pandemic levels of activity. It is also acknowledged that as a district council we only have a limited amount of resource and influence to address these major challenges. It is therefore important that we continue to work in partnership with other organisations and prioritise our activities and interventions. In order to do this effectively it is proposed that a local economic recovery plan be prepared. This will be

informed by the Economic Strategy adopted before the pandemic and will assist in achieving the objectives set out in the corporate plan.

- 4.2 The recovery plan will need to strive towards building back better and help to create a more inclusive and sustainable economy. Key to this will be taking forward a set of measures to achieve a greener economy. This includes a recognition of the importance of environmental technology and clean growth.
- 4.3 It is also acknowledged that there are a number of recovery related strategies in existence at different levels. The Local Economic Recovery Plan will need to ensure that it aligns with these documents to ensure conformity with these wider approaches and to ensure that the district is well placed to capitalise on future funding opportunities. The following diagram refers to some of these wider strategies.



- 4.4 It is imperative that the Local Economic Recovery Plan includes a clear list of interventions in the form of an Action Plan to ensure that it is a document that results in achievements on the ground. Given the limitations of public resource it will also need to prioritise activities to focus on the most effective projects to deliver recovery outcomes.
- 4.5 The involvement of the Economy Policy Development Group is pivotal to the formulation of the recovery plan. The chart below sets out a proposed approach to how the Policy Development Group will shape the recovery plan with input from industry experts. Given the breadth and diverse nature of the recovery agenda it is proposed that a series of informal workshops are set up to allow Members the opportunity to delve into matters in more detail. It is proposed that these workshops be grouped under the five key intervention areas previously identified as part of the

Economic Strategy work. Whilst emphasis in some areas may have changed as a result of the pandemic these are still considered relevant and appropriate cornerstones for economic recovery. These five areas are as follows:

- Employment & Skills
- Place (Vibrant Town Centres & Communities)
- Infrastructure
- Hi-Tech, Innovation & Green Energy
- Agriculture Food & Drink

4.6 The proposed approach and timetable is set out below. It is understood that Devon County Council intend to undertake analysis of the impact of the national furlough scheme ending in September with results being available towards the end of the year. This will inform the debate on employment and skills programmed in December. The proposed programme is as follows:



4.7 Officers will further refine the proposed approach over the coming weeks. It is envisaged that the workshop sessions will be informed by sector representatives to allow members the opportunity to discuss recovery challenges with industry experts.

4.8 It is also intended that the success of the plan be monitored on an annual basis with the potential for sector based surgeries to take place to hear again from sector representatives first-hand so as to monitor progress.

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