

## Report of the Chief Executive

**ECONOMIC RECOVERY PLAN AND DATA GATHERING UPDATE**1. Purpose of report

To update the Committee on the conclusion of the Council's business data gathering exercise and provide recommendations of further actions, for inclusion into a wider Economic Recovery Plan for businesses post COVID-19.

2. Background

Committee members will recall agreeing to the approach of the data gathering, in order to understand the challenges all businesses are facing in light of COVID-19. The Economic Development team have since concluded the data gathering exercise and have provided further narrative on the findings in appendices 1 and 2.

The recommendations and interventions for member consideration are all cognisant of the direct responses from the business community, alongside the in-house interpretation of the emerging national and regional approaches to business support based on the 6-12-month horizon.

It is worth noting that the D2N2 Local Enterprise Partnership (LEP) have taken the decision to review the viability of their Local Industrial Strategy (LIS) in the context of the pandemic and the wider impacts to the regional economy. With that, any Economic Recovery Plan will likely require further review and refinement; to ensure the local interventions remain impactful, correctly focussed and are aligned with the collective approaches to economic recovery from our partners in other authorities.

Further consideration of the business financial support packages from government which are tapering in terms of the size and frequency of payments is needed.

3. Financial implications

Any additional revenue or capital budget allocations required to deliver actions within any Economic Recovery Plan would be referred on to Finance and Resources Committee for consideration and a decision on whether or not to approve.

**Recommendation**

**The Committee is asked to RESOLVE to APPROVE the Recovery Plan actions, with full and final costings or refinement of specific actions to be agreed at a later Committee.**

Background papers

Nil

## APPENDIX 1

**Progress update on Economic Recovery Plan**

Following the five stage approach to data gathering which was agreed by committee in June, the Economic Recovery Plan is now considered to be in Stage 3.

The five stage approach includes:

Stage	Notes
1. Contacting all the businesses using the agreed questions	COMPLETE
2. Collate data and assess trends	COMPLETE, see below
3. Decide next steps	Current Stage
<b>Implement COVID-19 Economic Recovery Plan</b>	
4. Monitor outputs and react	Once funding/support is being delivered, outputs are carefully measured against SMART targets. Any strategy, funding package, support mechanism and/or other planned actions of intervention still in place, are amended/closed where necessary.
5. Conclusion	A final assessment of the overall programme is carried out. It is proposed to use internal resources to undertake this work, if necessary using redeployed or volunteer labour.

**Data Analysis – Stage 2**

As of October 2020, the Council received 176 responses in total, by telephone and online completion.

The final sample represents 8% of the total number of businesses in the Borough and is considered a robust enough data, to analyse and inform some of the actions later in appendix 2.

**Reopening of businesses**

3% of businesses responded that they were still not operational at all, where as 16% were partially open and 81% have now full re-opened for trade. Of the businesses that were not open, all operated within a setting that was mandated to remain closed at time of survey completion. It is likely all these are now partially or fully reopened.

When asked how much additional costs businesses have incurred to get operational again, the average figure was nearly £5,000 per business. This spend included the provision of PPE and extra sanitation.

93% of all the respondents stated that they were aware of the most current guidance on how to reopen and continue trading COVID-securely.

**Businesses that were partially operational exhibited the following:**

- 46% of those businesses have staff members that are yet to return to work, presumably still furloughed.
- All partially open businesses have under 20 members of staff and are considered 'micro'.
- Most common responses to changes that those businesses have made to resume operations include;
  - Provision of PPE,
  - Reconfiguration of internal space to uphold social distancing,
  - Increased sanitation (deep cleans and between client visits),
  - Reduction in opening hours,
  - Reduction in customers and staff on premises at one time,
- Only 32% of those businesses feel they will be back to their pre-COVID business plans within the next nine months.

**Perceived long-term business effects of COVID-19 PARTIAL operational include:**

- Reduction of internal space and customers on premises will translate to reduction in sales/services provided and therefore profit loss.
- Impact on businesses from competitors switching to online sales and/or delivering their goods and services 'mobile' – whilst bricks and mortar businesses still retaining overheads.
- Total closures because of general uncertainty.
- On-costs of PPE long term, as there seems no end date to the wearing of. Customers may start to favour businesses that maintain the use of face coverings and other costly PPE, when it's no longer mandatory.

70% feel these long term changes, will affect the long term viability of their businesses.

**Taking financial support aside, businesses felt they would benefit from PARTIAL operational:**

- LONG term rent free periods (financial)
- Furlough extension (financial)
- Grants (financial)
- Business rates reduction (financial)
- Clearer timelines on when government restrictions will be lifted to help businesses plan.
- Planning for 'second phase' or if something similar was to happen again.

**Businesses that were fully operational exhibited the following:**

- 30% of those businesses have staff members that are yet to return to work, presumably still furloughed.
- 11% of those businesses awaiting the return of employees have over 20 members of staff. Perhaps able to return to full operations on skeleton staff because they have a larger pool of employees to choose from.
- Most common occurring responses to changes that those businesses have made to resume operations include;
  - Provision of PPE,
  - Reconfiguration of internal space to uphold social distancing,
  - Screens
  - Increased sanitation (deep cleans and between visits to premises staff or customers),
  - Utilising furlough scheme in a flexible manner to bring back teams for necessary work elements, without the overheads of 100% staff wages,
  - Changes to shift patterns
  - Reduction in opening hours,
  - Reduction in customers and staff on premises at one time,
  - Appointment only systems
- 66% of fully reopened businesses felt they will be back to their pre-COVID business plans within the next 9 months. This is more than double, when asking the entire respondent pool, clearly demonstrating a more positive outlook from businesses that have retained more of their operational capacity earlier on in the pandemic.
- Common measures those businesses have implemented to achieve business 'normality' within 9 months include:
  - Continued to operate 'by any means' and implementing all the government guidance to re-open at earliest opportunity
  - Used 'Bounce Back Loan' and other forms of debt to stay operational
  - Allowing staff to work from home.

**Perceived long-term business effects of COVID-19 fully operational include:**

- Widely stated 'unknown' or 'unsure'.
- Consideration to redundancies when the furlough scheme ceases Vs. sales returning determining the amount of staff retention.
- Felt customers that have only recently shifted to accessing goods and services online, will not likely return now they are comfortable doing so because of a necessity to do so.
- Reduction of internal space and customers on premises will translate to reduction in sales/services provided and therefore profit loss.
- Total closures because of general uncertainty.

65% feel these long term changes, will affect the long term viability of their businesses.

**Taking financial support aside, most common responses from businesses that are fully operational and what they felt they would benefit from include:**

- Encouragement from the Council to build customer confidence
- Extended Free parking periods (financial)
- Reduction in VAT (financial)
- Business rates reduction (financial)
- "this is entirely a financial issue" (financial)
- Business Grants (financial)

**Further Recommendations**

Table A below provides further recommendations that could be progressed for inclusion to the final agreed Economic Recovery Plan for Broxtowe.

Actions are grouped into Short (0-6months), Medium (7-18months) and Long (18+months) term scope, with some actions carried forward from the initially agreed recommended actions at the 18 June Jobs and Economy Committee.

Actions have been carried forward where the data which was later gathered from businesses during Stage 2, validates that an earlier identified action remains desirable or will positively impact the business community and should be included into the final plan.

Further actions carried forward may also have been completed or are actively ongoing as part of the Council's immediate/short term response to the pandemic. This includes those from within the report to Policy and Performance Committee on 1 July 2020, where the Council's approach to medium-long term recovery under Section A: Economy was detailed.

The final Economic Recovery Plan would likely need to act as a transitional document in order to steer all economic development activity back on course, to resume a position where a longer term Economic Regeneration Strategy document could be adopted, to address the Council's approach to regeneration activities without being burdened by the context of the COVID-19 pandemic. This is similar to the approach being taken by the D2N2 LEP, with regards to their own Local Industrial Strategy.

Therefore, it is not advised to review and develop the Council's current Economic Regeneration Strategy at this time. This is because it is not possible to assess with any real degree of certainty, the wider needs of different businesses and sectors at this point; the immediate challenge to the national economy being centred around COVID-19, with varying and distorting levels of business support in place, dependant on the business type affected.

Furthermore, different authorities around the regions find themselves subject to a period of fluctuating Covid Alert Levels (the tier system), are liable to adhere and enforce those associated restrictions to their business community's trade and the wider economic activity as a result. Additional re-closures now, will cause irreparable damage to businesses; the consequences affecting the long term viability of some entire sectors, which would have been otherwise resilient and could have been successfully safeguarded and nurtured to grow through effective strategy.

To that end, the development of a longer term strategy document with a 5-year scope now, could be short-sighted. This is because it is unclear how to predict which specific sectors will inevitably see contraction, as well as those that will see growth organically, and to what scales. For example, retail and hospitality based businesses have benefitted from some of the most comprehensive support packages during the pandemic; however, their long term viability and

the level to which the Council should allocate resources towards the support of longer term, must still be evidenced. Likewise, office based businesses have been financially supported through different methods, but this doesn't mean these business types are more or less viable, even with the emergence of homeworking.

The legacy of certain sectors in the wake of COVID-19 will remain unclear for some time, likely has no correlation to the previous support afforded to date and the Council's ability, especially to directly support businesses financially, also remains unclear. This is not solely due to pressures this would place upon the Council's own financial resources and the amounts that could be paid out, but the process in which affected sectors could be paid to the best effect. For example, the government currently have the facilities in place to pay wages as part of a furlough scheme utilising HMRC, to reduce fraud/ensure wages made it to employees; the Council does not, but could perhaps develop a framework for a grant or loan scheme where applicable.

Drawing from the responses to the consultation it is clear the immediate priorities are:

1. Support those who find themselves unemployed to retrain and find new work as quickly as possible
2. Help the business community to withstand any immediate future shocks – principally those which may arise due to exit from the European Union
3. Help businesses which are still trading to stabilise and grow through business support
4. Support the high street and small shop businesses, as retailing has suffered significantly due to covid 19 closures
5. Use cultural assets more effectively to generate economic growth and footfall for our towns.

## Suggested 'Recovery Plan' Themes:

1. Employability and Skills,
2. Reopening the High Street Safely,
3. Brexit,
4. B2B support,
5. Arts and Creative industry.

*Table A 'Suggested actions to inform 'Economic Recovery Plan'.*Table Notes

Shaded rows denote agreed actions carried forward from 'Economic Recovery Plan Report- Appendix 5' from the Jobs and Economy Committee held on 1 June 2020.

Delivery timescales for the detailed actions are categorised as either Short (0-6 months), Medium (7-18months) or Long Term (18+ months).

<b>Actions for inclusion to Economic Recovery Plan</b>	<b>Recovery Theme</b>	<b>Short / Medium / Long term Action</b>	<b>Progress Notes</b>	<b>Delivery partners /Management</b>	<b>Cost Estimate</b>
1. Develop a "Re-opening the Town centres" recovery action plan to support safe and useful ways of supporting town centres to re-start after the pandemic.	Reopening the High Street Safely; Arts and Creative industry	Short	ONGOING, sub-plan includes the agreed actions from the 'Reopening High Streets Safely Fund' report presented June committee.	Business Growth Manager	£101,458 budget, to be funded via government grant of ERDF derived capital.
2. Gather data on local economic needs and views of the local business community to feed into future activity and strategy.	Employability and Skills; Reopening the High Street Safely;	Short	COMPLETE, further narrative provided in Appendix 1 of this report and new actions within this table.	Economic Development	None

Actions for inclusion to Economic Recovery Plan	Recovery Theme	Short / Medium / Long term Action	Progress Notes	Delivery partners /Management	Cost Estimate
	Brexit; B2B support; Arts and Creative industry				
3. Develop plans, work in partnership and lobby for funding for Stapleford Towns Fund, ensuring the Towns Fund bid proposals are linked to economic recovery.	Employability and Skills; Brexit; B2B support; Arts and Creative industry	Short	ONGOING, additional funds secured from government as part of an 'Accelerated Towns Fund' programme. This money is an early award to progress project proposals contained within the Town's emerging Town Investment Plan (TIP). Estimated submission date for TIP in January 2021.	Stapleford Town Deal Executive Board/Major Projects Officer	£500,000 increased to programme budget, to be funded via government grant.
4. Continue and ensure the success and contribution to economic recovery of existing council-led initiatives to boost economic growth. Short term Initiatives include  Stapleford business hub, Beeston Regeneration phase 2	Employability and Skills; Safely; Arts and Creative industry	Short	ONGOING	Major Projects Officer/ Interim Regeneration Project Manger	None, beyond that previously allocated, inclusive of any change/risk budget.
5. Planning for a second phase national restrictions and or to effectively transition back to the	Reopening the High Street Safely	Short/Immediate	ONGOING - Communications on: How restriction changes affect different businesses to	Revenues and Benefits, Economic Development,	None. Funds to implement local grant support schemes

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Local Covid Alert Levels (Tier system) – emergency plan.			<p>communicated through digital channels and Covid-19 Information Officers; How the end of national restrictions or tier restriction are announced; to be agreed in line with other Nottinghamshire authorities comms teams.</p> <p>Additional financial support grants to assist businesses to reopen on 2<sup>nd</sup> December - applications are now live.</p>	Corporate Communications; Public Protection	funded via government grant.
6. Carry out lobbying activity with regional, county and district partners for additional rates holiday for businesses under the SBRR threshold in financial year 2021-22.	Reopening the High Street Safely,	Short	Outstanding	Senior Management through joint LA boards/working groups; Elected Members; MP	None
7. Increase free parking periods to 2 hours and/or implement temporary states of 'Zero-enforcement' during key trading periods for businesses. To include all Borough parking locations.		Short	Outstanding	Parking Services	Cost implications of increased free parking to be modelled and loss of income agreed by committees

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8. Signposting to external resources via the D2N2 Growth Hub, to include emerging financial support packages where they may become available.	Employability and Skills; Brexit; B2B support; Arts and Creative industry	Short	ONGOING, separate Email Me bulletins to businesses for COVID related info, supplemented with Social Media Messaging. Further advice to be provided on an AdHoc basis by Covid Information Officers when visiting a business, with follow up visits/communication.	Economic Development, COVID-19 Information Officers	None
9. Provide clearer timelines on government roadmap into Q2 2021 where possible, to help businesses plan better. Our general contact and information provided at Officer level is often belated, ambiguous.	Reopening the High Street Safely; Brexit	Short	Outstanding		None
10. Develop a Communications and Engagement Strategy for 'Brexit'.  Key messages and signposting, following the same process as COVID-19 Open for business resource page.  Create a Brexit resource centre for Council website.	Brexit;	Short	ONGOING – Dedicated section for businesses to use as an Brexit information resource as we approach 31st December. Implications to trading with input from all Council departments to be published.	Corporate Communications, Economic Development, Environmental Health, Licensing	None

Actions for inclusion to Economic Recovery Plan	Recovery Theme	Short / Medium / Long term Action	Progress Notes	Delivery partners /Management	Cost Estimate
<p>11. Create a promotional campaign for 'local shopping' in the run up to Christmas.</p> <p>To include:</p> <p>Awareness of Small Business Saturday UK, Reconnecting this winter, Shop Local UK campaigns;</p> <p>Call to Action – challenge shoppers to source all Christmas gifts, supplies from within 3 miles;</p> <p>Business Advent Calendar -12 days of Christmas where we focus on a different sector and promote local, compliant businesses in that area – focus on the types of places people want to shop at Christmas e.g. getting your turkey, Christmas tree, wreathes, gifts.</p>	Reopening the High Street Safely	Short	ON GOING, see further actions included from 'Christmas in Broxtowe' comms plan.	Corporate Communications	None
<p>12. Make space available to Creative sector. This could include the use of empty retail units and/or public realm.</p>	Reopening the High Street Safely; Arts and Creative Industry	Short	ONGOING – expand on the success of the Beeston street art initiatives. Use Council owned properties where necessary.	Landlords; Rates team; Economic Development; Corporate Communications	None.  Potential reduction in rental income to be agreed,

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					where this use is targeted or the creative uses require subsidy.
<p>13. Assess and improve access to HR support for businesses in the wake of COVID-19.</p> <p>Redundancies and consultation, Rapid recruitment/re-training for expansion or shift in business models.</p> <p>Some businesses may not have capacity or capability in-house, or the resource to bringing HR support from private sector.</p>	Employability and Skills;	Short/Medium	Outstanding – Scheme similar to the D2N2 Growth Hub business health checks to be created in partnership. Subsidy of HR specialist could be co-funded.	Colleges, Universities, LEP	Co-funding contribution to be agreed if not sourced by the LEP.
<p>14. Continue and ensure the success and contribution to economic recovery of existing council-led initiatives to boost economic growth. Medium term Initiatives include</p> <p>Mushroom Farm Court Industrial Units</p>	Employability and Skills; B2B support;	Medium	ONGOING, Capital co-funding secured via the Local Growth Fund Programme. Project sponsor - D2N2 LEP. Start on site estimated in December 2020, with a handover date (RIBA 6) to occur in Q1 2021.	Economic Development	£290,500 project budget, to be funded through Capital programme and grant of LGF derived funds.
15. Update local economic and industrial strategies for the new context.	Employability and Skills; Reopening	Medium	ONGOING, awaiting the results of the D2N2 time-limited recovery board	Economic Development	Costs for independent

Actions for inclusion to Economic Recovery Plan	Recovery Theme	Short / Medium / Long term Action	Progress Notes	Delivery partners /Management	Cost Estimate
Joint commission study with other LAs to form new evidence base. Previous examples include the Greater Nottingham Retail study (viability of this study in particular should at least be reviewed).	the High Street Safely; Brexit; Arts and Creative industry		findings, as well as other forums, to agree approach and priorities for long term regeneration at regional level. The Council's own strategy developed to compliment and align.		studies to be agreed.  Joint commission opportunity with other N2 LA's.
<p>16(a). Ensure decisions about future Leisure provision feed and support the economic recovery through delivering jobs and apprenticeships;</p> <p>16(b). That investment made by the Council through the green futures programme are linked to the recovery</p> <p>16(c). Ensure the council's Housebuilding programme feeds and support the economic recovery through delivering jobs and apprenticeships.</p>	Employability and Skills;	Medium		<p>6a - Leisure and Health Committee,</p> <p>6b - Environment and Health Committee</p> <p>6c - Housing Committee</p>	
<p>17. Develop COVID-19 Recovery Grant scheme/s, beyond that funded by government grant.</p> <p>Variants of new schemes could include:</p>	Employability and Skills; Reopening the High Street Safely; Arts and	Medium	Outstanding	Committee; Economic Development; Finance; Corporate Communications	If any of these possibilities were to be considered they would have to be extremely

Actions for inclusion to Economic Recovery Plan	Recovery Theme	Short / Medium / Long term Action	Progress Notes	Delivery partners /Management	Cost Estimate
<p><b>Supplement wage scheme</b> (flexi - furlough) after job retention scheme closes in March 2021.</p> <p><b>Recruitment scheme</b>, to provide 'cash incentive' to increase employee base or take on more apprentices/trainees, targeted at specific or more disrupted sectors or business type (to be evidenced).</p> <p><b>Compensation Scheme</b> – where partial costs for PPE, space reconfiguration, screens are repaid. A percentage would need to be calculated to estimate the schemes exposure and extremely tight eligibility criteria to be formed.</p> <p><b>Homeworking support scheme</b> – to financially support businesses to enable working from home as a job safeguarding tool, where redundancies or other options would need to be explored should a business meet a barrier to facilitate this.</p>	Creative industry				targeted and small scale - possibly supported with external funding in light of the Council's limited financial resources.

Actions for inclusion to Economic Recovery Plan	Recovery Theme	Short / Medium / Long term Action	Progress Notes	Delivery partners /Management	Cost Estimate
<p>18. New business start-up grant scheme.</p> <p>Targeted at specific business type, geography in response to Covid-19.</p>	<p>Brexit; Reopening The High Streets Safely; B2B support; Arts and Creative Industry</p>	<p>Medium</p>	<p>ONGOING – Funds already allocated as per committee approval. Carryover from 20-21 into a new capital programme to be utilised.</p>	<p>Committee; Economic Development; Finance; Corporate Communications</p>	<p>£30,000</p>
<p>19. Provide loans rather than grants directly to businesses –</p> <p>Element of risk where a mainstream lender does not find the business case of a proposal viable.</p> <p>Criteria to be carefully developed, where public sector can intervene, whilst managing risk of exposure to public funds.</p> <p>Requires more initial capital than a grant scheme awarding similar figures, but interest or repayments can be recycled to initiate more phases of future lending.</p>	<p>Brexit; Reopening The High Streets Safely; B2B support; Arts and Creative Industry</p>	<p>Medium</p>	<p>Outstanding</p>	<p>Committee; Economic Development; Finance; Corporate Communications</p>	<p>Again, issues relating to state aid would need to be considered, and any interventions small scale and carefully targeted in the light of the Council's limited resources.</p>

<b>Actions for inclusion to Economic Recovery Plan</b>	<b>Recovery Theme</b>	<b>Short / Medium / Long term Action</b>	<b>Progress Notes</b>	<b>Delivery partners /Management</b>	<b>Cost Estimate</b>
20. Planning in the event that something similar to the current pandemic were to happen again (5 year horizon)	All	Medium	Outstanding	All departments	None
21. Promote new technology and full fibre broadband to businesses.	Arts and Creative industry	Medium	ONGOING – previously assisted Nottinghamshire County Council promoting the Connection Voucher Scheme initiative. Potential for pooling of vouchers for future development sites to be explored.	Economic Development; LEP; Corporate Communications	None
22. Develop a scheme or schemes for potential funding in Eastwood and Kimberley.	Employability and Skills; Reopening the High Street Safely; Arts and Creative industry	Long	ONGOING, See 'Eastwood & Kimberley TIP' committee report, Nov 2020. Eastwood TIP could be produced by Oct '21 and Kimberley in August '22.	Economic Development, External support (subject to procurement exercise)	£140,000 per plan, to final submission stage. Further capital contributions based on options.
23. Develop plans, work in partnership and promote long term economic benefit to the whole Borough, of the Toton innovation campus through the emerging Development Corporation, ensuring links to economic recovery.	Employability and Skills; Brexit; B2B support; Arts and Creative industry	Long	ONGOING	Planning; Economic Development;	None