

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 September 2020

Portfolio:	Policy and Resources
Subject:	Covid-19 Economic Recovery Plan
Report of:	Director of Planning and Regeneration
Corporate Priority:	Maintain and extend prosperity Strong, Safe, Inclusive and Healthy Communities. Dynamic, Prudent and Progressive Council.

Purpose:

The purpose of this report is to set out the Council's Economic Recovery Plan in response to the Covid-19 pandemic.

Executive summary:

The Council's Economic Recovery Plan forms part of a Recovery Framework which was presented to the Executive on 3 August 2020.

The economic impacts resulting from the lockdown associated with Covid-19 is self-evident as more data and reports on the scale of the impact emerge each day. The consequences for the public finances, businesses and households have been and will continue to be severe and drawn out, although as yet not fully understood. Local Authorities can play a role in leading the way and respond to the challenge with imagination, determination and flexibility.

The Plan has been informed by a detailed data and baseline analysis review of the Borough's economy in responding to the Covid-19 pandemic. It sets out recommendations on the actions required to guide the economic recovery of the Borough over the short-term (12-18 months).

The Plan includes a package of measures to be delivered by the Council and its key strategic partners to enable businesses to trade, restore business, build consumer and community confidence and to provide support to those who have lost their jobs.

The Plan aligns with economic actions that support the delivery of projects set out in the Council's Public Spaces, and Community recovery plans.

The Economic Recovery Plan is structured as follows:

Part 1: sets out a review, assessment and understanding of the impact of Covid-19 on the local economy;

Part 2: provides an economic recovery framework and priority interventions to address these impacts in the short-term (12-18 months), and

Part 3: sets out implications and scenarios for the long-term to build future resilience against the backdrop of wider structural shifts brought on by the pandemic.

Working with colleagues in PR and Marketing, the agreed text of the Plan will be designed to ensure it provides an accessible and effective communication document prior to it being shared with key partners and the business community.

Recommendations:

It is recommended that the Executive approves the Covid-19 Economic Recovery Plan and the following actions therein:

- (a) to agree the five priority action plan areas within the Businesses and sectors, Town Centre and District Centres, Investment Projects, People and Communities, and Consultation and Communications themes;
- (b) to note that £103,270 has been allocated to the Council to support the delivery of the European Union Development Fund's Opening High Streets Safely action plan;
- (c) to agree for £14,000 from the Economic Development budget in 2020/21 to support the delivery of the action plan;
- (d) to agree a growth budget allocation of £31,000 in 2021/22 for the delivery of the remaining themed action plans; and
- (e) to note that officers will identify and apply for eligible national and regional funding opportunities to minimise the growth budget allocation above and will review its internal budget allocations to steer, where possible, existing resources to help deliver the agreed actions.

Reason:

This report forms part of a Recovery Framework in response to the Covid-19 pandemic which was presented to the Executive on 3rd August 2020.

Cost of proposals:

The total cost of the recovery plan is £172,270 over the next two years. We have already secured external funding of £103,270 and have baseline budgets available to assist the projects of £38,000 over the next two years. This leaves a potential shortfall in funding for 2021/22 of £31,000. Although we will be actively seeking

other sources of external funding to help with the projects, approval of the full plan may result in the need for a one-year growth budget allocation of £31,000. Any new external funding secured or additional costs associated with economic recovery activity will be detailed in separate individual reports to be presented to the Executive.

Appendices: Appendix A - Economic Recovery Action Plan

Background papers: Fareham Economic Recovery Plan
Fareham Data and Baseline Analysis Report

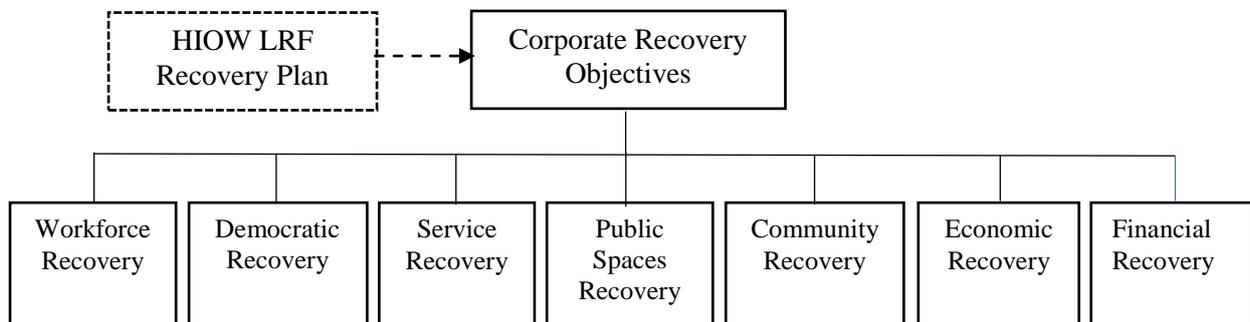
FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper	
Date:	07 September 2020
Subject:	Covid – 19 Economic Recovery Plan
Briefing by:	Director of Planning and Regeneration
Portfolio:	Policy and Resources

INTRODUCTION

1. The purpose of this report is to set out the Council's Economic Recovery Plan in response to the Covid-19 pandemic. It forms part of a Recovery Framework (illustrated below) which was presented to the Executive on 3rd August 2020.



2. The report focuses on the impact of the pandemic on the Borough's economy, businesses and communities and suggests actions that the Council might take to help the sector to recover over the coming months.
3. The Plan aligns with the Government's National Recovery Plan which sets out a roadmap for how and when the UK will rebuild the economy in response to Covid-19; and the economic actions that support the delivery of projects set out in the Council's Public Services, Community and Open Spaces recovery plans.
4. The Plan also includes other economic projects being considered by the Executive in September on the delivery of new industrial units at Faraday Business Park, investment in Osborn Road car park, and the proposed changes to the Council's Car Parking Services.

SCOPE

5. The Council's Economic Recovery Plan has been informed by a detailed data and baseline analysis review of the Borough's economy in responding to the Covid-19 pandemic. The Plan sets out recommendations on the actions required to guide the economic recovery of the Borough over the short-term (12-18 months).
6. The following sets out a summary of the data and baseline analysis that has informed the recovery plan:

Fareham's Economy

- One of the best places to live in England (2nd highest for Life Satisfaction)
- Population growth in recent years has been amongst the over 65 year olds
- Strong economy with high levels of employment and low levels of worklessness
- Strong technical base: aviation, civil engineering & marine, and public sector also important

Covid-19 Impacts on the Economy

- Continued uncertainty at national and international level
 - Possible loss of between £213m [HM Treasury forecast] to £400m+ [Bank of England forecast] in the Fareham economy in 2020, but partial recovery in 2021
 - Largest impacts on manufacturing / construction / transport & retail; arts, leisure, recreation and accommodation & food most affected proportionately
 - Claimant count already trebled since February 2020 and 14,000 workers were furloughed
 - Unemployment in Fareham could rise to over 3,600 by the end of the year
 - Job vacancies in the Borough down by 70% from 12 months ago
7. The Recovery Plan includes a package of measures to be delivered by the Council and its key strategic partners to enable businesses to trade, restore business, build consumer and community confidence and to provide support to those who have lost their jobs. The Economic Recovery Plan is structured as follows:
 - *Part 1*: sets out a review, assessment and understanding of the impact of Covid-19 on the local economy;
 - *Part 2*: provides an economic recovery framework and priority interventions to address these impacts in the short-term (12-18 months), and
 - *Part 3*: sets out implications and scenarios for the long-term to build future resilience against the backdrop of wider structural shifts brought on by the pandemic.

8. Working with colleagues in PR and Marketing, the agreed text of the Plan will be designed to ensure it provides an accessible and effective communication document prior to it being shared with key partners and the business community.

CONTEXT

9. The economic impacts resulting from the lockdown associated with Covid-19 is self-evident as more data and reports on the scale of the impact emerge each day. The consequences for the public finances, businesses and households have been and will continue to be severe and drawn out. Local Authorities need to lead the way and respond to the challenge with imagination, determination and flexibility.
10. The Council is also likely to face its own financial challenges. Covid-19 has resulted in widespread disruption to services which generate significant income streams, for example, car parks, trade waste and commercial property. Another report on this Executive meeting agenda proposes a new emergency budget to provide essential resources across a range of post Covid-19 recovery plans.
11. The UK Government, local and regional partners and Fareham Borough Council have been working effectively together to support the Borough's businesses.
12. For Non-Domestic Rates, the Government provided support by way of grants and reliefs for certain types businesses. Fareham was located £20.1m of funding for Small Business Grants and Retail, Hospitality and Leisure Grants and has so far paid £18.5m of that sum to 1,467 of the 1,597 possible eligible businesses.
13. A further £1,019,000 of funding was provided for a Discretionary Grant Scheme and we have already paid £770,000 to eligible businesses with a further £132,500 waiting to be approved in round 2 of the scheme.
14. Changes were also made to the Retail Relief Scheme expanding it cover Hospitality and Leisure type businesses and removing any limit on Rateable Value. This increased the relief awarded to businesses to £18.9m, including £230,000 given to childcare nurseries. This total package of relief has assisted 635 businesses.
15. Separately, the Government has also awarded £12.2 million of grants to self-employed residents, distributing this to 3,800 of the 5,300 eligible businesses at an average of £3,200 per grant.
16. The Council made the decision to re-open Fareham's Monday market and Portchester's Wednesday market in June to help stimulate those centres. To encourage stall holders to open, discretionary business grants have been provided and those not eligible for the grant will receive free pitch hire until Christmas.

17. The Economic Recovery Plan is the first of a two-staged economic development programme for the Borough. The plan focuses on actions for the next 18 months, outlining a number of measures to support businesses, people and communities hardest hit by the crisis.
18. The second-stage will be a more detailed Economic Development Strategy for Fareham, which will set out a longer-term plan vision for jobs, investment and sustainable growth. It is recognised that some of the actions within the Recovery plan are likely to form part of the longer-term Economic Strategy for the Borough, such as the Business Engagement Programme. They are included here due to the role they play in assisting economic recovery in the short-term.
19. As well as supporting the Government's national recovery plan, the wider economic and political implications of Brexit will also have impact on future business growth and the availability of the future workforce. This will be included within the new Economic Development Strategy.
20. The Council is central to supporting residents, businesses and visitors in these changing times. The Recovery Plan aims are:

Short-term: The focus is on actions for the next 12-18 months.

Flexible and evolving: The plan will be reviewed and updated regularly as impacts become clear.

Multi-partner: Recognising that delivery will require a multi-partner approach. The focus for the Council will be on delivering those actions where it is best placed to secure maximum impact and supporting partner agencies with the delivery of their priority actions.

21. The priorities are based on the assessment of local impacts and provide a strong foundation to create long-term stability, growth, investment and jobs for the people of Fareham. The Economic Recovery Plan outlines a programme of actions to mitigate the impacts of the crisis and take advantage of future opportunities.
22. The priorities and action plan (see Appendix A) are set out under five themes:
 - Businesses and Sectors
 - Town Centre and District Centres
 - Investment projects
 - People and Communities
 - Consultation and communications
23. The Economic Recovery Plan sets out a detailed and costed action plan for each of the priority themes. The Council has received £103,270 of European Regional Development Funding to support the actions for the Town Centre and

District Centre and will allocate a further £31,000 for the delivery of the remaining priority actions over an 18 month period. £24,000 of existing Council funding from the Economic Development and Public Relations & Marketing budgets will be allocated to projects in 2020/21.

24. A forecast funding profile is set out below.

FAREHAM BC ECONOMIC RECOVERY PLAN - SPEND 2020 TO 2022					
PRIORITY THEME	INDICATIVE COSTS	EXTERNAL FUNDING SECURED	FBC FUNDS (*)	BUDGET SPEND 2020/21	BUDGET SPEND 2021/22
EXPENDITURE					
Businesses and Sectors	£39,000	£0	£39,000	£14,000	£25,000
Town Centre and District Centres	£103,270	£103,270	£0	£103,270	£0
Investment Projects	£5,000	£0	£5,000	£0	£5,000
People and Communities	£15,000	£0	£15,000	£0	£15,000
Consultation and Communications	£10,000	£0	£10,000	£10,000	£0
SUB-TOTAL	£172,270	£103,270	£69,000	£127,270	£45,000
INCOME					
ERDF Re-Opening High Streets Safely Funding				£103,270	£0
Economic Development Revenue Budget				£14,000	£14,000
PR & Marketing Budget				£10,000	£0
BALANCE / GROWTH REQUEST				£0	£31,000

*subject to successful bidding for external funding

25. The Council is recruiting a new Economic Development service lead officer who will have responsibility for the delivery of the Recovery Plan, including the ERDF funded projects. They will identify and apply for eligible national and regional funding opportunities to minimise the growth budget allocation above and will review its internal budget allocations to steer, where possible, existing resource to help deliver the agreed actions.

26. Any new external funding secured or additional costs associated with economic recovery activity will be detailed in separate individual reports to be presented to the Executive, as the Recovery Plan is implemented.

CONCLUSION

27. This report sets out the Council's Economic Recovery Plan in response to the Covid-19 pandemic. It forms part of a Recovery Framework which has been presented to the Executive.

28. The Plan has been informed by a detailed data and baseline analysis review of the Borough's economy in responding to the Covid-19 pandemic.

29. The Plan includes a package of measures to be delivered by the Council and

its key strategic partners to enable businesses to trade, restore business, build consumer and community confidence and to provide support to those who have lost their jobs.

Enquiries:

For further information on this report please contact Richard Jolley, Director of Planning and Regeneration (Ext. 4388) or Gayle Wootton, Head of Planning Strategy and Economic Development (Ext. 4328)

Appendix A : Fareham’s Economic Recovery Plan: An Action Plan for Sustainable Recovery

Businesses and Sectors

Applying national forecasts to the Borough, the local economy could lose between £271 million to £413 million of its value by the end of 2020. The Council has been successful in distributing over £18 million in Covid-19 business grants and the Recovery Plan builds on support to businesses to survive through the crisis. The focus will be to support those businesses affected by the crisis to continue to recover.

The Council will also deliver schemes to support companies with sustainable business plans to start-up (including building on the increase in homeworking) and thrive. This includes supporting businesses in key technical sectors (e.g. aviation, construction and transport) to enable them to emerge stronger, more diverse and more resilient. The Council will focus support on sectors and activities that can best support sustainable growth, increase job creation and accelerate both recovery and the decarbonisation of the local economy.

Objectives and Outcome	Council Actions	Indicative Resources	Working with
<ul style="list-style-type: none"> • Ensure businesses are aware of and access national, regional and sub-regional support programmes • Influence regional (LEP, County Council) support programmes to meet local business needs • Support businesses in the Borough to start-up, invest and thrive within clean, high-value and growing sectors. <p>Key Outcome - Business failure rate minimised and jobs safeguarded</p>	Review and assess the impact of national support measures on Fareham businesses	In-House Finance and Economic Development Teams	Solent LEP
	Improve signposting and access to business support programmes (e.g. web-based platform)	In-House Finance and Economic Development Teams	HIOW Recovery Group
	Research project and business survey to assess the local impact of Covid-19 on local businesses, and identify future business support needs	£10,000 (potential to secure sector funding from LEP)	Neighbouring authorities (PfSH)
	Ensure future sector support interventions (developed by HIOW) are designed to meet the growth and development needs of key local sectors	In-House Economic Development	Chamber of Commerce
	Provide on-going advice and guidance on available business support programmes to the Council’s business tenants	In-House Economic Development and Property Teams	Fareham College Fareham Innovation Centre

	In response to national government focus on green, clean growth, research and procure a partner to design and implement a pilot 'Green Growth' programme for businesses (e.g. supporting local construction companies to deliver energy efficient retrofit programme)	£10,000 (potential to secure LEP / HCC or other national grant funding)	
	Support and work with key partners to help market and promote Daedalus as the Solent region's premier centre of excellence for aviation, aerospace, marine, engineering and advanced manufacturing	£4,000 (potential to secure LEP or other national grant funding)	
	Encourage greater local trading amongst local companies, for example Meet-the-Buyer events, and continue to participate in the Federation of Small Businesses 'Small Business Engagement Accord' to encourage a more proactive approach to engaging with local businesses	In-House Economic Development and Procurement Teams plus £10,000 (potential to secure funding via LEP / HCC)	
	In partnership with Solent LEP, design and implement a local entrepreneurship plan to build resilience among pre-start-ups and the self-employed and encourage, support and generate more start-ups in Fareham	£5,000 (potential LEP funding)	
	Investigate the role of the Council in working with private sector investors to improve business connectivity through increased ultrafast broadband provision	In-House Economic Development	

Town Centre and District Centres

Despite high street stores coming out of lockdown during June, figures from retail experts Springboard reveal that footfall across UK retail centres fell by 56.6% in June compared to the same month in 2019. The Council will support its town and district centres to survive, grow and continue to be assets to the local community. The focus will be on designing and implementing a package of support (primarily under the European Regional Development Fund *Opening High Streets Safely Funding programme*) to safely reopen Fareham town centre and other district centres, including Portchester; to support retail businesses to trade; and to build confidence amongst consumers and shoppers.

Objectives and Outcome	Council Actions	Indicative Resources	Working with
<ul style="list-style-type: none"> • Support the town and district centres to recover as retail destinations under the following priority themes: - Boosting business and consumer confidence - Business support and digital development - Streetscape and public realm - Re-imagining the town centre - Town centre information and intelligence <p>Key Outcome - Fareham town centre and other district centres re-open and thrive through providing a safe and</p>	Implement the ERDF Open High Streets Safely Fund Action Plan including; <ul style="list-style-type: none"> • Communications and public information activity to safely reopen town and district centres, • Place branding, marketing and showcasing of the town centres, • Temporary additional communications team support to help manage Covid-19 messaging, • Improved data collection and intelligence, • Business support programme for independent retailers 	£103,270 Secured external funding – ERDF Re-opening High Streets Safely Fund	Solent LEP H1OW Recovery Group Chamber of Commerce Local retailers Private sector digital providers
	Work with local retailers to ensure the Council's proposed actions help businesses to survive and grow	In-House Economic Development and Communities Teams	
	Work with HCC to develop improved public realm, signage, designated safe spaces and a regular programme of themed pop up shops on the public highway	In-House Economic Development, Leisure & Community, and PR and Marketing Teams	

vibrant experience	Develop a business ambassadors programme to take on a mentoring / supervision role to provide training and leadership specifically to assist independent traders.	In-House Economic Development	
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Investment Projects

The Council will review and assess the likely short-term impacts of the pandemic on the major development and regeneration projects in the Borough. These include: Welborne Garden Village; Fareham Town Centre (Including Ferneham Hall and Osborn Road Car Park); Daedalus Enterprise Zone (including Faraday Business Park) and Solent Airport.

Objectives and Outcome	Council Actions	Indicative Resource	Working with
<ul style="list-style-type: none"> • Secure economic development outcomes from the successful delivery of major development and regeneration projects in the Borough: <ul style="list-style-type: none"> ○ Welborne Garden Village ○ Daedalus (Including Faraday Business Park) ○ Fareham Town Centre regeneration (including Ferneham Hall and Osborn Road Car park) • Ensure delivery mitigates the impact of Covid-19 <p>Key Outcome - Successful delivery of economic growth outcomes through implementation of major Investment projects in the Borough</p>	<p>In partnership with Solent LEP and Chamber of Commerce, undertake business research to assess the impact of C-19 on businesses investment at Daedalus (including the Solent Airport and Fareham Innovation Centre) to assess potential effect on future development and expansion plans</p>	<p>£5,000 (potential to secure match funding from partners)</p>	<p>Solent LEP</p> <p>Hampshire Chamber of Commerce</p>
	<p>Deliver new speculative industrial units at Faraday Business Park for existing businesses within the Borough to expand and offer new inward investment opportunities.</p>	<p>In-House Economic Development, Property and Finance Teams</p>	<p>Neighbouring authorities (PfSH)</p> <p>Fareham Innovation Centre</p>
	<p>Deliver investment in Osborn Road Car Park to provide upgraded parking facilities for the town centre retail offer and to serve the visitors attending new cultural events at Ferneham Hall</p>	<p>In-House Economic Development, Property and Finance Teams</p>	<p>Solent Airport</p> <p>Private sector investment partners</p>
	<p>On-going review of the Council's capital projects and programmes to ensure they include an economic and social value impacts and plans to create local construction jobs, apprenticeship and skills training opportunities, new jobs and business space</p>	<p>In-House Economic Development, Property, Procurement and Finance Teams</p>	
	<p>Work with private sector developers to assess how the demand for homeworking is being addressed; and review the potential for incorporating home working provision within new housing schemes.</p>	<p>In-House Economic Development and Planning Teams</p>	

People and Communities

There were 505 postings for jobs in Fareham Borough in the week ending 5th July 2020. This was a 70% reduction in the number of vacancies compared with the same period in 2019. Analysis suggests that there could be up to 2,000 more unemployed residents in the Borough in 2020. The Action Plan will focus on developing employment and skills schemes to ensure local people (particularly young people) are able to access local jobs, including equipping people with skills for key sectors.

Objectives and Outcome	Council Actions	Indicative Resource	Working with
<ul style="list-style-type: none"> • Support employment support schemes which meet the needs of socio-economic groups most impacted by the pandemic • Ensure all local residents are aware of and able to access appropriate support scheme • Ensure that local residents have the skills to meet the existing and future needs of local businesses • The Council is recognised as an exemplar employer for career progression <p>Key Outcome - Unemployment and under-employment minimised including amongst the most disadvantaged socio-economic groups</p>	Participate in the Hampshire Careers Partnership to improve access and awareness to key vocational skills, apprenticeships and work experience for young people and vulnerable adults	In-House Economic Development	Solent LEP Hampshire County Council
	Ensure local providers design and deliver programmes to support people to find employment in those sectors that have grown during the crisis	In-House Economic Development	HLOW Recovery Group
	Work with colleges and training providers to promote apprenticeship recruitment in local businesses and investigate the application of the government's Kick Start programme, including at the Council.	In-House Economic Development and Human Resources Teams	CEMAST Jobcentre Plus Fareham College
	Research project to identify and highlight the most prominent skills gaps and recruitment challenges faced by businesses in Fareham, specifically in key local sectors; to assess whether the right skills infrastructure and support is in place; and provide recommendations on what interventions are required to overcome these challenges.	£15,000 (potential to secure external research funding)	Local training and skills providers

Consultation and Communications

The Council will improve its business intelligence through more effective and proactive activities. This will include communicating the Economic Recovery Plan and actions to key partners and businesses, as well as designing innovative place marketing campaigns to ensure that people and business know that Fareham is open for business. The Borough Council will also continue to monitor evidence of the impact of the national and regional support to businesses in the Borough.

Objectives and Outcome	Council Actions	Indicative resources	Working with
<ul style="list-style-type: none"> • Understand and respond to local business needs through effective engagement • Communicate Fareham's recovery plans and action programme to key partners and the business community <p>Key Outcome - The local business community has a strong voice on shaping recovery programmes and new Economic Development vision and strategy</p>	Launch the draft Economic Recovery Plan to key partners and the business community; and consultation with partners on the new Economic Development Strategy	£5,000 (design costs) In-House Economic Development and PR & Marketing/Engagement & Consultation teams	Solent LEP Neighbouring authorities (PfSH) Hampshire Chamber of Commerce
	Hold Breakfast Briefings themed on key employment sectors and economic recovery priorities	In-House Economic Development	Fareham College
	Develop a Fareham business database to improve business intelligence and support future economic development activities and enhance communications with businesses across the Borough	£5,000 (database development)	Local businesses
	Design and implement a business engagement programme targeted at the top 20 private sector companies in the Borough (by size and growth potential)	In-House Economic Development	
	Maintain up-to-date local economic health trends and impacts dashboard with inputs from local businesses and key partners to assist future policy and programme planning	In-House Economic Development	