

Somerset Recovery and Growth Plan

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Purpose of the Report

1. The report presents the Somerset Recovery and Growth Plan for approval from District Executive.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 07/01/2021.

Public Interest

3. The Somerset Recovery and Growth Plan sets out the vision, key outcomes, priority projects and action plan to economically recover from Covid 19 and deliver growth and prosperity across Somerset.

Recommendations

4. That District Executive:-
 - a. Approve the Somerset Recovery and Growth Plan.
 - b. Delegate authority to the Economy Lead Specialist to make any necessary final amendments to the Somerset Recovery and Growth Plan in association with the appropriate Director(s) and the Portfolio Holder for Economic Development including Commercial Strategy.

Background

5. In response to the Coronavirus pandemic, existing challenges and future growth opportunities the five Councils across Somerset have worked in partnership to prepare an Economic Recovery and Growth Plan for Somerset.
6. Appendix A sets out the full plan. The Somerset Recovery and Growth Plan has not been created in isolation and takes into account national and regional recovery strategies. It aligns itself well with the Heart of the South West Local Enterprise

Partnership's 'Route Map to Recovery' and supports the UK Government's efforts to restart, revitalise and grow the national economy.

7. Importantly, the Somerset Recovery and Growth Plan has clear synergies with South Somerset District Council's Economic Development Strategy 2019-2028 and our Economy Recovery Plan.
8. On the 14th July 2020, an outline of the Somerset Growth and Recovery Plan was submitted to Simon Clark MP (at the time Minister of State - Regional Growth and Local Government) and acknowledgement was received. The final plan will be submitted to MP Luke Hall – (current) Minister for Regional Growth and Local Government.
9. Due to the developing nature of the Coronavirus, and the subsequent local restrictions the report may be subject to small final alterations.

Report Detail

Introduction

10. Despite the challenges that have been presented through Coronavirus, Somerset is uniquely placed to drive the economic recovery for the region. A programme of activity has been developed that focuses on a cleaner more inclusive recovery leading to us achieving our pre-Coronavirus growth aspirations at a faster rate. The programmes we deliver throughout the coming years will build on our emerging sector strengths of Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Food. Through targeted interventions we will increase social mobility and accelerate our pre-Coronavirus levelling up ambitions.
11. **Appendix A** contains the full Somerset Recovery and Growth Plan for review and approval from Members.

Development of the Somerset Recovery and Growth Plan

12. The plan has been produced by external consultants, Hardisty Jones Associates, with considerable input from the 5 Somerset Councils, local key organisations / stakeholders and representative business organisations.
13. The plan has been developed to bring a shared vision across Somerset for Economic Recovery and Growth, this is vital to ensure that we work in a common strategic direction. It also helps us to make the most of partnership working and creates the best opportunities to attract external funding for economic projects.
14. Extensive stakeholder workshops have been convened with Economic Development Teams, Portfolio Holders, business representative organisations, private sector businesses and third sector representatives.

15. The Plan has been underpinned by research of the relevant databases and policy documents. The latest available data was used to help develop an assessment of the local economy. Significant amounts of economic data relating to Covid 19 have informed the plan drawing on research from Oxford Economics and the University of Exeter.

Economic Impact of Covid 19

16. Oxford Economics were commissioned in July to produce a report based on the economic impact in Somerset. The following scenarios do not take into account the November lockdown:
- a) Oxford Economics has forecast the impact of the pandemic and associated lockdown measures on the Somerset economy⁵. The baseline scenario finds that by 2025 GVA will be 1.8% lower pre- pandemic forecasts. This outcome is based on an 8% decline in 2020 followed by a 7.4% increase in 2021 and continuing growth (albeit at a slower pace) up to 2025.
 - b) Under the baseline scenario it is estimated that there will be over 10,000 jobs lost in 2020, with the unemployment rate increasing to 5% (from 3% in 2019). The unemployment rate is forecast to fall from this 2020 peak year-on year up to 2025 with a return to pre-pandemic levels by 2022. The claimant counts in Somerset rose significantly between March and August of 2020. As changes are introduced to the Coronavirus Job Retention Scheme and Self Employment Income Support Scheme throughout the summer it is likely that fewer workers will be furloughed, and whilst some will go back to work, this is likely to lead to an increase in claimants. However, the extension of the UK furlough scheme to March 2021 could delay a more significant drop in employment.
17. In addition to the Oxford Economics Report the impact of Coronavirus and the associated lockdown on businesses in Somerset has been assessed through a survey conducted by Somerset's local authorities. Just over 50% of businesses have reported that turnover has fallen by at least half. Profitability has been impacted even further with just over 40% of businesses reporting they have made zero profits, and almost a quarter reporting they have made 50% profits or less. Almost 70% of businesses are not confident that their profitability will return to pre-pandemic levels in 2020.
18. KPMG have also projected the economic growth of local areas in 2020⁸. The projections for Somerset's Districts show a loss of between 6.8% and 10% of GVA in 2020, with a recovery of between 3.6% and 4.6% in 2021.
19. To summarise, Somerset has been severely impacted by the Coronavirus in similar ways to other areas of the UK. The data re-enforces the need for a co-ordinated approach to recovery and future growth.

Aims and objectives of the Somerset Recovery and Growth Plan

20. To address the immediate challenges of the Coronavirus crisis and the longer-term underlying opportunities and challenges the plan sets out the following aims:

- a) Safeguarding jobs in our bedrock sectors and creating new and better jobs
- b) Ensuring that our residents can find and have suitable skills for new, sustainable, rewarding jobs
- c) Support existing businesses and nurture start-up businesses from our bedrock and growth sectors
- d) Delivering new affordable homes across Somerset
- e) Promoting a green recovery and a low carbon economy
- f) Levelling up and delivering an inclusive economy for all residents of Somerset

21. In addition to the above, the Recovery and Growth Plan identifies four key stages; Lockdown, Restart, Revitalise and Grow. Following a second wave of Coronavirus a second England-wide lockdown has been implemented. It is unlikely that recovery will be linear, and there may be several periods of lockdown and restart, with a gradual transition into a period of revitalisation then growth.

22.

Lockdown	Restart	Revitalise	Grow
Minimise negative impacts <ul style="list-style-type: none"> Minimise loss of businesses, jobs and productivity 	Support bedrock industries and the workforce <ul style="list-style-type: none"> Re-open businesses Get newly unemployed back to work Retrain unemployed for opportunities that are available Tackle inequality and exclusion 	Accelerate recovery through local interventions <ul style="list-style-type: none"> Starting to build back better Support to bedrock and growth sectors Promote economic growth (GVA) Create new jobs Train residents to enable access to jobs Reshaping of High Streets and town centres Delivery of more and more affordable housing Tackle inequality 	Moving to a new (better) economy <ul style="list-style-type: none"> Higher GVA and productivity High value jobs in global growth sectors Innovation and R&D Low carbon economy Digital Reduction in carbon emissions Reshaping of High Streets and town centres Delivery of more and more affordable housing Tackle inequality

The Recovery and Growth Plan has four overarching growth themes with activities and projects associated with them. These will help meet the aims and objectives above. The four growth themes include:

- a) Supporting employment, skills and economic inclusion
- b) Helping businesses and sectors to grow and become more productive

- c) Providing the infrastructure needed to enable growth
- d) Creating attractive places and homes to live

23. The projects listed within the plan have been developed by the nominated lead authority (Appendix B). Although the nominated lead has been responsible for designing the project plan, they will not necessarily lead on delivering the project. As identified in the plan, some projects are more aligned with specific geographies however implementation will benefit the wider Somerset area.

Next Steps

24. As mentioned, the Somerset Recovery and Growth Plan will act as an enabling document for further funding. Project plans will continue to be developed to a standard where we have 'shovel ready' projects to react quickly and appropriately to funding opportunities.

25. Officers will be required to work on projects where the outcome will benefit South Somerset and the wider geography.

26. To submit to MP Luke Hall - Minister for Regional Growth and Local Government

27. The approved plan will be published online, on each of the five Somerset Council websites.

Financial Implications

28. There are no financial implications that relate directly to this report.

Legal implications and details of Statutory Powers

29. There are no legal implications that relate directly to this report.

Risk Matrix

30. The risk matrix shows risk relating to the Corporate Plan headings.

Risk Profile before officer recommendations

	CP	CpP	R,CY	
				F

Likelihood



Risk Profile after officer recommendations

CY,CP CpP,		R	F	

Likelihood



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

Council Plan Implications

31. The Somerset Recovery and Growth plan will be a key policy document for the Council. It will help to deliver 4 of the 5 Council Plan themes and Areas of focus (2019/20) and contribute to 5/6 of the Priority Projects (2019/20). It will also help us achieve all 6 Key Performance Indicators (2019/20) used by Council to measure the local economy, as well as positively impacting the Council's Area Chapters.

Carbon Emissions and Climate Change Implications

32. There are no implications at Strategic Level associated with this report. However, implications will be assessed for all projects.

33. The Somerset Recovery and Growth Plan includes projects that seek to tackle climate change challenges.

34. The plan outlines a commitment to encouraging clean growth within existing and new businesses in the Somerset area.

Equality and Diversity Implications

35. Contact the Equalities Officer for assistance in completing this section. Please note: key policies must have undergone an equality impact assessment.

Privacy Impact Assessment

36. The economic data used in the preparation of this plan is sourced from documents that are within in the public domain.
37. Where information has been obtained through consultation with individuals or organisations we have:
- a) only collected the data necessary for the production of the Somerset Recovery and Growth Plan
 - b) secured permission to use the information and opinions
 - c) acted in accordance with the General Data Protection Regulations 2018

Background Papers

Appendix A – Somerset Recovery and Growth Plan

Appendix B – Somerset Recovery and Growth Plan Project Summaries