

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	14 September 2021
Title	Economic Re-opening, Recovery and Renewal Framework		
Report of	Director for Economic Growth and Regeneration		
Purpose of Report: To agree a framework for the council's approach to supporting reopening, recovery and renewal of the economy following the COVID pandemic.			
Key Decision (Y/N)	Y	Date of Notice	16 August 2021
		Exempt(Y/N)	N

Report Summary

This report provides a draft Economic Reopening, Recovery and Renewal Framework for consideration by Cabinet. The framework provides a broad approach that is intended to form the basis of the council's support for the economy following the COVID pandemic, covering the short, medium and longer term. Overall, the approach is pragmatic and flexible and will allow for both proactive and responsive support bearing in mind local needs and opportunities. Decisions relating to any specific actions or projects will be managed within the council's normal governance arrangements, taking into account resource implications in the usual way. An important principle behind the Framework is partnership working at the local and subregional level, which enables an informed and holistic approach, brings together joint resources around shared priorities and supports strong engagement at all levels.

Recommendations of Councillor Patricia Heath, Portfolio Holder for Recovery

It is recommended that:

- 1. The Economic Reopening, Recovery and Renewal Framework is approved as the basis of the council's support for the economy following the COVID pandemic**
- 2. Cabinet notes that specific projects and actions within the framework are subject to the council's normal decision making and governance processes**

Relationship to Policy Framework

The proposed framework is consistent with the council's policy framework and it's agreed Principles, Ambitions and Outcomes.

Conclusion of Impact Assessment(s) where applicable	
Climate	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety
The framework provides opportunities for delivery of outcomes relating to all of the above but details will be determined for specific projects, activities and proposals as these are developed and delivered.	
Details of Consultation	
The framework has been developed following ongoing engagement with businesses across the district throughout the pandemic and consultation with business support partners.	
Legal Implications	
There are no direct legal implications as a result of this report. Projects and activities within the framework will be subject to the council's normal governance and decision-making processes where any direct legal implications will be considered.	
Financial Implications	
There are no direct financial implications as a result of this report. Projects and activities within the framework will be subject to the council's normal governance and decision-making processes where any direct financial implications will be considered.	
Other Resource or Risk Implications	
Resource implications and risks will be considered as specific projects and activities are developed.	
Section 151 Officer's Comments	
<p>On the basis that the plan does not propose or commit expenditure, and will not be used for the prioritisation of funds, there do not appear to be any direct financial implications of this plan. It is not proposed to have statutory status.</p> <p>Indirectly, the plan proposes a range of measures to support and enable sustainable economic growth in the district. Such plans have positive benefits for business rates, council tax and the economic resilience of our residence, reducing dependence on other services and support.</p>	
Monitoring Officer's Comments	
Cabinet are responsible for promoting the economic, social and environmental well-being of the area. Approval of this framework is therefore a function of Cabinet. The framework, whilst setting out the broad objectives, is subject to the Council's governance processes for any specific projects.	
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Links to Background Papers	
N/A	

1.0 Introduction

- 1.1 This report is to provide a proposed framework to support reopening, recovery and renewal of the economy, following the COVID pandemic.
- 1.2 The council has been extremely proactive on all fronts in dealing with the impact of the COVID crisis, putting in place services to deal with varying challenging circumstances since March 2020. At an early stage, early and effective support for businesses and the community were prioritised alongside a strong public health response and a huge public information service.
- 1.3 At this time, most restrictions have been lifted and, whilst dealing with a transition period and some uncertainty, the council is also planning ahead. This report provides a proposed approach to economic recovery in the short, medium and longer term with the intention of supporting existing businesses and creation of new and green businesses; enabling new and emerging sectors; safeguarding and creating jobs and incomes; supporting skills development; and creating local wealth.

2.0 Background

- 2.1 The impact of COVID on the local economy has broadly followed national trends but with some mixed effects that reflect the nature of the local economy. Some of the most affected sectors nationally are significant sectors locally and the impact of COVID for these businesses and their supply chains has been keenly felt. For example, tourism is a strong and growing sector locally supporting over 6,500 jobs, around 10% of the current district wide workforce. The district has an extremely high number of very small and micro businesses and whilst these do not always have a great deal of financial resilience, some have proven to be extremely adaptable and creative. The increase in businesses going digital has been remarkable but equally some businesses have been left behind.
- 2.2 Following the removal of restrictions most businesses have now reopened. However, it is clear that reopening is not simply about switching back on and going back to normal. Some businesses are still seeing the effects of customer hesitancy, reduced or sometimes erratic footfall, additional costs and supply chain issues. Vacancy levels are high but many businesses are reporting significant labour market and skills issues and yet unemployment is higher than it has been for some years, suggesting a mismatch of people and skills and the jobs available. Grant support is likely to end during the next few months but more businesses are now looking for support to help increase overall resilience and adapt to changing circumstances but also to take new opportunities. The business support landscape in the district is more visible and more coherent than it has ever been.
- 2.3 There is no doubt that COVID has been damaging to the local economy but it is important to note that some sectors have not been affected at all or to a lesser extent and new opportunities are emerging that have strong potential to create clean and green growth, building on the district's strengths. One example is the Innovation sector, including digital; health innovation; science and technology; environmental and green energy. This broad sector shows strong potential for investment, new business growth and many well paid jobs.
- 2.4 Recognising the importance of taking an informed approach, a more detailed COVID impact study has been commissioned and will shortly be available to help provide further insights into the impact of COVID on the local economy and to fully understand the deeper underlying trends. In addition, a dashboard of economic indicators will be

regularly provided to monitor of changes and new trends in the local economy and help identify priority needs and opportunities over time.

- 2.5 The council's activities to support businesses and the economy during COVID have been varied. Business grants have been a huge commitment for cross service teams and are still ongoing. It has been clear that the primary support needed by those businesses affected by COVID was grant support and the council was able to prioritise this, disbursing over £65m of government funds into the local economy.
- 2.6 In addition, the council made an early decision to put aside £1m of reserves to support businesses. These funds have been helpful in supporting some early business resilience activities and will also support a range of important recovery activities at a time when further direct support to businesses seems unlikely.
- 2.7 Levels of engagement with businesses have increased dramatically and the council now has direct links with thousands of businesses in the district, many of which are seeking support in one form or another. Additional resource has been provided to help to deal with this and will help drive strong engagement, understanding of business needs and service design.
- 2.8 Engagement with business support partners has been ongoing throughout the pandemic and has helped identify issues and opportunities as well as reinforcing strong relationships, joint working arrangements and access to funded services.
- 2.8 The Business Support Pathway was approved by Cabinet in April 2020 in anticipation of business needs as a result of the pandemic. Since that time, ongoing business engagement has help to capture ongoing needs and issues but also emerging opportunities. These include further digital developments, accounting for businesses, skills developments and green business practices. A revised Business Support Pathway is provided as part of the Reopening, Recovery and Renewal Plan.

3.0 Proposal

- 3.1 The proposed Reopening, Recovery and Renewal Framework lays out a short, medium and long term approach to driving the economy following the COVID pandemic. The overall intention is to overcome the negative economic impact of COVID and work with others to renew our local economy creating jobs and opportunities by tackling underlying issues, building on strengths and increasing resilience.
- 3.2 The Framework approach is intended to be, above all, pragmatic and flexible allowing the council to adapt to emerging circumstances as and when needed.
- 3.3 The Framework will be underpinned by an informed approach including an understanding of COVID impacts and ongoing monitoring of key economic indicators for the district.
- 3.4 The proposed approach will ensure it is possible to provide a strategic view of the combined range of activities and projects within the Framework over time and to monitor the overall impact.
- 3.5 Resources required to deliver activities and projects across the framework will vary but will include existing resources, new resources as a result of external funding and, potentially where a case can be made, further council resources, subject to normal decision-making processes.

3.6 The Framework provides opportunities to directly drive climate change actions, community wealthbuilding and social value outcomes in addition to other outcomes in line with the council's priorities.

4.0 Options and Options Analysis (including risk assessment)

Option 1: Approve the Economic Reopening, Recovery and Renewal Framework
<p>Advantages:</p> <ul style="list-style-type: none"> • Provides clarity and momentum to help drive the council's approach economic recovery • Provides an opportunity to maintain a strategic overview of economic recovery activities and impact in the district • Offers an informed approach to help determine priorities over time • Facilitates delivery of clear economic, social and environmental benefits • The overall impact of all activities within the framework can be monitored • Offers flexibility and adaptability to allow the council to take account of emerging circumstances and new opportunities • Supports access to external funding resources • Provides an engaged approach that takes account of business needs • Strengthens partnership working across the district and the subregion • Helps to combine resources across partnership organisations in the district, creating increased value for money and adding value overall
<p>Disadvantages: None</p>
<p>Risks: No direct risks as a result of the framework but risks for individual activities and projects will be considered as part of normal decision making.</p>
Option 2: Do not approve the Economic Reopening, Recovery and Renewal Framework
<p>Advantages: None</p>
<p>Disadvantages:</p> <ul style="list-style-type: none"> • A strong focus on economic recovery and delivery of associated economic benefits will be undermined • The council's approach to economic recovery will be unclear both within the council and externally • It will be significantly more difficult to monitor the overall impact of the council's economic recovery activities • Potential to combine resources effectively with economic partners could be reduced • Opportunity to build on the current very high levels of business engagement will be undermined
<p>Risks:</p> <ul style="list-style-type: none"> • Potential loss of external funding particularly for key recovery and renewal projects and initiatives, due to the council not having an agreed approach in place

4. Officer Preferred Option (and comments)

- 4.1 The Officer preferred option is Option 1, which is to approve the Reopening, Recovery and Renewal Framework. Whilst still flexible and pragmatic, this provides a clear strategic framework for economic recovery that will help identify links between activities and can be delivered, monitored, evaluated and modified over time, in line with council priorities.