

**DEVELOPMENT AND IMPLEMENTATION OF AN
ECONOMIC RECOVERY STRATEGY FOR GLOUCESTERSHIRE**

Meeting	Gloucestershire Economic Growth Joint Committee
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Background documents	<ol style="list-style-type: none"> 1. Gloucestershire Vision 2050 (Link in appendix) 2. GFirst LEP (draft) Local Industrial Strategy (Link in appendix) 3. GEGJC Senior Officer Group Briefing Note (In appendix)
Location/Contact for inspection of background documents	As listed above or on request from the report author.
Main consultees	This paper has been produced in consultation with the lead officers represented at the Gloucestershire EGJC Senior Officer Group. It has also been shared with GFirst LEP and the lead officer for the Local Resilience Forum.
Planned dates	The report covers the early stages of the recovery phase of Covid-19.
Purpose of report	<p>This report:</p> <ol style="list-style-type: none"> 1. Provides an update on the activity currently being undertaken by the County, Districts, Borough and City Councils in Gloucestershire; 2. Sets out the proposed governance arrangements for C-19 recovery planning; 3. Establishes the overall principles for the economic recovery; and 4. Poses key questions for discussion.
Recommendations	<p>The Joint Committee resolves to:</p> <p>Note the content of the paper and the overall approach to Gloucestershire's economic recovery from C-19.</p>
Reasons for recommendations	To inform and seek agreement from the Joint Committee as the responsible body for the economic recovery.
Resource Implications	The resource implications required are yet to be defined. As more business and employment data and intelligence become available, a programme of recovery will be developed. There may need to be some internal as well as external resources required to support this.

1. Background

Covid-19 has created an unprecedented economic shock and the full impact of it is unlikely to be known for years to come. It requires a coherent, coordinated and comprehensive plan of action in order to preserve jobs and sustain businesses.

There is a growing consensus that a three-stage process is needed to consider what action and activity may be required to support the economy going forward. These stages are:

- Addressing the immediate crisis (**short term**) – a role played by the Recovery Cell which has been overseeing and helping to co-ordinate the immediate needs of businesses and local communities.
- A potentially lengthy period of transition (**medium term**) – an unknown timeframe, expected to last for 18-months and supported by existing structures within the County Council, with matters referred, by exception, to the Recovery Cell.
- The emergence of a new normal – the **longer-term**, business as usual approach with amended structures as required.

There is both a need and an opportunity to think creatively about how to use the transition to effectively develop, test and learn about new ways of working, including different forms of collaboration and partnership. The impact on the economy is central to this and as such, partners such as the LEP, the rest of the public sector together with the private sector must work together to shape the response.

2. Overarching objective

Central to this approach is a need to focus on the economy and the support that will be necessary to stem anticipated unemployment, the dilution of sectoral strengths and the loss of valuable local businesses. While the true extent of the recession has yet to play out, evidence is slowly becoming available, through national data sets, business surveys and interviews, to help understand what needs to happen next.

Gloucestershire has a good baseline of information, built up from the recent evidence base and analysis created for the Local Industrial Strategy. This will help to understand where the greatest opportunities and threats may lie in the future and in this regard, is due to be revisited by the LEP. The data required to inform this future action plan is at present ad hoc as government data sets are still being developed, but with more becoming available on a weekly basis.

Decisions made about investment in the transition phase will need to be evidence led, coordinated and complementary. The County has an opportunity to learn from the recent experience and build on the needs of businesses and developers to sustain the economy in the short to medium-term and also to plan effectively for the 'new normal'.

3. Activity to date

Given the fundamental impact of the pandemic, partners across the County are considering their recovery plans and seeking to understand local challenges and opportunities to rebuild the economy.

There are multiple layers to the economic recovery. This emerging family of strategies and activity plans will need to be well coordinated and clearly identify spatial strengths and weaknesses in order to inform a common set of 'recovery principles' and direct potential areas for collaboration, strategic intervention and investment activities.

The **County Council** has a strategic role to facilitate the overall response, coordinate activity across partners and ensure investment can come forward and is appropriately targeted, through lobbying for new powers and resources and guiding local decision-making. It will also identify gaps in the emerging evidence base and advise on the overall monitoring required to ensure the County's recovery can be tracked.

As a complement, **Local Councils** are focusing very much on an immediate locality response and have each developed, or plan to develop, a recovery framework, or action plan to respond to this.

Meanwhile, the **LEP** is developing an overarching economic recovery strategy (see agenda item 12) which is informed by the partners and will set out the path to a longer-term resilient economy. This will be built from local intelligence and in coordination with partners across the public, private and third sector.

There is an emerging set of themes and priorities at a locality level which is beginning to form the basis of recovery activity. These can be summarised as below:

- A system-wide approach is required in order to support the C-19 transition and future recovery with a focus on strong leadership, coordination, access to resources and an ability to share learning. Core themes of green growth/clean growth are central so far.
- Sectors emerging as high priority include:
 - Aerospace / Aviation and Advanced Manufacturing
 - Visitor Economy
 - Construction
 - Retail and high streets
 - Agriculture
 - Lower value sectors are considered key as they represent higher volumes of employment in localities
- A central theme is integrating activity and policy within existing strategies highlighted as:
 - Economic development (emerging Local Industrial Strategy)
 - Planning framework
 - Environment and climate change
 - Health and wellbeing
 - Asset Based Community Development

- Housing strategy
- Key issues raised by businesses have consistently included cashflow and a lack of an online platform from which to continue trading. Overall business resilience is considered low and this is a priority for most council plans.
- Challenges identified at a spatial level highlight rural areas, market towns as well as town centres as being highly impacted.
- At a community level, the digital divide is seen as a threat and an opportunity (a threat in relation to access and capability of residents and an opportunity for business development within education and other sectors).
- The need for data and evidence has been highlighted as a priority.

4. Areas for collaborative action

As outlined above, a three-phase approach has been recommended – addressing the immediate or short-term crisis; a potentially lengthy period of transition; and a longer-term ‘new normal’. With the work underway at District, Borough, City and County levels, set out below is the suggested first set of activity within the transition phase which is considered core.

The LEP has already committed to a review of the Local Industrial Strategy and the commissioning of additional research, however insight and additional capability accessed through SOG and the GEGJC will strengthen the evidence available and help target planned interventions. The detail of the required inputs and contributors will need to be considered in each case.

Short-term (to July)

- Establish the principles of the recovery – across strategic documents¹, there are central themes of retention of young people, environmental and low carbon industries, cyber-tech and improving the overall skills base. It could also be an opportunity to develop the health and social care market to address the County’s ageing population, growth potential in the sector and lead by example considering the County’s commissioning power and more positive learning experiences from C-19.
- Develop an evidence base which seeks to address data and business intelligence gaps and begins to understand where the greatest challenges and opportunities lie.
- Mapping and agreement of the overarching governance of the C-19 Economic Recovery Roadmap.
- Determine the resources required for future targeted intervention and the process for agreeing this investment.
- Review planned investment in current economic growth initiatives to ensure outcomes for C-19 recovery and future relevance and resilience.

¹ Drawn from Draft Local Industrial Strategy and Vision 2050 Gloucestershire

Medium-term (July to December)

- Working alongside GFirst LEP in the creation of a multi-layered plan which meets the long-term needs of the County including core areas of advanced manufacturing/aviation, employment and skills, planning/land use, digital access and connectivity, business support and climate change.
- Review of County's asset base to consider how best to repurpose facilities and support new ways of working, for example libraries, leisure facilities and office spaces.
- Review of public sector commissioning activities and buying power and developing a local framework to identify opportunities for local companies.
- Ways to enhance local sourcing by developing new models of supply chain brokerage to support medium-term challenges of accessing raw materials (and the secondary Brexit impact expected in 2021²).
- Explore new emerging policy drivers for apprenticeships, Shared Prosperity Fund, social investment and community wealth building, to inform/position plans and activities for the longer term.

Long-term (December onwards)

- Deliver investment in targeted parts of the economy to drive higher levels of productivity, encourage employment and self-employment and also add value to long-term ambitions of quality environment and inclusive growth.

5. Governance

In order to lead the economic recovery of the County, it is proposed that the current governance model is used to manage the recovery process. This would include GEGJC overseeing the strategy development and delivery, as the principal partnership based economic co-ordination forum, with the Senior Officer Group, a group of senior officers responsible for economic growth, managing the operational strategy.

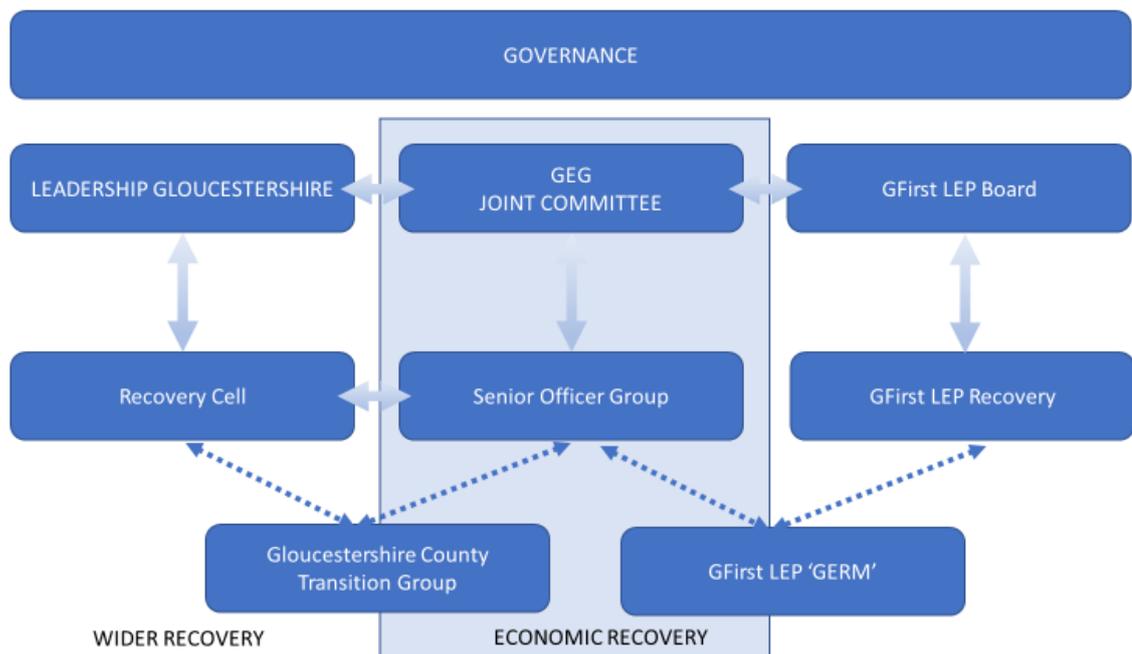
It is also proposed that a Gloucestershire County Transition Group is established. This group will support SOG with economic recovery items, while keeping the wider Recovery Cell and Leadership Gloucestershire up to date with linked items such as community development, health and wellbeing etc. This will include:

- Fortnightly working group/transition meeting involving key senior officers.
- The creation of a data dashboard which can be updated on a fortnightly basis to include the latest release of government data, modelling and local intelligence.
- Consideration of best practice from external sources and as it arises, to consider effective ways of working, new investment vehicles and scope for the realignment of projects and programmes to support local communities and employers.
- Development of logic chains to build up modelled data and activity statements to understand where targeted investment may need to take place and where interventions may be required.

² <https://home.kpmg/xx/en/home/insights/2018/10/how-will-brex-it-impact-my-supply-chain-and-warehouses.html> The 31 December 2020 Brexit Transition date is anticipated to cause additional challenges around logistics, delivery times of raw materials as well as higher costs.

- Regular analysis of a SWOT at a County and District/Borough level to consider and inform opportunities as well as threats.
- Scope to build on GCC experience of operating a loan investment scheme for the LEP and to extend the operating model to offer a wider debt and equity business recovery fund.

This group could involve District, Borough and City representatives, as well as the LEP, with GCC leading the co-ordination and strategic input. Any overlap with structures emerging through GFirst will need to be considered in order to reduce duplication and improve the co-ordination of activity.



Appendix 1

1. Gloucestershire Vision 2050 <https://www.glos2050.com>
2. GFirst LEP (draft) Local Industrial Strategy <https://www.gfirstlep.com/industrial-strategy/>
3. GEGJC Senior Officer Group Briefing Note (Attached)