

Report of the Cabinet Member for Economic Recovery and Skills

I will be reporting as follows for Full Council on 7 October 2021:

1. By Councillor Hannaford as follows:

Over two million pensioners in the UK are now living in poverty, including one in five female pensioners, with older BAME people disproportionately at risk of struggling financially. The triple pension lock was the guarantee that vulnerable elderly people were relying on. Yet this winter the government will instead turn its back on the poorest pensioners by suspending it, just as the added pressures from spiraling energy costs kick in, leaving many older people now at a high risk of no longer being able to heat their homes properly.

Research from the House of Commons Library has identified the top thirty constituencies effected by this controversial change.

Four of these are in Devon , they are Totnes, Torrington & West Devon, East Devon and Tiverton & Honiton.

Can the Cabinet Member please confirm if we have undertaken a full impact assessment on these changes?

Furthermore, what work we will be doing with others to make sure our local pensioners claim all the help and assistance that they are entitled to ensuring that they stay safe, warm and well through the winter months.

Here is the list of worst-hit constituencies in full.

KEY: Name of constituency (number of pensioners hit, proportion of constituents who are pensioners)

1. Christchurch (28932, 33%)
2. North Norfolk (27472, 31.4%)
3. Clacton (28043, 30.9%)

4. New Forest West (26571, 30.8%)
5. West Dorset (29573, 29.7%)
6. Louth and Horncastle (29605, 29.4%)
7. Ludlow (24681, 28.4%)
- 8. Totnes (24572, 28.2%)**
9. Bexhill and Battle (30043, 28.1%)
10. Suffolk Coastal (28973, 27.9%)
11. Brecon and Radnorshire (18792, 27.2%)
- 12. Torridge and West Devon (27578, 27%)**
13. Isle of Wight (38158, 26.9%)
14. East Yorkshire (27728, 26.9%)
15. Worthing West (26916, 26.9%)
16. West Worcestershire (26052, 26.8%)
- 17. East Devon (28903, 26.7%)**
18. Berwick-upon-Tweed (20388, 26.7%)
- 19. Tiverton and Honiton (27533, 26.4%)**
20. South East Cornwall (23860, 26.4%)
21. Sefton Central (22078, 26.4%)
22. Arundel and South Downs (26913, 26.3%)
23. North Herefordshire (23902, 26.2%)
24. Westmorland and Lonsdale (22307, 26.1%)
25. Thirsk and Malton (26513, 25.9%)

26. Beverley and Holderness (26020, 25.9%)

27. Derbyshire Dales (21018, 25.9%)

28. St Ives (22435, 25.8%)

29. Hexham (19923, 25.6%)

30. Chichester (28451, 25.5%)

2. By Councillor Hannaford as follows:

Thousands of workers in the Westcountry now face uncertainty as the government's £66billion furlough job support scheme has been wound up. Just over 30,000 workers were still on furlough in the South West as it ended, including 2,700 in Torbay, 4,000 in Plymouth, and 14,000 in the rest of Devon.

Some government ministers have admitted that the end of the scheme was expected to lead to a third wave of job losses. Economists have also warned that although many may find work in recovering sectors such as hospitality and travel, there is also likely to be a rise in general unemployment due to new redundancies.

Can the Cabinet Member please update council on the work being done with others to help those coming off the scheme to find new work, retrain, transition to self-employment, and start up small businesses.

3. By Councillor Atkinson as follows:

The Team Devon Plan 19 Economy and Business Recovery Prospectus July 2020 said you would

- Lobby for a National Industrial Accelerator Fund, providing revenue and capital support to companies that are seeking to expand but are finding issues around bank funding availability due to wider market liquidity issues.
- Also seek £20m investment to enable smart energy management and renewable energy generation through upgrading the national grid network
- Seek up to £90m of resources from the Further Education Capital Programme, including resources to enhance digital capacity within our College and Provider Network to provide virtual learning and further modernise and grow the local FE estate.
- Seek to secure £10m towards a Green Skills Development Package for Devon, incorporating capital and revenue programme to be spent over the next three years to fast-track relevant sector and employment opportunities..
- Secure up to £20m of additional innovation and skills development opportunities working with the County's Universities and Colleges, with a focus on high growth and clean growth innovation and high value employment in opportunity areas such as health, green economy and advanced manufacturing and engineering.

We will:

- Develop a Venture Capital Network – establish a 'Bounce Forward' loan programme to accelerate capital investments across a range of sectors, particularly manufacturing sector, environmental technologies and clean growth and Agri-tech.
- High Growth Start Up Programme – raise £40m to support innovative new start-ups in high growth areas, notably around digital and FinTech. Ideally the scheme would include a strong focus on young people and graduates.

Please will you report on progress in securing this.

What new money has the government pledged for any of these programmes or to support the Team Devon Plan 19 Economy and Business Recovery Prospectus July 2020.

4. By Cllr Atkinson as follows:

How will the cut to Universal Credit and the rise in National Insurance impact on low-income working families and their children here in Devon

5. By Councillor Atkinson as follows:

Please update us on how Devon CC is working with the government businesses investors education and training providers and public bodies in the SW Region including the LEPs to develop public private sector partnerships to invest in the development of new wind power 'green hydrogen' and new carbon neutral and capture technologies here in the Southwest?

Response

1. End of The Pension Triple Lock

The triple lock is a Government commitment to increase the State Pension each year in line with earnings, prices, or 2.5%, whichever is highest.

During summer 2020, the COVID-19 pandemic caused a fall in average wages. State Pensions for the year starting April 2021 increased by 2.5%, being the higher of that and the Consumer Price Index (CPI) of around 0.5%.

The Government has stated that COVID-19 has likewise "skewed and distorted" this year's earnings measure. The labour market has shown strong signs of recovery and earnings have risen at an unprecedented rate, with the annual increase in the Average Weekly Earnings index for the three months to July 2021 being 8.3%. The [Social Security \(Up-rating of Benefits\) Bill 2021-22](#)¹ published on 8 September

¹ [Social Security \(Up-rating of Benefits\) Bill - Parliamentary Bills - UK Parliament](#)

2021 suspends the earnings element of the triple lock for the tax year 2022/23. State Pensions are expected instead to rise by around 3.9%, in line with inflation.

Announcing this change on 7th September Thérèse Coffey, Secretary of State for Work and Pensions assured Parliament that the triple lock would be "[restored for the remainder of this Parliament](#)".²

Were the triple lock to be removed altogether, this could indeed have a major effect on the income of current and future pensioners. However, this change is temporary and continues to link pensions to rising prices. Therefore, DCC has not carried out an assessment of its impact.

Since introduction of the triple lock, the basic state pension has increased significantly. By next April it will have increased by 41% over the last eleven years, compared to 25% if it had been indexed in line with inflation (as measured by the CPI) or by 22% if it had been indexed in line with earnings.

Pensioners who are experiencing financial hardship can access DCC-funded help, including money advice from Citizens Advice and the hardship funds administered through the District Councils.

2. End of Furlough Scheme

The Government's Coronavirus Job Retention Scheme ended on the 30 September, having supported over 11.6m jobs across the Country since its inception in March 2020. This included over 132,000 jobs across Devon since the beginning of the pandemic.

As of the 31 July 2021, 14,000 individuals, or approximately 5% of the workforce, were still accessing the support scheme across the County. This figure had however fallen by approximately 20% per month since January 2021, with an estimated 7,000 to 9,000 roles still receiving some level of support at the end of the September.

At present it is unclear how many individuals will be made unemployed as a result of the end of the scheme across Devon. Work carried out on those leaving furlough to date suggests that these numbers may be relatively small, with a recent study in Plymouth suggesting that just 0.3% of those leaving furlough did not immediately return to work. This also reflects the relatively high level of demand across the balance of the labour market, with Devon generating in the region of 25,000 unique job adverts per day as of 30 September. The October final Claimant Count figures (due for publication in late November) will provide a definitive view. It is also worth adding, that in terms of pay roll employees, the levels across Devon were almost back to pre-pandemic levels in March 2021 and are expected to now be at, or above these levels.

In the meantime, the Authority continues to work closely with both District Partners, Job Centre Plus / Department for Work and Pensions, our Colleges and other

² [Pensions Update - Tuesday 7 September 2021 - Hansard - UK Parliament](#)

education providers, and wider community partners to support individuals to find new work, retrain and transition to new opportunities, including supporting business start up. This work has also been supplemented by the Council's £6m recovery support package announced early this year. Current activity is set out below:

- **Employability Programme** - supplementary support through Learn Devon for basic, digital and employability skill across the County,
- **Youth Hubs** - targeted support for youth employment through the Youth Hubs in Exeter, Torbay and Northern Devon,
- **Support for people with a disability** - investment in additional employability support for those with a disability in Teignbridge and North Devon,
- **Open up to Skills Programme** - wider support for skills and training within the tourism and hospitality sector to improve the sustainability of linked jobs and opportunities
- **Pre Start-up support.** The project will support individuals (aged 25 and over) in Devon to start a new business or social enterprise. It is focused on pre-start-up support and it will help participants build their entrepreneurial confidence and to engage in collaboration and partnership development. The project will launch shortly
- **Business Adaptation Support – Get Set Adapt.** A commissioned service to help businesses in Devon recover from the impacts of the pandemic by adapting their business plan/strategy supporting business resilience and safeguarding jobs. This will launch this month
- **Digital Support – Digital Advance Devon.** A specific support programme to help participants use digital solutions for advancing their business.
- **E-Commerce Pilot** - Working with the Devon and Plymouth Chamber a pilot programme to support businesses in all aspects of E-Commerce is being developed which will help businesses to take their product or service fully online, improve performance and support job retention.
- The Council hosts the **Health and Social Care Skills Accelerator Programme** ('HSSAP') covering Devon, Plymouth and Torbay, a £3.5m European funded programme supporting the recruitment and training of over 1,000 individuals over the next 3 years into the health and social care sector.
- Similarly the Council hosts the **Heart of the South West Growth Hub service** which offers further support for start-up businesses. This service offers information and guidance to those seeking to start-up a business and provides links to employment and skills programmes, including the resources available through the Heart of the South West Skills Launchpad.
- **The Thrive programme** has been developed in partnership with the Growth Hub and will be available to all businesses in Devon and has been supplemented with additional County Council recovery funding to extend the number of businesses who can benefit, and again support and safeguard local jobs.

3. Team Devon Plan 19 Economy and Business Recovery

Since the publication of the Team Devon Recovery Prospectus in mid-2020, the Authority has been working closely with local, regional and national partners, our MPs and Government to secure additional investment and support for the local area

and its communities. This has included supplementary investment across an array of activity and topics. Key announcements to date include:

- An initial commitment from Government of £5m through the Further Education (FE) capital programme in August 2020 towards renewal and enhancement for our FE Estate across the County's 5 Colleges. This was supplemented by a further £1.5m towards FE Digital Infrastructure in summer 2020 from the Local Enterprise Partnership, and an additional £2m from the Government's Getting Building Fund towards FE assets, including £1m for Exeter College to further invest in green and high tech / high value training assets at the Future Skills Centre (owned by the County Council).
- £8m from the Government's Getting Building Fund in late 2020 towards capital investment in Higher Education assets and grow on space, including £5m for additional space at Exeter Science Park, £2m of investment into the University of Exeter's Clean Mobility Centre, and £1m towards the University of Plymouth's Health Tech Innovation Hub are further examples of investment drawn into the County, along with Devon Work Hubs programme which support enterprise space to micro businesses.
- Working in partnership with Somerset County Council, Devon and Somerset have secured over £4.5m of Fast Track training / bootcamp provision across high growth sectors including an array of new advanced engineering, digital and green opportunities. In total, this programme will deliver over 2,500 new opportunities through to 2023.
- The Kickstart Programme is a national Programme for Young People 16-24 who are on Universal Credit and at risk of long-term unemployment – Devon County Council as an employer are employing 65 Young people across the authority in order to support those who have lost their job through the pandemic or who have not been able to start their career. Four Young people have already been taken on and the rest of the positions are being recruited to.
- We are developing and commissioning a high growth start up scheme, with a strong focus on young people and graduates (age 16-24), with the aim of launching this before the end of the year, as part of the Recovery Package of activity funded by the County Council. Green technologies and clean growth themes are likely to be key themes within this programme.
- The County Council has undertaken a study to identify specific issues affecting some of our Coastal and Market towns and the type of support that can help these communities bounce back. Five initial case studies have been identified and DCC is currently awaiting the recommendations and next steps to guide future investment on a range of projects and proposals to further support our communities. Developing such proposals will mean our towns should be well-placed to benefit from new funding announcements by Government, including Levelling Up and the UK Shared Prosperity Fund.

- Officers have continued to liaise with Western Power Distribution, joining a number of seminars, the South West Energy Hub and the HotSW LEP as part of developing cases for energy infrastructure investment, and lobbying for the South West.

4. Cuts to Universal Credit and the rise in National Insurance

It is currently unclear how the proposed reduction in Universal Credit and the rise in National Insurance will specifically impact on low-income working families and their children across Devon.

Early work undertaken by the authority however suggests that the proposed cut will affect around 30,000 households receiving some element of Universal Credit across Devon, reducing total income by around £25m (or around £800 per household per year). Of the two interventions, figures suggest that the Universal Credit reduction will be the most significant, with the increase in national insurance having a less pronounced impact due to its scaling and tax treatment.

We are unable to comment on other economic factors which are currently working their way through the system such as inflation and potential benefits from the upward pressure on wages, which are likely to also have an impact on individual financial circumstances.

5. Green Investment

With regards skills, Devon County Council is current working closely with Exeter College and other partners around the development of their green skills offer and complementary disciplines. This includes our investment in the Future Skills Centre within East Devon, with a focus on electrical, material and construction disciplines that will support new green jobs, work with the University of Exeter through its Clean Mobility Centre, and joint activity around Skills linked to the clean aviation pilot at Exeter Airport. More widely, the Council is also working closely with national providers around support for retrofit skills within the construction sector, including a joint bid to the Community Renewal Fund due to be announced alongside the Comprehensive Spending Review.

As part of the Recovery Package agreed by Cabinet the County Council has set aside £1.4 million to support Natural Capital, Community Energy, and Green Innovation programmes, all of which have the potential to be key economic drivers for the County and create new jobs, skills and businesses. A range of natural capital and community energy schemes have been identified and work is starting and the Green Innovation programme will follow shortly.

The Council has been in discussion with private sector green hydrogen developers and public sector partners to ascertain the potential opportunities for Devon and the Council to support the implementation of this technology. A new facility at Langage is

being discussed and could form part of the Plymouth and South Devon Freezone proposal.

The Council is also working with partners in Exeter and East Devon, regarding the Monkerton and Cranbrook district heating schemes and enabling these to become net zero carbon, including seeking government Heat Network Infrastructure Programme funding towards the scheme.

Councillor Rufus Gilbert

Cabinet Member for Economic Recovery and Skills