

Devon Economic Recovery Programme

Report of the Head of Economy, Enterprise and Skills

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation: that the Cabinet is asked to consider supporting an Economic Recovery Programme of £6 million over the next 2-3 years, as part of the 21/22 budget setting process.

1. Summary

The COVID-19 pandemic has and continues to have significant impact on the Devon economy, its businesses, communities and workforce. Currently the Devon economy has contracted by circa 8% in terms of productivity and unemployment has risen to above 6%, though UK economic performance is currently expected to return to pre COVID-19 levels by 2022. Recovery however will not be at the same pace everywhere, with gaps already starting to emerge across the County. These include significant impacts on the tourism and hospitality, retail, construction and manufacturing sectors, as well as high levels of youth unemployment, and in the latest claimant count figures, a rise in worklessness amongst those over the age of 50. Similarly, market and coastal towns are also being disproportionately affected where there is a stronger reliance on some of the above sectors, and / or a reliance on self-employment.

There are however a range of opportunities emerging that can support our economic recovery. The Digital, Health and Care, Social Economy and Clean Growth sectors, for example, are already showing signs of healthy recovery and new growth following the downturn, having been less impacted by the COVID-19 crisis and benefitting from the opportunities around home working, digital literacy, local purchasing and care demand that the crisis has created.

As we enter a period of more restrictions however, and a possible cycle of further national or local measures, the next round of economic consequences are hard to predict with any degree of certainty. Recent Government announcements to continue to support jobs and business cash flows have been welcomed. It is likely however that such schemes will simply maintain the current position at best over the next six months and when these schemes cease, we can expect rises in unemployment, more business closures and ongoing challenges for many of our local economies.

This proposal seeks a financial investment from the Council therefore to support the economic recovery of our hardest hit places, enterprises and individuals, and to take forward a number of opportunities to build back a more resilient, inclusive and sustainable economy. The proposal sets out a programme of activities that seeks to further invest in and support our economy through the current instability, as well as contribute to the delivery of the agreed Team Devon Economic Recovery Prospectus published in July. The prospectus focuses upon those economic things that most matter for Devon, investing in our young people; supporting local business

to create and sustain good jobs; providing support to our vulnerable and growth sectors alike to thrive in a changing environment; and providing the foundations for new opportunities and growth.

In support of these ambitions, the Council working with businesses, local authority partners, MPs and the Local Enterprise Partnership, is also making a case for additional national resources to be retained locally to deliver a wider programme of support set out in the Team Devon Recovery Prospectus. The County Council's funding set out in this proposal will align with this resource if secured to deliver a fuller recovery plan. There is no surety around this funding at present, and the Devon economy has issues that need to be addressed today.

The Economic Recovery Prospectus and this proposal support the wider recovery planning work across Devon. It recognises how supporting our economy, businesses and workforce will improve the social, health, environmental and well-being of our communities and more vulnerable residents.

https://devoncc.sharepoint.com/:b:/s/PublicDocs/Corporate/EbrhEjG0sY9Cm0Be_qdHnk4BgjxeiJeNWdHkvpUIOo6okg?e=0VANnA

2. Introduction

The economic impacts from the pandemic are significant for Devon and we have seen a rise in the universal claimant rate of nearly 5% between March – August. The claimant count in August 2019 was 1.5% compared to 4.9% in August 2020. This impact is far starker within individual areas, with average unemployment in North Devon, for example, 1% higher than the claimant count average, and unemployment within individual wards running 7% above the local average. Tied to this, we have seen a number of highly visible and anchor businesses close, including national chains in our high streets and prominent international employers like Flybe.

The Council commissioned Oxford Economics to provide a forecasted set of potential outcomes for the County earlier this summer to consider the emerging impact of the COVID-19 crisis on the area, as well as the relative vulnerability of our local towns and communities. The forecasted scenarios indicated a baseline scenario of a loss of 8% productivity across Devon, which was the same level of contraction as the South West region and the England average. In terms of employment, under the baseline scenario the model also predicted a reduction of 16,400 jobs and an increase in the unemployment rate from 3% to 5.4% over 2020. Whilst growth was forecast to resume towards the end of 2020, the model also predicted that the Devon economy would not return to 2019 levels of productivity and employment until 2022.

The same model was also used to run a more pessimistic forecast, which considered what would happen if the economic impact was deeper, or further waves of COVID-19 proved disruptive. This indicated that, in the event of a slower recovery, the County would experience a total loss of productivity of almost 13% and an unemployment rate rising from 3% to 8.7%. In this scenario, the economy would not return to the same levels of productivity until 2026 and to 2019 employment levels until beyond 2035. In both scenarios the impact of leaving the EU under World Trade Organisation terms was also considered, reducing productivity by a further 2%.

Set against current performance, the economy is currently facing an impact somewhere between these two scenarios. Data from the Office of National Statistics

and Office of Budget Responsibility over recent weeks suggests that the UK and Devon are roughly tracking for a 9-10% decline over the 2020/21 financial year, with unemployment likely to reach around 8-9% dependent on the length and impact of the Treasury's latest announcements. This will then see an ongoing period of recovery but slowed compared to the initial optimism of May and June.

For Devon, this slowing down poses a challenge. A national assessment by the RSA predicted Devon to be the fourth most vulnerable County in England to the economic impact of COVID-19, and the South West predicted to host 7 of the 20 worst affected districts in the UK. Government's Local Economies Resilience Committee 'red-rated' the Devon economy in June and the County Council led on an assessment report which set our impacts and measures to support our local economy. A number of these supported the various measures introduced by Government including business grants and loans, VAT relief measures and specific packages of support for dairy farmers, tourism and the fishing sector.

Crucially however, the county-level impacts mask more serious consequences for some of our towns and local economies. Whilst Exeter's economy is showing signs of stronger resilience to the down turn, in part due to its high levels of public sector employment and strong knowledge economy, districts such as North, Mid Devon and West Devon fare less well. Key places highlighted to have greater impacts and to be more vulnerable by Oxford Economics where they compared all England districts showed that five of the Devon districts are all in the bottom 25% quartile and most vulnerable category of places, with Mid Devon being the 5th most vulnerable and West Devon the 12th most vulnerable districts. All districts, accept Exeter were considered more vulnerable than the England average. This assessment considered the economic and business diversity, business structure and digital connectivity as its basis.

The Economy Enterprise and Skills Service has developed a vulnerability index drawing on a range of published socio-economic data to consider the more local impact of the COVID-19 crisis. Our analysis on the hardest hit communities / wards indicate the following top 10 towns and communities. The index recognises underlying fragilities that were there before the pandemic and takes into account measures such as household income, skill levels, unemployment and other deprivation indices. When we add in current data on claimant count numbers, the reliance on furlough and national income support programmes and Government backed loans we can see our towns and communities that are most vulnerable to the current economic crisis and would be most impacted by further economic shocks.

Most vulnerable localities in Devon on composite Vulnerability Index
1. Central Barnstaple and Forches
2. Central Newton Abbot
3. Central and West Ilfracombe
4. Teignmouth Town Centre
5. Central and South East Bideford
6. Totnes Town Centre
7. Dawlish Town Centre
8. Lynton and Lynmouth
9. West Dartmouth
10. Exmouth Town Centre

The overall vulnerability index shows significant impacts in a number of communities across Devon, across all Districts, particularly focused in some areas of our market and coastal towns.

When we consider the current employment picture across our districts and reliance on the national employment support programmes, we can also estimate the possible increase in unemployment and claimant counts we may experience at a county and district level in the coming months. At present, we conservatively estimate that between 5% and 15% of all those on furlough under the COVID-19 Job Retention Scheme (CJRS) or benefitting from the Self-Employment Support Scheme (SEISS) will not return to work when the schemes end. This reflects ongoing weaknesses within the sectors involved, issues around viability of the jobs those individuals were in, or simply business decisions to reduce overheads and reorganise. We have taken into account the Chancellor's recent announcement on measures to support the economy with a focus on smoothing cash flow for businesses and supporting viable jobs. The table on the next page sets out the current vulnerability of each area in terms of claimant count / unemployment by districts clearly highlighting those areas which we believe may be most badly hit as the national schemes taper in six months' time.

The announcements by the Chancellor on 24th September included adapting the CJRS scheme into a Job Support Scheme and a continuation of the SEISS scheme in a reduced form. These are focused on a range of support for small businesses to retain viable jobs and to help smooth cash flow, including adapting and extending the JRS into a Job Support Scheme and applying a similar approach to the SEISS. This package includes opportunities for small and medium businesses to restructure loan repayments over a longer period and spread VAT deferral payments and support viable jobs for a six-month period. For self employed individuals the package of support will support earnings over the next six months and restructure income tax repayments. There is support for larger businesses who can prove a drop in their turnover. Given the underlying economic vulnerabilities across parts of Devon and the sectoral make up of our economy, we predict the economic and social consequences are still likely to worsen at the point these schemes end, with the net effect being rises in unemployment across the whole workforce and additional business closures, without additional support measures put in place. In effect, the Chancellors efforts will support our residents, but for many it may only be a delay of difficulties rather than a permanent solution.

	Universal Claimant Count % of workforce				% of Workforce at risk of unemployment			Predicted Claimant Count Rates March 2021	
Area	Mar-20	Jul-20	Aug-20	Workforce Supported (CJRS) (SEISS)	15%	5%	Seasonality	Projection Mar 21 (High)	Projection Mar 21 (Low)
Torbay	3.5	7.8	7.9	32.30%	4.80%	1.60%	0.7	13.4	10.2
North Devon	2.2	5.7	5.9	33.10%	5.00%	1.70%	0.6	11.5	8.2
England	3	6.4	6.6	28.00%	4.20%	1.40%	0.2	11	8.2
Plymouth	3.5	6.5	6.6	25.90%	3.90%	1.30%	0.2	10.7	8.1
Torridge	2.3	5.4	5.6	31.40%	4.70%	1.60%	0.5	10.8	7.7
Teignbridge	1.9	4.9	5.1	32.20%	4.80%	1.60%	0.3	10.2	7
Somerset	2.3	5.1	5.3	29.80%	4.50%	1.50%	0.3	10.1	7.1
South Hams	1.5	4.9	5	31.80%	4.80%	1.60%	0.3	10.1	6.9
Devon	1.8	4.7	4.9	29.70%	4.50%	1.50%	0.3	9.7	6.7
East Devon	1.8	4.5	4.6	31.50%	4.70%	1.60%	0.3	9.6	6.5
West Devon	1.6	4.3	4.5	28.30%	4.20%	1.40%	0.2	8.9	6.1
Mid Devon	1.7	4.1	4.3	29.00%	4.40%	1.50%	0.3	9	6.1
Exeter	1.7	4.1	4.3	23.00%	3.50%	1.20%	0.3	8.1	5.8

The Office for National Statistics undertakes a fortnightly national Business Impact of COVID-19 Survey (BICS). In this survey it asks by sector which companies are expecting significant cash-flow problems over the next 3 months. A number of businesses across all sectors appear to be expecting difficulties, with an uptick in most business sectors. Significant among this national analysis for Devon, is the cash flow concerns from the accommodation and food and construction sectors given our above average employment in these sectors.

Industry	15/06 - 28/06	29/06- 12/07	13/07- 26/07	27/07- 09/08	10/08- 23/08
Manufacturing	22.5%	22.1%	24.5%	21.3%	24.8%
Water Supply, Waste Materials	36.7%	39.0%	34.4%	31.6%	33.3%
Construction	37.5%	37.9%	38.0%	32.3%	38.3%
Wholesale And Retail Trade	24.8%	25.0%	24.9%	22.5%	20.7%
Transportation And Storage	27.5%	23.4%	31.1%	28.2%	26.6%
Accommodation And Food	48.5%	43.7%	45.6%	39.9%	37.8%
Information And Comms	18.3%	17.9%	16.4%	19.3%	15.9%
Real Estate Activities	13.5%	17.7%	24.2%	21.5%	28.2%
Professional And Technical	24.0%	24.3%	23.9%	23.5%	24.0%
Administrative And Support	33.1%	32.6%	34.2%	33.6%	35.8%
Education	17.1%	17.6%	16.8%	19.2%	17.4%
Human Health And Social Work	24.1%	27.4%	28.1%	25.4%	32.3%
Arts, Entertain And Recreation	35.2%	34.7%	31.9%	36.6%	33.1%
All Industries	28.3%	27.9%	28.6%	26.8%	27.6%

In terms of sectoral impact, the pandemic has had a significant toll on our tourism and hospitality, agriculture, food and farming, retail and construction sectors. These individually and collectively employ a significant number of our workforce and make a vital contribution to our productivity. Detail on each of the sectors and the likely challenges are set out in the Team Devon Economy and Business Recovery Prospectus and the analysis is not repeated here.

There are however several growth sectors which have continued to perform well during the pandemic, examples include the digital Sector, health and care, the social economy, environmental technologies and some parts of the higher value engineering and manufacturing sectors.

Devon is home to one of the fastest growing ICT clusters in the UK with the number of companies operating in the sector having grown by 36% since 2010. It also underpins a number of other sectors including agri-tech, manufacturing, logistics and health and care. Microsoft UK have estimated that workplaces have delivered two years of Digital Transformation in the first two months of the economic crisis. The County has a large innovative health sector, with high levels of innovation and expertise embedded within the public sector, but significant scientific and production strengths across the sector in areas like Northern Devon. Advanced manufacturing makes up around 8% of Devon's economy, and supports the region's supply chains, in defence, marine and the aerospace. There is potential for additional growth and specialisation, particularly around greening of mobility, material science, system and process engineering and enhancing supply chain efficiency across multiple sectors.

The County Council has co-ordinated a Devon Business and Economy Recovery Task Group (Economic Recovery Group) as a subgroup to the Devon Recovery Co-ordinating Group. Membership is drawn from local authorities, businesses, business representative organisations, FE colleges, Exeter University, parish and town councils, NFU, National Parks and the Local Enterprise Partnership and includes two representatives from Devon MPs, Anthony Mangnall and Ben Bradshaw.

The Team Devon Economic Recovery Group has developed a Recovery Prospectus which has been endorsed by the above partners, our MPs and the County Council. The Prospectus was published in July and has been used as the framework for recovery activities being led by districts in their own locations, and by the LEP in its development of a recovery plan.

Regular briefings on the economy have been provided to Devon MPs as part of the County Council's regular engagement and to Team Devon CEX and Leaders, Heart of the SW Joint Committee, SW Councils and All Area Team for the Department of Business, Environment and Industrial Strategy (BEIS).

Team Devon have recently submitted a case to Government with the backing of our MPs to retain circa £38 millions of grants awarded to local authorities to support businesses, to match this with secured investment by the LEP under the Getting Building Fund for Devon projects. The proposed investment and package of support set out in this paper would add to this funding.

3. Proposal

It is proposed that the Council makes an investment of £6 million over the next two/three years to target four key economic recovery priorities:

- Support for small and medium enterprises
- Employment and Skills
- Opportunities and Green Recovery and
- Towns and hardest hit places

The funding would provide immediate and medium-term activity delivered through a variety of commissioned services, grant programmes and extending current services to support both the hardest hit communities, parts of our workforce and business as well as develop and take forward opportunities to grow back a stronger, inclusive and sustainable economy. Applying a flexible approach to the exact activities, timings and how we introduce these initiatives will be essential to ensure we can provide a responsive approach to a changing economic situation.

The Council's investment will also be aligned with other funding streams, including those announced nationally and locally to maximise impact. Where appropriate we will seek to lever in additional external funding. If the Team Devon case to Government to secure additional resources is successful, this programme and the Council's investment would form part of wider recovery programme of activity.

The final activities, outputs and delivery approach for these priorities will be developed over the next few weeks, working with the Economic Recovery Group members and Team Devon CEX and Leaders Group. The outline recovery programme being proposed, and funding allocations however is set out below:

a) Small and Medium Business Support Package – circa £1,560,000

This package includes assistance to businesses to adapt their business models through a digital business support programme, helping enterprises to become more resilient and respond to the impacts from the pandemic. A focus on rural and micro businesses and key sectors such as tourism, retail and health and care will be given. This activity will work alongside some of the skills package of measure to improve digital skills.

A Made in Devon Scheme is proposed, building on the Buy with Confidence Scheme operated by Devon, Torbay and Somerset Trading Standards including a campaign to promote buy local. Initially this scheme will focus on the food and drink, tourism and the creative industry sectors. The programme will create a sense of pride in our high-quality products and services and celebrate Devon talent.

A dedicated programme of support to farmers to help diversify their businesses is also proposed. This is a small-scale investment to assist farmers develop new opportunities for their enterprises and will potentially help develop agri-tech and environmental technologies. A final element is creating a green business tool kit and directory to enhance activities for businesses consider adopting low carbon measures and help grow a more sustainable economy.

The package will work alongside the wider services already being delivered by the County Council, through the Heart of the SW Growth Hub, including the Kick Start Grant funding programme and support and guidance offered as part of our regulatory services.

b) Employment and Skills Support Package – circa £1,650,000

This package aims to help our young people and adult workforce secure and retain employment. We are clearly facing rising levels of unemployment, and working with Job Centre Plus, Businesses, Colleges, Schools and other partners we will introduce a range of additional initiatives as follows.

Bright Futures - additional Careers activity across secondary schools through the Councils Career Hub with a focus on Year 10 and 11 students impacted by the education gap last year. Specific focus will be placed upon supporting work experience provision for these young people, progression into further and higher educations and personal guidance provision / other individual support. This activity should reduce the numbers of our young people becoming NEET (not in education, employment, education or training), as well as help to sustain those moving into better quality jobs, valuable careers and high value apprenticeships. This provision will be introduced county-wide with a strong focus on the hardest hit communities highlighted in this report.

Redeployment Training Programme - additional redeployment and training assistance for those leaving work or seeking to reskill into a higher value sector. Seeking to avoid duplication with Job Centre Plus, the Council will instead focus on training, advice and working with employers to secure new opportunities for those which are traditionally harder to reach and those that may not traditionally work with Job Centre. The programme will include new skills delivery up to GCSE levels, additional wraparound digital skills support, and working with employers to take forward Sector Based Work Academy activity, with a focus on health and social care, construction, engineering, digital and other growth sectors.

Hospitality Upskilling programme – Directly supporting the hospitality sector workforce to improve workforce skills and create new roles across a range of areas, including catering, customer service and gain/improve new skills and competencies such as digital capabilities. Principally aimed at delivering new qualifications and working with businesses to create new jobs which reinforce their resilience, the programme will also be aimed at individuals at risk of redundancy to career jump into growth sectors if required, including roles in the Health, Construction, Digital or, Engineering sectors.

Set out under capacity is a further investment in our skills infrastructure, and in particular the Devon Training Provider Network. Supporting this network will allow additional activity to be undertaken to increase apprenticeships for adults and young people and as a partnership maximise the opportunities from the Kick Start Programme.

We will align this activity against national programmes such as the Kick Start Programme to promote apprenticeships and our current employment support in response to specific business closures and large-scale redundancies. Learn Devon, Colleges and private training providers will be key delivery partners for this package and we will align it with services we operate for the LEP such as the Careers Hub and the Digital Skills Partnership. There is also scope to draw in further investment such as from the National Retraining Scheme and DWP Employment Schemes.

c) Opportunities Support Package – circa £1,450,000

A range of initiatives to stimulate new business start-ups will be undertaken, recognising the growth opportunities that exist, and to help individuals back into work. Specific strands of this activity will be focused on the creation of social enterprises working with the Dartington School of Social Entrepreneurs and a Young Person entrepreneurship programme, building on the current programme offered by Exeter University, extending reach to colleges and delivery through virtual sessions. Young people will be offered coaching and 1-2-1 mentoring advice and work alongside professional business advisors to develop their ideas as part of an 8-week programme of support.

To take advantage of some of the highlighted growth opportunities we will also launch an innovation support package to communities, businesses and individuals, with an emphasis on low carbon and clean growth technologies. This can include stimulating new growth through revenue and capital investment in a range of schemes, including options to kick off grants to stimulate low carbon and innovative solutions to address climate change, options to encourage electric vehicle charging facilities in our towns, creating finance opportunities and connecting businesses with our universities such as through internships.

There are opportunities to lever additional funding from external sources to complement this programme, including the Green Deal Fund, Princes Trust, NESTA and Innovate UK. The low carbon element of the programme will align and support our Climate Change programme. The package will also align to the Government's Retro-fit Funding and add to planned investments by the LEP under its Getting Building Fund, and other business support activity delivered under the Growth Hub and peer to peer business networks.

d) Places and Communities Support Package – circa £1,050,000

This package focuses on our hardest hit communities where a programme of activity will be developed jointly with district and town councils. The programme will seek to develop urban renewal proposals for 8 of our hardest hit towns, focusing on new development opportunities and re-purposing high streets. Complementing this will be investment in 10 additional work hubs and piloting 3 live/work hubs, including one in Exeter.

A small investment will also be made in developing new energy infrastructure through a challenge fund open to parish and town councils and community energy groups to stimulate green technologies, and working with environmental technologies sector and our protected landscapes we will pilot a natural capital innovation fund to introduce and pilot low carbon solutions including potentially within our county farm estate.

This package will develop proposals for national funding for some of our towns as part of the Government's Levelling Up agenda and low carbon investments. Initiatives such as Town Deals and High Street Funds are anticipated over the coming months and this package will test and development of ideas and seek to re-energise our local communities, working with our district, town and parish councils.

e) Capacity Building and Resourcing – circa £290,000

A small element of funding will be set aside to improve delivery capacity and the resilience of our key business networks. An amount to bolster capacity across our training provider network will lead to increasing apprenticeship places working alongside the national Kick Start programme. It is also recognised temporary capacity within the Economy, Enterprise and Skills Service to deliver this programme will be required, in addition to drawing on the skills and expertise from across the Team Devon partnership.

The above four packages will seek to achieve over the next 2-3 years:

- Support 385 businesses to take up digital solutions
- Support 480 businesses to adapt their business practices
- Deliver a new Green Business Directory and Tool Kit
- Provide 2500 individuals with redeployment and employment support
- Support 500 additional apprenticeship places for adults and young people
- Deliver 700 new level two training places
- Deliver 250 new level three training opportunities
- Support 500 start-up businesses to launch.
- Engage 100 young people in start-up opportunities and create 20 new ventures
- Engage with 90 social entrepreneurs and create 40 new social enterprises
- Support 150 farms to become more resilient
- Establish 300 members in Made In Devon programme
- Creation of 10 additional work hubs
- Establish 2-3 natural capital innovation pilots
- Create 8 Urban Renewal Plans for our hardest hit towns
- Support up to 20 communities develop local energy networks

4. Options/Alternatives

Do Nothing – there is an option for the Council to do nothing to directly invest and respond to the economic consequences from COVID-19. The evidence set out in this paper however presents current levels of impact and a worsening picture for our workforce, residents and communities. By showing leadership and taking forward this proposal in partnership with our stakeholders will alleviate some of these consequences for our citizens and help to build a more resilient economy. There is an immediate need to act to address the situation many of our communities and businesses are facing and relying on the current support provided by Government will not be sufficient or quick enough to achieve this. The rising numbers of cases and additional restrictions being imposed will have further consequences for our economy.

Reduced Package of Support – it is possible to reduce the funding and deliver one or two elements of the proposals set out in this paper. The impacts and support offered would still assist with reducing some of the impacts, however by not addressing the needs of our workforce, communities and businesses will not have the same benefits. Prioritising one aspect of our economy over another is likely to have limited reach given the linkages between the packages set out in this paper.

Defer Proposal – it is possible for the Council to wait and see what the impacts on the economy will be in six months when the national employment support measures have been delivered. Our analysis shows that the increased outbreaks and

application of measures to protect the health of our population will only generate a deeper economic crisis, and especially for an economy like Devon that relies on the tourism and hospitality sector. By acting now we will in all likelihood provide more immediate relief, and by investing in our opportunities give us a greater chance of improving the resilience of our communities and local economies.

Seek external funding only – we could wait on the case to Government and other external funding sources to be secured to deliver the proposal and the wider Recovery Prospectus. Whilst we will continue to pursue these opportunities there is a strong case to act now, and the investment proposed would add strength to our case to co-invest with Government and other funders to deliver a deeper and more impactful set of measures.

5. Consultations/Representations/Technical Data

The Devon Economic Recovery Prospectus has been shared and endorsed with a range of stakeholders across Team Devon. This report and the prospectus has drawn on a range of economic and social published data to set out the economic impacts and consequences facing the Devon economy.

The proposal has been developed in consultation with the Economic Recovery Group and drawn on expert advice from our business representative organisations, district councils and other partners.

6. Financial Considerations

The proposal requires funding from the County Council of £6 millions across this and the next two financial years. The majority of the investment required is revenue, with an estimated capital requirement of £500,000. The exact funding profile is still to be determined and may need to vary in response to the economic conditions, opportunities to lever in additional funding support and affordability. Set out below is the likely spend profile.

	2020/21	2021/22	2022/23
	(£)	(£)	(£)
Revenue	491,920	2,831,920	2,176,160
Capital	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Total	<u>491,920</u>	<u>3,081,920</u>	<u>2,426,160</u>

The current Economy, Enterprise and Skills budget has no capacity to support this proposal, although existing activities and contracts have been adjusted to respond to the immediate consequences of the pandemic. The funding position of the council for next financial year is still very unclear and may not become more certain until as late as December 2020. Therefore, this funding proposal has to be considered as part of the budget setting process for 21/22. If the proposal is agreed the costs that may be incurred this financial year will be dealt with as part of the outturn process for 2020/21.

7. Legal Considerations

Delivering the proposal may require the commission of services and the Council to enter into a number of contracts and partnership arrangements following the normal procurement and legal processes. The governance and monitoring of the proposal

will be through the Recovery Co-ordinating Group, and the Team Devon Economic Recovery Group.

8. Environmental Impact Considerations (Including Climate Change)

The proposals set out in the paper aim to support specific economic activities that will support the climate change agenda and action plan. The proposal seeks to pilot a number of low carbon initiatives that will contribute to the reduction of carbon, and which will stimulate our growing green economy.

9. Equality Considerations

Where relevant to the decision, the Equality Act 2010 Public Sector Equality Duty requires decision makers to give due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

Taking account of age, disability, race/ethnicity (includes Gypsies and Travellers), gender and gender identity, religion and belief, sexual orientation, pregnant women/new and breastfeeding mothers, marriage/civil partnership status in coming to a decision, a decision maker may also consider other relevant factors such as caring responsibilities, rural isolation or socio-economic disadvantage.

This may be achieved, for example, through completing a full Equality Impact Needs Assessment / Impact Assessment or other form of options/project management appraisal that achieves the same objective.

In progressing this particular proposal, an Impact Assessment has been prepared which has been circulated separately to Cabinet Councillors and is also available on the Council's website at: <https://www.devon.gov.uk/impact/devon-economic-recovery-report/>, which Councillors will need to consider for the purposes of this item.

The proposals set out in this paper are seeking to alleviate the consequences of the pandemic on our residents. Measures set out focus on some of the most vulnerable groups being impacted by the contraction of the economy, and targets hardest hit communities where there are already underlying deprivation and social challenges.

10. Risk Management Considerations

The paper sets out the significant economic and social risks to the local economy, our workforce and communities. It highlights the communities, individuals and businesses most at risk from the pandemic. There are additional economic and social risks potentially due to the manner of the UK's departure from the EU. The exact nature and social and economic consequences from the crisis are hard to predict with any certainty and the exact levels and timing of support will need to flex. The assessment of the economic.

Not intervening to support our economy is likely to place more businesses and our workforce at risk, and this may lead to additional pressure on public services, and potentially present additional health and well-being risks for our population.

11. Public Health Impact

There is a direct link between the health outcomes for individuals and their standard of living. The set of measures proposed in this paper is likely to improve the economic wellbeing of some of our residents, communities and businesses and address and target the hardest hit areas of our economy. The proposal therefore seeks to improve the public health and wellbeing of our citizens.

12. Conclusion

Given the current and potential economic impact from COVID-19 on our communities, businesses and workforce it is recommended that the Council makes an investment in a recovery programme in support of the Team Devon Economy and Business Recovery Prospectus. The proposed priorities will help alleviate the current challenges being faced by our workforce and business and support growing back a stronger, sustainable and inclusive economy.

Keri Denton
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Electoral Divisions: All

Cabinet Member for Economy and Skills: Councillor Rufus Gilbert

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Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
Nil		

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