



Report of the Cabinet Member for Investment Regeneration and Tourism

Cabinet – 15 October 2020

Supporting Economic Recovery in Swansea

Purpose:	The report provides an overview of activities to support economic recovery from the Covid-19 pandemic in Swansea
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1.0 Background

- 1.1 The Covid-19 Pandemic has had an unprecedented impact on the UK economy. The latest official data shows that the UK economy shrank by 20.4% in April to June and is now officially in recession. Household spending plunged as shops were forced to close and manufacturing and construction output also fell during the lockdown period. The economy started growing again once the lockdown was eased, with 6.6% growth in the UK economy in July. Hairdressers, pubs and restaurants contributed to growth after companies were allowed to reopen in July. However the economy is still nearly 12% smaller than before the pandemic crisis, and has recovered just over half of the lost output during the shutdowns. The Bank of England does not expect economic output to recover back to pre-covid levels until the end of 2021.
- 1.2 Record levels of financial support for businesses have been put in place by the UK and Welsh Government. At the beginning of August 9.6 million UK jobs were covered by the furlough scheme, at a cost to the Treasury of £34.7bn, and 2.7m self-employed workers had submitted claims to the UK Government's support scheme with a total value of £7.8bn. Despite this, unemployment is soaring - the UK Claimant Count reached 2.7 million in July 2020, an increase of 116.8% since March 2020. The unemployment benefit claimant rate rose from 3.9% of the Welsh

workforce in March to 8% in July. Following the end of the furlough scheme in October it is likely there will be further job losses.

- 1.3 The vast majority of businesses (irrespective of sector or business size) have suffered adverse effects as a result of the pandemic. These adverse effects are varied but the majority have seen vast reductions in trade resulting in issues with income generation and finance. The Leisure and hospitality sector has been particularly hard hit with the social distancing measures that need to be in place reducing income for many businesses. Tourism businesses had to close just before their season got underway and key income earning periods this year have been lost. The lockdown has accelerated the move to online shopping and the retail sector will look very different moving forwards, with many high street names entering administration.
- 1.4 The need for up-skilling in digital and ICT skills has been identified by a large proportion of businesses across a breadth of sectors, which reflects the move to more digital ways of working as a result of the pandemic.

2.0 Local Response to Support Economic Recovery

- 2.1 Businesses in Swansea have been severely affected by the pandemic, and the Council has been responding to enquiries and offering advice to local businesses that are facing difficulties. The Council has administered over 4,000 business grants on behalf of the Welsh Government through the business rates grants scheme representing over £50m of grant support. In addition, grants of up to £2,500 have been available to small start-up businesses in Swansea as part of the Welsh Government scheme.
- 2.2 At the height of the pandemic Swansea Market was closed, although many traders adapted and continued to trade via collections and/or home deliveries. Rent payments were cancelled during the closure and the Council has now put in place a £200,000 rent subsidy package through to the end of November to support market traders.
- 2.3 As restrictions have been eased, City Centre Management and Swansea BID have worked in partnership with local businesses and traders to oversee the seamless and safe reopening of the City Centre. Data from Centre for Cities has shown that Swansea has been one of the most successful cities in the UK at attracting footfall back following the relaxing of covid-19 related restrictions.
- 2.4 Welsh Government have approved the repurposing of Targeted Regeneration Investment (TRI) Programme funding to provide grant assistance to hospitality businesses to adapt to trading in line with social distancing requirements. As a result, a new Swansea Premises Outdoor Adaptions Grant was launched at the end of July that offered small businesses a grant of up to £8,000 to purchase outdoor equipment. Over

220 local businesses have applied for support, totalling over £900,000 of grant funding.

- 2.5 Additionally, a new fast track process has been introduced to make it easier for businesses to secure pavement café licences, and fees have been waived until the end of the financial year.
- 2.6 In consultation with local businesses and residents a six month trial to pedestrianise Wind Street from 11am onwards was launched on August 3rd, to give businesses more chance to trade outdoors through the day and into the evening.
- 2.7 To further support local businesses, and capitalise on the more localised shopping habits that have emerged during the pandemic ShopLocal initiatives are being developed to promote local spending. This builds on the essential suppliers list that was developed at the start of lockdown, with 149 local businesses taking part. This initiative was signposted via the council's website and greatly assisted residents during the early phase of Covid and the shielding programme. In addition, through Swansea Food Partnership new projects are being developed to increase accessibility to and promotion of local food in the city centre (linked to the Market) and across the county, to build on the increased use of local food producers/ suppliers in recent months.
- 2.8 The Council continues to support our rural communities and the local fishing industry through the Rural Development Programme and Swansea Bay Fisheries Local Action Group respectively. The Rural Development Partnership has recently opened a new grant funding window and fast track grant funding pot that will offer grants of up to £5k, with particular interest in projects that can support recovery from the impact Covid-19 has had on communities, with 22 enquiries received so far. In addition, the Crowdfund Swansea platform has launched a second funding round to support community organisations, with 6 schemes already attaining their target under phase 1 resulting in £58,364 of projects underway.
- 2.9 Since the start of the pandemic referrals to local employability projects have increased and the teams have adapted their ways of working to support clients remotely. Projects including Workways+, Communities for Work, Cam Nesa and Communities for Work Plus quickly transitioned into providing remote one to one mentoring, mock interviews and in conjunction with training providers developed online training courses for all essential training and qualifications needed to help individuals into employment.
- 2.10 Employability provision has been extended through the new ESF funded Swansea Short Term Unemployed Project which can support individuals from day one of unemployment. In total, 300 people have been supported through the Council's employability projects since the start of lockdown. With additional funding secured via Welsh Government to

respond to the crisis, we are now developing plans to introduce dedicated support for individuals who wish to enter self-employment or start a new business in Swansea, linking with Business Wales and other business support provision.

- 2.11 The Council's dedicated Employer Liaison team continues to engage with new and existing business contacts to secure employment vacancies for participants on Council employability projects. This has allowed many of those made redundant from affected sectors, such as tourism and hospitality, to transition into roles created as a result of the pandemic; areas such as food processing, packing, picking and delivery services, and community care including track and trace. Since March 109 individuals have been helped back into employment.
- 2.12 Current labour market intelligence from the Employer Liaison team suggests that there is now a reluctance for those previously working in retail and hospitality to return to those sectors due to the risk of job security so consideration needs to be given to maximising the confidence in this sector whilst creating alternative opportunities for those who need them.
- 2.13 The construction industry has remained resilient throughout lockdown with placements and job opportunities staying at normal levels and the Council's Beyond Bricks and Mortar programme has been able to support 27 individuals into employment, work experience, training and apprenticeships. This has resulted in nearly 1,500 targeted recruitment and training weeks achieved to date.
- 2.14 In addition during lock down the Beyond Bricks and Mortar team successfully held 2 virtual 'Meet The Buyer' events so that local contractors could take advantage of supply chain opportunities across a number of projects. The event on the 21st May was the first virtual Meet The Buyer event of its kind in Wales, setting the blueprint for other similar events across the country.
- 2.15 Delivery of our major strategic projects has been ongoing, most notably the Digital Arena project which, with careful planning, has proceeded at pace and is now forming a new part of the Swansea skyline. Still programmed to meet the published timetable for completion, this and other major projects look beyond the Covid crisis. Design work has continued on the 71&72 The Kingsway Digital Village development at the site of the former Oceana building, and the Shaping Swansea initiative was formally launched in September to find a development partner to regenerate key sites across the city. Construction work has started to renovate the historic Powerhouse building at Hafod Copperworks to create a distillery and visitor centre for Penderyn, and plans have been unveiled for the restoration of the grade 2 listed Palace Theatre to create new high quality office space for tech and creative businesses. These projects are all visible signs of confidence in the future of the city.

- 2.16 An important message in light of the Covid crisis is a clear understanding that the problems being faced have accentuated the regeneration journey the City and wider county has been on, accelerating new ways of working and interacting, but also highlighting their drawbacks and the continued need for interaction in social hubs in all spheres of life.

Wider Economic Recovery Plan

- 2.17 To support the recovery of the local economy from the covid-19 pandemic the Regeneration Swansea partnership is developing an economic recovery plan for Swansea which sets out the actions we need to take to support businesses, support individuals and improve resilience of the local economy. It will draw in funding and resources from Swansea Council, Welsh Government and other partners. The economic recovery plan expands on the Council's wider Covid Recovery Plan. The economic recovery plan is focused on raising confidence in the city and county, supporting businesses, championing local food, supporting tourism, developing skills & employability and growing the green economy. The economic outlook is still uncertain, so the economic recovery plan is a working document that is evolving as circumstances change.
- 2.18 In addition, Swansea is leading on the commissioning of a refresh of the Swansea Bay City Region Economic Regeneration Strategy on behalf of regional partners. This work is being undertaken in collaboration with Welsh Government as an extension of the Welsh Government process to put Regional Economic Frameworks in place across Wales. The new regional economic regeneration strategy will respond to the changing economic circumstances across the region in light of the covid-19 pandemic and Britain's departure from the European Union, and provide a long term strategic framework for economic regeneration in South West Wales.

3.0 Equality and Engagement Implications

- 3.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 3.2 An Equality Impact Assessment (EIA) screening has been completed and is attached at Appendix A This tool confirms that a full EIA is not required.

4.0 Legal Implications

4.1 There are no legal implications arising from this report.

5.0 Financial Implications

5.1 There are no financial implications arising from this report.

Background Papers: None

Appendices:

Appendix A EIA