



Report of the Cabinet Member for Economy, Finance & Strategy (Leader)

Cabinet – 20 May 2021

Swansea Economic Recovery Action Plan

| | |
|------------------------------------|--|
| Purpose: | To approve the financial implications of the Swansea Economic Recovery Action Plan and the actions the Council is taking to support the recovery of the local economy from the Covid-19 pandemic. |
| Policy Framework: | Council Constitution:- Financial Procedure Rules Swansea Bay City Region Economic Regeneration Strategy. |
| Consultation: | Access to Services, Finance, Legal. |
| Recommendation(s): | It is recommended that: 1) Cabinet approve the allocation of a sum of up to £20m to fund initiatives within the Swansea Economic Recovery Action Plan for the financial year 21/22 and 22/23. 2) Cabinet delegate authority to the Cabinet Member for Economy, Finance and Strategy, the Chief Finance Officer and the Director of Place to implement the Swansea Economic Recovery Plan to include any further measures or initiatives which may be added to the Plan subject to the approved budget as set out within the financial implications section. Cabinet further authorise subsequent delegation of authority to the cabinet member and head of service relevant to the specific element of the Economic Recovery Action Plan to be delivered and subject to the approved budget. |
| Report Author: | Martin Nicholls |
| Finance Officer: | Ben Smith |
| Legal Officer: | Debbie Smith |
| Access to Services Officer: | Rhian Millar |

1.0 Background

- 1.1 Cabinet will recall the previous outline economic recovery plan as approved by Cabinet on the 18th March 2021 outlined that the Covid-19 Pandemic has had an unprecedented impact on the UK economy. The latest Bank of England data shows that the UK economy contracted by 9.9% in 2020, the biggest decrease in 300 years. As restrictions are being lifted and the roll out of the vaccine programme boosts consumer confidence the Bank of England now expects the UK economy to grow by 7.25% this year - but this will only return the economy to its 2019 level.
- 1.2 Record levels of financial support for businesses have been put in place by the UK and Welsh Governments to cushion the impact of the covid-19 related restrictions. Despite this unemployment levels have risen across the UK, with the claimant count standing at 2.6m in March 2021. In Swansea, the claimant count unemployment rate stood at 5.7% in March 2021, marginally below the Welsh (5.9%) and UK (6.5%) rates.
- 1.3 While the economic situation continues to be very uncertain at present, the cautious reopening of non-essential retail, tourism and hospitality and the roll out of the covid-19 vaccine offers hope and the prospects for job growth and recovery in Swansea in the latter part of 2021 are good. The UK Economy Beyond Coronavirus: *UK Powerhouse* report published by Irwin Mitchell and the Centre for Economics and Business Research at the end of November 2020, listed Swansea as the sixth placed UK city in terms of employment growth in 2021, with 8.1% year-on-year growth projected by the end of the year.

2.0 Supporting Economic Recovery in Swansea

- 2.1 Many existing programmes and projects have an important role to play in the economic recovery of the city and county. Major strategic projects such as Copr Bay phases 1 and 2, 71-72 The Kingsway, the regeneration of Hafod Copperworks and restoration of the Palace Theatre have progressed at pace despite the pandemic. They are providing a visible sign of confidence in the city, raising the profile of Swansea as a business location and when completed will create new employment opportunities and economic growth.
- 2.2 Funding through the Welsh Government Transforming Towns initiative is enabling vacant buildings, such as the Kings Building in the City Centre and St Johns Church in Morrision, to be brought back into use to provide commercial floor space and new homes, and the re-imagining Wind Street scheme will create a family friendly, high quality environment and make the street more attractive for businesses who wish to trade outdoors.
- 2.3 Local employability projects such as Workways+, Communities for Work, Swansea Short Term Unemployed project, Cam Nesa and Communities for Work Plus continue to support local people to overcome their barriers

to employment and training. Since April 2020, 686 people have received support and 281 people have been helped back into employment. In addition, the Council's Beyond Bricks & Mortar initiative continues to generate employment and training opportunities for local people, with nearly 3,000 targeted recruitment and training weeks achieved since April 2020.

- 2.4 The Economic Recovery Action Plan specifically references the support for the Tourism, Leisure, Events and Hospitality sectors - sectors that have been hit the hardest, being the first businesses to close and definitely some of the last to open during the imposing and lifting of restrictions in 2020/21. The hospitality sector alone employs thousands locally - both directly and indirectly. A return to business as usual as soon as possible is vital for these sectors.

3.0 Swansea Economic Recovery Action Plan

- 3.1 To support the recovery of the local economy from the covid-19 pandemic the Council in conjunction with Regeneration Swansea partnership has developed an economic recovery action plan for Swansea, This sets out the additional actions we need to take to support businesses, support individuals and improve resilience of the local economy in light of the pandemic. This action plan complements the programmes and projects that were already underway pre-covid 19, and is drawing in funding and resources from Swansea Council, Welsh Government and other partners.

- 3.2 The economic recovery action plan expands on the Council's wider Covid Recovery Plan. The Economic Recovery Plan was presented to the Economic & Infrastructure Policy Development Committee in November 2020 and again in February 2021 to help inform its development.

- 3.3 The Economic Recovery Action Plan is focusing on the key aims of:

- Raising Confidence;
- Supporting Businesses;
- Championing Local Food;
- Supporting Tourism;
- Developing Skills & Employability;
- A Sustainable Economic Recovery.

- 3.4 Progress to date includes:

- The successful reopening of the city centre between phases of lockdown through partnership working between City Centre Management, Swansea BID, local traders and businesses;
- Over £1m of Welsh Government Transforming Towns grant funding allocated to local businesses through the Premises Outdoor

Adaptions Grant, to support local businesses to adapt to social distancing requirements;

- Administering Welsh Government covid-19 financial support to local businesses through schemes such as the Firebreak discretionary grant, Restrictions grant, cultural freelancer grant and start up grant;
- Recruitment of new business development officers to deliver a new start up and enterprise service;
- Launch of a county wide Shop Local Shop Swansea campaign in November, with further publicity planned once restrictions ease;
- Extending and adapting employability provision to continue supporting individuals throughout the pandemic, including short term unemployed;
- Kickstart bid approved by the Department of Work & Pensions. Internal and external work placements have been set up and the scheme is live;
- Initial budget confirmed for small start-up bursaries to support business starts/ self-employment;
- Exploring potential for using vacant space in city centre as meanwhile spaces to support new and growing businesses and cultural/ creative activities;
- Delivery of the #Brand Swansea project, a pilot grass roots initiative to improve perceptions of Swansea and feed into development of a Swansea brand;
- Developing programme of work to promote local food and support local producers through the Swansea Food Partnership, to build on the increased use of local food producers/ suppliers in recent months;
- Continuing to support the tourism and cultural sectors by engaging with our customers and supporting businesses. Continuing to liaise with other departments to assist with the dissemination of grants across all sectors;
- Commissioning the preparation of new Regional Economic Delivery Plan for South West Wales, to complement the South West Wales Regional Economic Framework being produced by the Welsh Government;
- Commissioning of a new City Centre repurposing report due for completion in May 2021 which will outline some of the additional action the Council can take aligned with its recovery plan;
- The approval to construct a new city centre community hub allowing the council to relocate some of its front facing service such as contact centre and library together with complementary partner services with detailed design work now underway.

4.0 Economic Stimulus

- 4.1 The economic outlook is still uncertain, but as the Country moves out of level 4 restrictions it is crucial that the Council takes the lead on developing some short term interventions to aid the economic recovery and wellbeing of the city and its citizens.

4.2 As a result of effective financial management across the Council plus the ability to ensure that eligible monies via Covid hardship payments were accessed the Council has been able to build up a contingency at the end of the 20/21 financial year which can be attributed to the economic stimulus with the main themes outlined as follows:

- **Local Economy**
 - Provide grants to support local business with improvements
 - Commercial space place making improvements
 - Targeted transport initiatives
 - Targeted parking promotions
 - Transport infrastructure improvements

- **Well-being**
 - Investment in better sports facilities
 - Parks and play
 - Sea defence and promenade upgrade programme-including prom lighting scheme
 - More walking and cycling routes
 - Reward, recognition and support programme for key workers

- **Community**
 - Deliver additional community greening & improvement schemes
 - Establish rapid response flood team
 - Establish street cleaning and task force
 - Expand free public Wi-Fi in communities
 - Additional community safety improvements

- **People & Jobs**
 - Homeless support, housing support and poverty prevention
 - Apprenticeships & job opportunities
 - Create and retain over 10,000 Jobs
 - Support Employer relocation programme
 - Skills and talent programme

4.3 Appendix A outlines some of the key **year 1 measures for 21/22** with further actions being delegated in line with the recommendations.

4.4 In addition dialogue will continue to take place with all ward councillors to identify specific intervention measures that can take place that will positively impact of each locality.

5.0 Equality and Engagement Implications

5.1 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 victimization 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.

5.2 An Equality Impact Assessment (EIA) screening was completed when the initial report was approved by cabinet on the 21st March 2021 and an Integrated Impact Assessment (IIA) Screening has also been undertaken which indicates that the impact is generally positive and low to medium in impact. This is included in Appendix B.

5.3 The impact on protected groups will be considered as the proposals develop, in line with the IIA process as necessary as the action plan progresses.

6.0 Legal Implications

6.1 There are no legal implications arising from this report.

7.0 Financial Implications

7.1 The Council is due to publish its out-turn position for 20/21 in due course. However there is sufficient confidence with the provisional out-turn for the Section 151 officer to advise that a sum up to £20m can be determined to be set aside for the purposes of the recovery fund to cover the financial year 21/22 and 22/23. This enables the initial recovery actions set out in this report to be fully funded and instigated with immediate effect.

7.2 Any changes to the exact amount of this fund, and additional allocations from the overall envelope, would be confirmed when the out-turn report is presented to Cabinet in due course and action adjusted accordingly.

Background Papers: None

Appendices:

Appendix A - Swansea Economic Recovery Plan Summary

Appendix B - IIA