

COVID-19: Economic Recovery Plan for Spelthorne

Appendix 2 COVID-19: Economic Recovery Plan for Spelthorne

1. Introduction:

- 1.1 It should be noted that this document has been formulated based upon existing information and evidence available at the time of writing in September 2020.
- 1.2 This is a rolling 12-month Recovery Plan which will be subject to monthly reviews due to the quickly changing economic and social landscape brought about by covid-19 and the associated government responses. Great attention will also be paid to the emerging conditions in which the UK will leave the E.U after 31st December 2020.
- 1.3 Whilst this strategy will take precedence over the existing 5 years Economic Strategy, a number of existing actions have been included from that document and absorbed within the Recovery Plan.
- 1.4 Whilst the main activities in this document relate to the health of the local economy, there are inevitable crossovers with other services delivered by SBC and indeed with a number of Partner organisations. To reflect the shared interest the action plan has been developed to ensure a joined-up approach to dealing proactively with the challenges ahead.

2. Background

- 2.1 From midnight on the 23rd March 2020 the government required as many people as possible to stay at home wherever possible and to only make essential journeys. All non-essential businesses and workplaces were required to close, in addition to the earlier closure of schools and the leisure and hospitality sectors. Social distancing was introduced for everyone, and for the most vulnerable to the infection, a shielding programme was activated. These 'lockdown' measures were put in place until it was determined that the reproduction rate of the virus had fallen to a level to suppress the virus, save lives and protect the NHS.
- 2.2 As the UK moved to a position allowing pubs and restaurants to open and the 2-metre social-distancing rule relaxed, the economy is slowly and nervously returning in slow steps towards 'normality'. The Elmsleigh Centre has seen a drop in footfall of 46% at the peak (compared to 2019), this has slowly risen to a drop of 20% for the first week of September 2020. The Eat out to Help Out scheme was instrumental in driving customers to town centre; a further boost for retail in Staines-upon-Thames arrived in the shape of Lidl which opened on 25th June 2020.
- 2.3 There has also been the government intervention with the promotion of the option for businesses to furlough staff as an alternative to redundancy or indeed closure of the business. This has been a costly but necessary process with 9.6m people furloughed (August 2020) and has landed the government with an expected deficit of £300bn pounds in this financial year. But it has reduced the potential for high unemployment levels at this time.

COVID-19: Economic Recovery Plan for Spelthorne

- 2.4 A freedom of information request by the BBC¹ shows that in June / July employers were planning for 300,000 redundancies. Financial support for furloughing by the government comes to an end on 31st October 2020 and the greatest impact is likely to be felt during that month.
- 2.5 Should the borrowing continue because the economy does not bounce back, then there is likely to be a wave of tax rises to help repay the debt. This is likely to mean that people would have less money in their pocket and less to spend, which means less production of goods and services, so less tax collected and less jobs available, leaving the country in a precarious position.
- 2.6 An Oxford Economics report commissioned by Heathrow estimates that workplace-based employment reliant on Heathrow will fall by 21,300 jobs in 2020. Job losses will be concentrated in the transportation & storage sector, particularly in air transport activity.
- 2.7 The balance of evidence suggests that male, older, full-time, and less well-qualified workers are most vulnerable. However, job losses will not be confined to those matching these characteristics alone: many jobs that we expect to be lost in the distribution, hotels & catering sector will affect younger workers, and those more likely to work part time. Job losses in Spelthorne connected to Heathrow are expected to reach 1,500 in 2021 with a total of 16,000 job losses across Hillingdon, Hounslow, Spelthorne, Ealing, Slough and South Bucks.
- 2.8 5,800 of our residents are in employment related to Heathrow, this is 10.6% of the Spelthorne workforce. Heathrow is not expected to return to 2019 levels until 2023 at the earliest. It is estimated that about 45% of our residents working at Heathrow live in Stanwell and Ashford in the north of the borough, leaving them more exposed to the volatilities around the aviation industry. This strongly suggests that there should be a focus on activities to support residents in the north of the borough. Any recovery in this sector is likely to take years rather than months unless there is a significant change in circumstances, such as a vaccine or cure for COVID-19.
- 2.9 The most prevalent industry in Spelthorne is transportation with double the amount of businesses situated in the borough compared to the next highest density in Surrey boroughs, so cargo and logistics are an important employer. In the latest available figures provided by the National Online Manpower Information System (NOMIS) (2018), there were 4,000 jobs in Spelthorne connected with this industry type. Given that these businesses are often closely tied to the fortunes of Heathrow airport, it is likely that there will be a significant loss of jobs within this sector. It is worth noting that in both Hillingdon and Hounslow, they have the largest number of businesses in this sector compared to the other boroughs in London and the whole of the south east. This provides for a very high level of supply where the demand is very weak. It has also been reported that trading conditions have been extremely challenging and have seen other businesses squeezing margins by reducing prices in order to obtain some of the limited demand for this service.

¹ <https://www.bbc.co.uk/news/business-54058559>

COVID-19: Economic Recovery Plan for Spelthorne

2.10 On 21st May 2020 one of the transport and logistics companies based in Spelthorne reported a loss of 85% of their ground handling business within a few weeks with only a few flights running and pretty much 70% of the cargo. Therefore, by 1st April 2020 they furloughed 1200 staff in the UK, of which 55% was in Spelthorne. They also consolidated their business from 7 warehouses to 3 at London Heathrow and closed a warehouse in London Gatwick.

3. BP

3.1 Has announced around 2,000 redundancies in the UK with 15% or 300 job losses taking place by the end of the year. These are expected to mainly affect office jobs, so Sunbury could take a significant hit. The number of employees that are resident in Spelthorne is not known, but the majority are expected to be the lower paid jobs such as cleaning and catering.

4. Level of furloughing across Surrey Districts and Boroughs

4.1 Research carried out by Arup using data from the Wave 4 of the Office of National Statistics (ONS) Business Impact of Coronavirus Survey (20th April-3rd May 2020) which included sector-by-sector breakdown of the proportion of the workforce that has been furloughed. This does not include data from the businesses that have stopped trading. This has then been multiplied by the % of jobs in each sector within each Borough to estimate the overall proportion of the workforce which has been furloughed. It is worth noting that our near neighbours in Feltham have an estimated furlough rate of almost 38% with 23,500 residents. The total for Hounslow is estimated at 42,500; these figures are important as they will also be competing for jobs that would be attractive to Spelthorne residents.

Spelthorne	27%
Woking	26%
Elmbridge	26%
Tandridge	26%
Surrey Heath	25%
Waverley	24%
Runnymede	23%
Guildford	23%
Epsom and Ewell	23%
Mole Valley	23%
Reigate and Banstead	21%

The working population of the borough is 57,700 according to NOMIS and with predicted 27% furloughing by Arup, that means 15,500 residents are not working and on a reduced income.

5. Actions taken to date:

5.1 Worked with the Department of Work and Pensions (DWP) via Job Centre Plus as well as other organisations and businesses to put on the Borough's first virtual Job Fair which took place on 14th July.

COVID-19: Economic Recovery Plan for Spelthorne

- 5.2 Set up a Jobs & Recovery Task Group consisting of DWP, A2D, Brooklands College, Officers from Runnymede and Elmbridge Councils. Meetings are arranged on a monthly basis with the first one occurring in July and August.
- 5.3 Grants provided by the government have been allocated to 1,175 businesses across the Borough. 199 have received £25,000; 806 have received £10,000 and 169 have received the discretionary grant of between £7,500 and £1,000. This gives a total allocation of £13,741,500. Plus £16,800,000 has been given through the expanded rate relief (business rates holiday).
- 5.4 The Council website has been constantly updated with help support and guidance to signpost businesses to access funding / grant opportunities as well as other help and support; further communications have also taken place through the various social media mediums at the disposal of the council.
- 5.5 In partnership with Staines Rotary the Council have been putting on a series of virtual events (via Zoom) to help businesses to recover from the covid-19 crisis. These events are designed to provide advice and support for small businesses in relation to a variety of topics from finance to HR. This involves businesses, consultants, professionals, accountants, coaches, to create an 'active ecosystem' with an initial period between July and December 2020.
- 5.6 £93,000 has been made available from the government to Spelthorne to support social distancing measures and make our towns safe for opening. Some of the money has been spent on the provision of mobile hand washing facilities situated in the High Street, Staines, as well as posters for shops to put in their windows, and an information video has been commissioned which can be shown on the council website as well as the new digital screens in the shopping centres.
- 5.7 A successful bid to Enterprise M3 Local Enterprise Partnership (LEP) resulted in a match-funded award of £42,000 which will enable a digital information screen (5m x 3m) to be installed in the Elmsleigh Centre to remind shoppers in relation to their responsibilities regarding social distancing and personal safety, they will also be used to advertise jobs as they become available. A similar digital information screen will also be installed in the Two Rivers shopping centre. 9 new covered cycle racks will be installed within the borough to encourage and support the take up of cycling. A live webcam for Staines High Street is also on order so people coming to the town can see how busy it is. Finally, there are 34 shops in Staines town centre are that are not accessible to wheelchairs, so ramps will be purchased with these funds and allocated to these premises to make the town more hospitable to those who need wheelchair assistance. Spelthorne was at this time the only council in Surrey to be successful in the application for EM3 funding.

6. ACTION PLAN

6.1 Actions: Businesses

Ref	Action	Implementation
1.	Retailers struggling in an environment that has reduced	a. We will appoint a Town Centre Manager (TCM) for an 18-month period to support Ashford, Shepperton and Sunbury. Staines-upon-

COVID-19: Economic Recovery Plan for Spelthorne

	<p>footfall and the spend as a result of COVID-19</p>	<p>Thames already has a Business Improvement District (BID) Manager.</p> <ul style="list-style-type: none"> b. Through the TCM we will explore the possibility of creating a BID between Ashford, Shepperton and Sunbury. c. We will provide training for retailers with regards to digital skills to encourage businesses to diversify their customer base from just physical to also include an on-line presence. d. Each of the 3 towns will have a dedicated business forum set up which will give them a clear voice to air their concerns and needs and build a real business community. e. An Action Plan for each of the towns will be agreed with local retailers. <p>Timescale:</p> <ul style="list-style-type: none"> a) October 2020 b) During 2021 c) During 2021 d) During 2021 e) By March 2021 <p>Lead: TCM / EDM</p>
<p>2.</p>	<p>Support and promote local businesses</p>	<ul style="list-style-type: none"> a. We will work with relevant Partner organisations such as Surrey Chambers of Commerce and Federation of Small Businesses to promote opportunities for local businesses <p>Timescale:</p> <ul style="list-style-type: none"> a) For the life of the plan

COVID-19: Economic Recovery Plan for Spelthorne

<p>3.</p>	<p>Support for new and fledging businesses / entrepreneurs</p>	<ul style="list-style-type: none"> a. We will open a business incubator within the Borough during the 2020 -21 financial year. This will provide support for fledging entrepreneurs which will lead to the creation of new jobs in the future. b. Additionally, support will be provided for businesses through virtual / physical events via the Incubator that are dedicated to particular subject areas such as funding streams, on-line web presence or starting a business. c. We will introduce a new networking event for computer programmers and high-tech businesses similar to the Tedx programme https://www.ted.com/about/programs-initiatives/tedx-program. These will be held once every 2 or 3 months. d. We will explore the possibilities of opening pop-up-shops to give opportunities to budding entrepreneurs to test the market with their goods and services. Consideration will also be given to pop-up-shops to help provide training or information services to our residents. <ul style="list-style-type: none"> a. By end of February 2021 b. By April 2021 c. By April 2021 d. Life of the Plan <p>Lead: SEDO / EDM</p>
<p>4.</p>	<p>Ensure the plan is targeted and clearly focused on delivering what is needed where it is most needed</p>	<ul style="list-style-type: none"> a. Once the TCM has been appointed, we will conduct a business survey to help inform and develop the Recovery Plan. This will be in addition to surveying other business across the Borough. We will also work closely to the Staines Business Improvement District to help inform the plan. <p>Timescale</p> <ul style="list-style-type: none"> a) By January 2021 <p>Lead: TCM</p>

ⁱ <https://www.aircargonews.net/services/ground-handler/swissport-set-to-halve-uk-workforce/>

COVID-19: Economic Recovery Plan for Spelthorne

Actions: Businesses

Ref	Action	Implementation
5.	Promoting our Businesses and celebrating success	<p>a. We will deliver the annual Spelthorne Business Awards to showcase and highlight the best businesses within the Borough. This event will also help lift some of the gloom in these challenging times.</p> <p>b. We will work closely with the Spelthorne Business Forum (SBF) to provide training events, networking opportunities and further develop a member's business directory to promote goods and services available locally.</p> <p>c. Work closely with the MPs office deliver the Spelthorne Business Plan Competition</p> <p>Timescale:</p> <p>a) March 2021 b) Life of the Plan c) July 2021</p> <p>Lead: EDM / SEDO</p>
6.	Supporting our Businesses by exploiting all opportunities to access funding and business support	<p>a. We will work closely with EM3 LEP https://www.enterprisem3growthhub.co.uk/ for high growth potential businesses as well as new-start businesses. Additionally, opportunities for grants and support will be closely monitored and made as soon as they available to our businesses when launched.</p> <p>b. We will ensure that the Council website is updated with the latest support and information available and make best use of social media to alert businesses to opportunities as they become available.</p> <p>Timescale</p> <p>a) Life of the Plan b) Life of the Plan Lead: EDO</p>

COVID-19: Economic Recovery Plan for Spelthorne

7.	'Local First' option when procuring goods and services	<p>a) Develop a renewed emphasis on local procurement by the Council with greater emphasis on 'Local First' before purchases (subject to legal / policy constraints, which themselves could be reviewed). Using a baseline, set a target for the council for the period of the Corporate Plan, with reviews on the level of local procurement taking place annually as reported to the Management Team.</p> <p>b) Hold an event physically or virtually where the Council staff from various departments could make short presentations on subjects within their area to Spelthorne businesses. Workshops would include procurement with a 'Fit to Bid Workshop', planning, environmental health, economic development and any others that may be pertinent.</p> <p>Timescale a) By April 2021 b) By April 2021</p> <p>Lead: EDM</p>
8.	Supporting a greener environment	<p>a) Promote and enable take-up of the Green Homes Grant scheme across Spelthorne, working with existing local schemes where possible and capitalising on the opportunities for business growth, job creation and skills development to complement the environmental benefits.</p> <p>b) Support delivery of the Public Sector Decarbonisation scheme, encouraging take-up across the wider public sector in Spelthorne.</p> <p>c) Work with further education providers to encourage investment in green skills.</p> <p>d) Lead by example by making our procurement policies more favourable to low carbon suppliers.</p> <p>Timescale a) Ongoing b) Ongoing c) Ongoing d) TBC</p> <p>Lead: EDM / Sus</p>

COVID-19: Economic Recovery Plan for Spelthorne

6.2 Actions: People

Ref	Action	Implementation
1.A	Kickstart Scheme to support young people in work	<p>a. DWP are expanding the Youth Offer to support 18 to 24-year olds, this will include a 13-week programme.</p> <p>b. We will work closely with partner organisations to explore opportunities for our young people to benefit from this scheme and similar opportunities</p> <p>Timescale</p> <p>a) Whilst the funding is available</p> <p>b) Life of the plan</p> <p>Lead: EDO</p>
2.A	Access to Jobs	<p>a. Working with EM3 to promote 'Job Fuse' as a means of brokering new job opportunities with those made redundant. https://www.enterprisem3growthhub.co.uk/training</p> <p>b. We will work closely with partner organisations to explore opportunities for our residents to benefit from this scheme.</p> <p>c. Discussions are currently ongoing to facilitate the redevelopment of the Bretts site at Littleton Lane for a small industrial/business park which would create more jobs.</p> <p>Timescale</p> <p>a) The lifetime of the scheme</p> <p>b) Life of this plan</p> <p>c) Lifetime of the Plan</p> <p>Lead: EDM</p>

COVID-19: Economic Recovery Plan for Spelthorne

3.A	Support for Stanwell	<p>£150 million from the government to boost the Flexible Support Fund across the country</p> <ul style="list-style-type: none"> a. Working with Partner organisations we will utilise a rapid response service via DWP to provide support in areas of the Borough where jobs losses have been the greatest. b. This will be a standing item on the Jobs and Recovery Group c. We will develop with others including the Jobs and Recovery Group a bespoke socio-economic plan for Stanwell. <p>Timescale</p> <ul style="list-style-type: none"> a) Life of the Plan b) Life of the Plan c) November 2020 <p>Lead: EDM</p>
4.A	Support home working and the high-tech sector	<ul style="list-style-type: none"> a. Working with Openreach, continue to improve broadband speed and availability across Spelthorne, ensuring that new housing and employment developments have access to gigabit capable broadband whilst also considering how we maximise the benefits of improved digital connectivity, including the use of 5G and other emerging technologies. <p>Fibre to the premises (FTTP) has commenced in Sunbury, need to push for other areas of the Borough.</p> <p>Timescale</p> <ul style="list-style-type: none"> a) Life of the Plan <p>Lead: EDM</p>

Actions: People

Ref	Action	Implementation
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COVID-19: Economic Recovery Plan for Spelthorne

5.A	Promote the availability of jobs	<p>a. A virtual Jobs Fair took place on 14th July 2020, these will continue to be delivered in partnership with Job Centre Plus (JCP) and A2D.</p> <p>Timescale a) Life of the Plan or until physical events can be delivered</p> <p>Lead: EDO</p>
6.A	Collaborative working with shared resources to enable best results	<p>Jobs & Recovery Group</p> <p>a. A Group has been set up including DWP, SBC, Brooklands College, A2D, Runnymede & Elmbridge Council ED Officers to work collectively to establish areas of collaboration and making the best use of shared resources as well as sharing real-time intelligence and information regarding the impact of the epidemic. The group will meet every 6 weeks</p> <p>b. Heathrow Local Recovery Forum Participate in this multi-agency group and access any opportunities for the benefit of Spelthorne.</p> <p>Timescale a) Life of the Plan b) Life of the Plan</p> <p>Lead: EDM</p>
7.A	Skills / Training	<p>a. Work with Brooklands college and other education / skill providers to help ensure local skills needs are met so that the local workforce is better equipped to take up employment opportunities.</p> <p>Timescale a) Life of the Plan</p> <p>Lead: SEDO</p>

COVID-19: Economic Recovery Plan for Spelthorne

8.A	Making greater use of the Apprenticeship Levy	<p>a. Working with businesses that pay the apprenticeship levy to gift up to 25% of their allocation to non-levy paying businesses to upskill their staff and create a more resilient and skilled workforce.</p> <p>b. Maximising the benefits of the apprenticeship levy by encouraging a greater number of higher-level apprenticeship opportunities within the Borough</p> <p>Timescale</p> <p>a) Indefinitely</p> <p>b) Indefinitely</p>
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7. Financial Implications

7.1 Town Centre Manager

This was agreed at Mat in August 2020 with the agreed costs for a full-time post servicing 3 towns with an 18 months contract. The £30k equates to £5k each year for each town over 2 years. Should further funding be required this will be via the Business Retention Fund

Salary over 2 years	Budget over 2 years	Accommodation over 2 years	Total
£87,000	£30,000	£12,000	£129,000

7.2 Incubator

MAT agreed £150k from the Business Retention Fund over 5 years; a further £20k a year over 5 years has also been committed by Shepperton Studios. This will be delivered with a Partner with an invitation to quote ITQ currently out to tender and a decision to be made around 16th October 2020. It is expected that the income generated from this project should keep it self-sufficient without a need to apply for further circumstances based upon current information and circumstances.

7.3 Potential projects

Discussions are ongoing in relation to the potential to make available a unit in the Elmsleigh Centre as a pop-up-shop. Cost unknown until a unit is confirmed
 Digital skills training for the High Street independent retailers **£6k**
 Subsidy for membership of the Federation of Small Businesses for 100 businesses **£5k**

7.4 A number of related activities will be funded through existing Economic Development budgets and treated as business as usual.

7.5 The total amount of funding to deliver the above is **£290k** (plus the £100k from Shepperton Studios). This funding does not require a growth bid, but will come from the ring-fenced Business Rates Retention Fund dedicated to economic development as agreed with government.