



Economic Recovery Framework

Report to:	EPH
Meeting date:	03/09/2020
Ward(s):	All
Key Decision:	Yes
Appendix 1:	Economic impact and BDBC economic response
Appendix 2:	
Appendix 3:	
Papers relied on:	

Foreword – Cllr Ken Rhatigan, Leader of the Council

There is no doubt that the economic impact of COVID-19 will be substantial. There will be changes ahead on residents, businesses and ourselves as a council. However, establishing a clear economic recovery pathway will be critical in ensuring that the negative impact is limited and that we make the most of the opportunities this period presents to us. Changes in consumer and business behaviour could represent new chances for success for Basingstoke – be that in promoting local goods and services or through securing greater investment for our area with organisations moving out of London and the surrounding areas. Therefore this framework is not just about preserving and protecting what we have but also focusing on how we continue to deliver on our growth mindset in a revised economic context.

The framework and approach outlined in this report offers an opportunity for the council to be bold in our delivery of recovery, embedding a pre-emptive approach to growth, ensuring that we are proactive in saying yes to activities that deliver a growth benefit. It is not just about mitigation against negative impact but focusing on seizing the opportunities that a new cycle in our economy can present. The response to COVID-19 can act as a catalyst for significant new projects being delivered in the borough.

Adopting a recovery framework and setting out the delivery and governance of the actions outlined in this report is an important first step in the next phase of dealing with the fallout of COVID-19. We have been extremely successful in our approach to the initial crisis and now is the time to establish our approach to the longer-term economic concerns.

It is recommended that:

- **EPH comments and advises on the strategic approach and emerging priorities outlined in this report**

Background

The COVID-19 pandemic is primarily a public health crisis which has led to unprecedented changes in the way people go about their daily lives, interact with others and look to the future. However, it is also having a deep impact on the global, national and local economy, leading to a rise in unemployment, a sharp reduction in business income, a decline in business and consumer confidence, disruption to supply chains and a fall in investment and availability of capital.

When the COVID-19 pandemic hit the UK earlier this year, the council had to adapt and respond quickly to this emergency and its impact on residents and businesses. The council's role was to maintain essential services, to support vulnerable residents and to channel government support to assist businesses and protect jobs. The council delivered this extremely successfully and can take confidence in our ability to act as an effective conduit for Government policy and intervention.

The economy has now begun to restart, albeit in a gradual manner. Social distancing and other safety measures are still in place and will remain so until a vaccine is available. People and businesses therefore need to adapt to a new normal and operate in an uncertain environment where levels of economic output will take time to go back to pre-COVID-19 levels. Forecasts show that the national economic output is expected to decline by between 9.5% and 13% in 2020 and that we are set to enter into a period of recession. It is still difficult to predict how deep and long-lasting this recession will be, particularly with the potential of a second outbreak in the autumn or later.

Beyond the economic impact, the pandemic has also led to changes in lifestyle and working habits such as an exponential rise in homeworking, a sharp decrease in commuting, a renewed interest in local experiences and an increase in walking and cycling. It remains unknown as to whether some of these changes will remain as a legacy of COVID-19 or whether they are temporary.

As we move from emergency response to restarting the economy, the council and its partners, including Enterprise M3 LEP and Hampshire County Council, need to put in place a longer-term framework that will support economic recovery and bring back growth in the borough. We will also need to consider the potential impacts of Brexit on the economy and support our businesses with adapting to a new trading relationship with the European Union.

The approach cuts across all council plan priorities but most particularly 'Planning for the Future' with a strong focus on jobs and business growth. The framework is based on a partnership model as the priorities we set out will need to be owned, delivered and supported by a wide range of organisations from across Basingstoke and Deane and the wider region.

1 Executive summary

- 1.1 When the COVID-19 pandemic hit the UK, the council had to adapt and respond quickly to this emergency and its impact on residents and businesses. Throughout the COVID-19 pandemic, the council's role has been to maintain essential services, to support vulnerable residents and to channel Government support to support businesses and protect jobs.
- 1.2 This report and appendix summarises the work carried out to date to support the emergency economic response to the COVID-19 pandemic.
- 1.3 As lockdown is gradually lifted and the economy restarts, we will need to gain a deep understanding of the actual economic and social impact of COVID-19 on the borough to help shape longer-term economic recovery plans.
- 1.4 The pandemic is having a significant impact on society and the economy and it is expected that the UK will undergo a period of recession. It is not clear at this stage how deep and long lasting this recession will be and its actual impact on the local economy. Unemployment levels are rising and some businesses are struggling to keep afloat.
- 1.5 As lockdown is gradually being lifted and the economy restarts, the council and its partners need to put in place measures and plans to help the local economy recover from the impact of the pandemic and support a return to growth.
- 1.6 This report outlines a framework and approach to economic recovery and identifies some key priority areas including jobs and skills, supporting innovation and entrepreneurship, maximising the economic opportunities of key developments and clean growth.
- 1.7 As the impact of COVID-19 on the local economy is better understood over the next few months, specific actions and interventions will be implemented to support our residents and businesses and wider economic recovery.

Main considerations

2 Economic impact so far

- 2.1 The economic impact of COVID-19, in particular due to the requirements for many businesses to shut down for an extended period of time, has been felt by a number of sectors across the borough. Whilst Basingstoke and Deane is fortunate to have a diverse sector base and thus is not reliant on a single industry for employment opportunities or economic growth, the borough has not gone unscathed. The impact felt so far can largely be seen in terms of the effects on people and on businesses.

People

- 2.2 One of the clearest indicators of economic impact on people directly is the unemployment rate. Between February and July 2020, the unemployment rate for 16-64 year olds has increased from 1.7% to 4.3%. This is in line with the Hampshire rate but below the South East (5.3%) and UK (6.5%) rates. A full analysis of the impact on employment is included in Appendix A.

Business

- 2.3 The long-term impacts on businesses within the borough is difficult to determine at this stage. Consumer confidence, willingness of staff to return to the office as a place of work, impacts on smaller support businesses when major companies are struggling, the availability of products through global supply chains – all of these and more are factors to consider in terms of the potential impacts on local businesses. Whilst high profile casualties will be reported on, the significant, but unreported, impact on the ecosystem that surrounds them can potentially be felt by hundreds of businesses and therefore potentially thousands of their workers. An analysis of what we already know about the local impact is included in Appendix A.

3 The council's emergency economic response

- 3.1 When the COVID-19 pandemic hit the UK, the initial focus was to provide emergency support to local businesses through administering the government measures that fell under the responsibility of local authorities and to provide regular communication updates to the local business community to ensure they had access to the relevant support. This has included providing over £53m in financial support through grants and rate relief. A full breakdown of the financial and non-financial support provided by the council is available in Appendix A.
- 3.2 It is our expectation that unless there is a second wave that causes a further national lockdown, it is unlikely that further unconditional direct funding for businesses through grants and reliefs will be offered by the government. However, it should be expected that support through loans and grants for specific projects and purposes will continue, such as for major infrastructure projects, regeneration of high streets or support for technological innovation amongst small businesses. We will continue to ensure our businesses are maximising the opportunities this funding provides.
- 3.3 The economic response by the council so far has focused on delivering the funding channelled through local authorities by government in an attempt to steer us away from a potential immediate economic crisis. However, now we are past the initial phase and with some of the impacts starting to become clearer, it is the time to consider what steps we need to take, along with our partners and the business community, to kick-start economic recovery.

The proposal

4 Towards economic recovery

- 4.1 In March 2019, the council adopted an Economic Growth Strategy 2018 – 2033. This 15 year plan set out the key priorities the council and its partners

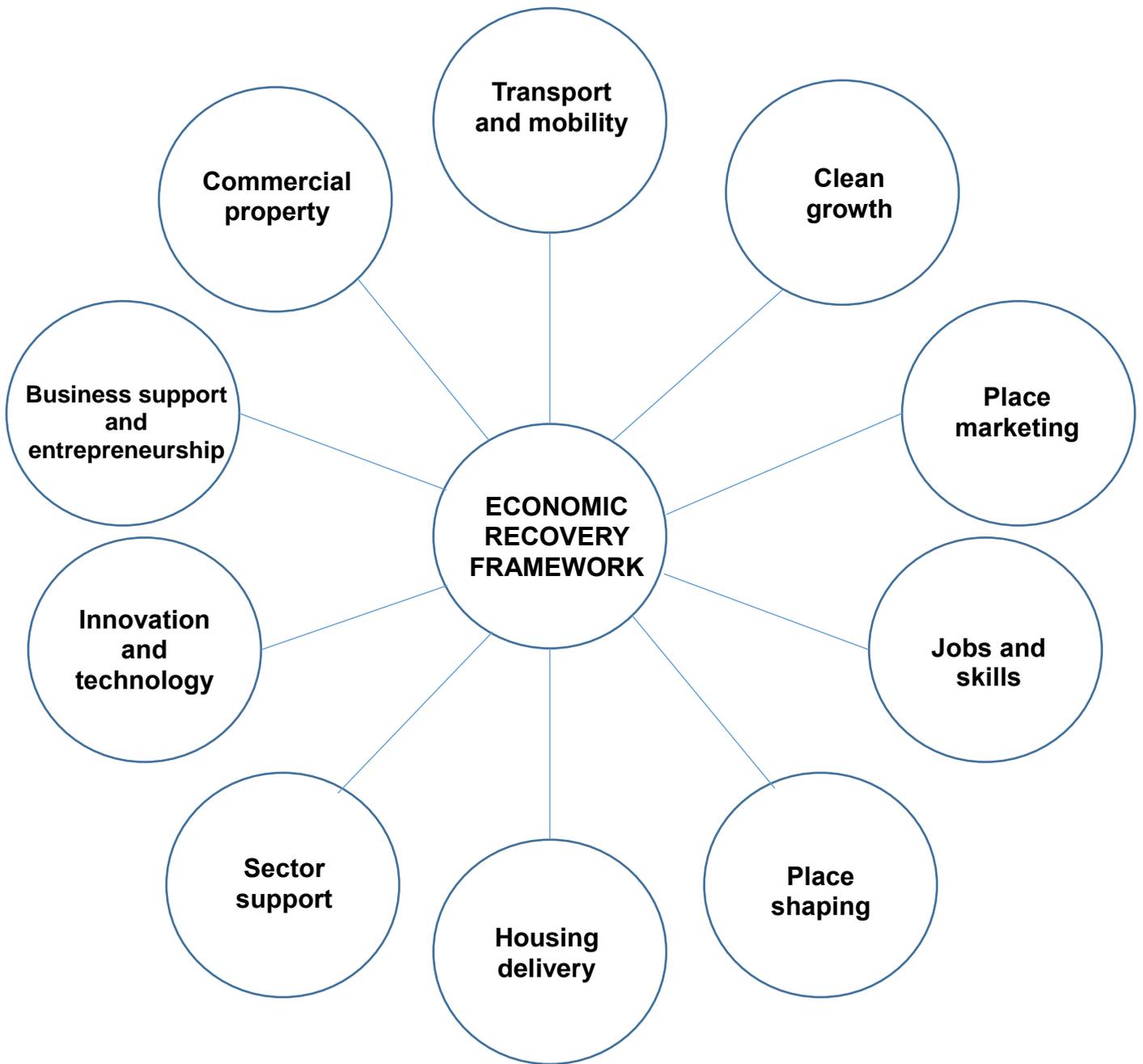
will need to focus on to ensure that the borough remains an attractive place for business and that existing and future residents can participate actively in the local economy and realise their potential. It aims to achieve sustainable and inclusive growth and improve productivity and its focus was on both people and place.

4.2 Although the strategy was developed when the borough was experiencing a period of growth, its objectives remain very relevant to today's economic climate and the strategy provides a strong foundation upon which to build our framework for economic recovery in response to COVID-19. The strategy identified the following key priorities:

- Inclusive and clean growth: ensure all our residents enjoy the benefits of economic prosperity and that, whenever possible, we limit the impact of growth on the environment.
- Growing our talent: ensure our borough has a suitably qualified workforce, raise aspirations and improve employability and qualification levels to support and service economic growth
- Supporting our entrepreneurs: enable and facilitate the creation of a thriving enterprise ecosystem to make the borough an excellent place to start and grow a business
- Supporting our sectors: develop a sector-based approach to foster growth of priority and important sectors and the creation of high value jobs
- Embracing technology: seize the opportunities of a digital age to foster innovation and technological development
- Supporting our rural economy: promote economic diversification while preserving the unique character of rural Basingstoke and Deane
- Promoting the borough: showcase the borough's key strengths and assets to attract inward investment, talent and new residents
- Enhancing quality of life: maximise the opportunities of culture, leisure and heritage and strengthen our town centre to create a sense of place where people want to live and work, and where businesses want to locate and invest

Economic recovery framework

4.3 Building on the growth strategy, the council, alongside a range of partner organisations and businesses will need to focus its efforts on supporting economic recovery in the short-term and planning for growth in the longer-term. To this end, a framework outlining key priorities and areas of focus has been developed. At this stage, this is not a detailed recovery plan but more a road map to help us shape interventions as we get a clearer picture of the actual impact of the pandemic and the shape of the recovery.



4.4 Clean growth

- 4.4.1 Clean growth is a way to achieve economic growth, using clean technology, and allowing sustainable development. The aim is to increase the standard of living with a reduced environmental impact. Clean growth can be a key opportunity and reflects the Horizon 2050 vision where our residents have told us that they want our environment to be protected and our borough to be more energy, waste, water and resource efficient. Any growth will also need to reflect the ambitions and targets of the council's Climate Change and Air Quality Strategy, likely to be consulted on in autumn 2020.
- 4.4.2 COVID-19 has put a sharp focus on what can be achieved in terms of reducing carbon emissions in a short period of time. Reductions in commuting, remote working practices, people opting to shop local; all of these and more have had a dramatic impact on carbon emissions. The challenge now is to make that sustainable where desired, including through opportunities to grow our low carbon economy and engage our entrepreneurs in creating new energy, transport or resource management solutions. If growth is to be delivered, it will need to adhere to the principles of 'Building Back Better' and to conform to our residents' expectations of a sustainable future.
- 4.4.3 Clean growth also has the potential to support job creation particularly in the construction and energy sectors through a move to more energy efficiency and sustainable construction methods. Other opportunities will also arise in the automotive sector, both infrastructure and maintenance, and the wider technology and digital sector.
- 4.4.4 Clean growth and low carbon cut across all the priorities and areas of focus outlined in this recovery framework.

4.5 Jobs and skills

- 4.5.1 As set out earlier, COVID-19 is already having a significant impact on unemployment levels, well above the impact felt through other financial crashes in the past 25 years. In some ways, having a wider pool of talent available will be of benefit for local businesses and it might allow them to recruit people already work-ready in terms of skills and experience. It is also yet to be determined how much of an impact the pandemic will have on people's willingness to travel to work and, as such, we may see an increase in local residents working closer to home rather than their skills being exported to neighbouring boroughs or into London.
- 4.5.2 However, we have to also be realistic that there is a danger that substantial further increases in unemployment are likely, particularly when support through the Coronavirus Job Retention Scheme is withdrawn. This is likely to have a disproportionate impact on 18-24 year olds and those in the 50+ age category. We will need to work with partners to ensure that there is no legacy of a 'forgotten' generation of workers who are unable to access the labour market or who move into work that underutilises their skills and expertise.

- 4.5.3 As well as employability support, we will need to build on recent success that has seen the proportion of residents qualified at level 4 rise to 44%, above the UK (40.3%) and South East (43.4%) averages. There is very limited provision of higher education which limits the opportunities for young people to stay in the borough to continue with their studies. This lack of provision also prevents those in the workforce wishing to upskill to have access to courses at local level. There are, however, opportunities to meet local demand for higher level skills by building the capacity of the existing workforce given the higher than average proportion of residents qualified at level 3 (A level equivalent). Employers identify that doing so not only increases productivity and business competitiveness, but leads to improved retention of employees with the attitudes and attributes of value to their companies through better career progression and employment in higher value jobs.
- 4.5.4 Education, training providers and businesses will have a critical role in ensuring that residents have access to the relevant learning and training opportunities that will enable them to progress in their careers. Local higher education provision will be key to achieve this goal.

Next 12 months focus:

- Work with DWP and other partners to develop a Basingstoke and Deane Youth Hub to provide somewhere young people can access a range of services from one central place. The hub will bring together partners providing services across housing, health and wellbeing, careers information, advice and guidance, education and training, jobs and employment and entrepreneurialism
- Work with Hampshire County Council to increase local businesses' take up of the apprenticeship levy and the levy transfer scheme, now worth over £2m by 2022
- Support businesses to access the government's 'Kickstart' programme for 18-25 year olds and work with local providers to develop 'add-on' services that enable workers to leave the six month job placements with a qualification
- Support residents to access the labour market through comprehensive employment support programmes, working alongside Jobcentre, M3 Job Club, the Enterprise M3 Job Fuse programme and other partners. This will need to include development of appropriate services for professionals who have never need to engage with this support before and might need to be delivered in both remote and physical spaces that haven't been used for this purpose before
- Utilise opportunities through Employment and Skills Plans for major developments, including Manydown and the potential development at Oakdown Farm, to create job opportunities, work experience, apprenticeships and qualifications for local residents
- Work with the Career and Enterprise Company and the Basingstoke Consortium to improve careers advice and guidance so that young people and teachers have a better awareness of opportunities and progression routes with the delivery of careers advice recommendations

- Simplify the available information for businesses and communicate key developments to them so they can navigate the skills landscape to access the support they require
- Continue to pursue the opportunity for an Apprenticeship and Skills Hub for North Hampshire, currently at ESF evaluation stage

4.6 **Business support and entrepreneurship**

- 4.6.1 It is anticipated that COVID-19 will drive even more people to consider starting their own business. This might be due to a pause from their existing work allowing them to pursue an interest or passion or it might be driven by need, such as redundancy or prolonged unemployment. Whatever the cause, we will want to provide consistent and sustained enterprise and business support locally.
- 4.6.2 There are a number of challenges that still remain, such as access to finance, navigation of business support programmes and services and a lack of start-up space to help businesses incubate and accelerate. We should also look to challenge the concept that entrepreneurship may not be perceived as a viable career route and work with schools and colleges to offer greater opportunities for their students understand what being an entrepreneur can involve.
- 4.6.3 There will also be a need to provide existing businesses with tailored and targeted support as they trade again and start to recover. Key areas of support include debt recovery and management, financial planning, change management, business planning, HR, legal and resilience building.

Next 12 months focus:

- Improve the availability, quality and sustainability of business support by promoting the use of the IncuHive enterprise hub and explore the possibilities of expanding IncuHive's services into a more suitable long-term property
- Promote enterprise education in schools and colleges by supporting programmes such as Young Enterprise
- Maximise the opportunities offered by Root21, DeskLodge and the 5G Living Lab to create a thriving digital tech hub
- Support the establishment of business incubation and acceleration programmes
- Explore the use of our community assets, such as community centres, to deliver a wider range of services, including space for start-ups
- Facilitate connections between start-ups and established businesses to foster corporate innovation and enhance the local supply chain

4.7 **Sector support**

- 4.7.1 The borough has a diverse business base with jobs distributed over a range of sectors. This in itself is a strength and will play an important part in ensuring

that we are not disproportionately affected by the impact of COVID-19 on a single industry or sector.

- 4.7.2 Priority sectors are those in which the borough has a competitive advantage and offer the potential for future high value-added growth. The priority sectors are: ICT and digital; professional, business and financial services; chemicals and pharmaceuticals; and advanced manufacturing. Between them in 2018, these sectors represented 4,210 businesses and employed 27,895 people. We are fortunate that, so far, these sectors have largely been able to adapt and develop through the pandemic and indeed some are at the forefront of combating the impacts, be that through the manufacturing of parts for ventilators, development work on testing kits or by providing digital support to enable other businesses to facilitate online sales.
- 4.7.3 However, our important sectors, those that relate to the functioning of the economy by delivering valuable services and providing a major contribution to the current GVA and employment opportunities in the area, have been severely impacted. The important sectors are construction, health and care services, wholesale, and retail and leisure. Between them in 2018, these sectors represented 1,869 businesses and employed 33,500 people but they are also amongst the sectors (health and care services apart) which have seen the some of the highest levels of furloughing and are expected to see high levels of redundancies.
- 4.7.4 The recovery phase offers an opportunity for us to mitigate against some of the potential impacts and foster greater collaboration amongst our sectors. In the peak of the pandemic, global supply chains were interrupted, forcing local businesses to consider businesses based in Chineham rather than China to provide the goods or services they needed. We want this to continue as it is good for local businesses and good for the environment with less travel required. Clearly businesses will still need to access national and international markets for goods and services but there is a chance to instil a 'Buy Basingstoke' ethos into the business-to-business market as well as in the business-to-consumer market.

Next 12 months focus:

- Engage with businesses from priority and important sectors and set up sector-specific forums to better understand needs and challenges
- Develop sector-based plans that will address the specific needs of each priority and important sector
- Foster collaboration between these sectors and education and training providers so that skills needs are fulfilled
- Develop an overarching sector support framework that will encompass new market opportunities, access to capital (skills and finance), research development and innovation, enterprise development and access to land and premises
- Explore the development of a 'Buy Basingstoke' B2B portal for businesses to provide other local businesses with the opportunity to provide services or goods for them

4.8 **Technology and innovation**

4.8.1 The pace of technological change means that every day jobs that previously did not exist are being created. Automation, artificial intelligence and the Internet of Things are opening up new possibilities that will change the way we work and live in the future. There is the possibility that COVID-19 will be the catalyst for an increased pace of change as there will be greater demands for automation to improve worker safety and we might see further technological advances to make working from home a sustainable change for lots of people. It will also be important to support more traditional businesses making a greater shift to digital.

Next 12 months focus:

- Develop an e-commerce platform to enable local businesses to make use of new technology to deliver online sales
- Maximise the opportunities offered by 5G through the creation of a 5G cluster and accelerator to support the commercialisation of 5G applications
- Continue to work with Openreach on the delivery of Full Fibre to the Premises
- Increase awareness of digital tech job opportunities and develop digital tech skills in education through initiatives such as TeenTech, coding clubs and youth hackathons

4.9 Commercial property and housing

4.9.1 The COVID-19 crisis is creating uncertainty and, whilst it is too early to predict definitive changes in the commercial property market and levels and types of requirements, the pandemic has highlighted two distinct trends.

4.9.2 The fear of travel by public transport and the shift to homeworking by many businesses is affecting work patterns, traffic patterns and to some extent demand for accommodation. It is predicted that homeworking will become a permanent feature for certain parts of the economy with workers being in the office two to three days a week. It is likely this lead to offices being used differently and may create additional demand for meeting spaces. It may also create the need for more co-working and flexible working spaces.

4.9.3 It is also envisaged that the demand for central London offices will reduce as some larger businesses move to a 'Hub and Spoke' model, combining a smaller central London HQ with increased office space outside of the capital to enable staff to work closer to home and reduce commuting. Basingstoke could be one of many areas in the region that stand to benefit from this property strategy change and Basing View is seen as a key opportunity to accommodate this demand. However, one of the challenges for Basingstoke will be to have readily available high-quality office space for businesses to move into and accelerated investment in grade A office space will be required.

4.9.4 The council also periodically reviews its property strategy to continue to maximise income. As part of this ongoing review the council has appointed property advisors JLL who will commence work in August 2020. One of their first tasks is to review the council's portfolio and advise the council of areas of revenue growth and emerging trends so we can target those areas of the economy and adapt our approaches to maximise opportunity and minimise

voids. JLL's brief will be wider than just pure property and will be advising on many of the regeneration projects in the town. This work is being undertaken in a context of proposed changes to use class orders, and permitted development as well as the proposed planning system reforms under the Government's Planning White Paper, 'Planning for the Future.'

- 4.9.5 We also need to maximise the economic benefits of housing developments both in terms of provision of needed homes and job and training opportunities. We will need to monitor the impact of COVID-19 on housing delivery as part of the monitoring report returns being undertaken for committed sites and from promoters of new planning applications. We will work closely with developers to help them overcome barriers to delivery. We will also need to engage with them early to ensure that training and job opportunities for local residents are maximised.

Next 12 months focus

- Consider further opportunities to develop speculative Grade A office space in Basing View
- Review the council's property strategy to identify and maximise investment opportunities
- Use place marketing campaigns to position Basingstoke as a strong destination for office relocation as part of the 'hub and spoke' model
- Investigate opportunities to create additional co-working space within the council's property portfolio
- Monitor, report and respond to the annual returns for committed and proposed development sites, to ensure delivery
- Work closely with developers and training providers to maximise training and job opportunities of new housing developments through Employment and Skills Plans

4.10 Transport and mobility

- 4.10.1 The jointly adopted Transport Strategy with Hampshire County Council provides a framework for future improvements in accessibility and movement in and around Basingstoke, to meet the existing and future needs of residents, businesses and visitors.
- 4.10.2 At a strategic level, the strategy recognises the advantages offered by the town's location by good connectivity with key locations such as London, Reading and the south coast by both road and rail. It goes on to highlight concerns around how this good standard of accessibility can be maintained in the future through studies with key partners to address known infrastructure issues and to provide a framework for investment in the future. It also highlights that whilst the town is relatively close to Heathrow Airport, it suffers from poor connectivity by rail and supports the case for improved linkages in the future as well as on-going investment in the rail network to provide the necessary capacity and frequency of services required to support residents.
- 4.10.3 At a more local level, the strategy recognises the need for improvements for all modes of transport to and within the town and a greater emphasis in the future on supporting access on foot and by bicycle together with the

development of a Mass Rapid Transit (MRT) system. This is required to support key new developments such as Manydown and the Leisure Park, as well as new homes in the A30 corridor. In time, this will assist accessibility by providing fast and frequent services to the town centre, supported by improved interchange at the station for connectivity with rail services.

- 4.10.4 Proposals are also emerging for the preparation of a Local Cycling and Walking Infrastructure Plan (LCWIP) by HCC in the future which will assist in the provision of a more comprehensive network for pedestrians and bicycle users, and addressing current gaps in the routes available.
- 4.10.5 The provision of such transport infrastructure is important in supporting residents by creating successful and desirable places to live, connected by a choice of modes of travel and helping to respond to our Climate Emergency declaration. This also assists in job creation by providing a good environment for inward investment and helping to avoid time wasted in congestion due to an overloaded highway network.

Next 12 months focus:

- Continue to work with HCC on delivering improvements to road infrastructure
- Continue to work with HCC on identifying opportunities to create safer and more connected cycling and walking routes
- Improve the cycling and pedestrian connectivity between Basing View and the town centre
- Explore opportunities for e-bikes and/or e-scooters schemes in the town and investigate further investment into the electric vehicle charging point network across the Borough

4.11 Place marketing

4.11.1 The borough has many strengths and assets that make it a great place to start and locate a business including excellent transport links, a range of affordable commercial and industrial property, growth sectors and an extensive investment programme.

4.11.2 As part of the recovery plans, the place marketing approach will focus on two main areas:

- Rediscover and enjoy local:

This will focus on celebrating everything the borough has to offer and its richness and attractiveness to encourage people to enjoy and support local facilities, attractions, countryside and businesses.

- Open for business

This is focused on inward investment and raising the profile of Basingstoke as a business and investment location, particularly to capitalise on the hub and spoke model described above.

Next 12 months focus:

- Develop the Love Basingstoke portal to showcase Basingstoke as a great place to work, live, visit and invest in

- Use social media effectively to share good news stories and to showcase local innovation and celebrate success
- Proactively share good news stories with targeted publications and groups
- Strengthen our relationships with property agents to identify inward investment leads and prepare bespoke pitches accordingly
- Work with Invest in Hampshire, the EM3 LEP and the Department for International Trade to ensure the borough is at the forefront of foreign direct investors

4.12 **Place shaping**

- 4.12.1 Making the borough a great place to live, work and play has always been a core priority and is reflected in the various initiatives the council and its partners have implemented over the years.
- 4.12.2 Continuing to strengthen our communities, to improve our neighbourhoods, to diversify our town centre and to enhance the leisure and culture offer will be key parts of economic recovery and future growth.
- 4.12.3 As part of its community recovery plans, the council is developing an approach to strengthening communities and to providing the appropriate support to build community resilience. During the COVID-19 emergency response, we saw a large number of residents and community organisations getting involved in supporting vulnerable residents and it is important that as we move towards recovery we capitalise on this great community effort and spirit. As part of the approach, a review of how community assets are being used will be undertaken to identify the best way these assets can contribute to community cohesion. Conversations with the various local hubs that emerged during the emergency response are taking place to build upon and strengthen the work carried out during the lockdown.
- 4.12.4 Basingstoke town centre continues to provide a strong retail led offer accompanied by leisure, including notable arts facilities, and mix of other uses. As with any town centre, Basingstoke must evolve to reflect changes in consumer demand, which COVID-19 may accelerate, resulting in a reduction in demand for retail and leisure space.
- 4.12.5 The council is leading the development of an ambitious strategy to set direction for a new era. The strategy will not only consider the impact of existing trends but will look to the future as patterns of living, work, leisure, study and travel change. Options to increase the number of people living and working in the town centre will be assessed. A coherent approach will be taken to ensure that the main town centre, Basing View and the Leisure Park complement each other. Improving accessibility into and within the town centre will be important with a focus on sustainable transport. The strategy will present a compelling proposition to occupiers, landowners, potential investors funding bodies and, most importantly, the local community.
- 4.12.6 The Council will work closely with partner organisations in the private and public sectors and engage with residents, visitors and businesses

throughout. A multidisciplinary professional team will be appointed to advise so that the strategy is deliverable as well as ambitious.

4.12.7 As part of the approach to the town centre, we will also consider the role of arts and culture in place making, recovery and growth. Arts and culture help create a sense of place and community. Participation in the arts has positive effects on well-being, happiness and confidence. They can be an effective conduit to build community cohesion and develop soft skills that are sought after by employers. The arts, culture and heritage sector has been adversely affected by the COVID-19 pandemic and as part of our recovery plans, we will need to continue working with cultural organisations and creatives to support them with resilience and adaptation so that they can continue to contribute to making the borough a great place to live and visit.

Next 12 month focus:

- Refresh the cultural strategy to refocus the role of arts and culture in place making, community cohesion and skills development with a focus on widening participation and deliver more community focused participatory projects
- Consider how we can use arts and culture to reinvigorate the night-time economy of Basingstoke and Deane
- Develop a shared strategy focused on the central Basingstoke area to ensure the town centre continues to remain strong and vibrant and to respond to the changing role of town centres and evolving consumer behaviour and expectations
- Explore ways to enhance the cultural offer in the Top of the Town to act as a catalyst for regeneration and change. This will include working in close partnership with the Basingstoke Together BID to continue to diversify the town centre offer and deliver events and marketing campaigns to attract more visitors, including the 'Buy Basingstoke' campaign
- Work closely with schools and colleges to develop an interest, awareness and opportunities of creative industries

5 Longer term projects to support economic growth

5.1 The focus of the economic recovery framework is on the shorter-term to address some of the immediate challenges and opportunities created by the COVID-19 pandemic. However, it is also important to look ahead and to consider how some longer-term projects will contribute to growth post COVID-19.

5.2 The council is engaged in a range of large scale infrastructure projects that can have a highly positive impact on economic growth. Although these projects are still a way off, it is important that we start planning now to ensure that economic benefits for local residents and the borough are maximised. These key projects include:

- **Manydown:** following recent completion of two key milestones in terms of planning and contractual arrangements, this large scale housing development has the potential to bring significant economic and community benefits to the borough. It will be a key part of the place making

offer and will contribute to job creation, supply chain, technology development, transport improvements and the low carbon economy. It will also help attract new residents and talent to the borough.

- **Leisure Park redevelopment:** the comprehensive planned redevelopment of the leisure park into an experiential leisure destination will also play a key role in future growth and place making. As plans are developed, it will need to be considered as part of the wider central Basingstoke approach to ensure there is complementarity and additionality in the overall leisure and retail offer in the town. The development will support growth by creating new jobs and attracting new visitors to the town.
- **Hospital and health services:** the council has continually made the case to government and other decision makers for increased investment in health services in the borough including new facilities. The council has been active in seeking to secure a new hospital for the area as well as local community based health facilities. In 2019 the government announced a second round of the Health Infrastructure Programme, and the Hampshire Hospitals Foundation Trust was allocated £5 million to develop a business case for a new hospital to serve north and mid-Hampshire. An outline business case will be submitted to government in early 2021 following public consultation. If successful, construction could begin by 2024. The borough council is active in supporting the Trust and other health parties on a wide ranging project including a programme of public and stakeholder engagement, and a clinical assessment of health needs. The council is making a strong case for the new hospital to be in the borough and is active in assisting the Trust to evaluate potential sites. The council is committed to providing project resources if a decision is made to locate the hospital in the borough. Whilst the immediate priority is the hospital, the possibility of a health campus which includes complementary research and development and education would be a fantastic opportunity for the area and provide many jobs and career paths. The new hospital itself, wherever based, will create a large number of training opportunities and jobs during design and construction, and offer supply chain opportunities to local businesses.
- **Local Plan update:** The council is in the early stages of updating its Local Plan which will, upon adoption, cover the period at least until 2038. This will provide the planning framework for future growth in the borough and guide decision making. The work being undertaken in terms of economic recovery will help inform and influence the Local Plan which will need to address such issues as the future of the borough's economy including setting out a spatial strategy and policy framework for supporting local businesses and job growth. This will include considering the future of existing employment areas including the needs for regeneration and revitalisation; ensuring sufficient land is available to support needs in relevant sectors; and setting out a policy framework to protect and support existing businesses including the consideration of additional flexibilities. The Local Plan will need to fully consider the impact of current and future

trends in the economy, including COVID-19, and therefore the forecasting element will be of particular relevance. The setting out of longer term priorities in terms of recovery will help to guide and influence the future policy direction. The Local Plan will also need to set out a policy framework for the borough's shopping centres, including Basingstoke town centre, reflecting the needs and trends in different locations. This again will be influenced not only by the recovery plan over the longer time period but also by the various changes proposed to use class orders in town centres, and the substantial planning reform proposed in the Government's Planning White Paper, 'Planning for the Future'.

6 Funding landscape

- 6.1 During the emergency response phase, government focused its financial support to provide a lifeline to businesses and citizens to help ride the wave and to try to mitigate some of the impacts of the lockdown and health crisis. This included direct business grants, rates relief, business loans, increase in universal credit thresholds and the job retention scheme.
- 6.2 As we move into the recovery phase, government is focusing its efforts on restarting the economy and providing some specific funding packages to safeguard and create jobs as well as sector specific support to assist businesses that have been most impacted by the crisis. There are also a range of theme specific funding pots available to businesses to support innovation and technological development.
- 6.3 Some funding was awarded directly to local councils to support vulnerable residents and the safe re-opening of high streets and town centres.
- 6.4 With a big drive on infrastructure as a means to contribute to economic recovery, it is expected that government will announce further funding streams over the coming months. These will very likely be channelled through Local Enterprise Partnerships and will focus on large capital projects that can stimulate recovery and clean growth. It is therefore important that the council and its partners identify some key projects and develop them to a position where they are "shovel ready" so that we can leverage funding to support our local ambitions as soon as it is available.
- 6.5 We will also need to keep abreast of any other funding sources particularly to support community cohesion and well-being, jobs and skills and technological development to help us drive forward the implementation of our recovery plans.

7 Delivery and governance

- 7.1 Governance
 - 7.1.1 The council is not able to deliver economic recovery for the borough on its own. Successful implementation of the vast majority of the priorities we have set out will be reliant on effective partnership working and should be led by a specific recovery board. Whilst there are a number of potential delivery routes for this Board, we believe that the establishment of a new Board that includes

external partners and is co-led by the Council and another organisation from the business community would be the strongest option. Based on the involvement of a range of dynamic businesses in the July Economic Recovery Summit, there is definitely the potential to expand involvement beyond some of the traditional partners the Council normally works with.

7.1.2 The roles of those involved could include acting as critical friends providing expertise and advice, some will act as facilitators or enablers and others will be responsible for the direct delivery of some of the interventions identified. The Board will be responsible for overseeing and monitoring the implementation of this framework holding organisations to account against their commitments and for carrying out periodical reviews.

7.1.3 Terms of reference and suggested membership of the Board will be developed soon.

7.1.4 Engagement with businesses will not be limited to just those represented on the Board. Consideration will be given to an on-line survey which asks individuals and the business community how they are feeling about the present and the future. This could include questions on their employment prospects, using leisure facilities, theatres and public transport, utilisation of office space and visiting the town centre.

7.2 Timescales and action plan

7.2.1 The scale of what we are recovering from is not yet established and it is difficult to know how long COVID-19 will continue to prevalent in society and for how long its impact will be felt. However, it is anticipated that even after a successful vaccination has been developed, the economic shocks and cultural changes will still be felt for a long time afterwards. Therefore, whilst the majority of actions need to be taken within the next 12 months, this framework for recovery should continue to exist beyond that timescale and be subject to annual reviews whilst still deemed to be relevant.

7.2.2 The framework will be implemented and monitored through a detailed action plan which will be reviewed and updated regularly as initiatives are being delivered and new actions identified. The action plan will describe specific and measurable interventions with clear outputs and outcomes. It will set clear timescales and specify the resources required for the delivery of each action. It will identify the lead partner and other partners involved in the delivery.

7.2.3 Timescales for each action will vary but the majority of the actions will be short to mid-term, although as set out earlier on, there are longer-term ambitions of the council that will help support sustained economic recovery.

7.2.4 This economic recovery framework will also be subject to internal review and decision-making process as follows:

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- EPH: 3 September
- Cabinet briefing: 16 September
- Cabinet: 6 October

- Council: 15 October (if required)

7.2.5 Measuring success

7.2.6 There are many factors that contribute to or impact on economic growth and many are linked to macroeconomic trends, globalisation or government policy which are all beyond our control.

7.2.7 As detailed above, each action will have specific and measurable outputs and outcomes. But it is important that we also measure the overall impact of the strategy. To this end, an economic dashboard has been established to track key economic indicators. The dashboard will provide an ongoing health check of our economy and will allow us to track whether local interventions are having the outcomes we are seeking.

Corporate implications

8 Legal

8.1 At this stage in the development of the Economic Recovery Framework there are no specific legal implications to be considered. As action plans develop for the delivery of specific projects the contractual and other legal implications will be reviewed.

9 Financial

9.1 There has inevitably been a significant financial impact as a result of the COVID-19 pandemic which will continue to be felt during the resultant recession. The council is currently assessing the impact to date and the expected impact in the current financial year which will be reported to Cabinet and Scrutiny in September and to Council in October. The impact in future years will be considered as part of reviewing the Councils Medium Term Financial Strategy (MFTS) and setting the budget for 2021/22 and future years at Council in February 2020.

10 Risk management

10.1 Risk assessments will be completed for specific projects and interventions as outlined in this framework as the level and nature of the risks involved will vary greatly according the type of project and resources involved.

However, due to the uncertainty around the actual impact of COVID-19 on the local economy and community and the potential for future outbreaks, there are some inherent risks with the economic recovery approach that cannot be fully mitigated. These include:

- A further local or national lockdown forcing part of the economy to shut down
- Reliance on external funding for specific projects as this cannot be guaranteed and will be subject to a competitive process

- National policies and interventions that may affect our area adversely

11 Equalities

- 11.1 The work that has been carried out to date, and proposed plans for the future, have been reviewed to consider the impact on the protected characteristics groups and the implications for the Public Sector Equality Duty. It can be concluded that current and future actions to support economic recovery are / will be beneficial all groups. There are several initiatives that will have a differentially positive impact on young people, such as the promotion of the ‘Kickstart’ programme for 18-25 year olds, the Youth Hub and promoting enterprise education in schools and colleges.
- 11.2 Specific Equality Impact Assessments will be completed as part of the development and implementation of some of the interventions outlined in this framework. However, inclusive growth will be at the heart of our approach to economic recovery and growth.
- 11.3 Economic growth can be uneven and does not benefit everyone to the same extent. There are different definitions of inclusive growth but they all make reference to participation in the economy of a place and access to opportunities. We know that pre-COVID-19, there were some significant differences in levels of qualifications, employment and earnings within Basingstoke and Deane and not all residents have access to the same opportunities or employment prospects. There are also some groups that have experienced more economic disadvantage due to COVID-19 than others, such as young people and individuals from Black, Asian and Ethnic Minority groups, who have a range of diverse needs that will need to be taken into account throughout the economic recovery work.
- 11.4 Inclusiveness is key to ensuring that economic recovery and future economic growth is successful and beneficial for all local people. Indeed, the work done through recovery actions might engage audiences that we have not interacted with before, such as professionals who are out of work for the first time and need skills and employability support. We will also need to ensure that our approach is balanced to support those who do not normally engage with the council as well as those requiring our support for the first time.

12 Consultation and communication

- 12.1 During the emergency response to the COVID-19 pandemic, keeping residents informed of government guidance on and the measures to be followed and the support available nationally and locally was a key priority. To ensure this reached as wide an audience as possible, regular communication was undertaken through all of the council’s communication channels including updates for the press, videos, social media, digital email and website updates, printed newsletters, leaflets and work with partners. Alongside the communication to residents, it was also important to ensure businesses had up-to-date information on what financial support was available to them, what

they were allowed to do or measures they had to put in place to operate safely.

- 12.2 As lockdown is being eased and the economy restarts, continuing to inform residents and businesses of the latest guidance and advice will remain a priority.
- 12.3 As part of the development of the recovery framework, it will also be important to engage with key partners and businesses to gather intelligence on the impact of COVID-19 and to help us shape our interventions. This process was kick started with the Economic Recovery Summit.
- 12.4 We have also worked closely with Basingstoke town centre partners and business association and parish/town councils in Whitchurch and Overton to coordinate and provide support with the safe re-opening of the high street and shopping centres.
- 12.5 As we move forward, communication and consultation will go hand-in-hand with the development and implementation of our recovery plans to ensure the support provided goes to where it is most needed. To ensure residents and businesses are kept updated, a communications and marketing plan will be implemented, utilising all of the council's communications channels and working closely with our partners.

13 HR

- 13.1 There are no specific HR implications. As interventions are being developed and implemented, consideration will be given to staff resources and how these can be best utilised and prioritised. Specific projects may require additional resources and these will be assessed as and when required. Some projects may also require external consultancy advice.

14 Climate Change

- 14.1 Adoption and further development of this strategy will have a **positive** carbon impact, compared to not adopting the strategy/framework. Historically economic growth and increased productivity has directly correlated with an increase in carbon emissions. In promoting economic recovery through this strategy, the borough is likely to see an increase in carbon emissions compared to during the peak of lockdown measures in spring 2020. However, by shaping recovery according to this framework, there is an opportunity to ensure emissions do not return to their previous peak, as well as supporting a workforce and business community that is set up to deliver local and national net zero carbon targets.

Conclusion

15 Summary and reason for the decision

- 1.8 Although the borough has a diverse economy, which will provide a certain degree of resilience, it is undeniable that the COVID-19 pandemic will have a detrimental economic and social impact. Further research and engagement

will be required to gain a deep understanding of the extent of the impact on the local economy. Ultimately the council, working with a wide range of partners, will need to adopt a flexible and proactive approach to supporting local economic recovery while looking to the longer-term and seizing the opportunities this crisis will present to refresh its overall economic growth strategy.

Date: Decision taken by: Cabinet/Council/Portfolio Holder
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Lead officer	Ian Boll
Report author	Jack Kennedy ext. 2495
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