

# Somerset West and Taunton Council

**Executive – 20 January 2021**

## **Somerset Recovery and Growth Plan**

**This matter is the responsibility of Executive Councillor Member Marcus Kravis**

**Report Author: Dan Webb - Strategy Specialist, and Lisa Redston – Economic Development Manager**

### **1. Executive Summary / Purpose of the Report**

- 1.1. In response to the Coronavirus pandemic, existing challenges and future growth opportunities, a **Recovery and Growth plan for Somerset's economy** has been prepared in partnership between SWT, Sedgemoor, Mendip and South Somerset District Councils and Somerset County Council (together with expert inputs from consultants, and in consultation with the HotSW LEP).
- 1.2. This document (**please see appendix A**) sets out the plan, which is fully consistent with the recent submission of shovel-ready infrastructure projects by the Heart of the South West (HotSW) LEP and the LEP's Route Map to Recovery. With Government funding and support to enact these plans, together we will make a significant contribution to the UK Government's efforts to restart, revitalise and grow the national economy – 'building back better' and levelling up the UK economy. This document also effectively supersedes the previous Somerset Growth Plan (2017 – 2030).
- 1.3. The Somerset Recovery and Growth Plan (and it's supporting Project Summaries document – Appendix B) is a collaborative document that will move over time into delivering a pipeline of projects with the next steps being discussions around matters such as approaches to prioritisation and adapting our offer to meet the different funding streams that come forwards over time.

### **2. Recommendations**

- 2.1 The Executive is asked to note and endorse the Somerset Recovery and Growth Plan and the collective approach being taken in partnership by the Somerset local authorities to create a coherent pipeline of projects to support economic growth in the county and in Somerset West and Taunton over the long term.

### **3. Risk Assessment**

- 3.1 The Somerset Recovery & Growth Plan has been prepared in response to the challenges (issues, risks and future growth opportunities) from the Coronavirus pandemic.

- 3.2 Without the development of a cohesive plan for Somerset (or if it fails to be approved), there would be a risk of a reduced / lost opportunity to seek or secure external support and funding, and therefore recovery and growth activity not being planned and delivered for county-wide benefits to be realised. As there is no guarantee of funding from Govt, there is a risk of insufficient funding to deliver the full programme.
- 3.3 There are no risks associated with the Somerset Recovery & Growth Plan itself, however the projects and activities included within this plan will be subject to risk management processes themselves.

#### **4. Background and full details of the report**

##### **Background**

- 4.1 Somerset's economy has been hard-hit and is vulnerable to further economic decline because of the Covid 19 crisis with Oxford Economics forecasting a severe recession in Somerset in 2020. Working together with Government we can tackle these challenges and build back better than before. Recovery and growth in Somerset will contribute to levelling up the UK economy. Our future growth will be greener and more inclusive, building on Somerset's innovative, high-value strengths in Clean Growth, Aerospace & Advanced Manufacturing, Digital & Environmental Data, and Agri-Food. Our plan outlines how we will work with Government to restart, revitalise and grow Somerset's economy.
- 4.2 Earlier in the pandemic the Leaders of the five Councils in Somerset wrote to government advising of our intentions to work collectively, regardless of differences in opinion around the future of local government in Somerset, to enable economic recovery from the impacts of the pandemic. In September last year a further letter and a short, summarised plan outlining intentions was sent to government to give comfort that the Councils in Somerset were indeed taking forward their commitment. This correspondence confirmed that further detail would be submitted going forwards and the Somerset Recovery and Growth Plan is the next stage of this process.
- 4.3 The concept of a recovery plan to submit to government, even though it was not requested, came from a conversation between Leaders and Chief Executives when it was becoming clear that the economic impact of coronavirus on the areas was going to be significant but, due to the region being less impacted by coronavirus as regards infection and deaths, there was a danger that government would consider that the region had got off lightly compared to others and look to focus its resources elsewhere. By contacting ministers with proposals and following up with emerging plans it was anticipated that this would raise the profile of the county and ensure that, where funds became available, it was less likely to be forgotten and more likely to be remembered for its proactive response.
- 4.4 It should however be noted that this document is not in itself a bidding document and the submission to ministers is not expected to result in the allocation of funds to deliver the plan.
- 4.5 The Plan has been underpinned by research of the relevant databases and policy documents. The latest available data was used to help develop an assessment of the local economy. Significant amounts of economic data relating to Covid 19 have

informed the plan drawing on research from Oxford Economics and the University of Exeter.

4.6 Despite the challenges that have been presented through Coronavirus, Somerset is uniquely placed to drive the economic recovery for the region. A programme of activity has been developed that focuses on a cleaner more inclusive recovery leading to us achieving our pre-Coronavirus growth aspirations at a faster rate. The programmes we deliver throughout the coming years and will build on our emerging sector strengths of Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Food. Through targeted interventions we will increase social mobility and accelerate our pre-Coronavirus levelling up ambitions.

### **The Somerset Recovery and Growth Plan**

4.7 In response to the Coronavirus pandemic, existing challenges and future growth opportunities a recovery and growth plan for Somerset's economy has been prepared. The plan is fully consistent with the recent submission of shovel-ready infrastructure projects by the Heart of the South West (HotSW) LEP and the LEP's Route Map to Recovery. The plan will support the UK Government's efforts to restart, revitalise and grow the national economy.

4.8 The current version of the plan is attached in the appendices. It is in two parts. The first (appendix A) being a narrative of the position in Somerset and the aspirations of the Councils herein, with a breakdown to the resourcing already in place to take these aspirations forwards and a series of asks from government to either enable delivery or accelerate it. The second part is the appendix (B) which gives a more detailed breakdown of how the aspirations are currently being developed by specific activities.

4.9 The Somerset Recovery and Growth Plan sets out the following:

- **Overall challenges and opportunities**
- **Aims:**
  - Safeguarding jobs in our bedrock sectors and creating new and better jobs
  - Support existing businesses and nurture start-up businesses from our bedrock and growth sectors
  - Delivering new affordable homes across Somerset
  - Promoting a green recovery and a low carbon economy
  - Levelling up and delivering an inclusive economy for all residents of Somerset
- **Objectives:**
  - Lockdown – Minimise negative impacts
  - Restart – Support bedrock industries and the workforce
  - Revitalise – Accelerate recovery through local interventions
  - Grow – Moving to a new (better) economy
- **Activities and responses** (Programmes / Projects / Instruments / Ambitions - grouped by themes and sub-themes):
  - Supporting employment, skills and economic inclusion
  - Helping business and sectors to grow and become more productive
  - Providing the infrastructure needed to enable growth
  - Creating attractive places and homes to live in
- **Offers and asks**
  - **Outputs and impacts**

- 4.10. The plan will evolve over time, with this version being the first of many that will be presented to Members. The short-term focus is to bring together a picture of all of the activities going on to support businesses and to also identify those projects in development or implementation. This is intended to place us in a position to bid into the funding streams of the UK Shared Prosperity Fund and Levelling Up Fund, due to be announced early in 2021. The first phases of these funds will have very tight timetables for delivery and are expected to only be workable for 'shovel ready' projects.
- 4.11. Since the approach of government now is to offer funding for projects that can be delivered within very short windows of time, it is clear that to achieve success in bidding rounds we need to have invested resources upfront to develop business cases to a point where projects can roll out with immediacy on the injection of funding (the so called 'shovel ready' projects). While this may well be more about government being able to show that they have delivered something during the lifetime of their administration, rather than ensuring that the 'something' is appropriate, it has to be accepted that Councils must work within this current approach if they want to be awarded funds. In the long term therefore, as mentioned above, this Recovery and Growth Plan process should start to become part and parcel of the approach to economic planning in Somerset allowing us to continually have a set of business cases for projects that stand ready to bid into whatever funding programmes emerge.
- 4.12. The Somerset Recovery and Growth plan includes at least 46 areas of activity – there are additional detailed project development templates which define their scope as: Regional (at least HotSW wide); Strategic (contributing to the Somerset-wide strategic aims); or Tactical (locally important).  
SWT is leading the following projects:
- Employment, Skills & Inclusion: Access to Learning and Employment Grant: (SW&T)
  - Helping businesses and sectors to grow: Local procurement activity to increase social capital and social innovation
  - Infrastructure - Reducing carbon emissions through travel & energy efficiency: Retrofit (social) housing with energy efficiency technologies pilot
  - Infrastructure - Improving digital and physical connectivity: Wellington Railway Station
  - Infrastructure - Reducing flood risk to enable growth: Taunton Flood Attenuation; and Blue Anchor Scheme
  - Places & homes - Improving the environment in Somerset's towns: Taunton Future High Street Fund
  - Places & homes - Enabling the private sector to deliver development: Revolving Infrastructure Fund; and Direct investment in new infrastructure e.g. schools
- 4.13. The projects listed within the plan have been developed by the nominated lead authority (Appendix B). Although the nominated lead has been responsible for designing the project plan, they will not necessarily lead on delivering the project. As identified in the plan, some projects are more aligned with specific geographies however implementation will benefit the wider Somerset area.
- 4.14. In addition, SWT has developed its own detailed Local Economic Recovery and Growth delivery action plan. This is a 'live' and iterative operational delivery action plan that sits alongside the Somerset Recovery and Growth Plan, and includes detail on

how the council proposes to address specific challenges, issues and take opportunities to meet the goals and deliver the outcomes that the county-wide plan identifies.

### **A summary of the economic context and impact of COVID 19 on local economies and issues of unemployment:**

- 4.15. Oxford Economics were commissioned in July to produce a report based on the economic impact in Somerset. The following scenarios do not take into account the November 2020 or January 2021 lockdowns:
- Oxford Economics has forecast the impact of the pandemic and associated lockdown measures on the Somerset economy<sup>5</sup>. The baseline scenario finds that by 2025 GVA will be 1.8% lower pre-pandemic forecasts. This outcome is based on an 8% decline in 2020 followed by a 7.4% increase in 2021 and continuing growth (albeit at a slower pace) up to 2025.
  - Under the baseline scenario it is estimated that there will be over 10,000 jobs lost in 2020, with the unemployment rate increasing to 5% (from 3% in 2019). The unemployment rate is forecast to fall from this 2020 peak year-on-year up to 2025 with a return to pre-pandemic levels by 2022. The claimant counts in Somerset rose significantly between March and August of 2020. As changes are introduced to the Coronavirus Job Retention Scheme and Self Employment Income Support Scheme throughout the summer it is likely that fewer workers will be furloughed, and whilst some will go back to work, this is likely to lead to an increase in claimants. However, the extension of the UK furlough scheme to March 2021 could delay a more significant drop in employment.
- 4.16. In addition to the Oxford Economics Report the impact of Coronavirus and the associated lockdown on businesses in Somerset has been assessed through a survey conducted by Somerset's local authorities. Just over 50% of businesses have reported that turnover has fallen by at least half. Profitability has been impacted even further with just over 40% of businesses reporting they have made zero profits, and almost a quarter reporting they have made 50% profits or less. Almost 70% of businesses are not confident that their profitability will return to pre-pandemic levels in 2020.
- 4.17. KPMG have also projected the economic growth of local areas. The projections for Somerset's Districts showed a loss of between 6.8% and 10% of GVA in 2020, with a recovery of between 3.6% and 4.6% in 2021.
- 4.18. To summarise, Somerset has been severely impacted by the Coronavirus in similar ways to other areas of the UK. The data re-enforces the need for a co-ordinated approach to recovery and future growth.
- 4.19. **Next steps**
- Continue the dialogue with other stakeholders that we have started in the development of this Plan (e.g. with businesses and the education community), to ensure that there is comprehensive ownership of this plan throughout the Somerset economy
  - Develop the areas of activity that we have set out in this Plan, to show clearly how we as local stakeholders will contribute to these, and how Government can work with us to ensure that the plan is fully delivered. This will culminate in a high-level business case for the delivery of plan

- Following formal sign-off of this plan throughout January 2021 by each of the Somerset Local Authorities, a period of external engagement will commence early in 2021 with the HotSWLEP, Government and MPs.

## 5. Links to Corporate Strategy

5.1 The aims, objectives and themes in the Somerset Recovery and Growth Plan very much align with the Somerset West and Taunton Council Corporate Strategy and Vision (published in 2019). The Corporate strategy includes Economy and the Environment as the first theme, with the stated objectives being:

- Making the District carbon neutral by 2030.
- Delivering Taunton Garden Town.
- Encouraging wealth creation and clean economic growth throughout the District, by attracting inward investment and enabling research and innovation.
- Improving the skills of the local workforce.
- Providing adequate and affordable employment land to meet different business needs.
- Supporting town centres to meet the challenge of changing shopping habits.
- Developing the commercial elements of the Firepool site in Taunton.
- Enhancing arts and cultural provision within the District.

5.2. In addition, the Council published a new Economic Development and Prosperity Strategy early in 2020 - the Somerset Recovery & Growth Plan aligns closely to the overarching objectives in the economic development strategy:

- Improved long-term capacity for clean growth by supporting the foundations of productivity
- Increased sustainability and broadening the base/capacity of business growth in the area
- Expanded and developed clusters and networks (both current and future)
- Increased productivity and research and innovation, increasing GVA per head across the whole area
- Retention of existing growth businesses and attracting high quality Inward Investments
- Improved skills, in order to improve job and career prospects for residents and the attractiveness of the area, including new investors creating higher value jobs.

5.3. The Somerset Recovery & Growth Plan plan is also fully consistent with the recent submission of shovel-ready infrastructure projects by the Heart of the South West (HotSW) LEP and the LEP's Route Map to Recovery.

## 6. Finance / Resource Implications

6.1 There are no new budget or expenditure approvals requested in this report. Current resourcing commitments are identified within this year's business plans and any approval for any future commitments would be via the expected governance processes.

6.2 Although there are no direct implications arising from this report at this stage, the Recovery & Growth Plan may lead to projects and interventions that would be subject to their own business case and approval route, and resourced by appropriate and available internal SW&T and / or external sources. (NB - There is no guarantee of funding from Government).

6.3 Specific Council funding has already been made available to support local economic and High Street recovery, which includes:

- Reopening High Streets Fund (ERDF) (£70k)
- Emergency Town Centre Recovery and back-fill of Economic Growth and Prosperity Fund (£535k, as approved 16 Sept 2020) - following Covid-19 Lockdown, £535,000 has been made available for the purposes of Emergency Town Centre Recovery by repurposing the Council's existing Economic Growth and Prosperity Fund earmarked reserve. This has been carried out to put in place short-term impactful interventions in our Town Centres to provide an urgent response to attracting footfall back in to the high street to support businesses located in these areas

## **7. Legal Implications**

7.1 There are no legal implications that relate directly to this report.

## **8. Climate and Sustainability Implications**

8.1 A key aim within the Somerset Recovery and Growth Plan is "Promoting a green recovery and a low carbon economy", which aligns with the Government's aim of "Building back greener".

8.2 SWT's ambition through the Somerset Recovery and Growth Plan is to achieve growth, bring enhanced job opportunities for residents alongside better educational attainment, and to attract/retain high value business committed to sustainable, clean growth. All of these outcomes are framed by the need to consider environmental issues and climate change and to recognize that growth and prosperity at any cost is not a viable option.

8.3 The economic development team are working in partnership with the County on the Climate Change Strategy Industry and Business workstream.

8.4 Within the Somerset Recovery and Growth Plan are a number of projects and activities aligned to the theme of "Clean Growth" as a key growth sector, mirroring the approach taken by the LEP's Local Industrial Strategy. This focuses upon three areas – the "Dynamic Heart" of the economy – where there are significant assets and world-class potential, and where Somerset and SW&T is uniquely placed to contribute directly to local and wider economic prosperity. The three areas within the SWT District include:

- Clean energy: associated with technical development for nuclear power and renewables (Hinkley C)
- High-tech engineering, agri-tech and marine opportunities
- Digital futures: including big data, environmental and health technologies and services, with key assets, including the UK Hydrographic Office, Musgrove Hospital and the development of Digital Taunton.

8.5 The Somerset Recovery and Growth Plan also includes a number of infrastructure responses that enable growth whilst reducing carbon emissions through travel and energy efficiency, and reduce flood risk.

## **9. Safeguarding and/or Community Safety Implications**

9.1 Although there are no direct implications arising from this report, the Somerset Recovery and Growth Plan is intended to have a positive influence on the quality of life for the community.

## 10. Equality and Diversity Implications

10.1 There are no obvious implications for people with protected characteristics coming from this report. The evidence supporting the report indicates that the more vulnerable sections of our communities have been disproportionately impacted by the pandemic and that the increase in unemployment, expected rise in homelessness and business closures will see further impacts. The plan identifies the need to support communities to build skills, and reskill and has programmes that will target support for those most in need.

## 11. Social Value Implications

11.1 The Somerset Recovery and Growth Plan is focused on key underlying challenges around social mobility and inclusion. In addition to a number of activities outlined in the plan, there is also a cross-cutting theme to 'Promote greater inclusion' for all residents across the whole of Somerset through improving skills, supporting improved social mobility, helping people into jobs, supporting business growth and job creation, improving digital and physical access to learning and employment, and delivering affordable housing.

11.2 One of the key projects that the SWT Economic Development team has been involved in is shaping the Council's (and county-wide) approach to Social Value in its planning and procurement process which is ongoing. The project aims is described as:

*Social Value represents an opportunity where additional community benefits can be derived. It is important that Social Value is not just seen within the very narrow context of the requirements of the Social Value Act but something that can and should also apply to **the redesign and commissioning of services** as well as be **integrated into the procurement, contracting and the planning system** to support post Covid19 recovery and "building back better"*

## 12. Partnership Implications

12.1 Extensive stakeholder workshops have been convened with Economic Development Teams, Portfolio Holders, business representative organisations, private sector businesses and third sector representatives. On-going effective partnership working will be essential as the delivery plan is developed and implemented.

12.2 Through the Somerset Growth Board and its Management Group, the partners will continue the dialogue with other stakeholders that we have started in the development of this Plan (e.g. with businesses and the education community), to ensure that there is comprehensive ownership of this plan throughout the Somerset economy.

12.3 The partners will also develop the areas of activity that we have set out in this Plan, to show clearly how we as local stakeholders will contribute to these, and how Government can work with us to ensure that the plan is fully delivered.

## 13. Health and Wellbeing Implications

13.1 The Somerset Recovery and Growth Plan is intended to have a positive influence on the quality of life and health and wellbeing of residents and businesses, providing new



opportunities for inclusion in the economy and developing the confidence of individuals through education, training and mentoring and raising the aspirations and prosperity of all.

#### 14. Asset Management Implications

14.1 There are no asset management implications that relate directly to this report

#### 15. Data Protection Implications

15.1 The economic data used in the preparation of this plan is sourced from documents that are within in the public domain. Where information has been obtained through consultation with individuals or organisations we have:

- a) only collected the data necessary for the production of the Somerset Recovery and Growth Plan
- b) secured permission to use the information and opinions
- c) acted in accordance with the General Data Protection Regulations 2018

#### 16. Consultation Implications

16.1 Extensive stakeholder workshops have been convened with Economic Development Teams, Portfolio Holders, business representative organisations, private sector businesses and third sector representatives

#### 17. Scrutiny/Executive Comments / Recommendation(s)

N/A

#### Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Cabinet/Executive – Yes**
- **Full Council – No**

Reporting Frequency:  Once only       Ad-hoc       Quarterly  
 Twice-yearly       Annually

#### List of Appendices (delete if not applicable)

Appendix A	Somerset Recovery and Growth Plan
Appendix B	Somerset Recovery and Growth Plan Project summaries

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