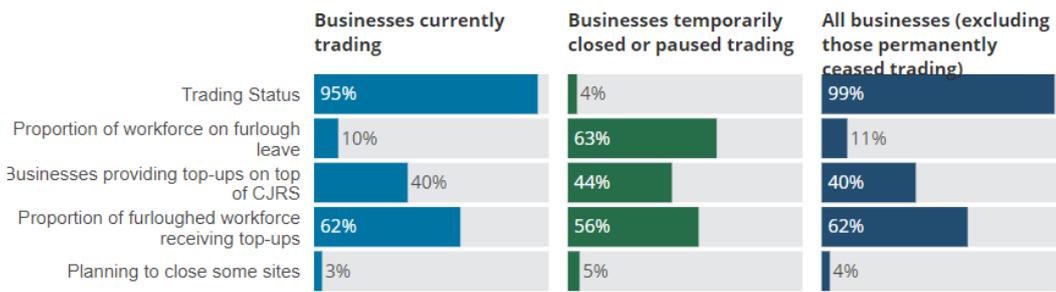
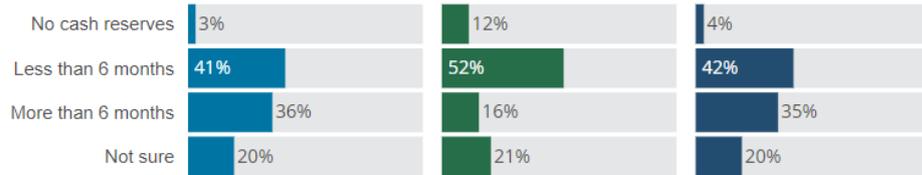


<h1>Briefing</h1>	TO:	Improving Places Select Commission
	DATE:	20 th October 2020
	LEAD OFFICER:	Tim O’Connell Head of RiDO
	TITLE:	Economic Recovery
1. Summary		
1.1	<p>The economic impact of the Covid pandemic is severe and is likely to persist for some time. Although the government has introduced a wide range of measures to support the economy it seems likely that the full impact of business failures and redundancies has not yet been felt.</p> <p>The government has also announced the availability of funding to accelerate the delivery of capital schemes and support recovery. The Council is working to draw this funding down, to deliver regeneration schemes that meet the funding criteria.</p> <p>The Council has engaged with City Region partners to develop a Renewal Action Plan and is engaging in developing delivery plans.</p> <p>Proposed activity is focussed on the delivery of a number of committed major projects for delivery this financial year and over the next 18 months. This paper provides information on the main areas of activity and projects that the Council is directly involved in.</p>	
2. Key Issues		
2.1	<p>The Covid-19 outbreak continues to have a significant impact on the national economy. Although lockdown measures have been eased, with non-essential retail now open as well as some of the hospitality and leisure sector, the risk of a further downturn in the economy and redundancies remains evident. At the time of writing this report, against a backdrop of transmissions escalating nationally, restrictions have been tightened again with social gatherings in England limited to a maximum of six people, and local lockdowns emerging in several parts of the country.</p> <p>The September release of official figures from the Business Impact of Coronavirus (COVID-19) Survey (BICS) show just under half (47%) of businesses reporting that their turnover had decreased below what is normally expected for this time of year and 46% that they had less than six months cash reserves remaining.</p>	

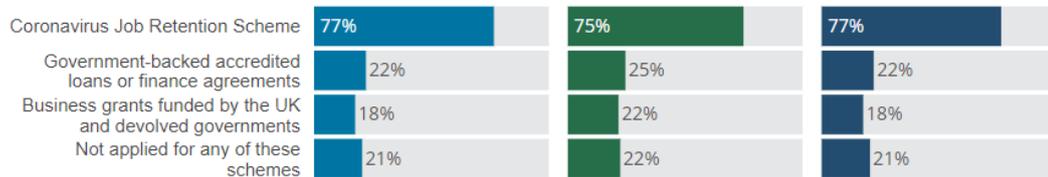
Proportion of businesses by trading status and proportion of workers on furlough leave and receiving pay top-ups



Cash reserves



Percentage of businesses applying to government schemes

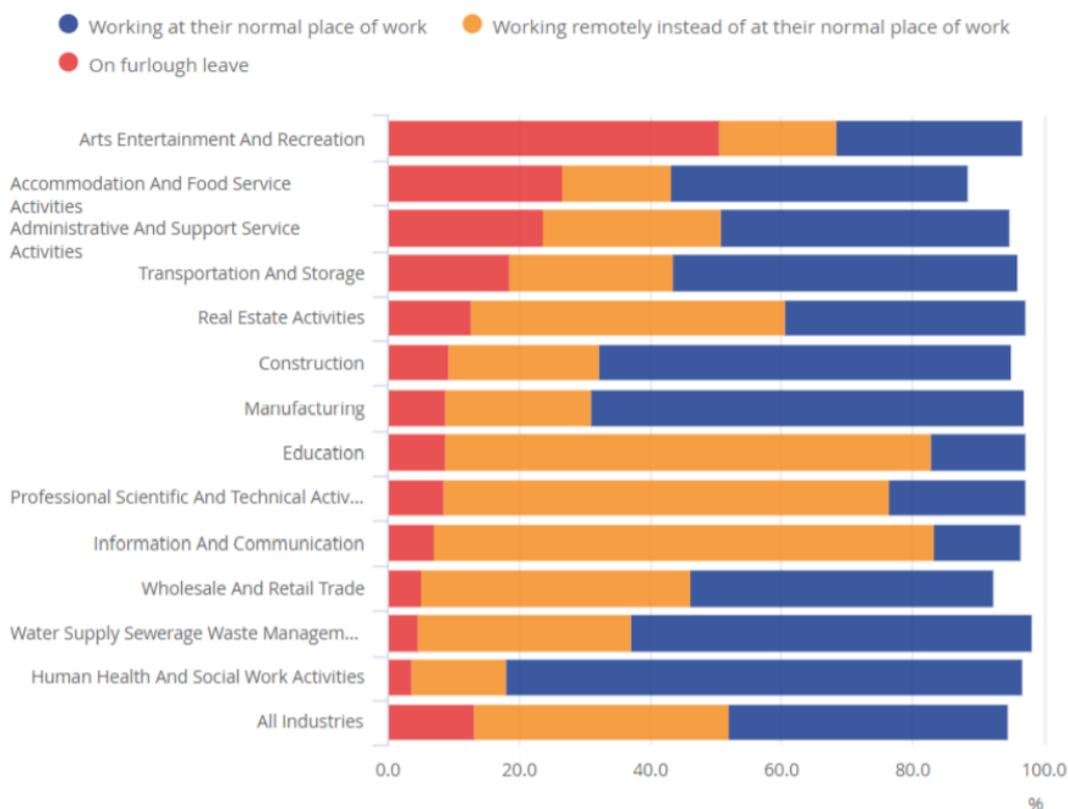


The Coronavirus Job Retention Scheme (CJRS) (aka furlough) has suppressed the rise in UK unemployment so far. It is likely that unemployment would have risen to 10.0% (by 2.1million) in May without the CJRS according to National Institute for Economic and Social Research. The CJRS reduces the passage into unemployment by keeping people in employment. However, it has little or no effect on hiring and getting people out of unemployment. It is estimated by the ONS that 13% of the UK workforce is on the CJRS scheme at the current time. Numbers of the workforce on the CJRS scheme have been higher than expected although numbers have been steadily reducing through July and August.

Local redundancies have been announced but have almost certainly been mitigated by the CJRS. Rotherham has seen similar levels of CJRS take-up to the national economy with 37,200 jobs furloughed (32% of eligible jobs). This does highlight a risk that without an upturn, redundancies may spike as the scheme comes to an end in October with the Office for Budget Responsibility estimating that at least 10% of furloughed workers will become unemployed. This is supported by the influential BoE's Decision Maker Panel survey which suggests businesses will reduce employment by 9.1%, on average by Q4 on account of Covid-19.

The Rotherham economy includes many businesses operating in sectors for concern including accommodation and food services and arts and entertainment where numbers on furlough are particularly high. However, as a percentage of the economy these sectors are smaller in Rotherham than the Great Britain average. Compared to other the regions and Great Britain as a whole, Rotherham has a notably large manufacturing base.

CJRS by Sector:



Source: ONS

Employee jobs in Rotherham

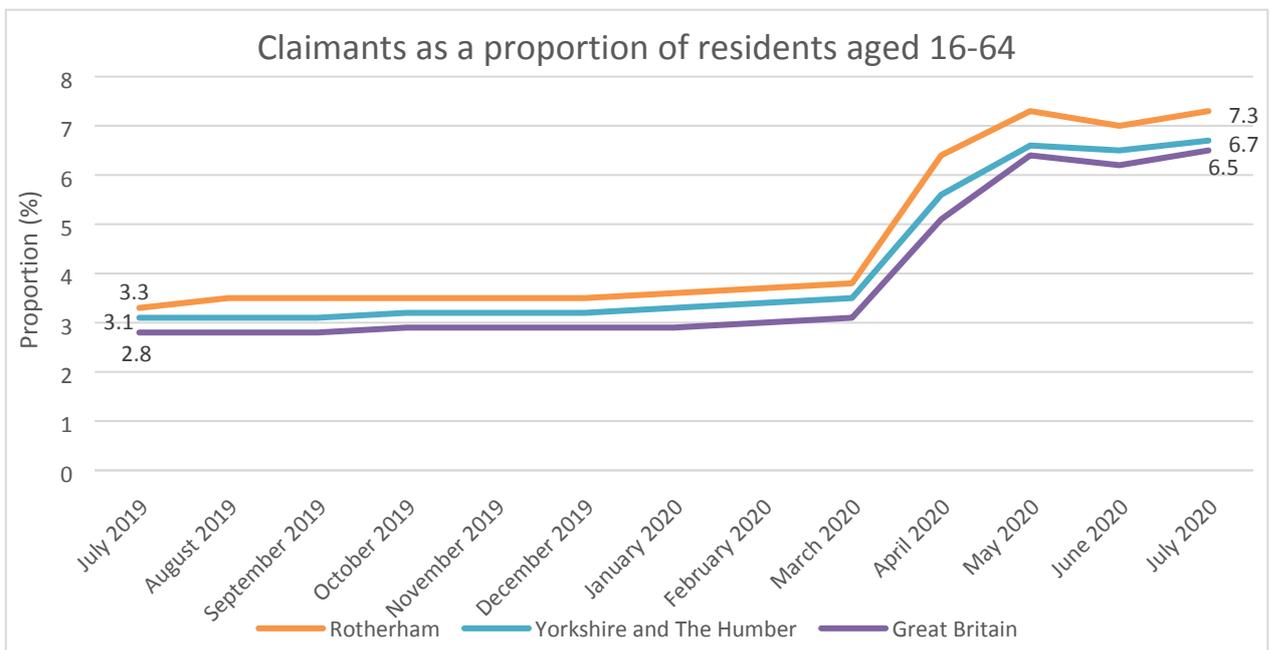
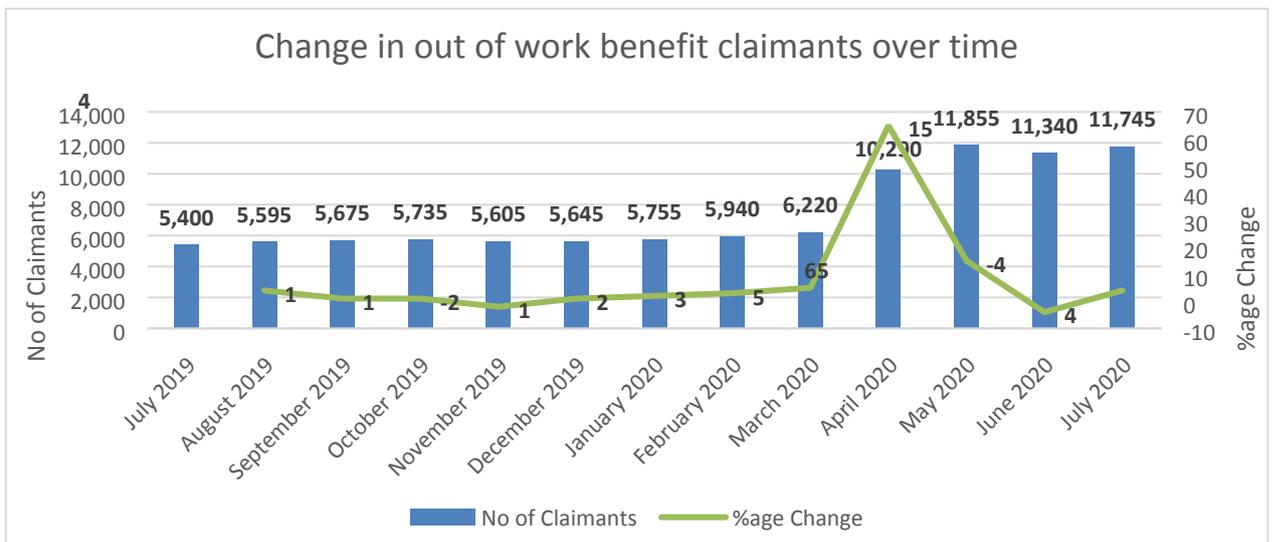
Employee jobs by industry	R'ham	R'ham	Y&TH	Great Britain	R'ham Vs GB
	(employee jobs)	(%)	(%)	(%)	(%) variance
B : Mining and quarrying	0	0	0.1	0.2	-0.2
C : Manufacturing	15,000	15.2	11.9	8.1	7.1
D : Electricity, gas, steam and air conditioning supply	800	0.8	0.4	0.5	0.3
E : Water supply; sewerage, waste management and remediation activities	1,000	1	0.8	0.7	0.3
F : Construction	5,000	5.1	4.1	4.7	0.4
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	15,000	15.2	15	15.2	0
H : Transportation and storage	5,000	5.1	5.6	4.8	0.3
I : Accommodation and food service activities	6,000	6.1	7.3	7.6	-1.5
J : Information and communication	3,500	3.5	3.1	4.2	-0.7
K : Financial and insurance activities	1,750	1.8	3.1	3.5	-1.7
L : Real estate activities	600	0.6	1.3	1.7	-1.1
M : Professional, scientific and technical activities	3,500	3.5	6.9	8.7	-5.2
N : Administrative and support service activities	9,000	9.1	9	9.1	0

O : Public administration and defence; compulsory social security	6,000	6.1	4.3	4.3	1.8
P : Education	10,000	10.1	9.8	8.9	1.2
Q : Human health and social work activities	13,000	13.1	13.6	13.2	-0.1
R : Arts, entertainment and recreation	1,750	1.8	2.3	2.5	-0.7
S : Other service activities	1,250	1.3	1.3	2	-0.7
Total	98150				

Source: Nomis Employee Jobs 2018

Universal credit claimants in Rotherham increased by 65% in April and a further 15% in May 2020. The increase in claimants as a proportion of residents aged 16-64 is broadly in line (though slightly higher) than the regional and national trend.

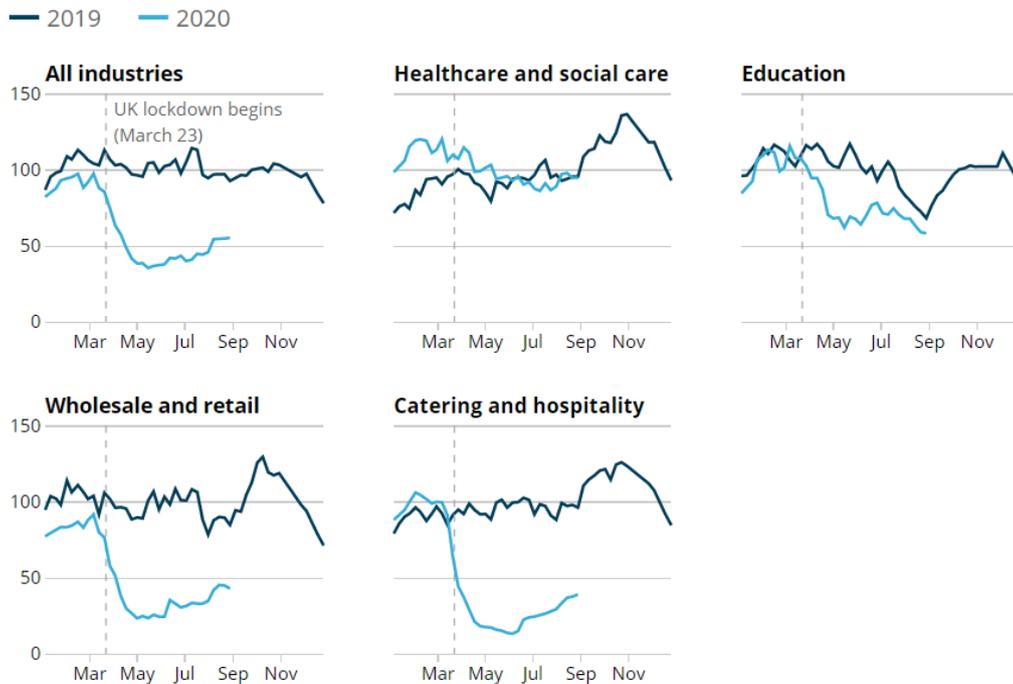
Rotherham Out of Work Benefit Claimants



National data is also provided on the number of job adverts over time as an indicator of the demand for labour. The data indicates that the demand for labour has fallen significantly. Between 21 and 28 August, total online job adverts remained around 55% of their 2019 average for a fourth consecutive week.

National Job Adverts

Total weekly job adverts on Adzuna, UK, 4 January 2019 to 28 August 2020:
index 2019 average = 100



Source: Adzuna

National Response

The government has announced measures to support the economy including:

- Coronavirus Job Retention Scheme
- Statutory Sick Pay rebates
- Deferral of VAT and self-assessment payments
- Business rates relief
- Business Support Grants for small businesses and businesses in the retail, hospitality and leisure sectors
- Local Authority Discretionary Grants
- Self-employed Income Support
- Loans and loan guarantees for small and medium sized enterprises
- Loan guarantees and corporate financing for large companies

In addition, the Chancellor of the Exchequer's Summer Statement made further announcements aimed at 'getting the economy going again' – Details of the initiatives announced in the Summer Statement are attached at Appendix 1.

The government has also announced funding to accelerate infrastructure delivery, with the following that are relevant locally:

Towns Fund Accelerated Funding – £96m to accelerate investment in town centres and high streets through the Towns Fund this year with each Towns Fund area receiving £500k-£1m to spend on projects such as improvements to parks, high streets, and transport.

Getting Building Fund – £900m for a range of ‘shovel ready’ local growth projects in England over the next 18 months, with £33.6m allocated to Sheffield City Region.

Brownfield Housing Fund – £400m allocated to the regional authorities, including £40m to Sheffield City Region to support house building on brownfield land.

Regional Response

A City Region **Renewal Action Plan** (RAP) has been developed and submitted to government by the Sheffield City Region Mayor with a funding **ask of £1.72 billion** to support delivery.

The draft plan is attached at Appendix 2. The RAP is intended to concentrate on immediate relief actions to be delivered within 18 months and act as a bridge to the Strategic Economic Plan.

The high-level objectives and rationale for a focus on the three main areas of action are described below:

People - we will invest to ensure local people have the opportunity to develop their skills, and to find, stay and progress in work.

“The global and national economic outlook is widely predicted to be bleak, albeit it is difficult to quantify just how bad the economic impact will be. The potential impact on the City Region could be devastating for our communities, particularly the predicted rise of unemployment. There is also expected to be a significant loss of training opportunities, at least in the immediate term. This includes those made unemployed, forced into unemployment by personal circumstances, those currently on the job retention scheme though at risk of unemployment, and those to be made unemployed in the next 6 – 12 months”.

Employers - we will invest to ensure employers can survive, adapt and thrive.

“There are immediate concerns of the liquidity of many businesses in SCR. It is expected that as supportive measures reduce or are discontinued, the business base will face pressing cashflow, invoicing and investment challenges. There is a risk of widespread insolvencies, due to a lack of demand and/or inability to operate in the wake of COVID-19 impacts. This includes those businesses over leveraged through loans and Central Government support, who will no longer be viable once Central Government support ends”.

Place - we will invest to create jobs and thriving places, in a way that reduces inequality and enhances our environment.

“Our places are feeling the effects of social distancing measures and reductions in disposable income due to furlough measures or loss of income due to increased unemployment. This is most stark in our urban centres which are facing current challenges with their space configuration and mobility and could see longer term issues, particularly with property values. With the potential closure, or failure, of high street retailers our urban centres face an uncertain future. This includes the knock-on impacts on wider determinants of health and wellbeing, community, inclusion, transport, housing and employment / engagement opportunities”.

Rotherham's Response

The Council's planning on economic recovery is being developed in the context of the wider recovery strategy, and the action plan for The Year Ahead.

As part of the initial Government response, the Council's Finance Team, supported by RiDO, played a key role in the administration of Government grants, including over £46m of grants paid out to local businesses. This includes £2,479,000 that was made available to the Council to administer a local discretionary scheme; of this discretionary funding £2,467,837 has been paid out to local businesses.

National Scheme and Rotherham 'take-up'

Grant	Eligible Businesses	Amount	Number of Businesses Paid	Total grant amount Paid
SBBR GRANT	3,547	10,000	3,339	33,339,000
RETAIL <15k	313	10,000	250	2,500,000
RETAIL >15K	414	25,000	341	8,525,000
Total	4,274		3,930	44,415,000

Discretionary Local Scheme for Rotherham

Business Types	Claims	Grant Value	Total Paid Value
Small businesses in shared offices or other flexible workspaces	135	10,000	1,210,000
Bed and Breakfasts	0	1,000	-
Charities	33	10,000	330,000
Private Childcare Nurseries	16	10,000	160,000
Private Childcare Nurseries	19	25,000	475,000
Regular Market Traders	70	2,183	152,837
Totals	273	68,183	2,467,837

The Council has established an Economic Recovery Cell chaired by the Assistant Director of Planning, Regeneration and Transport. The cell has responsibility for coordinating economic recovery activity and sits with the Council's overall COVID emergency response structure. To date work on economic recovery has focussed on:

1. Co-ordinating local intelligence and response
2. Delivery of major projects
3. Re-opening the town centre
4. Developing the response to emerging funding opportunities
5. Co-ordination with Sheffield City Region to inform and develop the Renewal Action Plan

1. Co-ordinating local intelligence and response

As well co-ordinating data and intelligence from national and regional sources, RiDO is providing essential business support and advice at a local level. A number of companies across the borough have announced potential redundancies as a result of the Covid-19 pandemic. There are also several large projects, creating jobs planned for the next year. RiDO is assisting with matching companies together to offset redundancies and economic impact.

2. Delivery of major projects

The most immediate priority has been to keep the major projects and regeneration priorities on track throughout the lockdown period, as these represent our most significant local economic interventions. The Council's year ahead plan sets out key interventions for the Council to deliver over the next year to support Economic Recovery

- Work proactively with the Sheffield City Region to ensure that the Economic Recovery Plan addresses local skills and business priorities
- Agree the Sheffield City Region Renewal Action Plan, and secure Rotherham's share of additional devolution and associated funding to support the local economy.
- Work with partners including DWP, colleges and providers to deploy new job coaches into local communities.
- Start construction of new Century business centre at Manvers.
- £425k of investment in the borough's other business centres.
- Complete essential infrastructure and enabling works on Forge Island, including the demolition of Riverside Precinct.
- Secure agreements to allow the construction phase of the Forge Island scheme to begin.
- Co-design Towns Fund proposals with local businesses and communities and submit to government a vision and strategy for the town.
- Develop a business case, secure funding and commence construction of a Towns Fund accelerated delivery scheme in the town centre.
- Secure funding to support redevelopment of the markets and central library
- Begin a major programme of public realm improvements to transform the appearance of the town centre
- Breathe new life into the town centre by progressing construction of 171 homes across three sites, with a variety of property types
- Deliver additional key schemes across the borough Greasbrough roundabout upgrade and begin Parkway widening scheme.
- Launch the partnership social value charter, encouraging anchor organisations to build social value into their commissioning and procurement activity.
- Identify opportunities for social value through procurement and regeneration programmes to ensure additional local jobs and apprenticeships are secured, and monitor progress.
- Centre for Local Economic Strategies report on supply chains and market analysis completed.

3. Re-opening the town centre

The Council has worked across a number of cells to ensure the safe re-opening of public spaces. This included risk assessments and the implementation of social distancing measures to support the opening of non-essential retail on 15th June, and the introduction of re-deployed staff and volunteers to act as town centre hosts.

The retail sector can be expected to experience a long period of gradual contraction and transformation and there can be no doubt that the impact of COVID-19 is accelerating the need to revitalise and adopt new town centre models that are less retail-centric. This will lead to increased pressures on the vitality and viability of many of the UK's high streets and towns that are currently over-shopped and over-reliant on retail.

Rotherham's town centre masterplan, adopted in 2017, already recognised and seeks to promote this change.

It is expected that in the post COVID world, successful town centres will be characterised by less retail space; but this contraction and consolidation does create the

opportunity to provide better quality, more varied, and more experiential uses and activities. There will also be the need for a greater range of High Street based services and community uses to meet the demands of growing town centre populations, particularly as redundant space is repurposed and redeveloped as homes.

The continued commitment of Muse, the Council's development partner on the Forge Island scheme and the active engagement from end users is extremely good news and has allowed the Council to continue to focus on the long-term objectives of the masterplan and pursue funding opportunities to reset the town centre around a quality housing and leisure offer.

4. Developing the response to emerging funding opportunities

The government has announced new funding streams to accelerate infrastructure delivery.

Towns Fund Accelerated Funding (£1m) – grant funding to deliver capital projects as part of the emerging Towns Fund proposals. The funding is for this financial year and is “particularly encouraging projects that will support towns in responding to immediate challenges, including:

- Improvement to or new parks and green spaces and sustainable transport links
- Improvements to town centres including repurposing empty commercial properties
- Demolition or site remediation where this will have an immediate benefit”

Towns Fund proposals are scheduled to go to the Council's Cabinet in October for approval prior to submission to government.

Getting Building Fund (£6.68m) – part of the £33.6m funding allocated to the city region for 'shovel ready' local growth projects. In Rotherham £6.68m is proposed to deliver:

- Century II business centre in the Dearne Valley (£2m)
- capital investment in the town centre including new public realm (£2.18m)
- transport improvement scheme at The Whins, Greasbrough (£2.5m).

This funding is delivered through the Mayoral Combined Authority and comes with a requirement for spending to be complete by the end of the next financial year (2021/22).

Brownfield Housing Fund – a new opportunity to bid into a **£40 million** city region wide fund to encourage house building on brownfield land. Opportunities are being considered through the economic recovery cell and by Housing and RiDO £400m allocated to the regional authorities, including £40m to Sheffield City Region to support house building on brownfield land.

The **Transforming Cities** programme is bringing circa £166m to the City Region area in terms of public transport and active travel infrastructure schemes, with circa £29m identified for improvements in Rotherham, with key public transport elements such as the new Tram-Train stop at Magna being delivered by SYPTe and key active travel elements such as the Sheffield Road improvements being delivered by RMBC. This programme is being delivered over 3 years 2020-23.

Funding has also been provided for an **Active Travel** programme this year as a result of travel pattern changes. Rotherham is receiving £265k of emergency active travel funding in tranche 1 for improvements to social distancing and safer cycling access to work. A tranche 2 bid of £1.5m is awaiting award but an announcement is expected to be imminent. Once awarded the tranche 2 funding will enable construction of a new dedicated cycling super-highway along Broom Road and include further works to provide a low traffic neighbourhood arrangement in surrounding residential areas improving the attractiveness of active travel opportunities.

5. Co-ordination with Sheffield City Region to inform the Renewal Action Plan
The Council has been working with the colleagues across the Sheffield City Region to co-ordinate data, intelligence and emerging issues and priorities.

This has led to a co-ordinated approach and consensus across the region on a joint Renewal Action Plan for economic recovery. Proposal for interventions, projects and programmes to deliver the plan (attached as an appendix to this report) are being developed through regional working groups.

3. Key Actions and Indicative Timelines

Renewal Action Plan

Proposals are progressing through SCR boards over September and October 2020.

Employment Support

The Council is working with the other City Region authorities and partners (including DWP and RNN) to develop and deliver a wide range of projects for those residents both seeking and already in employment. Delivery and timing is dependent on securing funds and European funds may be available to deliver some of this activity.

Business Centres

A Full Business Case for the Century II Business Centre was submitted to SCR on the 1st September 2020. This is expected to go through the SCR assurance process, and it is hoped that it will go before the next Infrastructure Board on 22nd October 2020. The project is planned to start on site in Spring / 2021.

Investment in the borough's other business centres require a range of works to be procured between Nov 2020 and July 2021 with all works to be completed by September 2021.

Forge Island Development

The development programme is subject to completion of agreements with end users. Interest from end users remains strong despite the impact of Covid 19 and agreements with key anchor occupiers are expected in the very near future.

Towns Fund

Towns Fund proposals are scheduled for presentation to the Towns Fund Board on 13th October and Cabinet on 19th October. Submissions to Government will be made by 31st October 2020 or 29th January 2021 (dependent on which cohort Rotherham's investment plan progresses in).

These proposals are currently out for public consultation at the link below:

<https://vpc.tetrachteurope.com/rotherham/>

Rotherham Markets Redevelopment (including Library)

Progressing the markets redevelopment as proposed is dependent upon a successful outcome to the Future High Street fund submission. The full business case was submitted on 5 June 2020 and a decision is expected in “autumn”. Subject to this decision, this would allow for approval of detailed designs in December 2020 and potentially a start on site in January 2022.

Rotherham Town Centre Public Realm

Indicative delivery programmes:

Site	Start	Finish
Bridgegate	September 2020	November 2020
College Street	January 2021	May 2021
Frederick Street	January 2021	June 2021
Howard Street	May 2021	July 2021
Effingham Street	February 2022	June 2022
Riverside Gardens Upper Mill	January 2022	September 2022

Town Centre Housing

Milestone	Completion Date
Start on site (enabling works)	Feb 2020
Main construction contract signed	Jul 2020
First tranches of Homes England funding (£4.3m)	Aug – Oct 2020
Demolition of Millfold House and associated buildings	Sep 2020
Final tranche of Sheffield City Region funding (£3.9m in total)	Autumn 2020
First home	Autumn 2021
Final tranches of Homes England funding (£1.4m)	Nov 2021 – Mar 2022
Wellgate Place	Early 2022
Westgate Riverside	Spring 2022
Millfold Rise	Summer 2022

Transportation Schemes

The LGF funded Greasbrough Village (Coach Road) scheme was approved by MCA on 27th July releasing £2.5m to fund the junction improvement at Coach Road. Construction is expected to commence in October 2020 with a planned completion date of Spring 2021.

Since then the Get Britain Building Fund (GBBF) has awarded a further £2.4m for the completion of The Whins Junction Improvement Scheme, to be commenced immediately. Procurement of additional external resource for both design and construction are well advanced with construction expected to start in March/April 2021 for completion by March 2022.

The A630 Parkway Widening Scheme has been planned for some years and the Full Business Case was submitted to government on 19th May 2020. The scheme has gone through DfT appraisal and is awaiting final Ministerial sign off prior to funding being

confirmed. If approved, construction could commence immediately with an expected completion date of Spring 2022. The scheme value is £45m and has been awarded to Balfour Beatty. Planning approval has also been granted for the construction of a new Motorway Service Area at M1 Junction 33, with links to this scheme – this will be delivered by a private commercial developer.

Appendix 1 – Summer Statement Summary

Skills and employment	
Job retention bonus	Businesses that furloughed staff will receive a £1k bonus payment for every employee they retain between October and January. The furlough scheme ends in October and there are currently no plans to extend it beyond this date.
Kickstart	Incentive scheme to encourage employers to create jobs for 16-24- year olds on Universal Credit. The funding covers 100% of the National Living Wage for 6mths plus overheads (e.g. pension, NI). Jobs must be new and must be for a minimum of 25 hrs per week.
Worksearch and Careers	£895 million to double the number of work coaches in Jobcentre Plus within 9 months. £40 million to fund a job finding support service: online, one-to-one service for those who have been unemployed for less than three months.
Apprenticeship Grant	Similar to the previous AGE grant in that businesses that employ apprentices will be given a £2k grant per apprentice (aged up to 25yrs) or £1.5k grant per apprentice (aged over 25yrs).
Traineeships	Businesses will be given £1k for each new work experience place they offer to young people
Business	
VAT cuts	From 20% to 5% for tourism, hospitality and leisure businesses (includes pubs, restaurants, hotels, B&Bs, campsites, cinemas, theme parks)
Eat out to help out discount	Scheme to encourage the public to use restaurants between Mondays and Wednesdays in August offering a 50% reduction on food and non-alcoholic drinks up to £10 per person.
Arts and Heritage Loans and Grants	£1.57bn scheme.
Housing	
Green homes voucher	Making homes more energy efficient. The grant can be used to install low carbon heat, light and power systems or insulator measures (e.g. extra insulation, cavity-wall insulation, renewable energy system, double-glazing) in homes. Worth up to £5k per household but up to £10k per household for those on low incomes.
Stamp duty	No stamp duty to be paid on houses up to £500k (increased from £125k) - a temporary measure until 31 March 2021

Appendix 2 – SCR Renewal Plan (attached)