

Impact of Covid-19 on Economic Development in Stevenage and the Council's response

Environment and Scrutiny Meeting

10 November 2020

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Economic Data – Snapshot of UK Economy

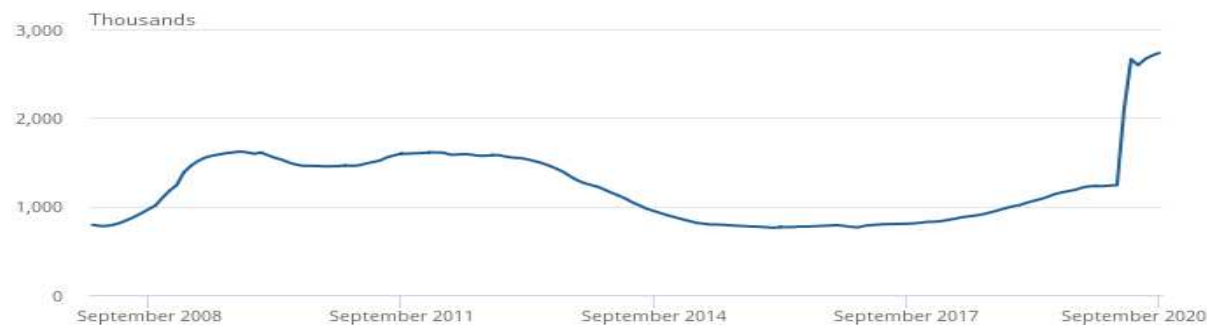
- June to Aug 2020, UK unemployment rate for all people 4.5%
- 1.52m unemployed, 209,000 more than a year earlier & 138,000 more than the previous quarter
- UK Redundancies - March to May 114,000 - June to Aug 227,000
- Sept 2020 - 673,000 fewer people in pay-rolled employment compared with Mar 2020
- 488,000 vacancies in July to Sep 2020; below (COVID-19) levels & 40.5% less than a year ago

Economic Data – Snapshot of UK Economy

- UK Claimant Count 2.7m

Figure 7: UK Claimant Count level has increased by 120.3% since March 2020

UK Claimant Count, seasonally adjusted, between January 2008 and September 2020



Source: Department for Work and Pensions

Economic Data – Snapshot of UK Economy

- Prior to coronavirus on avg. 2 to 2.5m temporarily away from work - April to June 2020 7.3m but fallen to 6.4m June to August 2020
- June to August 2020 8.63m (16 and 64 year olds) economically inactive
- UK gross domestic product (GDP) contracted by 19.8% in Quarter 2 (Apr to June) 2020, largest quarterly contraction in UK economy since quarterly records began in 1955.
- Compared with same quarter 1919, UK economy fell by 21.5%.
- Arts, entertainment & recreation industry and administrative and support service activities industry highest % of businesses temporarily closed or paused trading, at 30% and 21%
- 10% of workforce on partial or full furlough leave
- 29% of workforce working remotely instead of at their normal place of work
- 60% of the workforce working at their normal place of work.

Government Support Measures

- Small Business Grant/ Retail Hospitality and Leisure Grant £11,340,000 to 882
- Discretionary Grant £500,000 to over 60 businesses
- Retail, Hospitality and Leisure Business Rates Relief £21.5M
- Job Retention Scheme (furlough Scheme) Jul 12,400 28% Aug 2020 3,800 8% (45,400) (initially 9m ¼ of UK workforce)
- Self-employment Income Support Scheme 3,600 (5000) 72% claims Sep 2020
- Bounce Back Loan Scheme
- Business Interruption Loan Scheme – Herts 2% take up
- Large Business Interruption Loan Scheme
- Time to Pay Scheme
- VAT deferral Scheme
- Deferral of Self-Assessment payment

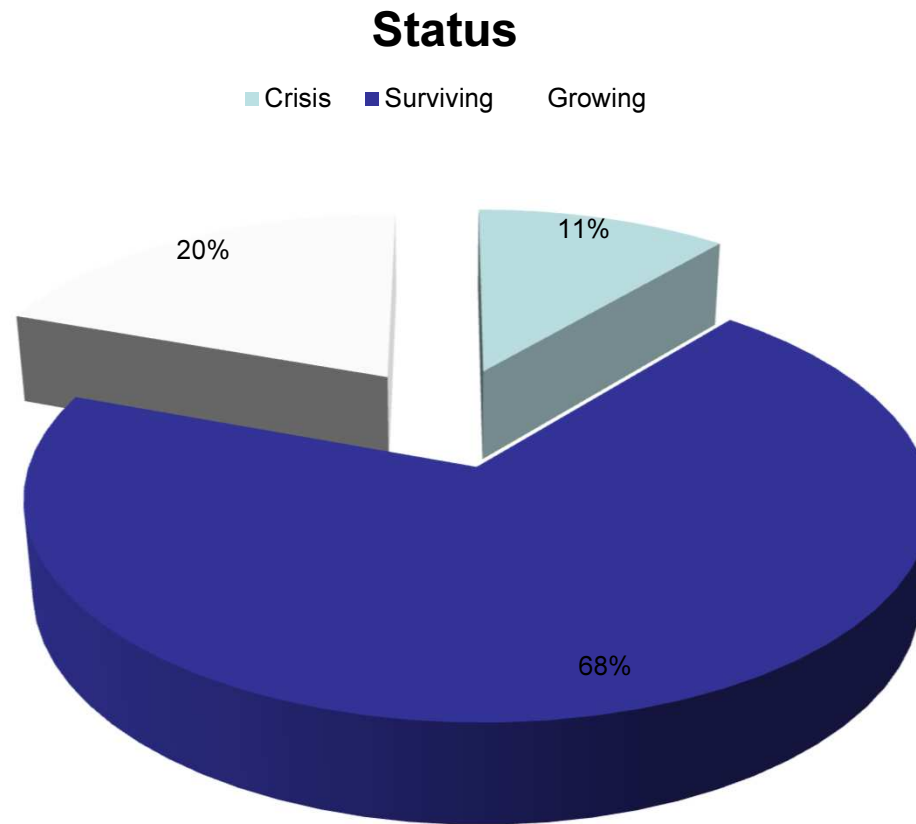
Government Support Measures

- ***Job Support Scheme*** - 1 Nov - For every hour not worked, the employee will be paid up to two-thirds of their usual salary.
- ***Self Employed Income Support Scheme***
- **Local Restrictions Support Grant (Tier 2)**
- **Job Retention Bonus £1,000 top on Job Retention to support jobs**
- **A Kickstart Scheme** to support 6-month work placements for 16-24
- VAT reduction of 5% for hospitality, accommodation and attractions
- Apprenticeship payments for employers -£1.5K to £2K
- Traineeships for young people
- **JETS (Job Entry Targeted Support)**
- **Flexibility to pay back loans**
- **Government support to stop business evictions extended**

Stevenage Borough Council Business Survey – Supporting your economic recovery from COVID-19

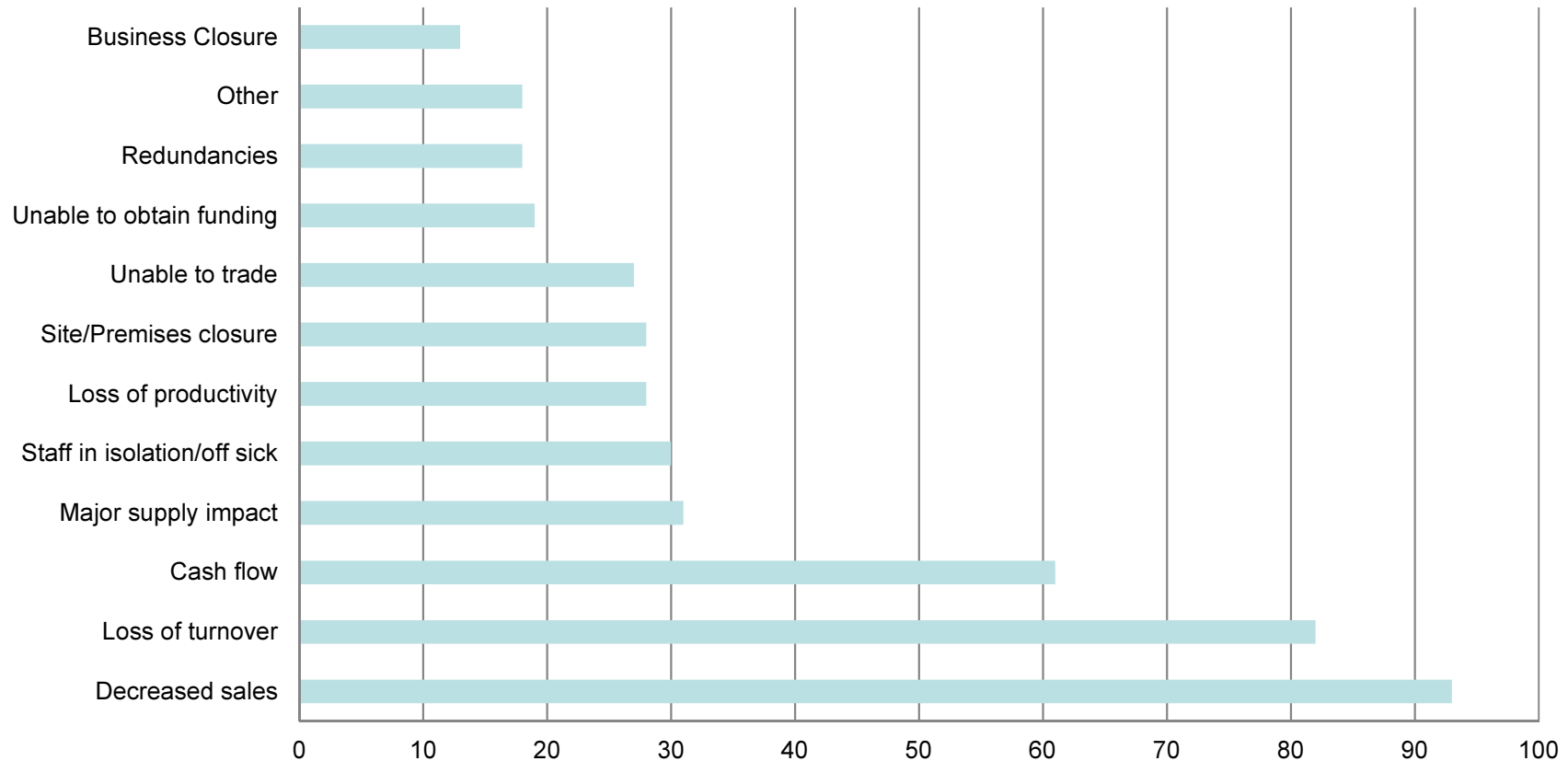
- 145 surveys from micro, SME's & large businesses from all sectors
- Not all businesses contacted took part in survey
- Wholesale and Retail trade (29), Manufacturing (22) and Professional, Scientific and Technical activities industries (16) sectors with greatest response
- Micro businesses largest responder to survey 65% (95) responses

status



Current concerns

Current Concerns



Staff Information- Industries who furloughed

- 538 members of staff furloughed
- 63% (92) furloughed staff
- 30% (44) not furloughed staff
- Wholesale and retail trade (19), Administrative and support service activities (12) and Manufacturing (12) industries furloughed staff
- 49 did not furlough staff – Manufacturing (10), Wholesale and retail trade (9) & Professional, scientific & technical activities industries(7)
- 53 redundancies
- 16 respondents identified further redundancies
- largest number of redundancies in Accommodation and food service

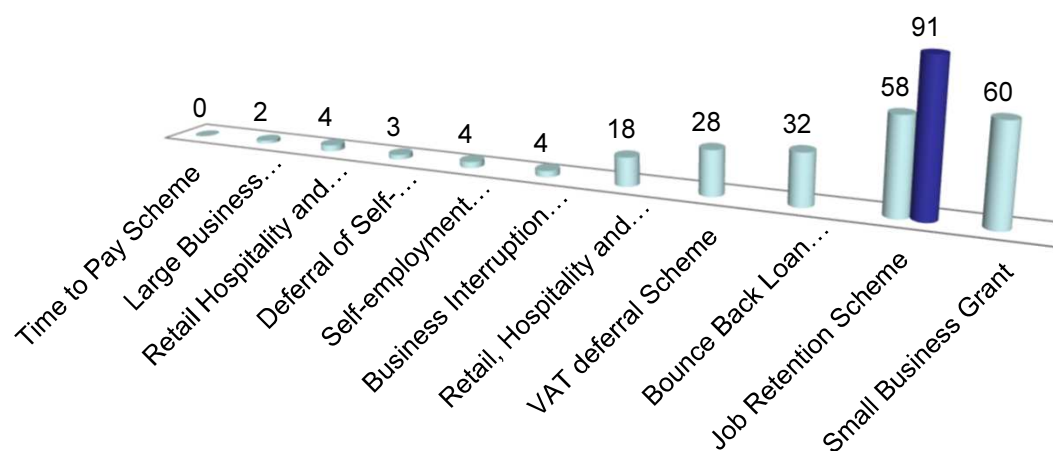
Staff Information

- **Self-employed workers**
- 134 self-employed jobs lost - Arts, entertainment and recreation industry, severely impacted by pandemic
- **Agency workers**
- loss of 85 agency worker roles from Arts, entertainment and recreation industry & Administrative and support service activities
- **Businesses returning to full staff numbers**
- From 99 respondents 62% (61) identified business would return to full staff numbers.
- 33% (33) identified that their business would not return to full staff numbers.

Accessing Government Support Measures

Business Measures Accessed

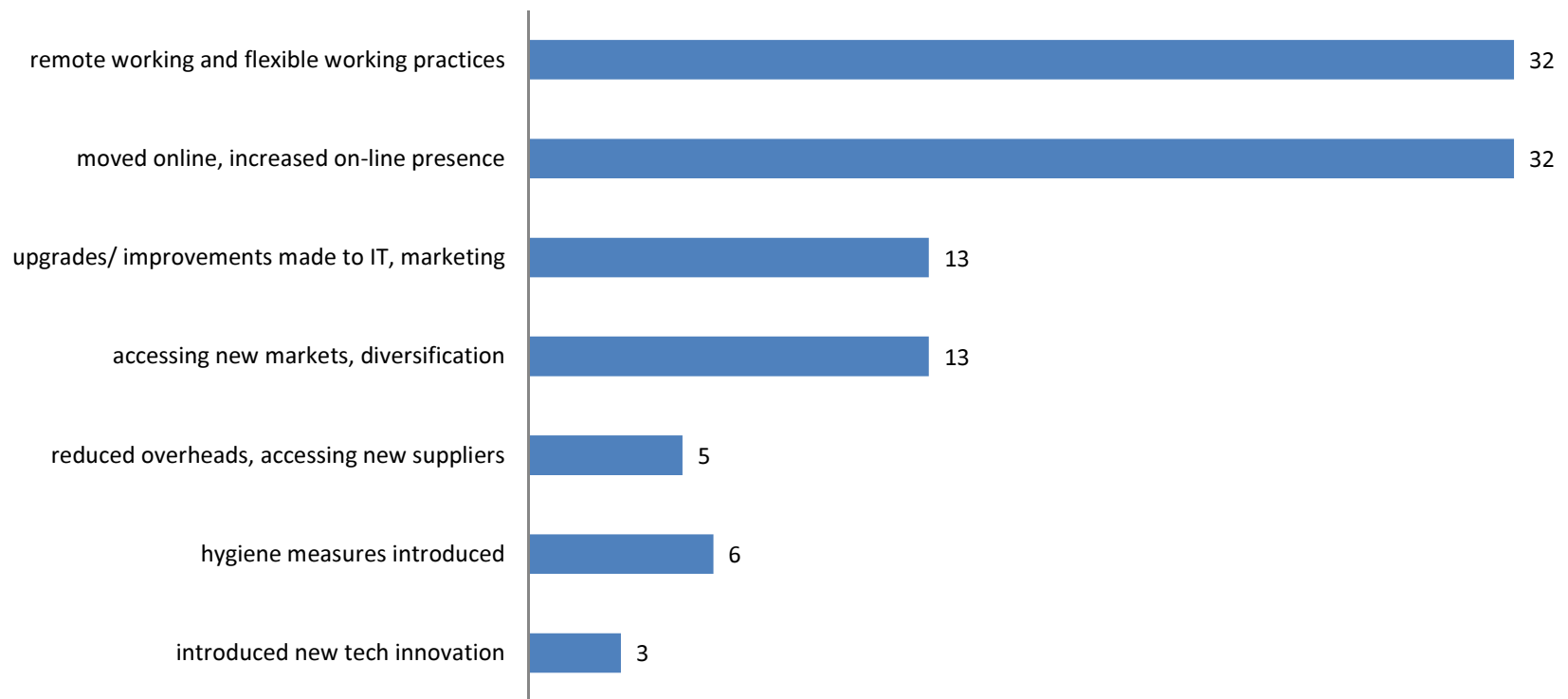
■ respondents ■ furloughed staff



Adapting to change – Adaptions made by businesses to meet the new demands faced by current crisis

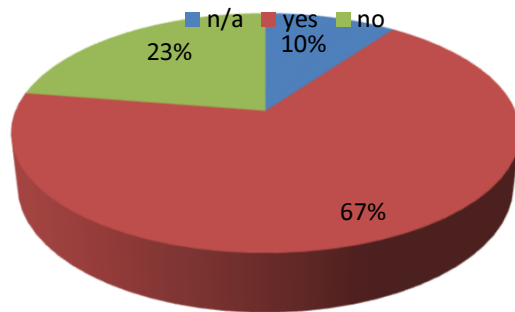
Adaptions Made

■ number of respondents

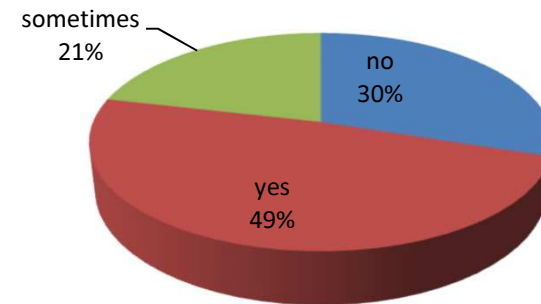


Adaptions to stay

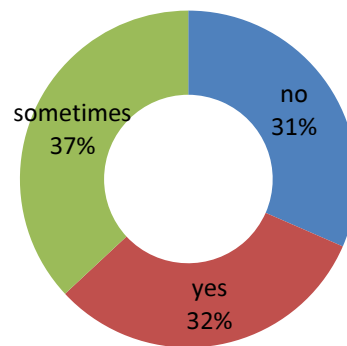
adaption to stay



Team able to work from home



Flexibility of working at home to continue after COVID-19



Business Support and Information

Business Support and information requested	Number
Access to funding support and advice	48 % (70)
Access to new markets, including global	27% (39)
Access to skills support and training	24% (35)
Access to suppliers	17% (25)
Support with staffing issues	10% (15)
Business planning	5% (7)
Other	4% (6)

Key priorities for Stevenage Borough Council

- **improving and maintaining the wider Infrastructure;**
 - safeguarding employment land
 - broadband
- **skills support;**
 - localised skills agenda to support employers
 - Apprenticeships
 - upskilling and retraining of those facing redundancy
 - Funding for schools with IT to support home working.
- **Procurement** - access to contract opportunities for local businesses

Key priorities for Stevenage Borough Council

- **well-being-** supporting residents to get fit
- **Business support**
 - sector development support to support growth
 - networking opportunities
 - funding to improve premises, purchase equipment, support cash flow
- **Regeneration of the town centre**
 - proactively targeting quality retailers to attract customers in to the town
- **Old Town** – promotion and support of businesses

challenges

- unable to directly support some areas but can influence, lobby & work with LEP/stakeholders to highlight to central government to provide solutions
- Including; funding for skills with IT equipment, safeguarding employment land & broadband
- **Areas supported**
 - Skills/Jobs a priority as part of Stevenage Economic Taskforce
 - Procurement
 - Business support
 - Regeneration of the town centre
 - Old Town