

ROAD TO RECOVERY

Head of Service:	Damian Roberts, Chief Operating Officer
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	None

Summary

This report sets out the challenges facing Epsom and Ewell's local economy as a result of COVID-19 and the positive action being taken by the Council to support the road to economic recovery.

Recommendation (s)

The Committee is asked to:

- (1) **Note the challenges facing Epsom and Ewell's economy as a result of COVID-19 and its aftermath;**
- (2) **Confirm their support for the range of actions set out in this report being taken by the Council to support local businesses and the wider economy with the process of recovery.**

1 Reason for Recommendation

- 1.1 COVID-19 has had a significant impact on local businesses and employment across the country and in Epsom and Ewell. A strong economy is vital to the future success of the borough and its communities, as well as essential for the effective operation of the Council.

2 Background

- 2.1 A strong economy, confidence and investment in the future and access to meaningful jobs for local people are all vital for the wider success of the borough and the ability of the Council to generate income to pay for local services. It is also key to the delivery of the long-term vision for Epsom and Ewell, in particular being a place for "opportunity and prosperity".

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- 2.2 COVID-19 and its aftermath is a significant threat to Epsom and Ewell's local economy and in the Summer the Bank of England confirmed that the UK economy on course to shrink by 14% in 2020 making it the deepest recession on record.
- 2.3 With the recent introduction of the "rule of six" further tightening of social distancing rules, and the very real risk of further constraints or lockdowns in the coming weeks and months as infection rates of COVID-19 continue to rise across the country and in the South East, the local economy remains fragile.

3 The importance of a strong economy for Council operations

- 3.1 Looking beyond the recent lock-down period and into the rest of the financial year 2020/21 and into next the impact of COVID-19 and its aftermath on the local economy could impact on the Council in a variety of ways:
- Collection rates on both Council Tax and Business Rates could be adversely impacted;
 - Car parking use and associated income levels may not return to previous levels;
 - Fewer people than previously may be prepared to visit venues such as Bourne Hall and the Rainbow Leisure Centre and book social events in Council buildings or activities on Council land;
 - As with other theatres across the country, the Playhouse may need to remain closed for the time being;
 - Some commercial tenants in Council owned property may default on their rents;
 - Other income streams that are linked to economic activity could also be impacted (eg Building Control, Planning and Licencing etc)
 - Residents may no longer be able to afford their mortgages or the rent they pay for their home, and could find themselves adding to the Council's homelessness pressures. The extra pressures on households can also lead to increases in domestic abuse, creating even greater pressures on the housing service to source accommodation for those escaping abuse.
- 3.2 Unfortunately, if more people are out of work there is also likely to be an increase in the numbers of people experiencing poor mental health and an increase in crime and anti-social behaviour, as some people are drawn into other ways to spend their time or supplement their income.

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The real impact on the Council is unlikely to be fully felt until later in the year at the earliest, as the economy and local businesses try and get back on their feet. Given the challenges created by COVID-19, rebuilding a strong local economy is emerging as one of the Council's top priorities for this next period.

4 What has the Council done to date to help

- 4.1 Although the Council does not have a statutory responsibility to support the recovery of the local economy, and has been busy with managing the emergency situation during the first wave, and now the on-going second wave of COVID-19, and the recovery of its own services, it has at the same time taken a range of positive actions since the onset of the Pandemic to support the local economy and its recovery.

4.1.1 Business grants to over 800 local businesses

The Council paid Grants totalling more than £11 million to over 800 small businesses throughout the borough to help keep them afloat.

4.1.2 Working in partnership

- Established the High Streets Task Force with support from the Business Improvement District, the Police, the County and major businesses to help with the safe recovery of the High Streets.
- Worked with the County to explore and implement temporary extensions to the footway on the Northern High Street in Epsom to provide additional pedestrian and queuing space at this potential pinch point.
- Worked with GLL who run the Rainbow Leisure Centre on the Council's behalf, to support the re-opening of their services in line with Government guidance.
- Enabled small businesses such as fitness clubs, car boot sales etc to restart their business in the Council's parks, Hook Road Arena, and Bourne Hall subject to COVID-Secure practices.
- Started work with the Epsom Business Improvement District (the BID) around scoping the work necessary to achieve the

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Purple Flag status aimed at promoting the Town as a safe place to visit and shop and to introduce other schemes to promote the local retail and restaurant offer.

- Engaged with Job Centre Plus and Surrey Life Long Learning in a 12 month project to deliver an Epsom and Ewell Skills Hub. The focus on the Skills Hub is to support residents into or back into employment and relevant training courses, including support gaining basic skills relevant to today's employment market and building greater personal confidence. The service operated virtually during the pandemic lock-down period and now also provides outreach face to face services for those that need a more tailored and personalised approach. The Skills Hub operates in parallel with the long-established Stoneleigh Job Club.

4.1.3 Communications

- Once non-essential shops were allowed to reopen, the Council strongly promoted the borough as a safe and attractive place to visit and shop, alongside and in conjunction with the Business Improvement District (BID).
- Since March this year, the Council has increased the frequency of the Council's business newsletter from quarterly to monthly to promote funding opportunities, national guidance and details of support and advice on offer alongside increased social media messaging. In addition the Council published two special edition newsletters to address time critical issues, such as to alert businesses to the special grant funding opportunities available.

4.1.4 Business Engagement

- The Council's environmental health team contacted takeaways in the borough to provide advice and signposting to further details to support their operation and keep their business going during the lockdown.

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- As national restrictions started to be lifted, the Council contacted 114 restaurants and food business across the borough that had been unable to operate during the lock down to provide them with relevant information and guidance to support the safe re-starting of their businesses operations, including advice on dealing with other health and safety risks such as legionella.
- The Council also wrote to local letting agents and landlords of licenced houses in multiple occupation and provided a factsheet on issues they may encounter with tenants as a result of the coronavirus restrictions, and a second factsheet that they could put up in the rented property with information for the tenants on coronavirus, what to do if a tenant was displaying symptoms; and contact details of available support services.
- The Council's licencing function worked alongside the police to engage with pubs and bars to support their safe re-opening and to ensure that there was a clear understanding of their responsibilities in relation to COVID-19.
- The Council has also been actively engaging with the commercial and social enterprise tenants in its own buildings, providing an opportunity to raise any concerns arising from the pandemic on their operations and demonstrating understanding and flexibility as Landlord where possible.

4.1.1 A visible Council presence on the High Streets and Shopping Parades

From the start of the lifting of the national restrictions, the Council established a team of street wardens in high visibility Council uniform to provide reassurance on High Streets and Shopping Parades across the borough.

4.1.1 Stepped up the programme of Markets in Epsom Town Centre

Introduced a range of new popular open air markets in the Town Centre to boost footfall numbers in the Town, supported by a new high quality brand.

4.1.2 Pressed ahead with opportunities for investment in the borough

While most retailers were still closed, the Council accelerated its Plan-E investment programme in the Market Place and the Northern Footway to ensure that there was minimum disruption to businesses once they re-opened and to provide a high quality, safe and attractive environment to support local business.

Proceeded with the Community Infrastructure Levy (CIL) 15% bids for investment in local infrastructure which are being evaluated this month.

Brought forward a paper, also on this Committee Agenda, to invest in some feasibility work to help lever in opportunities for greater external investment into the borough.

4.1.3 Developed a new pavement licencing scheme

The Council developed and launched a new scheme to support local restaurants and cafes that want to make use of the space outside their premises to support the safe operation of their business and facilitate social distancing.

4.1.4 Maintained the Council's Planning services throughout the pandemic

Ensured that developers had access to the Council's Planning Services and advice throughout the pandemic and that related decisions were taken wherever possible, in a timely way.

4.1.4 Launched a reopening high streets programme

Working with the High Streets Task Force, developed an operational action plan to underpin and coordinate activities focused on supporting the safe opening an operation of high street businesses. This includes audits to assess vacancy and footfall levels to enable the health and vitality of high streets across the borough to be assessed over time.

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5 Key challenges ahead

5.1 Eat Out to Help Out

5.2 This national discount scheme that operated Monday to Wednesday in August only, was very well received by local businesses and resulted in many recently reopened restaurants being busy Monday to Wednesday. Restaurants are now having to cope on their own with much fewer covers due to social distancing requirements and the requirement to close by 10pm. As the weather becomes colder in the lead up to Winter, it will also become more challenging to have seating outside, and operate inside with windows and doors open as part of the COVID-Secure arrangements.

5.3 Temporary ban on residential eviction

5.4 The Government had provided protection from those who may have missed rent or mortgage payments on their home by suspending possession proceedings to protect tenants and homeowners from the impact of the coronavirus pandemic. This protection ended on the 20 September.

5.5 Furloughing of staff is due to end by the end of October

5.6 The national Coronavirus Job Retention (Furloughing) Scheme is due to finish by the end of October. There were an estimated 10,700 staff in Epsom and Ewell who have been benefitting from the scheme who may now either have the opportunity to return to work or face the prospect of redundancy. At the time of writing this report the Government have announced a new Job Support Scheme which will operate from November for a period of 6 months. Business will continue to pay staff for time worked, but the Government will pay for up to a third of the hours not worked assuming that the employer is able to match this.

5.7 Temporary protection against eviction from commercial property

5.8 The temporary protection for local businesses, including retail, hospitality and property sectors has provided protection to those who have been struggling to meet their premises related payments from eviction over the Summer but are due to be withdrawn by the end of this month.

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5.9 Fundamental shifts in behaviours

- 5.10 During the extended lock-down people and businesses have had to adapt to the new circumstances and some of these changes may continue into the future as part of a new normal. This includes a further shift nationally towards on-line shopping and more people spending significant parts of their working week, working at home rather than travelling to their place of work and contributing in a variety of ways to the vitality of high street or town/village centre economies.

6 Conclusions

- 6.1 The Council has taken a range of important steps to actively support the reopening of local businesses and their continued operation. The recovery of the local economy continues to be a pressing issue for the Council and the future success of the borough
- 6.2 The Council has an important on-going role in promoting business confidence through a range of existing functions and its day to day business engagement, bringing relevant partners together, removing obstacles to economic recovery and attracting future investment, businesses and jobs into the borough.

7 Risk Assessment

Legal or other duties

7.1 Impact Assessment

- 7.1.1 Economic recovery is vital for local jobs and supporting household income as part of a circular economy, particularly for those jobs impacted most by the Pandemic such in hospitality and for those on lower incomes. This process is already well underway, but is being impacted by the second wave of the COVID-19 infection.

7.2 Crime & Disorder

- 7.2.1 A safe environment free from crime and anti-social behaviour is important in supporting a strong recovery for both local businesses and their customers

7.3 Safeguarding

- 7.3.1 There are no safeguarding implications arising from this report.

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7.4 Dependencies

7.4.1 The recovery of the local economy is dependent on the continued course of the pandemic and related restrictions on business operations.

7.5 Other

7.5.1 None

8 Financial Implications

8.1 Epsom and Ewell Borough Council has been nominally awarded £71,062 from the European Union Regional Development Fund (ERDF) to enable safe trading to take place in public spaces. The funding relates to very specific categories of spend that occur between 1 June 2020 to March 2021. Work is taking place to utilise as much of this funding as possible despite the unusually restrictive nature of this ERDF funding programme.

8.2 There is a small risk that if the Council were not able to spend the funds in accordance with the restrictive ERDF categories, a proportion of the grant could become repayable to the ERDF at a later date.

8.3 **Section 151 Officer's comments:** As detailed throughout the report, the Council's own funding streams - and consequently our capacity to deliver services – are directly impacted by the strength of the local economy.

9 Legal Implications

9.1 None arising from the contents of this report.

9.2 **Monitoring Officer's comments:** none arising from the contents of this report.

10 Policies, Plans & Partnerships

10.1 **Council's Key Priorities:** This report is closely aligned to the Council's priorities of Safe and Well, Opportunity and Prosperity, Smart and Connected, and Effective Council.

10.2 **Service Plans:** The matter was not included within the original Service Delivery Plan for this year.

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10.3 **Climate & Environmental Impact of recommendations:**

Wherever possible, the Council is supporting a green economic recovery including greater use of walking and cycling.

10.4 **Sustainability Policy & Community Safety Implications:**

These are addressed in the body of the report.

10.5 **Partnerships:**

These are addressed in the body of this report

11 **Background papers**

11.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Strategy and Resources Committee, 2 July 2020, The Council's response to the Covid-19 Pandemic; Financial impact of Covid-19.

Other papers:

- Licensing and Planning Policy Committee, 6 August 2020, Pavement License Policy