
Scrutiny

COVID 19 Economic Impact and Recovery Plan



Overview

This presentation covers:

- Economic data and background
- Economic Response
 - National
 - GM
 - Tameside



Economic Impact – No growth, in recession

Contribution to GDP growth based on GVA (Gross Value Added), 3-month-on-3month growth, by sector



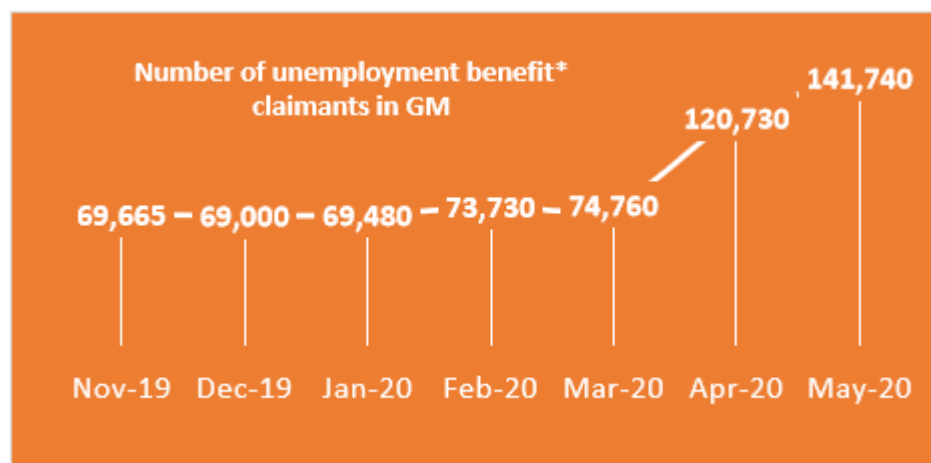
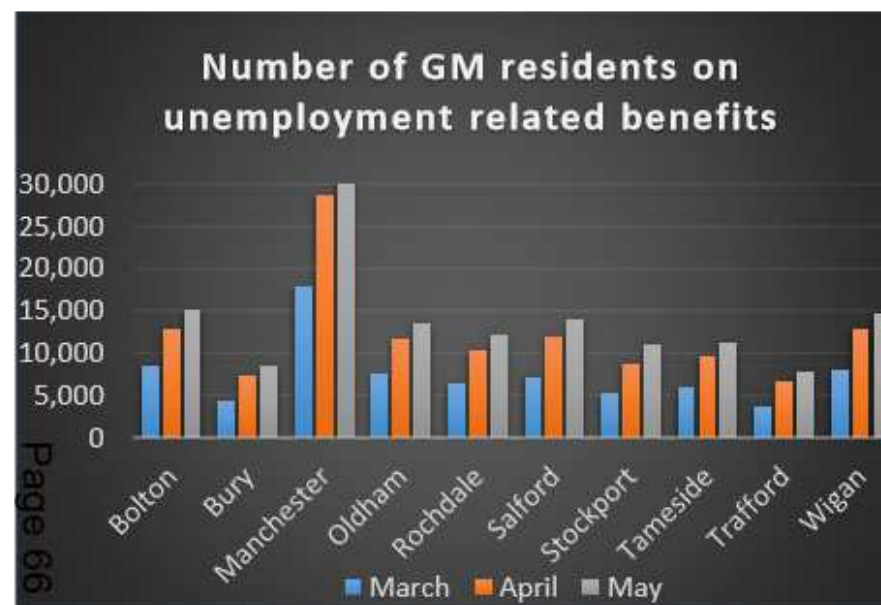
Notes: Other services include: financial & insurance activities; real estate, professional & administrative services, public admin, arts & recreation, other services & activities of household's employers (SIC codes: K-O & R-T). Production industries includes SIC codes B-E.
Source: RF analysis of ONS, Monthly GDP based on Gross Value Added (GVA).

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Employment Impact – Unemployment rising

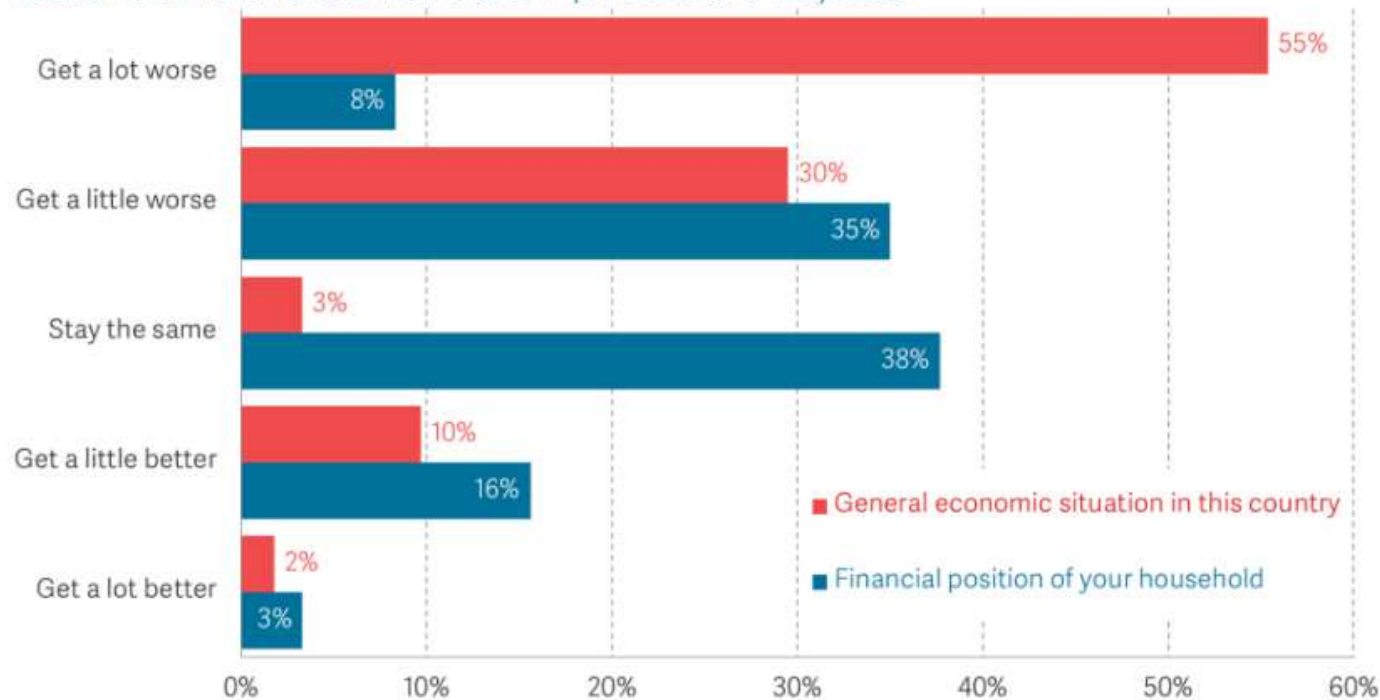
Area	16+ Workforce	Furloughed Staff	% Furloughed	Vs UK
Bolton	126,600	33,900	26.8%	+0.1%
Bury	87,200	23,000	26.4%	-0.3%
Manchester	262,300	62,200	23.7%	-3%
Oldham	105,000	25,800	24.6%	-2.1%
Rochdale	95,700	23,800	24.9%	-1.8%
Salford	129,400	33,500	25.9%	-0.8%
Stockport	142,100	33,700	23.7%	-3%
Tameside	107,700	27,700	25.7%	-1%
Trafford	117,900	26,100	22.1%	-4.6%
Wigan	160,400	37,100	23.1%	-3.6%
GM	1,334,400	326,800	24.5%	-2.2%
UK	32,551,900	8,696,000	26.7%	



Economic Impact – confidence low

Figure 4: Expectations of the general economic situation are low

Survey respondents expectations of the general economic situation/ financial position of their household in the next 12 months: 24 April 2020 to 3 May 2020



Notes: Results are raw percentages; businesses are not weighted.
Source: RF analysis of ONS, Opinions and Lifestyle Survey (COVID-19 module), 24 April to 3 May 2020.

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Impact on Sectors - at Risk In GM

Hospitality, tourism and leisure

- **71% of businesses report reduction in sales**
- Clothing and footwear have seen biggest hit, whilst greengrocers /essential shops see increases
- **Challenges for social distancing**, especially in local district shopping

Accommodation and Food Services

- **Widespread closures and loss of conferences resulting in economic impact of £13m**
- 20.5% of businesses with a “high” credit rating risk compared against UK average of 19.6%

Education

- School and nursery closures estimated 478,000 children between nursery – KS5 had education impacted
- **GM universities face difficulties around student recruitment from overseas (UoM)**
- Major challenge for Universities with revenue loss

Arts & Entertainment

- All attractions and cultural venues have been closed
- When reopened there will be **reduction in footfall due to social distancing measures**
- **Knock on effects of no mass crowds at sporting events / gigs may impact on other parts of the economy**

Impact on Sectors – Tameside Manufacturing

- Tameside Engineering and Manufacturing Sector:
 - 11,320 jobs, Location Quotient (LQ) of 2, 5% growth between 2013 and 2018. LQ = Size of sector compared to UK above 1 shows larger than national.
 - £300m GVA (10% of borough's total GVA).
- National Manufacturing Monitor survey responses (March 2020) below



Impact on Sectors – Tameside Retail

- Retail Sector Tameside:
 - 10,475 jobs, Location Quotient of 1.3, 15% growth between 2013 and 2018
 - £249m GVA (9% of borough's total GVA).
- Centre for Retail Research national projection of 20,000+ store closures and 235,000 job losses

Retailing 2020 (to end June)	Administ- ration	CVAs	Rational- isation	Totals
specific redundancies & rationalisation	NA	NA	1,150	1,150
multiples: stores closed	1,202	?	1,512	3,635
multiples: jobs lost	22,261	–	14,410	36,671
self-employed/concessions in larger shops	4,128	?	3,860	7,988
independent store closures	484	–	409	893
independent job losses	2,066	?	1,915	3,981
Total Job losses	28,455		21,335	49,790
Total store closures	1,686	–	1,921	3,607



Impact on Tameside – Socio Economic

- Hatch Regeneris study found Tameside to be most exposed to socio economic impact of COVID19 across several areas based on existing factors

Table 1 Tameside COVID socio-economic impact exposure (source Hatch Regeneris)		
Economic Exposure		
Statistic	Statistic Value	Exposure Category
% of businesses impacted by COVID-19	27%	Exposed
% of employment impacted by COVID-19	21%	Least Exposed
% of self-employment	12%	Exposed
Societal Exposure		
% of premises without decent broadband	0%	Least Exposed
% percentage who do not use the internet	11%	Most Exposed
Income deprivation rank	47	Most Exposed
Avg. minutes to nearest food shop (PT/walk)	7	Exposed
Health Exposure		
% Aged 70+	13%	Exposed
% with respiratory-related health issues	25%	Most Exposed
Population density	476	Most Exposed



National Response

Initial steps

- Job Retention scheme (furlough)
- Self Employment Income Support Scheme
- Statutory Sick Pay Relief
- Coronavirus Business Impact Loan Scheme
- Business Rates Holidays
 - SBRR recipients, Retail, Leisure and Hospitality sector, Children's Nurseries.
- Small Business Grant Scheme - £10,000
- Retail Leisure and Hospitality Grant Scheme - £10,000 or £25,000

Followed by

- Bounce Back Loan Scheme
- Local Authority Discretionary Grant Scheme



National Response 'A Plan for Jobs' #1

- Job Retention Bonus – up to £9.4bn
- £2bn Kickstart Scheme (6 month work placements at nat. minimum wage)
- £32m over 2 years for National Careers Service
- £111m for Traineeships for 16 – 24 year olds
- Apprenticeship Grant Scheme - £2,000 per 16 - 24 y/o or £1,500 for 25+
- £101m for high value L2 and L3 courses for unemployed 18-19 y/os
- £895m to double number of work coaches in Jobcentre Plus
- £95m expansion of Work and Health Programme
- £40m for private sector job finding support service.
- £150m increase for Flexible Support Fund
- Extra £17m to triple number of sector based work academy placements



National Response 'A Plan for Jobs' #2

- Eat Out to Help Out meal discount scheme
- Temporary 5% VAT rate for food and non-alcoholic drinks from café's, bars etc.
- Temporary 5% VAT rate for accommodation and attractions
- Temporary Stamp Duty Land Tax cut
- £2bn Green Homes Grant
- Construction Talent Retention Scheme
- £40m Green Jobs Talent Fund
- £50m fund for Social Housing Decarbonisation demonstrator project.
- Public Sector Estate Carbon reduction funding.



GM Response – Economic Recovery



- General principles of GM Strategy and GM Local Industrial Strategy still stand.
- Independent Prosperity Review Board reconvened to re-visit baseline economic evidence.
- GMCA controlled budgets and contracts reviewed and re-purposed where possible.
- Adult Education Budget amended to respond to retraining need.



GM Response - 1 year “living with Covid” plan being developed:

- Tackle pre-existing or newly identified stresses / risks in the system which must be respond to as part of our future response to outbreaks or other emergencies;
- Build GM’s economic, social and environmental resilience to prevent / minimise loss from a future shock event (e.g. second wave of infection, no deal Brexit, wildfires);
- Enable us to live better with Covid;
- Provide multiple benefits which help address multiple stresses – rather than just tackling one issue (e.g. addressing climate change while achieving economic outcomes);
- Set GM on a stronger footing in order to achieve GMS ambitions;
- Support GM’s ambition to continue to be and develop as a global city-region.



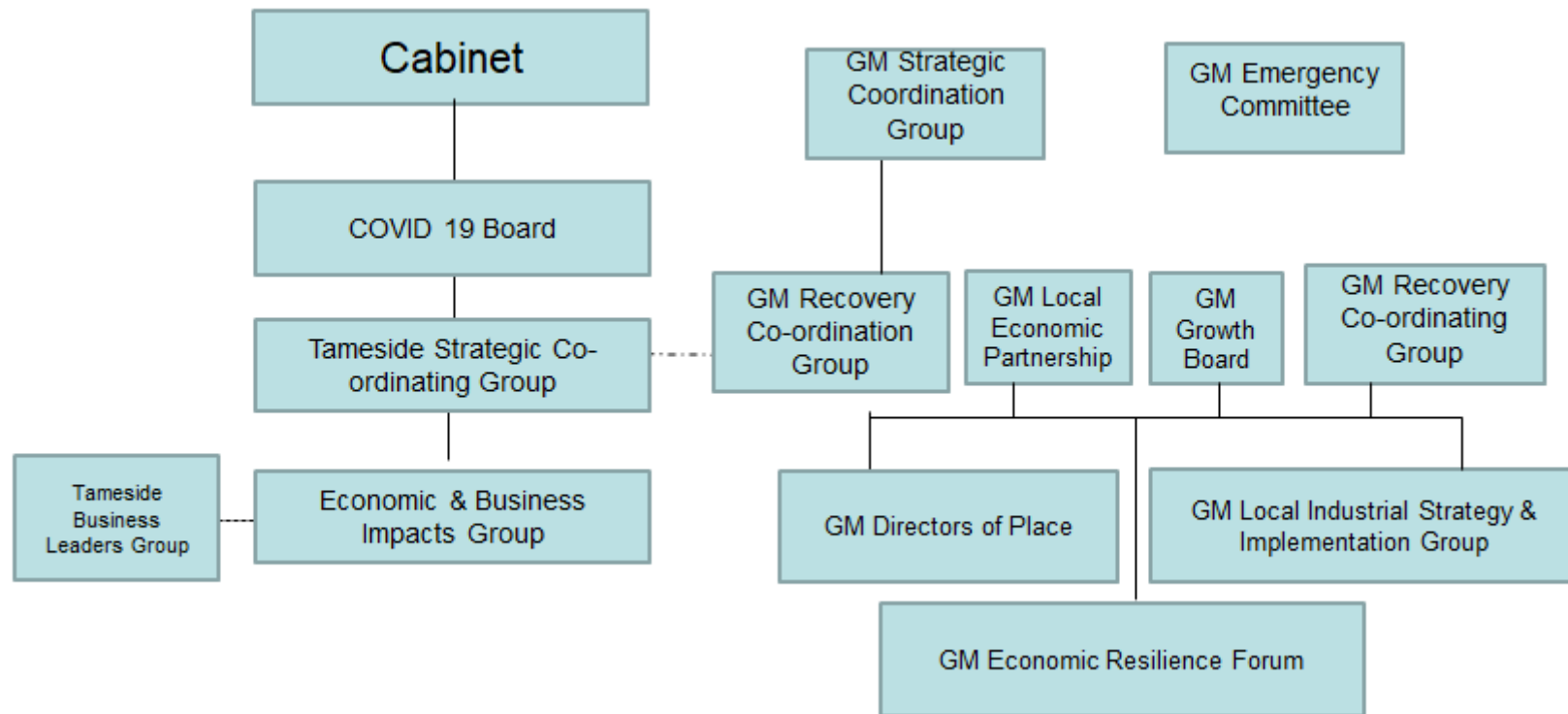
GM Response – ‘Build Back Better’

GM Mayor and Local Enterprise Partnership

- A future where business can still be profitable and sustainable, but not at any cost
- Where the people are treated and paid at a level that reflects the valuable roles they perform
- Where budding entrepreneurs of any age, stage and postcode can grasp the new business opportunities
- Where people can be employed in meaningful jobs but still have time left in their day to spend with family and friends
- Where young people can fulfil their true potential not pay the biggest price
- Where being digitally enabled means more fulfilling and better paid work
- Where the world can watch and learn from us about how a growing and productive economy can provide a positive outcome for investors as well as for the planet.



Tameside Response



Tameside Economic Response

Key areas of work and principles still stand to shape our economic recovery activity

- Our People Our Place Our Plan
- Growth priorities agreed at Council February 2020
- Emerging Draft Inclusive Growth Strategy document in production
- Emerging Housing Strategy, Strategic Asset Management Plan, Local Plan key documents in production



Tameside Economic Response – Business Activity

- Internal cross Council weekly Economic and Business Impacts Group established to co-ordinate response
- Business support team increased from 1 to 8 FTE staff at outset
 - Subsequently increased to 24 to deliver Discretionary Grants
- External COVID19 Business Leaders Group established for high level business intelligence response and shape Council activity
- Food Hub business co-ordination 20,000+ items donated by firms
- PPE co-ordination – Gowns, valves, masks
- Contact 400 businesses by phone re: support and gather intelligence.
- Enhanced Business Support E-shot to @2200 business email addresses
- Dedicated business support page added to Council website
- Dedicated employment ‘virtual jobs fair’ page
- Business Resilience Clinic established to provide peer to peer business support and signposting (7 business champions signed up)
- Delivering Discretionary Grant Fund to local companies £2.3m
- Delivering Mandatory Business Grants and Reliefs to local companies £70m
- Supporting companies to re-open safely



Tameside Economic Response - *Emerging Draft* Inclusive Growth Strategy

1. Attract inward investment and support existing businesses to increase the number of good jobs in the borough.
2. Increase aspirations, employment, pay, skills and health across our whole population.
3. Increase productivity across our whole economy
4. Encourage, start and grow new businesses and social enterprise models
5. Direct local spend to support local SMEs and social enterprises grow
6. Ensure that our transport system links our residents to jobs and services
7. Deliver the digital and transport infrastructure needed to grow our economy
8. Make our Town Centres hubs for living, culture, employment and services
9. Increase quality, affordability and choice in the borough's housing offer
10. Use the Public Sector Estate to support start-ups, social enterprises and charities to deliver and grow and to drive development and regeneration
11. Enable an inclusive digital and creative economy for people and business
12. Build back better from the COVID-19 Pandemic.



Tameside Economic Response – Delivering Growth Priorities

- **COVID19 Related Initiatives**
 - Economic Recovery Planning
 - Discretionary Grant Fund
 - Reopen High Streets Safely
 - Business Resilience Clinic
 - Redundancy Response
- **Development of Strategic Sites and Town Centre Regeneration**
 - Godley Green
 - Ashton Moss
 - St Petersfield
 - Vision Tameside and Ashton-under-lyne
 - Stalybridge Town Centre Challenge
 - Droylsden
 - Hyde
 - Denton
 - Hattersley
- **Strategic Connectivity**
- **Employment and Skills Projects**
- **Strategies and Plans**



Tameside Economic Response – Delivering Growth Priorities – Focus on Redundancy

- Ensure Growth Priorities are delivered
- Co-ordinated response with key partners such as Jobcentre Plus
- Understand and deliver National programmes (as appropriate)
- Re-purpose GM Work and Skills programmes and spend
 - Working Well
 - Adult Education Budget
- Continue to deliver and align local programmes
 - Tameside Employment Fund (youth unemployment)
 - In-Work Progression Pilot (start date in discussion)
 - Adult Community Education (Skills delivery)
 - Routes to Work (Disability employment)
 - Living Life Well (Mental Health)
 - Apprenticeship delivery
 - Digital Inclusion programme
 - Physical activity pilot
 - Virtual Jobs Fair

