

## SCRUTINY COMMITTEE

Thursday, 18 February 2021

### REVIEW OF THE ECONOMIC RECOVERY AND REGENERATION OF THE DISTRICT POST-COVID19

#### EXECUTIVE SUMMARY

1. The Covid pandemic and associated severe restrictions on business operations has severely affected the national and local economy. Business closures and redundancies have resulted in unemployment almost doubling within the District and with the Furlough scheme still in operation further significant job cuts are inevitable. The Council's response has focussed on the allocation of unprecedented levels of grant funding to local businesses, over £80m to over 6,000 businesses so far, to ensure short-term financial viability and maximising employment retention. ESC has also had wide ranging engagement with businesses, business networks and local partners to understand and respond to the challenges at a local and sector level and also to ensure that when allowed to open, our businesses and town centres could operate safely.
2. Whilst we are still in the midst of the response phase, we are also focused on the longer-term economic recovery. The Council established long-term and comprehensive economic growth programmes before the pandemic which focus on place, our key sectors and economic growth enabling themes such as digital infrastructure. These long-term economic growth plans are driven by the priorities within the East Suffolk Strategic Plan and the East Suffolk Economic Growth Plan and create a strong foundation that will drive the district's economic recovery by enabling growth through our existing economic strength and new growth opportunities.

<b>Is the report Open or Exempt?</b>	Open
<b>Wards Affected:</b>	All East Suffolk wards
<b>Cabinet Member:</b>	Cllr Craig Rivett Deputy Leader & Cabinet Member for Economic Development
<b>Supporting Officer:</b>	Paul Wood Head of Economic Development & Regeneration 07798 797275 Paul.wood@eastssuffolk.gov.uk

## **1 INTRODUCTION**

- 1.1 The Covid pandemic and its associated trading restrictions, including national lockdowns have had a devastating impact on the national and local economy. ESC has been at the forefront of the immediate local response through the allocation of huge sums of grant payments to ensure the short-term viability of businesses in the District but also ensuring there is a longer-term strategic recovery plan in place building on our existing economic growth programmes and new economic opportunities.
- 1.2 This paper sets out the extent to which the pandemic has impacted on the local economy, the Council's immediate response to this threat and the long-term, strategic economic growth plans which will ensure we have strong recovery, which all members of the community can benefit from. This is based on the Council's economic objectives as set out in the Strategic Plan and the East Suffolk Economic Growth Plan and also the national economic policy agenda around 'Building Back better' and supporting the delivery of local and national objectives of achieving carbon neutrality.

## **2 ECONOMIC IMPACT OF THE COVID 19 PANDEMIC**

- 2.1 The unprecedented trading restrictions imposed to control the spread of Covid 19 have had a huge negative impact on the national and local economy. In April 2020 the UK experienced a 25% contraction in GDP, the largest ever fall. For context, this reduction was six times greater than fall experienced during the 2008/9 financial crash, which at the time was the deepest recession since the 1930s depression. Whilst the economy did partially recover during the second half of the year, it is still 9% smaller than the pre-pandemic level and experienced a further fall in November following another tightening of restrictions.
- 2.2 This severe contraction in the economy has unsurprisingly led to a dramatic increase in unemployment at national and local levels. Within East Suffolk jobless totals increased by 96% over the year with the number of people being unemployed increasing by over 3,400 to just over 7,000, however we did perform better than the region and nationally where the increase was 120% . The extent to which businesses were and are still being affected can be demonstrated by the national Furlough and Self-employment Income Support Scheme (SEISS). At the peak, almost a third of employees in the District were furloughed and 62% of our small businesses had accessed SEISS.
- 2.3 These trading restrictions have also had a severe impact on the high street and retail in particular. 'Bricks and mortar' retail was already under pressure prior to the pandemic, however the restrictions have accelerated the trend in high street closures. In our two largest towns, Lowestoft and Felixstowe, there has been a sharp increase in vacant units exacerbated by the Covid trading restrictions.

## **3 IMMEDIATE RESPONSE**

- 3.1 In order to mitigate the impact of trading restrictions the government made a range of grants available to micro and small businesses who were forced to close or severely impacted. Councils have been responsible for allocating this funding. The first wave of grants was launched shortly after the first national lockdown in March 2020 and these included the Small Business Grant, the Retail, Hospitality & Leisure Grant along with discretionary grant funding for those businesses without a rateable value/ falling outside of the categories of the SBG and RHL grants.
- 3.2 During this first wave ESC allocated over £66m worth of grants to over 5,800 businesses. This represented a massive effort by the Council with Finance, Economic Development, Business Solutions, Audit and ARP working collaboratively to ensure as many businesses as possible received their grants. During the autumn and winter with the infection rate rising again the

government reintroduced stricter trading restrictions and we have experienced two further national lockdowns in November and the current one which commenced in early January. As a result of this further grant funding was made available to businesses in Suffolk in the form of:

- The Local Restrictions Support Grant (LRS) for businesses – a rolling grant for businesses forced to close or severely impacted by the trading restrictions. ESC has been awarded £16.6m so far.
- The Additional Restrictions Grant (ARG) for businesses without a rateable value. ESC has been allocated £7.1m and the Council were able to design this scheme at its own discretion within broad government guidelines. The Council's approach was to develop the eligibility in a way that maximised the number of eligible businesses to provide the greatest level of support. Unlike other grants the ARG is designed to cover a two -year period and can include funding for longer-term business support measures.
- Christmas Support Payment – one-off £1000 grant for 'wet-led' pubs.
- Closed Business Lockdown Payments - providing businesses that are required to close in the retail, hospitality and leisure sector with a grant of up to £9k.

- 3.3 Over 9,100 further payments totalling £18m (as of 20 January 2021) have been paid to businesses through these grants. Therefore, a total of over £84m has been paid out in grant funding to East Suffolk businesses since the beginning of the pandemic.
- 3.4 In addition to the Covid business grants the Council was also responsible for delivering the 'Reopening High Streets Safely Fund' aimed at encouraging a safe return to town centres following the first national lockdown. ESC was allocated £222K and following consultation with Town Councils from ESC's 12 principal towns, a range of social distancing and other safety precautions were put in place including temporary road closures, social distancing signage, hand sanitisers and barriers to aid the safe return to the high street. The Council spent its total allocation on delivering these measures to support trading within our towns.
- 3.5 A positive legacy of these interventions is that some towns e.g. Woodbridge based on business and town centre user feedback are exploring permanent pedestrianisation schemes which will improve the town centre's appeal and hopefully address falling footfall. Linked to the reopening fund's objectives the Economic Development team commissioned the 'Shop Local, Stay Safe' social media campaign to encourage the use of local town centres in a safe manner.
- 3.6 As a result of the impact on businesses during the Spring and Summer of 2020 the ED team's business engagement and support activity increased massively with enquiries at four times the normal, pre-pandemic level. Businesses were particularly focused on how to access financial support and how to operate in a safe manner. Furthermore, the Council's East Suffolk Means Business portal provided advice on the full range of government and local support available and saw traffic levels increase by over 1600% at the height of the first lockdown. The team also had direct engagement with almost 7,000 businesses in 2020 representing a 118% increase compared to normal business support activity.
- 3.7 Support was also provided to local business associations who are the heart of their local communities and therefore have a unique insight into local business needs. This took the form of the £71k Business Association Development Fund to enable these local business networks to better support their local business community. Examples of support through this scheme included promotional activity, investment in digital technology and supporting the safe use of town centres.
- 3.8 ESC also provided specific sector support to important local industries such as the creative sector which has been particularly badly affected by the pandemic restrictions. Following engagement with businesses within the sector ESC established the East Suffolk Arts Creative

Forum to understand in more detail the specific issues and to collectively develop a support package. This brought together a wide range of performance and arts organisation as well the Arts Council and SCC and identified support in digital skills, marketing and promotion, place specific activities and additional funding all of which are now being progressed.

- 3.9 Further sector specific support came in the form of the Call4 Fish scheme which was developed in collaboration with and funding from Norfolk and Suffolk County Councils and the LEP. This project saw the development of website that connected the catching industry directly with the domestic consumers to mitigate the sudden loss of trade due to the closure of the hospitality sector. This project has now evolved to include sector specific business support to aid industry in the recovery phase.

## **4 RECOVERY**

- 4.1 The imposition of extreme trading restrictions did require an immediate response in the form of huge injections of cash into businesses to maintain their viability, however there is also a need to focus on the longer-term recovery for the economy once restrictions are eased and ultimately lifted. The lockdowns and tiered restrictions have accelerated and exacerbated a number of trends which were in evidence before the pandemic such as the decline in 'bricks and mortar' retail and the move to online trading. As a result of our strong and diverse business sectors and the long-term economic development and regeneration programmes established before the pandemic East Suffolk is well placed to address the issues the Covid downturn has deepened and more broadly enable a strong economic recovery. These programmes whilst long-term and strategic in nature are also flexible enough to have been adapted and modified to take account of the changed economic landscape. The guiding principles for these programmes are set out within Economy Theme of the Strategic Plan and the priorities within the East Suffolk Growth Plan.
- 4.2 **Town Centre Recovery**
- 4.3 ESC's approach to town centre revitalisation is delivered at a District wide level through the Towns Revitalisation Programme and associated Smart Towns Programme as well as through place-based programmes such as the Lowestoft Town Investment Plan and Felixstowe Vision.
- 4.4 The Town Revitalisation Programme was developed in collaboration with town centre businesses, users and Town Councils. ESC commissioned People and Places (a nationally recognised town centre consultancy) to undertake research into the opportunities and challenges in each town based around a range of measures to assess the 'health' of the place and business environment. The town stakeholder groups with support from ESC are now developing and delivering action plans based on this research to improve the attractiveness to both users and businesses and thereby the overall viability of their town centres.
- 4.5 The £1.2m Smart Towns Programme will see twelve towns in East Suffolk benefit from new technology including free Wi-Fi and footfall tracking, to help high streets and town centres recover from the impact of Covid-19 and maintain and grow their longer-term viability. Following a successful pilot in Framlingham last year, East Suffolk's Smart Towns Project will now be rolled out to 11 other market towns across the district. In addition to the technology installation the project will also deliver a two-year branded digital growth programme, which will deliver diagnostics, digital presence support, data analytics, digitally themed workshops and showcases and a full digital advice service for local businesses as well as town councils and business groups.
- 4.6 The place-based towns redevelopment and revitalisation programmes include the Lowestoft Town Investment plan (TIP). This is an ambitious long-term strategic regeneration strategy for the town covering the town centre, historic high street, key employment areas linked to offshore energy and the port and South Beach seafront area. The TIP sets out a £0.5bn

programme of planned and future investments to transform the town by building on the towns existing economic strength in clean energy, marine science, tourism, heritage and emerging strengths in digital and culture. The delivery of this strategy will result in the creation of 2,600 jobs, 90 new businesses and £354m of private sector investment in the town.

- 4.7 The TIP also represents the bid for £24.9m from the Towns Fund which ESC, on behalf of the Lowestoft Place Board, were invited to bid for by MHCLG in 2020. If successful this will see catalytic investments in and transformational development of a new Cultural, Station and Historic quarters of the town in addition to improvements to the port gateway and the south beach areas of the town (see Appendix A).
- 4.8 An announcement on the Towns Fund bid is due in February 2020 and if successful this will enable significant economic growth in the town and town centre which has seen significant decline in recent years. This will complement recent huge and planned investments in the town such as the £146m Gullwing Bridge, £67m flood protection scheme, Scottish Power's £25m operations and maintenance base, £20m full fibre project, £16m redevelopment of CEFAS and the £12m Energy Skills Centre at East Coast College. The massive scale of this public and private investment means that Lowestoft will be well placed to recover strongly from the Covid economic downturn and more generally from decades of economic decline.
- 4.9 The recently completed Felixstowe vision sets out a significant economic growth and development programme for the town initiated and driven by ESC. The vision highlights the growth opportunities through the North Felixstowe Garden Neighbourhood scheme; a mixed use scheme including a regional destination leisure centre, housing and employment scheme; significant ESC investment and developments along the seafront to broaden and grow the visitor economy e.g. the £1m Martello café and wider south seafront public realm scheme, the town centre e.g. through the establishment of the Felixstowe Business Improvement District and support for the diversification of the high street and the Landgaud peninsula through the further enhancement of this tourist attraction.
- 4.10 The vision provides a framework of committed and planned investments that build on the town's strong visitor economy, the need to reinvigorate the town centre and support the continued viability and growth of its key employer the Port of Felixstowe. This strategic and long-term approach to growth in the town puts it in a strong position to enjoy a robust recovery from the current economic downturn.
- 4.11 ESC is also working closely with local stakeholders in Leiston through the Leiston Together partnership to deliver a range of economic and community development projects within an overarching town development plan. This includes supporting local partners in the development and delivery of town centre regeneration scheme. Likewise, ESC has and continues to provide support to Southwold Town Council in the delivery of its Enterprise Hub project. This includes support through the Funding and ED teams to secure a £1m grant from the Coastal Community Fund, having senior level representation on the project board to drive the project forward and providing support from various Council teams such as Assets and Planning.
- 4.12 **Sector Based Recovery**
- 4.13 The East Suffolk Economic Growth Plan also adopts a sector-based approach to economic growth and identifies the following key sectors where East Suffolk has a competitive advantage and significant opportunities for growth exist:
- Low and Zero Carbon Energy
  - Ports & Logistics
  - Digital

- Visitor Economy
- Culture/ Creative
- Agriculture, Food & Drink
- Marine

- 4.14 East Suffolk is fortunate in having world leading and diverse sectors and maximising the growth opportunities within these industries will be critical in achieving a strong recovery. Across each of these sectors the ED team are delivering growth enabling programmes which will be crucial in supporting the wider East Suffolk economic recovery.
- 4.15 In the energy sector we are working closely with local and regional partners to deliver a Sizewell C economic programme which provides a once in a generation of opportunity to capitalise on the huge potential economic growth of one of Europe's largest ever civil engineering projects. This involves the development of long-term programmes to maximise local economic opportunities in:
- Employment
  - Workforce skills
  - Supply Chain
  - Inward Investment
  - Innovation
- 4.16 If Sizewell C gets the go ahead it will result in £20bn investment, the creation of 8,500 jobs at peak construction, 25,000 roles over the lifetime of the project, 1,500 apprenticeships, 900 long-term operational jobs and a £100m pa boost to regional GVA. ESC's focus is to maximise the opportunities from this huge investment for local people to access the higher skilled / paid roles, local businesses to secure supply chain contracts, secure inward investment in the local area from the SZC supply chain, invest in skills development to enable local access to these roles. In addition to the focus on the 10 – 12 year construction period, ESC and partners are developing plans to secure a positive economic legacy beyond construction. This includes the creation of a skilled workforce for other significant development projects e.g. in offshore wind; the development of a significant outage sub-sector and an energy campus.
- 4.17 The decision on whether to consent SZC will be made in 2022 and if it does go ahead construction is anticipated to commence in mid 2023.
- 4.18 Offshore wind is the other major energy growth sector in East Suffolk. In recent years we have seen over £6bn invested in offshore wind off the region's coastline with a further £122m invested in long-term operations and maintenance (O&M). This includes Scottish Power Renewables (SPR) £25m O&M base at Lowestoft which created 150 jobs. Our region is the main focus for offshore wind development and a critical part of the governments objective to achieve Carbon neutrality by 2050 and accounts for 44% of the UK's installed offshore wind capacity.
- 4.19 Further huge growth in this sector is anticipated with SPR's EA3 wind array consented and EA1N and EA2 currently going through the DCO planning process. Operations and maintenance for the consented offshore wind schemes could be worth a further £1.3bn pa for the region. Lowestoft Port has established itself as a key centre for O&M through the siting of EA1's O&M base at Hamilton Dock. ESC is working closely with ABP to support the development of their outer harbour which will provide significant commercial space to service the growth in the offshore wind sector.

- 4.20 We are also directly investing in the adjacent PowerPark area to provide new commercial space to capitalise on this sector growth and induce business investment. By providing modern and flexible employment space required by the sector we can further anchor the O&M cluster in Lowestoft. In support of this growth the Energy Skills Centre at East Coast College, Lowestoft provides a world leading training environment for local young people and the existing workforce to develop the skills needed to access highly skilled and well paid jobs.
- 4.21 ESC is also a key partner in the East of England Energy Zone (EEEZ) partnership with GYBC, SCC, NCC and the LEP. The focus of this group is to market the inward investment opportunities the Lowestoft/ Great Yarmouth sub-region has in the offshore energy sector. This joint approach and pooling of resources allows us to promote the sub-region nationally and internationally to secure business investment.
- 4.22 The focus of ESC's work to exploit the economic opportunities from offshore wind is the creation of appropriate, fit for purpose commercial space and promoting the investment opportunities nationally and globally. This sector will see strong growth for at least the next two decades and the short-term growth will be a significant contribution to the recovery in East Suffolk.
- 4.23 East Suffolk also has major strengths in the Ports and Logistics sector with Felixstowe Port, the country's busiest container port and the Port of Lowestoft which is seeing major growth linked to the offshore wind sector. ESC's economic growth strategy seeks to enable growth in the wider ports and logistic sector and a major project linked to this is the bid for Freeport status focussed on the Felixstowe/ Harwich ports cluster. ESC in collaboration with Hutchison Ports (operators of Felixstowe and Harwich ports), Harwich Haven Authority, the LEPs and county councils covering Suffolk and Essex, Tendring DC, established Freeport East as the group to produce a bid in response to the government's Freeport programme which was launched in early 2020.
- 4.24 10 Freeports will be established across the UK which will provide a range of tax, customs and planning incentives to drive economic growth. The government established this programme to capitalise on the UK's exit from the EU, contribute to the 'Levelling Up' agenda and more latterly to support the covid economic recovery. Freeport East has identified three tax/ customs sites within the proposed Freeport zone which will be the focus for new economic activity. One of these three sites is proposed to be in East Suffolk at the Port of Felixstowe's logistics park. This will see direct and significant business investment and employment growth within the district and combined with two further sites within the Freeport zone at Harwich International Port and Gateway 14 in Mid Suffolk will drive growth within the ports and logistics sector more generally which East Suffolk will benefit from. ESC has been a key player in developing the Freeport East partnership and progressing a robust a bid, which if successful this will provide further economic growth in one of our key sectors and directly contribute to the District's economic recovery.
- 4.25 Digital is a further key sector for East Suffolk with world class assets at BT's Adastral Park, its global hub for research and development. Adastral Park also hosts Innovation Martlesham (IM), which with over 100 companies is the country's largest technology start up incubator. ESC (as SCDC) was a joint founder of IM and has continued to support its development.
- 4.26 ESC is making a major investment in digital through the Lowestoft Full Fibre project. It has invested £2m into this scheme to ensure all the town's key employment sites can access the new ultrafast broadband network resulting in every residential and commercial property being able to connect to the new network. This will enable business growth through the attraction of new businesses to the town to take advantage of world leading broadband speeds and enable growth within existing business. More generally it will act as a further strong promotional tool which the ED team will employ as part of their wider inward investment campaign.

- 4.27 The ED team are working closely with local business networks develop a business engagement and awareness raising campaign that will promote the business benefits of the new network in order to maximise take up of the new service. The first phase of the new network is anticipated to go live in spring 2021.
- 4.28 Alongside the Smart Towns programme (described at 4.5) this represents a major investment by ESC in digital to drive economic growth which will start being realised in the coming months and thereby demonstrating a further major contribution to the post Covid economic recovery.
- 4.29 The marine sector is a further major contributor to the District's economic performance. The importance of the district's two major ports has already been covered, however further important sectors exist in marine science and fishing. The CEFAS laboratories in Pakefield, Lowestoft represent a world class marine science centre and following its recent £16m redevelopment it now employs 400 people in highly skilled roles, an increase of a third since the modernisation programme. As part of the Lowestoft TIP, ESC has been working closely with CEFAS to develop a marine science campus which could potentially be based in Lowestoft high street taking advantage of one of the large vacant retail units and thereby meeting the Lowestoft Masterplan ambitions for this area.
- 4.30 The campus concept is seeking to bring together CEFAS, academia and business within marine science sector to create a dedicated, networked academic marine science campus bringing students from the further education sector into town to learn and develop their expertise in marine science. This will support and grow the town's existing marine science capabilities and will have strong links with other marine related sectors such as offshore energy and the Port of Lowestoft. Whilst still at an early stage it is anticipated that tangible progress will be made in the next 12 months providing further long-term growth potential to support the economic recovery.
- 4.31 ESC has also been leading on the creation of a growth strategy for the fishing sector to take advantage of the opportunities that leaving the EU presents for this sector. With local, regional and national partners the Renaissance in East Anglia Fishing (REAF) partnership was established, chaired by Peter Aldous MP and produced the REAF strategy. This strategy makes a series of recommendations which would enable Lowestoft to re-establish itself as a significant regional fishing hub. To achieve this the plan identifies the need for port infrastructure investment, changes to national fishing policy, access to finance, training, greater collaboration between regulators and improved data transparency. The strategy has been well received by DEFRA and discussions continue on how to deliver the recommendations, which would see growth in both local catching and processing sectors contributing to the wider recovery.
- 4.32 Tourism is a further key sector for East Suffolk accounting for 15% of total employment and worth almost £700m pa to the district's economy. The covid restrictions have particularly impacted this sector due to prolonged enforced close downs and restricted trading. In response ESC has jointly funded two tourism surveys with local authorities and tourism bodies across Norfolk and Suffolk to identify the extent of the impact and more importantly what support is needed locally over and above national support programmes. This resulted in the development of a £0.5m marketing campaign 'Unexplored England' jointly funded by Suffolk and Norfolk councils and the Cabinet Office. The campaign encourages tourists to 'visit safely' in the 2021 season and will now focus on the summer season due to restrictions being anticipated to last well into spring. Central Government were particularly impressed with the scale of collaborative working in the region and hence the level of their investment. The Visit Suffolk Coast DMO, funded by ESC, will be a major conduit for this campaign.

- 4.33 On the basis that the tourism sector can fully reopen in the summer this campaign will be expected to increase visitor numbers and particularly targets those people who haven't previously considered Norfolk and Suffolk as a visitor destination.
- 4.34 ESC is also directly investing in its own tourism assets. In Lowestoft this includes the £720k redevelopment of the East Point Pavilion to transform a tired and inefficient building on the seafront into a modern attraction for community and cultural activity, pop up businesses, and food and drink offering. Further visitor economy investment is taking place at Jubilee Terrace with a £1.6m scheme to replace the beach chalets and in Felixstowe the new £1m Martello Café is currently under construction and due to open in July and is part of a much wider investment planned to take place in the South Seafront area.
- 4.35 This combination of enhanced promotion and direct capital investment in tourist attractions demonstrates ESC's commitment to supporting and enabling growth in this important sector. Once the visitor economy reopens these investments will enable the sector to contribute significantly to the District's economic recovery.

## **5. ONGOING ECONOMIC DEVELOPMENT DELIVERY**

- 5.1 The ED team continue to operate their core business support, inward investment and skills development programmes which support business to grow and invest in the District. Whilst this is ongoing activity the focus is on enabling economic growth and therefore will strongly support the economic recovery.
- 5.2 As demonstrated above, ESC often enables economic growth in collaboration with local, regional and national partners. In terms of the wider strategic support for the economic recovery it is a key partner in the development and delivery of the regional recovery plan. This covers areas such as responding to redundancies, support for training, town centre recovery, tourism, infrastructure investment, supply chain development. Our own interventions contribute significantly to this plan and the ED team work closely with local and regional partners to ensure our businesses and residents can take full advantage of the support offered. It is also worth noting that our key sectors are of such importance that they will be a major driver of the regional economic recovery well beyond the district boundary.
- 5.3 The above demonstrates that ESC is engaged in a comprehensive programme of enabling economic growth that will support a strong economic recovery in the District, however that is not sufficient to ensure that all members of our communities can benefit from this growth. Therefore, we are also engaged in a number of inclusive growth programmes such as the East Suffolk Youth Employment Service, that supports young people who are not in employment, education, or training (NEET) through specialist work coaches into training, jobs, education and volunteering.
- 5.4 We are also key partners in the government's Kick Start scheme to provide young people with a six-month work placement to offset the loss of many jobs and apprenticeships due to Covid economic downturn which has disproportionately affected this age group. These placements provide young people with skills, experience and confidence in the world of work so they are well placed to access permanent roles once the economy recovers rather than becoming long-term unemployed. In addition to the placements, job search and interview skills are part of the Kick Start package to further improve employment prospects.

## **6. RECOVERY – FUTURE DELIVERY**

- 6.1 ESC is also exploring future opportunities to enable economic growth in the District that will contribute to economic recovery. As previously stated, the Sizewell C development provides a massive opportunity to enable local economic growth. ESC and its partners are exploring the potential to develop an energy campus linked to the construction of new power station that

would involve EDF as an anchor tenant, tier 1 suppliers and regulators. This would be based on a similar model to the innovations centres in Somerset linked to the Hinkley Point C new nuclear development, which has proved extremely successful. This would secure significant inward investment and associated local employment growth opportunities. We are also exploring a strong legacy beyond the construction phase of Sizewell C that would include a permanent site for businesses associated with the maintenance of the new power station.

- 6.2 ESC are also exploring opportunities to deliver economic growth linked to the emerging hydrogen economy which would further cement the region's all energy offer. This zero-carbon fuel source is gaining traction as a viable alternative to fossil fuels especially in larger vehicles associated with our ports that do not lend themselves to conversion to electric vehicles. Both ABP and Hutchison Ports are actively progressing the use of hydrogen in their assets furthermore, Sizewell B is seeking to become a major producer of hydrogen meaning that the district will be a major producer and user of hydrogen in the future. Additionally, ESC is also exploring the use of hydrogen within its vehicle fleet and leisure centres. As a result, the ED team are exploring the potential to exploit this activity within the District and develop a hydrogen cluster consisting of supply chain companies and research/ academia to be based within the energy campus concept described at 6.1. This would allow us to exploit the economic growth of this new sector whilst providing a further legacy to the energy campus beyond the construction of Sizewell C.
- 6.3 As stated at 3.1, the Additional Restrictions Grant scheme also has a longer-term business support element. In light of this, the ED team are developing a business support programme specifically focussed on supporting businesses/ sectors to recover. This programme includes:
- Business start-up grant scheme – reflecting the fact that there is an increase in business start-ups during and immediately following a recession.
  - Full Fibre voucher scheme – to ensure business have the best possible opportunity to connect to the new ultrafast network in Lowestoft.
  - Town centre recovery – supplement the current extensive work being undertaken to support town centre revitalisation.
  - Tourism promotion – provide additional local level tourism marketing and promotion to supplement the Norfolk and Suffolk campaign and support the hospitality sector.
- 6.4 A paper setting out these proposals in more detail will be taken to Cabinet in March with the intention that these additional business support programmes will be implemented during the spring and summer.
- 6.5 Securing external funding is critical to delivering the Council's economic development and regeneration programmes. ESC has an impressive track record in this area having secured £7.2m in the last five years. We will continue to pursue funding applications and currently have £27.1m worth of bids in the pipeline to deliver our economic growth programmes which will in turn support the local recovery. This will include accessing significant funding from the two new major funding sources being established by the government to replace EU funding and bring together a range of national funding i.e. the UK Shared Prosperity Fund and the Levelling Up fund. This will be in addition to the sector based, regional and local funding opportunities the Council will continue to pursue to facilitate the delivery of the Council's economic growth strategy.
- 6.6 It is also worth noting that the Council through the HRS, Capital and General Funds invests significantly in the District with anticipated expenditure in 2021/22 totalling £219.2m. This expenditure contributes significantly to economic activity and growth within East Suffolk.

## **7 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?**

- 7.1 The immediate response and longer-term economic recovery programmes set out in this paper directly contribute to the Growing Our Economy theme and all the priorities under this theme. The Economy theme is based on the East Suffolk Economic Growth plan objectives and priorities and provides the framework for all the Council's economic growth programmes.
- 7.2 The Council's economic growth enabling activities driving the recovery also contribute significantly to all the other Strategic Plan themes:
- Communities
    - by ensuring all members of the Community have the opportunity to benefit from economic growth through the inclusive growth programmes.
    - maximising health and wellbeing in the district since being in employment is strongly linked to better physical and mental health outcomes.
  - Digital
    - through the Full Fibre and Smart Towns programmes which will contribute significantly to the installation of district wide digital infrastructure, effective use of data and skills and training priorities.
  - Environment
    - through the focus on enabling economic growth in the low and zero carbon energy sector.
  - Financial Sustainability
    - Promotion and enabling of economic growth will increase the District's business rates base which directly and positively impacts on Council finances.

## **8 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 8.1 The economic growth programmes highlighted within this report have been the subject of Cabinet and Full Council reports where the financial and governance implications were addressed and approved. The funding for these programmes has either been secured from external sources and/ or from within the Council's budget. The new business support programme specifically focussed on economic recovery will be the subject of a Cabinet report in March. This report identifies no new requests for funding.

## **9 OTHER KEY ISSUES**

- 9.1 This report has been prepared having taken into account the results of an Equality Impact Assessment which identified that the economic growth programmes covered in the report will have a positive impact on two of the nine protected characteristics. These characteristics are age and disability.

## **10 CONSULTATION**

- 10.1 The growth and recovery programmes highlighted in this report have been developed in consultation with a wide range of partners and stakeholders from across public, private, voluntary and community sectors at a local, regional and national level.

**11 OTHER OPTIONS CONSIDERED**

11.1 Not appropriate.

<b>RECOMMENDATION</b>
That, having considered the report, the Scrutiny Committee is asked to make recommendations to Cabinet as appropriate.

<b>APPENDICES</b>	
<b>Appendix A</b>	Written questions and answers

<b>BACKGROUND PAPERS – NONE</b>
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