

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

Cllr Beavan

Q1: (a) *Section 3, Immediate Response, paragraph 3.2:*

What about online small businesses and the self-employed who have slipped through the net as these are also likely to be the engines of growth?

(b) *Paragraph 3.7 and Section 4, Recovery:*

How much fish has been traded? How can the in-shore fleet compete with large operators who still own so much of the quota?

A1:

(a) Two main Covid business grants are currently being operated by ESC. These are the Local Restrictions Support Grant (LRSRG) and the Additional Restrictions Grant (ARG), the former is the so called 'mandatory' scheme and is aimed at businesses with a rateable value (RV). The latter is a discretionary scheme aimed at businesses who do not, for whatever reason, have an RV and the policy for this scheme has been developed at ESC's discretion, within broad government guidelines, to be permissive to ensure as many businesses in this category as possible qualify for grant funding. This is demonstrated by the ESC ARG scheme having a number of qualifying categories including one which is applicable to any business not meeting the preceding criteria. Applications of this nature are determined by the ARG Grants Panel comprising of senior officers from Finance, ED, Legal and a Strategic Director. Any decision to reject an application at this stage has to be approved by the Deputy Cabinet member of ED, Cllr Wiles. For information over 90% of applications referred to the panel are approved further demonstrating ESC's permissive approach to Covid business support.

It should be noted that due to the length of time the various Covid grant schemes have been operating we now have reliable details on the majority of eligible businesses and as such most payments are now made automatically without the need for an application. Furthermore, we continue to strive to reach those eligible businesses that have not yet applied through a proactive comms strategy using the traditional print media, various social media channels, elected members and direct contact.

(b) Call4Fish is a national campaign, originating in the south-west of England, and established as a direct response to Covid-19 and the initial lockdown. The aim being to re-connect the market for fish; enabling consumers to buy seafood safely, and to help UK fisherman and local traders.

In Norfolk and Suffolk, the project went one step further, building on the Call4Fish campaign and utilising the opportunity to talk with the catching and seafood sector to develop an understanding of their business, the impact of the pandemic on their business, and their ambitions for the future. This work doubled the number of Suffolk businesses registered on the Call4Fish website to 14 and had a similar success in Norfolk.

Whilst we have not captured the volume of fish traded through the platform, the project facilitated the creation of a detailed snapshot of the Norfolk and Suffolk fishing industry with more than 40 interviews being conducted, and 65 businesses expressing an interest in developing a sector specific network that works for the benefit of the fishing and seafood industry.

It is difficult to answer the second part of the question. Partly because the full impact of the UK-EU Trade and Cooperation Agreement is poorly understood at this time, and secondly because the relationship between the inshore fleet and the large operators of the offshore fleet is not necessarily one of direct competition. The REAF Steering Group will be looking at these issues during the course 2021 and will be happy to supply an update later in the year.

Q2: (a) *Section 4, Recovery, paragraph 4.12, Sector based recovery:*

The high street in Southwold is still successful enough so are retailers right to be resistant to change ideas of pedestrian priority periods and encouragement of the high street as a place to do and meet rather than to buy?

(b) *Paragraph 4.24:*

Are we being successful in encouraging local young people to train and get jobs in the wind energy sector?

(c) *Paragraph 4.27:*

How does a free port help local business in practical terms?

(d) *Paragraph 4.30:*

Does this connectivity also include the old copper wires from the box to houses?

A2:

- (a)** In Southwold decisions that were made regarding pedestrian changes during Covid restrictions were made at a local level by Southwold Town Council and Suffolk CC in consultation with the business community.

Many high streets are evolving their offer as consumer changes have been accelerated further by Covid related trading restrictions and its widely recognised that retail is no longer the focal point of the high street. ESC enabled the original High Street strategy for Southwold to be developed by People and Places as part of the Coastal Community Team (CCT) Economic plan. Based on this work the Town Council appointed a Town Manager, who is working directly with the business community to develop the Southwold brand and offer and deliver a high street strategy.

Southwold has indicated through its Neighbourhood Plan, Town Council Strategy and CCT Economic Plan that it needs to extend the visitor economy to all year round to assist the sustainability of local businesses but there is also a desire to diversify the economy, so it becomes less reliant on tourism. The future role of the high street is key to achieving these objectives and locally led plans will be the driver for delivering a sustainable model for Southwold's high street.

- (b)** ESC is a lead partner on a small number of Stakeholder Groups whose main objective is to raise the profile of careers in the Renewables sector and plan activities which focus on Science, Technology, Engineering and Maths. The activities carried out range from supporting School and Further education career events to larger Skills for Energy regional events which are now virtual. ESC has hosted the Labour Market Information Stakeholder Group (LMI) which brings together academic institutions/ training providers in the former Waveney area with a focus on trends in employment. The information exchange includes highlighting current employment and apprenticeship opportunities to enable career managers in school to carry out their roles effectively. ESC has directly supported primary school programmes on Wind energy with over 300 Primary school pupils participating. There are also programmes in place in high schools which support pupils through awareness raising about the employment opportunities in the offshore wind sector and such programmes link through to Further education.

East Coast College (ECC) has operated the Energy Skills Foundation Programme for 16-19-year olds for a number of years which has resulted in young people going into careers in the energy sector including wind energy. In 2019/20, 25 young people from the Lowestoft area registered on the course. 78% moved into a positive destination, mainly into apprenticeships, in the renewables sector supply chain. In addition, the Offshore Skills Wind Centre at the college provides an opportunity for young people to enter renewable energy sector and in 2019/20 had a success rate of 92% of participants securing employment.

Due to demand ECC have increased the number of courses on offer for mechatronics, maintenance, wind blade training and electrical technician courses. Maersk Training joined the College to offer Global Wind Operator training in 2019 and the partnership has gone from strength to strength. The increase in the training offer is demand led.

All training opportunities at ECC are underpinned by the £10m world class Energy Skills Centre which opened in 2019. This centre was specifically designed to ensure that the local workforce could benefit from the huge investment taking place in offshore wind off the coast of Lowestoft. This offer was further strengthened through the partnership with Maersk Training which is globally recognised as providing one of the world's best training programmes in this sector.

- (c) The Freeport initiative allows successful applications to create up three tax and customs zones. Within each of these zones a range of business, tax, customs and planning incentives apply to attract new economic investment. This investment will lead to the creation of new businesses, additional employment and wider economic benefits through the local supply chain. Freeport East is a partnership of Hutchison Ports (operators of the Port of Felixstowe and Harwich International Port), Harwich Haven Authority, ESC, Tendring DC and the two LEPs/ County Councils covering Suffolk and Essex. The partnership was established to develop a collaborative and compelling submission for Freeport status. The partnership's bid for Freeport status, which focused on the Felixstowe/ Harwich ports cluster, was submitted to HMG on 5 Feb. The three tax/ customs sites nominated in the bid are Felixstowe Logistics Park at the Port of Felixstowe, Gateway 14 - adjacent the A14 within the Mid Suffolk DC area and Bathside Bay within Harwich International Port.

For East Suffolk the most direct local economic benefit will be derived from new business investment at the Felixstowe Logistics Park. This will lead to new business and employment creation on a site that has already received planning approval and is therefore 'oven ready'. It is important to note, however that all three tax/ customs sites combined will deliver substantial local economic growth through direct and indirect investment through the wider supply chain in the nationally significant local ports and logistics sectors which operates within the sub-region. The delivery of the Freeport East proposal will result in the creation of 13,500 new jobs within the Haven Gateway sub-region.

It is also worth noting that the business rates associated with any new economic growth in the tax/customs sites will be retained in the local area for further reinvestment in the local economy. Securing Freeport status also allows the area to bid into a £170m infrastructure fund and a further innovation fund both of which will result in significant investment in the local economy and drive further economic growth.

(d) The Lowestoft Full Fibre project will involve the installation of a completely new fibre network which will deliver fibre directly to residential and business premises – this is referred to as Fibre to the Premises (FTTP) broadband. This new network will provide ultrafast broadband speeds (up to 900mbps) which are far in excess of those that can be achieved through the existing copper-based network. The existing copper network will still be available to all properties in this area and if they form part of a ‘fibre to the cabinet’ (FTTC) system will be able to provide superfast broadband speeds in excess of 24mbps. The new network will also be competitively priced in order to maximise take up with broadband packages being similar in price to existing packages.

Q3: (a) *Section 6. Recovery-Future delivery, paragraph 6.3:*

What about social enterprises? Partnerships with the Council?

A3:

ESC has a strong track record of working closely with the community and voluntary sectors (CVS), including social enterprises and community interest companies in delivering economic growth programmes. Furthermore, the Economic Development team directly support and promote the development of social enterprises. A recent example of this is working with Community Catalysts to promote a programme that offers support to local people to set up and run their own very small enterprise, offering help and support at home for older people and support for disabled people who want to live life their way. The Economic Development team brokered introductions with a number of business support providers, education establishments and complementary projects that could add additionality to the programme.

The First Light Festival is a further example of how ESC works closely with the CVS since the organising body behind this event is the First Light Festival Community Interest Company (CIC). Alongside achieving the economic related goals of increasing visitor numbers (especially amongst those who had not previously visited the town) to Lowestoft through a high-profile cultural event, the CIC also had a clear commitment to social/ community goals around increasing participation, health and wellbeing and inclusivity.

ESC also jointly funds a number of Place Based Initiatives (PBIs) across the District in Felixstowe, Leiston and Lowestoft. The objective of these groups is to provide a place-based focus for economic and community development. A key partner in each of the PBIs is the community and voluntary sector (CVS) in the form of Community Action Suffolk. This has allowed the development of place-based action plans to be fully cognisant of the ability of the CVS to positively influence and support the delivery of such objectives.

Further collaboration with this sector is demonstrated through The East Suffolk Youth Employment Scheme (YES) which is delivered by Inspire Suffolk on behalf of ESC. This scheme is aimed at supporting young people who are / at risk of becoming NEET i.e. not in employment, education or training. Such interventions are particularly important because the impact on the individual and the wider local economy of long-term unemployment is highly significant. Inspire Suffolk, who provide this service are a charity and this further demonstrates our collaborative approach with the community, voluntary and charitable sector in delivering economic growth and recovery.

The CVS also act as key stakeholders in a range of regeneration and development plans ESC has developed and is delivering. Consultation with this sector is vital in ensuring such plans and developments provide benefit to all members of the community. This sector has provided vital consultation feedback on a wide range of schemes including the Lowestoft Town Investment Plan, town centre masterplan, Felixstowe South Seafront development.

Cllr Gooch

Q4: Of the businesses that ESC has helped with ESC grants of one kind or another, what feedback have we received from these businesses in terms of their mid to long-term viability?

A4:

The Covid business grants that ESC has and continues to allocate are focused on the short-term survival of businesses, whilst they are either forced to close or are operating under severe trading restrictions. The intention is to partially offset the loss of income these businesses have experienced as a result of such trading restrictions and maintain where possible a positive cash flow situation. It is not the objective of such funding to support longer-term recovery and viability. The ED team are currently developing a longer-term recovery programme to support the longer-term viability of businesses who have been severely impacted. This builds on our existing and successful economic growth programmes and also represents a response to particular demands we are seeing as a result of the economic downturn. Areas of focus for this programme include digital transformation and support, business start-up funding, town centre recovery and tourism promotion. Within each of these thematic programmes there are a series of grant funded projects aimed at enabling enterprise and increasing the competitiveness of local businesses, so they are well placed to take advantage of the economic recovery.

The ED team have received dozens of emails from businesses in receipt of Covid business grants expressing their thanks and gratitude. In many cases they highlight that these grants have provided the lifeline that will enable them to survive and retain employees until the end of the current trading restrictions.

It is worthwhile noting that during the course of the pandemic and during periods of lockdown the ED team (and other teams across the Council) have been receiving a number of enquiries from businesses wishing to invest and expand in the area. This has also included many start-up businesses e.g. in the Lowestoft HAZ there has been 10 new start-up businesses and a further 4 businesses have either expanded or developed. This new investment has been partly possible due to the focused support and investment the regeneration Team can bring to this area through the HAZ programme. A further demonstration of this demand, despite the Covid downturn is a strong flow of enquiries ESC is receiving regarding the availability of small units.

ESC has also been a partner in business surveys of Covid business grant recipients across the whole of Suffolk. Two surveys took place in 2020, during the first lockdown in May and then during in June/ July when restricted trading was allowed. The surveys focused on the impact on businesses and their prospects. Unsurprisingly, in both surveys the biggest impacts were loss of revenue, enforced closure and reduce customers due to social distancing. In the first survey 54% of business stated they would only survive 12 months or less on current levels of support, whereas by the second survey this had reduced to 27%, perhaps reflecting the end of the first lockdown. Further surveys were not undertaken following business feedback they had become the subject of too many surveys (other organisations such as the Chamber of Commerce and tourism focussed surveys were also taking place) and their focus was on responding to multiple restriction changes and further lockdowns.

Q5: Regarding the now vacant stores/shops on the district's high streets, what communication do we have with landlords in terms of discovering their plans for leases, changes of use etc.?

A5:

ESC engages with landlords of vacant stores/shops where it is appropriate such as in relation to key regeneration projects that the council is directly involved with or through business/inward investment enquiries received into the authority. Planning will also consult with Economic Development and Regeneration if there is a change of use in relation to high street premises in any of our towns in East Suffolk.

Property owners and landlords are important stakeholders that are involved in the project management processes of the projects taking place within ESC regeneration programme. Therefore, in those areas with well-developed regeneration and development programmes i.e. Lowestoft and Felixstowe ESC have a good understanding of what is happening. In Lowestoft Town Centre through our engagement with property owners we are seeing a trend to turn vacant retail units into mixed use proposals such as residential and commercial (offices) or residential over a shop or restaurant/café. We would expect an increase in residential development in the town centre. Examples of ongoing dialogue include engagement with the owners of the former Tesco Metro and Beales stores on the High Street on how developments can best support the objectives of the town centre masterplan. We will continue to work these landlords/ developers to support the delivery of the masterplan objectives, this includes a greater focus on uses other than retail i.e. leisure, residential, cultural, business and community to maintain the relevance of the high street and increase footfall.

In the Heritage Action Zones (HAZ), where no business rates are payable due to size of units, we are seeing an increase in small retail/ food & beverage start-ups, as during the pandemic people have looked to set up new business in town centre areas where risks can be minimised due to the low costs involved.

More generally the High Streets Task Force has recognised the common challenge for place managers can be tracking down property owners or getting responses from them on specific issues. A need has been identified for a national Landlords' Register and Government is exploring a pilot for such a register. ESC covers 12 towns, and this would be a significant piece of work to undertake across the district that would require additional service provision to achieve. ESC open data portal indicates from the latest survey (Sept-October 2020) there is a total of 271 vacant premises across East Suffolk.

Q6: Would it be possible to have a table of current store/shop vacancy rates covering the main shopping centres of the district (Lowestoft, Felixstowe and the market towns)?

A6:

	2019	2020
Lowestoft	21.4	21.0

Beccles	5.5	8.4
Bungay	17.0	17.0
Halesworth	9.1	12.0
Southwold	7.0	8.0
Aldeburgh	3.3	8.0
Felixstowe	8.4	6.3
Framlingham	10.6	9.6
Leiston	11.4	11.4
Saxmundham	9.6	10.3
Woodbridge	10.9	11.0

Source: ESC Annual Monitoring Report

Survey dates: 2019 – August to October/ 2020 – September to October

For comparison the latest national (GB) vacancy rate is 12.5%

Q7: How many new start-up businesses have been referred to the council or have self-referred to the council in this financial year? What is their nature of business?

A7:

ESC works closely with the Growth Hub and the local Enterprise hubs to provide support to start-up businesses. Current start-up support programmes are funded through the European Regional Development Fund and are delivered through the two local enterprise agencies NWES and Menta who cover East Suffolk. ESC signposts all start-up support directly to our partners so entrepreneurs can access support, advice and training. As a result of the Covid downturn the enterprise agencies, have reported a 50% increase in enquiries for start-up

support since March 2020. It is worth noting that start-up businesses vary widely from lifestyle to potential high growth. An example of the increasing trend in start-up activity is demonstrated by NWES who provided start-up support for 68 clients in 2019 and 116 in 2020. The increase in start-up activity is also a national trend across the UK according to Enterprise UK. Furthermore, this trend is commonly experienced during significant economic downturn.

East Suffolk Council actively promotes our partners who deliver the service required to support start-up. It has been identified that there is a need for start-up grants to support the formation of new enterprises to assist the economy to recover from Covid and this is currently being developed as part of a wider business recovery programme.

Q8: In terms of follow-up communication with businesses who have either been in receipt of grants and/or advice, what have they said has been the most useful support we can give as a Council?

A8: The grant recipients for the ESC administered schemes are self-employed, micro and small businesses. By far their biggest challenge has been maintaining positive cash flow when trading has been forced to stop or been severely curtailed their whilst fixed costs remain. The speed and amount of grant funding businesses have received has been cited as the most useful support during the period for the pandemic.

As an ED team we are aware that whilst grant funding i.e. getting cash directly to businesses as quickly as possible is currently paramount, in the medium and longer term support focussed on recovery will become more important. This is why, alongside our existing economic and regeneration growth programmes (which include our core business support offers) we are developing a recovery business support programme as highlighted in the response to Q4.

As stated in the response to Q4 ESC was part of Suffolk wide survey of Covid business grant recipients and in addition to current support being offered the following support was suggested:

- Support for paying for waste disposal
- Promote tourism
- Additional grants on a local basis
- Support to pay for: utilities, PPE and rent
- Review what grants are required in 3 months time

- Domestic rates relief for the hospitality industry
- Investment in town centres
- Help educate locals of the tourism offer in Suffolk
- Promotion of small businesses
- Financial support to restock pubs and restaurants

More recently the wider business community were invited to participate in ESC budget Consultation Survey which was conducted in January and asked the following question: The Council has some additional Government funding available to support businesses in response to the Covid-19 pandemic. Do you have any suggestions as to how this funding might be used most efficiently?

Respondents to this question overwhelmingly emphasised the importance of supporting small, independent, local businesses through the continued provision of grant funding, particularly in the tourism and hospitality sectors.

Support requested directly to ESC includes, financial support, general business advice and guidance, business adaptations support, marketing and promotion of East Suffolk, digital training, health and safety advice, recovery support/grants, Town Centre marketing and support and development of the visitor economy.

The report to Scrutiny highlights that the Council is responding to a number these support requests through existing and planned economic growth and recovery programmes.

Cllr Deacon

Q9: (a) What circumstances have led us to perform better than at regional and national levels? (paragraph 2.2)
(b) When possible, what specific plans are in place to kick start the visitor economy?

A9:

(a) Although unemployment has almost doubled in East Suffolk during the pandemic this represents a better performance than regionally and nationally where jobless numbers have increased by 120%. Whilst it is not always easy to specifically identify the reason for differences in economic performance, the make up of the East Suffolk economy is likely to be the main factor. East Suffolk has a strong and diverse economy with particular strengths in key sectors such as ports & logistics, energy, ICT, tourism and

agriculture. This diversity means that the District is not overly reliant on one sector such as tourism. If this was the case the District's economic performance over the last 12 months would have been significantly worse than regional and national comparators. The District has continued to see growth in the energy, ports and logistics and ICT sectors whereas there has been significant decline in the retail and hospitality sectors.

A further factor in the district avoiding the most severe impacts of the downturn has been the level of actual and planned investment. Major infrastructure and construction projects such as the Gull Wing bridge, CEFAS development, Brightwell Lakes, flood defence scheme, Scottish Power's operations and maintenance base, massive planned investment in offshore and nuclear energy provide a strong degree of business confidence within the district. This feeds through into the wider supply chain and therefore mitigates the scale of business closures and job losses.

ESC's ambitious growth and regeneration programmes provide a strong strategic framework for these investments (in a number of cases have been directly responsible for securing this) and provide further confidence through the knowledge that the council and other public sector partners are fully supportive and enabling this growth. Ambitious direct investment by the Council in schemes such as the former Deben High School development in Felixstowe, the former post office building in Lowestoft and a range of visitor economy capital assets further reinforces the confidence of the private sector to invest.

- (b) The Suffolk Coast DMO and Visit Suffolk are maintaining and updating key information via websites and social media – it is anticipated that international travel will remain embargoed or restricted during 2021, and therefore assuming domestic restrictions in the Spring/early summer our coasts and resorts will be heavily patronised this year as they were in the summer/autumn of 2020. In addition there are combined campaigns to attract visitors already underway and ready to ramp up once COVID guidelines allow;-

Unexplored England (£500k budget through Suffolk and Norfolk Councils and directly from the Cabinet Office)

- . The Unexplored England video now has links to the DMOs, as requested [Discover Unexplored England for your 2021 holiday - YouTube](#)
- . Campaign messaging has been amended to 'Don't travel now – but plan for later'.
- . Overwhelmingly positive response on Facebook already.

Escape the Everyday

- . Allocated £7.5k for photography and replicate the previous exercise, but for when the weather improves.
- . Video collateral will wait until later when we see what experiences we have.

Celebrating Culture 2021

- . Likely to be Autumn 2021 through to Spring 2022 and will be featured on the Visit East of England (VEE) website. £5000 of the Visit Suffolk budget has been allocated to this project, which allowed them to leverage LEP funds for their £250,000 pot.

In addition, and as highlighted in the Scrutiny paper ESC is also making direct and substantial capital investments in new and existing visitor economy infrastructure in our key resorts. These developments are taking place during lockdown and in most cases will be available for visitors during the summer season.