

## **ECONOMY AND ENVIRONMENT OVERVIEW AND SCRUTINY PANEL 12 MARCH 2021**

### **UPDATE ON WHAT THE COUNCIL HAS DONE AND IS DOING TO HELP BUSINESSES I WORCESTERSHIRE DURING COVID-19**

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#### **Summary**

1. The Panel has requested an update on the Council's support to businesses during the COVID pandemic.
2. Senior Officers from the Directorate of Economy and Infrastructure have been invited to the meeting along with the Cabinet Member for Economy and Infrastructure.

#### **Background**

3. The county and district authorities along with the regulators and representatives of the business community, the Chamber of Commerce, Federation of Small Businesses, Worcestershire Regulatory Services, the National Farmers Union and Worcestershire Business Central have met regularly since March 2020 as Worcestershire COVID-19 Economic Response, Recovery and Resilience Group (WCERG). This group has provided a forum to initially understand the impact on the county and to co-ordinate resources effectively to deliver national programmes and develop a more targeted local understanding and frame our collective immediate economic and policy response to Covid-19. The group has developed an economic recovery framework to rapidly identify local interventions and the most effective ways to deploy resources.
4. There are five key areas of focus within the recovery framework which are:
  - a) Delivering co-ordinated, timely and accurate information about national programmes to the business community;
  - b) Focussing and enhancing current business support programmes available across Worcestershire and Greater Birmingham and Solihull LEP Areas to support recovery;
  - c) Accelerating investment in major schemes;
  - d) The use of direct resources to support specific demands and opportunities including the Here2Help initiative;
  - e) Ensuring we have the best information we can – national analysis and local data.

#### **The Economic Impact**

5. As part of the recovery plan the Council has been continuing to monitor the impact of COVID-19 on the economy, including the number of people claiming job seekers allowance plus universal credit (the claimant count) and the number of employments

which have been furloughed.

### Worcestershire Claimant Count

6. Overall, the claimant count has risen by 9,885 compared to the same time last year, taking the total number of claimants within Worcestershire to 17,855 (5.1%), this figure has recently seen a small decline – see Table 1.

7. The claimant count for 18-24-year olds has risen to 8.3% although again has seen a slight decline over recent months - see Table 2.

8. Unemployment by gender: The increase in the claimant count over the last year has been greater for men, with a claimant count rate of 6.2% in January 21 compared to 4.0% for women.

**Table 1: The Claimant Count within Worcestershire**

Claimant Count	January 2021		Change on last month		Change on last year	
	Number	Proportion	Number	Proportion	Number	Proportion
Bromsgrove	2,640	4.5%	-20	0.0%	1,530	2.6%
Malvern Hills	2,005	4.6%	-60	-0.1%	1,155	2.7%
Redditch	3,080	5.9%	-55	-0.1%	1,590	3.1%
Worcester	3,505	5.4%	-105	-0.1%	1,800	2.8%
Wychavon	3,190	4.3%	-70	-0.1%	1,930	2.6%
Wyre Forest	3,435	5.9%	-45	0.0%	1,880	3.2%
Worcestershire	17,855	5.1%	-355	-0.1%	9,885	2.8%
West Midlands	260,100	7.1%	-1,790	-0.1%	122,400	3.3%
England	2,200,965	6.3%	-15,820	0.0%	1,186,090	3.4%

**Table 2: Claimant Count 18-24-year olds**

Claimant Count (18-24)	January 2021		Change on last month		Change on last year	
	Number	Proportion	Number	Proportion	Number	Proportion
Bromsgrove	510	8.4%	-10	-0.2%	320	5.3%
Malvern Hills	405	8.9%	-5	-0.1%	235	5.2%
Redditch	560	9.3%	0	0.0%	275	4.6%
Worcester	690	6.6%	-50	-0.5%	370	3.5%
Wychavon	640	8.2%	-5	-0.1%	380	4.8%
Wyre Forest	645	9.8%	-30	-0.5%	340	5.2%
Worcestershire	3,445	8.3%	-105	-0.3%	1,915	4.6%
West Midlands	51,220	9.7%	-960	-0.2%	25,175	4.8%
England	419,235	8.8%	-2,260	0.0%	234,585	4.9%

### Coronavirus Job Retention Scheme (CJRS) furloughed employments

9. In Worcestershire 39,700 employments were furloughed as at 31 January 2021. This represents a take-up rate of 14.7%, similar to regional and national rates. (Table 3)

10. The proportion of employees furloughed is highest in Wyre Forest at 15.2%.

11. The take up rate of CJRS has risen in the last month due to the January lockdown, the take up rate in the county in December 2020 was approx. 8%.

**Table 3- Coronavirus Job Retention Scheme (CJRS) furloughed employments**

Area	Employments furloughed	Eligible employments	Take-up rate
Bromsgrove	6,500	44,300	14.7%
Malvern Hills	4,700	31,400	15.0%
Redditch	5,900	42,100	14.0%
Worcester	7,200	51,200	14.0%
Wychavon	8,900	58,900	15.0%
Wyre Forest	6,500	42,900	15.2%
Worcestershire	39,700	270,900	14.7%
West Midlands	366,400	2,552,300	14.4%
England	3,769,700	25,097,500	15.0%

## Business Support

12. Working in partnership with Herefordshire and Worcestershire Chamber of Commerce, Worcestershire Business Central (WBC) and Worcestershire Local Enterprise Partnership (WLEP), the Council carried out two business surveys (in April and June 2020) to inform plans and understand local impact. The key findings of the surveys were:

- a) Almost 50% of the businesses surveyed were either in survival mode with the majority of staff furloughed or ticking over with staff furloughed but still operating to some degree.
- b) Unsurprisingly, 76% of the businesses surveyed expect a decrease in revenue; almost 30% of these businesses expect this decrease to be 50% or above. Key impacts and challenges for businesses over the next 3-6 months are lack of sales & orders, cashflow problems and the need to adapt products & services.
- c) Encouragingly, over 70% of respondents have taken up Government support; the experience ratings for the majority of these schemes were high with over 80% ratings of excellent, very good or good.
- d) From the survey findings, ongoing support is required to support local businesses, being provided with regular updates and clear information on compliance in relation to COVID 19 rules, support for business diversification and support with business development and marketing were the most popular requests from respondents.

13. The Council will be working with partners again to undertake a new business survey during March 2021 to get an updated position following recent announcements on the plan for the relaxing of restrictions.

14. In response to the Economic Recovery Plan several measures have been implemented, these include administration of government grants, refocussing and enhancing current business support schemes and new investments to support the economy to reopen and adapt.

15. Local districts councils have been administering government grants schemes including Small Business Grants Fund, Retail, Hospitality and Leisure Business Grants, Local Discretionary Grants, and Local Restrictions Grants; they have issued over 17,000 grants totalling more than £140m.

16. Following the announcement of the government's Coronavirus Business Interruption Loans Scheme (CBILS) and the Bounce Back Loan scheme, the Council has worked with British Business Bank to promote the availability of the schemes alongside local partners. Both schemes have seen a large take up. In Worcestershire 753 CBILS Loans have been offered at a value of £196,051,770 and 12,228 Bounce Back loans at a value of £353,863,934. This is an investment of almost £550m.

17. The County Council has refocussed existing EU funded business support schemes to ensure delivery can continue. This has resulted in services being offered online and the support been targeted at working with businesses on restart, adaption and resilience. The programmes include:

- a) **Enterprising Worcestershire:** a programme supporting new and early stage businesses.
- b) **Elevate:** a programme supporting our businesses to pivot and grow by providing expert advice and business consultancy and business grants.
- c) **Worcestershire Innovation:** supporting innovative local companies with direct bespoke support, access to Betaden (the county's technology accelerator based at MHSP) and access to business grants of up to £30k. The programme has also recently launched an Innovation Platform providing an ask, search, find facility, collaboration space and advice from experts
- d) **Clean Growth Programmes:** supporting businesses to reduce energy costs by becoming more energy efficient and supporting companies to develop and commercialise low carbon technologies and services.

18. In July 2020 Worcestershire County Council agreed to allocate £3.5m to support local businesses and launched the Here2Help Business Programme which offers five distinct areas of support: [Here2Help Business | Worcestershire County Council](#)

- a) Business Grants
- b) Business Support programme
- c) A specific programme to support agricultural businesses
- d) Graduate Programme
- e) Business mentoring (operated in conjunction with University of Worcester and Worcestershire Ambassadors).

19. Since the launch the service has responded to over 500 enquiries, and has supported over 230 companies with advice, consultancy and grant funding, including; 38 graduate placements.

20. Overall, since April 2020 approx. 17,400 grants have been awarded to Worcestershire based businesses totalling over £141.3m. This includes the

government grants administered by district councils and Worcestershire County Council's grant schemes.

21. Working with Worcestershire Local Enterprise Partnership and Worcestershire County Council, Worcestershire Business Central has introduced new services to support local businesses, this has included additional business advisors, the launch and delivery of peer2peer networks focussing on key sectors including, tourism, food and drink, manufacturing, town centres etc. Administering a small business grant programme to 139 small and micro businesses has provided much needed funding to make business adaptations and support for sales and marketing.

22. Through the **Getting Building Fund**, working with Worcestershire LEP, the county has been awarded £12m to accelerate the delivery of key infrastructure schemes including; Malvern Technology Park, The Vale Business Park expansion, Shrub Hill Development, A456 improvements and Kepax walking and cycling bridge. Many of these schemes will provide local employment opportunities, make Worcestershire an attractive business location and improve the local area for residents.

23. The WCERG will continue to monitor the impact of COVID 19 on the local economy and work together to co-ordinate activities to maximise the support, the group can offer, and to ensure that local businesses are aware of all the support that is available on a local, regional and national basis.

### **Legal, Financial, and HR Implications**

24. From a County Council perspective, alongside the £3.5 million allocation to support businesses including the Here2Help business support, Worcestershire's Growth Hub has facilitated support for businesses. This has been through a one stop shop for business support across the County which has been funded by a mixture of funding from the Department for Business, Energy and Industrial Strategy (BEIS) and ERDF grants totalling c£0.6 million.

25. Additional funding of c£0.2 million from BEIS was also received by the Growth Hub to deliver 11 cohorts on Peer to Peer networks, award ERDF grants to businesses affected by Covid and offer local and regional specialist support to all businesses affected by EU transition.

26. There are no legal or HR implications as far as we are aware with respect to this update.

### **Purpose of the meeting**

27. The Panel is asked to consider and comment on the latest information update on the Council's support to businesses during the COVID pandemic and

- whether any further information or scrutiny is required at this stage.
- agree any comments to highlight to the Cabinet Member.

### **Supporting Information**

- Appendix 1 - Presentation

## Contact Points

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## Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) the following are the background papers relating to the subject matter of this report:

- Agenda and Minutes of Economy and Environment Overview and Scrutiny Panel on 11 September 2019

Minutes and Agendas are available on the Council's website at: [web-link to agendas and minutes](#)