

Subject:	Greater Brighton Recovery: Where Next?
Date of Meeting:	20 July 2021
Report of:	Chair, Greater Brighton Officer Programme Board
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LA(s) affected:	All

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Greater Brighton Economic Board ('the Board') is ready to play a leading role in economic recovery in the region post-pandemic. However, since devising its Five Year Priorities in 2019, it is arguable that the economic situation has changed so drastically that a refresh might be in order. Efforts to achieve carbon neutrality among a host of private and public sector organisations have made a step change forward, issues and opportunities surrounding Britain's exit from the European Union are becoming clearer, and the COVID-19 pandemic has seen public spending to support businesses and jobs soar. Amid this combination of events new opportunities are rapidly emerging to show leadership in our Region, to forge more collaborative working and to promote initiatives to mitigate threats in the post-pandemic economy.

2. RECOMMENDATIONS:

- 2.1 That the Board commissions updated and rapid, research by consultants as a snapshot of the City Region economy as it emerges from the pandemic, to outline the shape of recovery and identify stress points.
- 2.2 That the Board agrees for the Greater Brighton Programme Board to lead on the work of re-focussing the purpose and ambition of the partnership using the findings of the updated report.
- 2.3 That a report outlining how partners can pool resources and work collectively to deliver outcomes that benefit all members goes to the 1st February 2022 Economic Board meeting.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 So far in 2021 there has been strong GDP growth in the UK, of 7.2%. Growth of 5.5% in 2022 is projected as the vaccinations are widely rolled out, and restrictions to economic activity are progressively eased. However, increased border costs and bureaucracy following Britain's exit from the European Union will continue to weigh on foreign trade. UK unemployment is expected to peak at the end of 2021 as the Furlough Scheme is withdrawn. (source – OECD May 2021)

- 3.2 In the UK there are currently more than four million people on furlough (source - www.gov.uk). Aviation-reliant towns and tourist hotspots continue to see the highest take-up of the furlough scheme, which is set to end in September 2021. In the Greater Brighton region Crawley has the highest furlough scheme take-up rate in the country at 16.3% as of April 2021 (Centre for Cities). Brighton is ranked 5th.
- 3.3 The Board's current strategic vision is for the Greater Brighton region to have a growing, modern economy that is international, creative, connected, talented and resilient and the Board's Five Year priorities were agreed to deliver this vision. However, a brief period for reflection and discussion time is perhaps called for in order to consider whether the current vision and priorities remain relevant. Since the priorities were devised, much has changed and the region faces unprecedented challenges. Therein lies an opportunity, led by the new incoming chair, to evaluate the progress so far, to de-prioritise where needed and to include new opportunities and scope based on the Board's refreshed vision.
- 3.4 Based on recent agendas for Board meetings, the GB10 Pledges which were agreed during the pandemic (October 2020) remain relevant and critical to deliver our net zero targets. Developing a Hydrogen economy and driving the decarbonisation of homes have emerged as leading new areas of focus for the Board. Although further scoping work is needed, the Digital Action Plan was refreshed at the last Board meeting and there are plenty of opportunities in the digital sector to aid recovery. To successfully deliver these projects, the Local Authorities, Business Partners, Universities, South Downs National Park and the Local Enterprise Partnership are having to work closely together, adding the kind of value that is not achievable when working alone.
- 3.5 The national context is that the government continues to focus on 'levelling up'. Despite much public debate and media speculation, little is concretely known about how this agenda will translate into policy and funding streams. However, there is an assumption that the money will flow northwards. There is an opportunity for the Board to reposition itself in a refreshed way to address shifting government priorities so that lobbying and funding bid efforts are better targeted. The ability to make the case effectively will depend to a large extent on deep understanding of the difference between the Region's pre and post pandemic local economies. In order for recovery to be weaved into work planning going forward, in rapidly changing times, the Board need to be armed with updated research on our economic outlook and shifts in trends in employment and sector activity.
- 3.6 Last summer the Board commissioned Hatch Regeneris (an economic and social development consultancy) to carry out a COVID-19 impact assessment and the findings were presented to the Board in July 2020. The report highlighted the main impacts of the pandemic including a rise in unemployment and closure of local businesses. There are significant challenges in four main sectors; Creative, Arts and Culture, Education, the Visitor Economy and Transport. A Sustainable Recovery plan was subsequently signed off by the Board in October 2020 and at the April 2021 Board meeting it was agreed that, while the work continued, reporting on progress made against the actions did not need to continue.

3.7 Looking ahead, in order to decide how to distinguish and lead the region in a post COVID-19 climate of levelling up, Brexit, skills gaps resulting in labour shortages and high unemployment, revised carbon targets, increased home working and less travel, it could be argued we need a pause point to understand the current state of the regional economy. If we commission an updated report on how the sectors are recovering this enables us to revisit the Five Year Priorities and reconfigure into a reinvigorated action plan, more pertinent to the changed circumstances.

3.8 **Consultancy Brief: areas of focus for the second report**

The key objective will be for an analysis of the work independently done by board partners and examining data available at a Greater Brighton regional level as well as an application of the national data to the City Region's economy. Specifically, areas of focus could include:

Overall impacts/ changes / emerging trends in the economy such as economic business activity, changes to working practices, the impact of the pandemic on staffing, skills shortages, over supply. Equality of access to the economy, such as unemployment, financial exclusion, homelessness, travel modes.

Sector analysis: what are the opportunities and challenges in the Greater Brighton priority sectors: creative and digital, retail, cultural and tourism, manufacturing and construction, transport; horticulture and viticulture, education and skills. What the growth sectors are and how resilient the supply chains are.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The economic impact of COVID-19 is beginning to emerge and will undoubtedly be costly to both urban and rural areas in the city region. Whilst there are some signs of an economic bounce prompted by consumer spending the wider picture, particularly when the government's furlough scheme ends will soon begin to emerge. The Board must be ready with a rapid response. To continue working on the Five Year Priorities without examining their relevance and order of importance in the changed world we will be living in could be counter productive in supporting economic recovery.

6. CONCLUSION

6.1 The Greater Brighton region continues to be significantly impacted by Covid-19. Whilst we know there are both opportunities and success stories to be celebrated, there remains a gap in our understanding of how deep and wide the impacts have been. A year has passed since Hatch reported their findings and the country has since been in varying states of lockdown. Commissioning a second report a year on will give us the data needed to decide the next steps to build back an international, creative, connected, talented, and resilient economy.

6.2 As a result of the report, a workshop of the Officer Programme Board and other interested partners could be facilitated to discuss findings and to decide the areas of focus going forward. These findings will feed into a newly created action

plan with short, medium, and long term goals with clear deliverables. In this way the Board will lead the City Region to continue to recover whilst attracting investment and funding.

- 6.3 If agreed, revised priorities and an action plan with clear outputs would go to the February Board meeting for sign off. This process would give the Board a meaningful opportunity to reflect and show clear leadership in these unprecedented times. This action plan will map the path towards social and economic renewal, to build back greener and smarter and to shape a more productive, innovative and carbon neutral economy. This timetable acknowledges that development time is needed for Economic Development Officers and other relevant officers and business representatives to learn from other areas about how they added value by working together and attracting funding, and to devise clear and deliverable objectives.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The proposed updated recovery report and workshop delivery will cost in the region of £9,000. It is proposed that the cost comes out of the 2021/22 Greater Brighton Economic Board operational budget and will not require additional partner contributions.

Finance Officer Consulted: Rob Allen, Principal Accountant Date: 05/07/21

Legal Implications:

- 7.2 There are no legal implications arising directly from this report.

Lawyer Consulted: Joanne Dunyaglo Date: 05/07/21