

**West of England Economic Recovery Taskforce – 13 October 2020**

**Minutes / action notes**

**Taskforce members present:**

Mayor Tim Bowles	WECA
CEO Patricia Greer	WECA
Vice Chancellor Steven West	Local Enterprise Partnership
Andy Forbes	City of Bristol College
David Lees – apologies (Simon Earles in attendance)	Bristol Airport
David Brown	The Bristol Port Company
David Coombes - apologies	Skills for Logistics & The Skills Group Ltd
Dick Penny	WofE Cultural Strategy Engagement Group
Ian White	Bath University
Cllr Dine Romero	Bath & North East Somerset
Cllr Donald Davies	North Somerset Council
Cllr Toby Savage - apologies	South Gloucestershire Council
Joanne Rumley	Foot Anstey & WofE Skills Advisory Panel
Jon Reynolds	GDS Digital
Katharine Finn	PWC
Kathryn Davis	Visit Bath / Destination Bristol
Margot Day	Buro Happold
Mayor Marvin Rees – apologies (Cllr Craig Cheney in attendance)	City of Bristol
Nigel Costley	SWTUC
Neil Douglas	Viper Innovations
Paul Craig	Rolls Royce
Peter Alvis	Lye Cross Farm
Phil Smith	Business West

Poku Osei	Babassa
Richard Bonner	Arcadis
Rick Sturge	Business in the Community [BITC]
Samantha Payne - apologies	Open Bionics
Natasha Swinscoe	WEAHSN

Additional attendees: Mike Jackson, Bristol City Council; Dave Perry, South Gloucestershire Council, Jo Walker, North Somerset Council

WECA attendees: Stephen Bashford; Jess Lee; Menna Davies; George Margesson

Note: the summary slides displayed and referred to at the meeting are enclosed at Appendix A.

## **1. WELCOME AND APOLOGIES / SETTING THE SCENE FOR THE MEETING**

The Chair welcomed attendees to the meeting.

Apologies were received from Cllr Toby Savage, Mayor Marvin Rees, Neil Douglas, David Coombes and David Lees.

### ***Introductory comments from the Chair:***

On behalf of the Taskforce, the Chair:

- \* congratulated Samantha Payne on being awarded an MBE in recognition of her work in bionic technology.
- \* congratulated Steven West and the University of the West of England on their inclusion (along with the ongoing inclusion of the University of Bath and the University of Bristol) in the top 30 UK universities in the latest Times Higher Education 'Table of Tables' ranking.
- \* welcomed the recent virtual opening of the West of England Institute of Technology.
- \* welcomed the recent announcement of grants awarded to arts/culture venues and organisations through the government's Culture Recovery Fund.

The Chair also:

- \* updated the Taskforce by referring to the ongoing work he is involved in with the government and with other Metro Mayors through the ongoing Covid situation.
- \* was pleased to confirm that at the joint meeting of the WECA Committee and the West of England Joint Committee held last week, approval had been given both to the Regional Recovery Plan developed through the Taskforce and to increasing the Regional Recovery Fund to £9.4m. Now that the Recovery Plan has been approved, it will be critical for all Taskforce members to be ambassadors and champions for the positive action to be taken forward.
- \* advised that through utilising headroom within the current Combined Authority Investment Fund programme, the WECA Committee is also developing a £20-25m Development

Infrastructure Fund proposal to support both housing and economic development infrastructure.

The Chair concluded his opening comments by referring to the ongoing valuable intelligence being gained through the Business Insights Panel. In spite of the 'hit' taken by the hospitality sector through the pandemic, it was encouraging to see that some new bar and restaurant ventures were now coming through. There was still a huge challenge to be faced across all sectors but the Federation of Small Businesses has also reported some new business start-ups. There have also been a number of angel investor developments relating to start-ups.

## 2. EMERGING ECONOMIC TRENDS

With reference to the slide pack, George Margesson, WECA Principal Economist summarised emerging economic trends as follows:

- \* Covid case numbers across the region have grown in recent weeks. 910 cases had been recorded in the last week although the figure for the West of England was below the average figure across England.
- \* There has been a reasonably rapid recovery so far but there is an uncertain forecast, especially in light of the current spike in Covid cases. UK monthly GDP has returned to growth since May but is 9% smaller than in February; Oxford Economics' forecast is that there is uncertainty in terms of the recovery of the West of England's economic output.
- \* Both the impact and the recovery have varied by sector. Recovery has occurred in all sectors, though output in most remains down on February's level. After experiencing the deepest initial fall, accommodation and food has recovered more strongly than some sectors, helped by the Eat Out to Help Out scheme during August. Retail has recovered from its lowest point in April, with a significant shift to online sales.
- \* Bankruptcies have not risen so far but new company incorporations appear weak.
- \* After a sharp rise, unemployment has levelled in recent months, influenced through the impacts of the government furlough and job support schemes.
- \* There is a rise in job advertisements.
- \* There is increasing recognition around remote working being a permanent aspect of working life for many.
- \* There are more journeys to city and town centres but no significant movement in the number of workers attending city centre workplaces.

The Taskforce was then asked to consider and discuss the following questions:

- \* ***Building on the economic analysis, what developments are members seeing within their networks?***
- \* ***What new issues are emerging that need to be addressed?***
- \* ***How will this be impacted by the Government's expected three tier approach?***

Summary of comments from the discussion:

1. A concern was raised around the strength of liquidity with the threat of interest rates falling below zero. Some businesses may begin to struggle to service repayments particularly if restrictions have to be tightened.
2. It was noted that Construction sector growth has fallen and that further contraction is predicted, which seemed 'out of step' with the need for new housing, commercial spaces and infrastructure. It was suggested that key factors in this space could be a certain degree of caution (given the uncertainty of the ongoing Covid situation) by some clients in instructing the progression of construction / enabling works, the delay to construction starting in some cases whilst planning considerations are resolved and workforce / skills availability.
3. It was noted, however, that the number of apprenticeships linked to construction (e.g. plumbing, carpentry) are encouraging compared to other sectors.
4. The full effect of the Covid impact on manufacturing and the aerospace industry in particular remains to be seen. It will be important to grow new roles to capture digital skills and green technology and value.
5. There is evidence of growth across a number of traditional sectors where digital solutions are being embraced – further work could be taken forward in understanding this and encouraging investment in these areas.
6. Although the region's visitor economy had recovered to a greater degree than expected into September, confidence in the sector has had been adversely affected by the recent spike in Covid cases. Local lockdowns will have a very significant impact in this sector as visitor supply chains contract. The situation in south Wales has had an immediate impact as restrictions were introduced. Consequently, the sector faces ongoing uncertainty and challenges.

### **3. UPDATE ON THE NEXT STEPS FOR THE REGIONAL RECOVERY TASKFORCE**

With reference to the slide pack, Patricia Greer highlighted the wide range of delivery / actions already being taken and summarised the key immediate actions that will be taken forward now that the Recovery Plan and associated funding have been approved.

The following was noted:

- \* The Recovery Plan is the initial response to the crisis – the situation continues to evolve and it is intended that the Taskforce will oversee this and focus on the short to medium term response.
- \* There is a vital role for the Taskforce in considering:
  - analysis of the trends in the economy as the pandemic develops.
  - feedback of intelligence from Taskforce members about their experience and what they are hearing from their networks.
  - emerging issues and what further action needs to be taken.
  - key messages to feed into national discussions about recovery.
  - how to provide oversight and continued support for the implementation of Recovery Plan.
- \* In parallel to the Taskforce work, the LEP Board will focus on the longer-term strategic questions in the next phase including; What is the future of the workplace? What is the future

for town and city centres and how will places be used in the future? How do we recognise and respond to the different challenges in different areas of the region? How can we ensure that the rise in unemployment, particularly within the most deprived communities of the region, does not become entrenched and that people are able to move swiftly back into work? The expertise and experience of Taskforce members will be drawn upon to help address these questions.

The Taskforce was then asked to consider and discuss the following:

**\* Reflections on the first phase of the work, what worked well and should be built on for the next phase of the work?**

**\* Views on the approach to the next phase of the work.**

Summary of comments from the discussion:

1. As part of the approach moving forwards and in assessing future actions, it may be useful to consider nuancing the approach by distinguishing between certain trends that were happening anyway to an extent pre-Covid (e.g. automation; the move to on-line retail) and the new situations that have been brought about more directly through the pandemic. The decline of manufacturing jobs due to automation, for example can be seen as 'Covid-independent', while the recovery of the visitor economy and hospitality sector is hugely dependent on the future of the Covid situation.
2. Very effective liaison and work took place through the sector groups through the first phase – it will still be important to tap into the energy generated through that first phase sector-based work which involved a diverse and significant group of well informed and committed people. Continuing this engagement in some structured form will be important to help shape future actions. For example, in the digital sector, the Smart alliance group is well placed to help ensure continuity.
3. The Covid pandemic has accelerated digital aspects of the economy – particular attention needs to be paid to assessing the implications of this in terms of the future of the retail sector.
4. It will be important to maintain a focus on the 5 main themes as articulated in the Recovery Plan. In terms of the 'Supporting a Green recovery' pillar, some companies, e.g. Rolls Royce are setting ambitious decarbonisation targets – there is an opportunity to harness some displaced workforce skills to support low carbon programmes and maximise the green aspects of the recovery and emerging technologies.
5. It will be important to be mindful of continuing to promote good employment practices by employers, particularly during a time when unemployment is rising and there will be rising pressure on vacancies in the labour market.
6. In terms of remote working into the future, whilst home / remote working (or a degree of this) will be appropriate and perhaps permanent for many, this will not be an option for all.
7. As recovery plans are taken forward, there is a need to be mindful of the position of young people and graduates new to the job market as many face uncertain futures – it will be important to maximise all opportunities for structured pathways into employment.

8. In terms of recruitment, employers will need to be appropriately agile in terms of how they go about advertising / seeking applicants for jobs that are available and ensuring connectivity with the available labour market for vacancies.

9. It will be critical to be seen to be responsive to the needs of businesses (across the various sectors) and communities in taking actions forward to aid the recovery. Ensuring ongoing, effective communications to all relevant audiences will be crucial. An ongoing dialogue with our communities in a relevant way must be maintained, particularly as the shorter to medium term issues are addressed. Clear information on progress must be available to communities and residents so they are aware of the key actions that are being taken forward and delivered, including actions being taken by WECA and through the LEP.

#### **4. Wrap up and summary of next steps**

The Chair thanked all Taskforce members for their comments and positive input at today's meeting.

He reiterated that it will be crucial for all Taskforce members to champion the Recovery plan and actions being taken.

The comments and views expressed at today's meeting will be taken on board in starting to shape the Taskforce's key next steps, including the points about building on the energy generated through the first phase sector-based work and ensuring ongoing effective and wide communication about the actions planned and their delivery.