

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	28 SEPTEMBER 2020		
TITLE:	SUPPORTING READING'S ECONOMIC RECOVERY & RENEWAL		
LEAD COUNCILLOR:	CLLR BROCK	PORTFOLIO:	LEADERSHIP
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report outlines the current economic situation in Reading as a result of the COVID-19 pandemic and the initial and ongoing response from the Council.
- 1.2 The report proposes formal adoption of the Reading 'Powered By People' Strategy, an economic recovery strategy developed by Reading UK, the Council's outsourced economic development and marketing company, on whose Board the Council is represented by the Leader of the Council and the Director for Economic Growth and Neighbourhood Services.
- 1.3 The 'Powered By People' Strategy is based on extensive research and analysis by a variety of commentators and expertise within Reading UK and partner organisations. It aims to build back an economy that is more inclusive, smarter and more sustainable, and to continue to raise the profile of Reading as a great place to live, work, visit and do business, meeting the Council's Corporate Plan priorities.

Appendices:

- Appendix 1 Reading Unlock Dashboard (August 2020)
- Appendix 2 The Reading 'Powered By People' Economic Strategy
- Appendix 3 RBC Economic Recovery and Renewal Group Terms of Reference

2. RECOMMENDED ACTION

2.1 That the Policy Committee:

(i) endorse and adopt the 'Powered By People' Strategy as the Council's Economic Recovery Strategy Framework.

(ii) reaffirm the Council's commitment to working in partnership with Reading UK and other key partners to ensure a sustainable economic recovery which addresses the key challenges facing residents and businesses in the Borough.

3. POLICY CONTEXT

3.1 The UK is now in a recession which is forecast to be worse than those in 2009 and in the 1990s. As yet, the final outcomes and rate at which the economy will recover is unknown. There will be winners and losers between sectors, communities and geographies.

3.2 A number of economic commentators have predicted Reading will bounce back quickly as it has in past recessions. However, there are still a number of unknowns: the impact of the ending of short-term Government measures for supporting jobs and business; the future of locally based export companies and the global companies located in the area; the impacts of reduced global business travel and increased home working; the impact of offices being converted into residential units and associated implications for the local tax base; plus wider challenges around finding a vaccine and the risks around finalising a Brexit trade deal or otherwise. Unemployment is expected to rise as the furlough scheme is phased out, making younger and older age groups vulnerable to job losses, whilst graduates and care leavers have seen their education and training disrupted. It is therefore possible that Reading may find it more difficult to recover than in the past. The challenge for the Council is to act within its scope of influence to support a quick but sustainable and inclusive recovery from which all residents and business can benefit.

3.3 One of Reading's strengths is its economic structure, based on technology, science, knowledge and professional services, a highly skilled workforce, good global connectivity and trade links along with a relatively strong retail town centre offering. However, as the Unlock Dashboard (Appendix 1) and other research shows:

- The town is experiencing stresses on the retail, hospitality and leisure sectors which remain only partially operational where social distancing will allow.
- Foot fall on the High Street has only just returned to about 50% of pre COVID-19 levels, with 85% shops open again experiencing higher dwell time but lower turnover and the loss of some big high street names. The town also has a much reduced night time economy.
- Unemployment is now above the South East average and rising (6350 registered unemployed in July 2020) pending phasing out of the Government's furlough scheme.
- In January 2020 there were 6 job vacancies for every person unemployed in Reading - now there 4 people competing for every vacancy.
- Use of public transport has been discouraged and the statistics reflect this with car use returning and car park numbers rising whilst public transport use remains lower than pre-pandemic levels.
- Only about 30% of office staff have returned and are not expected to return before the New Year, and even then in lower numbers than pre-pandemic levels.

3.4 The immediate impacts on the Reading economy include:

- Increased use of online shopping, further impacting on the vitality of the town centre.
- Homeworking, furloughing, reduced student and business visitor numbers drastically reducing footfall and demand in the retail and hospitality sector.
- The arts, leisure and heritage sector remaining not fully open for business.
- Difficulties for micro businesses and the self-employed in some vulnerable sectors which may never return, leading to long term unemployment unless individuals can reskill and transition to different types of jobs.

3.5 The COVID-19 pandemic recession has also highlighted two further challenges already apparent in the local economy:

- The growing levels of inequality in Reading impacting on those most vulnerable and marginalised from jobs and training.
 - The barriers faced in decoupling greenhouse gas emissions from economic activity to achieve a net zero carbon city in line with the Council's climate emergency declaration and the Reading 2050 Vision. The town is still heavily car dependent, exporting its waste, lacking in local renewable energy resources and in need of investment to reduce emissions from its older building stock.
- 3.7 These issues are widely acknowledged among the Berkshire (local authority) Economic Development Officers' Group and the Thames Valley Berkshire Local Enterprise Partnership (TVB LEP).
- 3.8 In developing its response to the recession, the Council must be mindful of these challenges, seeking to mitigate the impact on local people and businesses whilst building on Reading's strengths, notably:
- An innovative and entrepreneurial economy with a research-led University
 - A highly skilled workforce attracting digital tech, science and knowledge companies
 - A good place for investors and developers in residential, office and leisure facilities
- 3.9 The Council can also seek to capitalise on the opportunities now presented, notably:
- To recover and renew the local economy, growing it to above and beyond its former levels but in a way that is more inclusive of local people in economic success
 - To build back a green tech, low carbon economy, developing new skills for local people to pursue employment and training opportunities in this area
 - To rebuild our arts, heritage and cultural strengths into a repurposed and vibrant town centre, connecting with the rest of the Borough
 - To bring forward the longer-term aspirations and targets set out in the Reading 2050 Vision
 - To develop local centres and the retail offer beyond the town centre to take advantage of the fact that more people are working from home
 - To consider how independent shops might be supported and how empty retail space can be used creatively
- 3.9 In summary the Borough has an opportunity to realise longer term (pre-COVID-19) aspirations and targets of the 2050 Vision and the emerging Climate Emergency Strategy sooner rather than later, taking Reading forward in a way that local people can be proud of, confident in, which meets their needs and which presents a strong place brand regionally and nationally.
- 3.10 To realise this, we will need strong partnership working locally with the business and community sectors as well as engagement across the Berkshire region with neighbouring boroughs and the Thames Valley Berkshire Local Enterprise Partnership (TVBLEP).

4. INITIAL RESPONSE AND WAY FORWARD

- 4.1 The Council's initial objectives during the response phase to the pandemic focused on working closely with Reading UK via an Economy Sub-Group of 'Silver' Command to:
- i) Deliver the expeditious administration of grants and rate reliefs made available by Government to support Reading's businesses - the Council issued over 1,400 businesses with rate relief worth £53m and allocated £24m in grants to support 1,750 small businesses through the crisis
 - ii) Signpost businesses to the various sources of help available nationally and locally
 - iii) Co-ordinate the response and associated communications between the Council and Reading UK

- iv) Engage with businesses to enlist their support in the response phase as well as supporting them through it
- 4.2 Policy Committee approved a Council Recovery Programme at its 22 June 2020 meeting, setting out the Council's approach to the recovery phase of the COVID-19 pandemic. The overall vision for the town is to ensure Reading can be a thriving, virus-resilient community. The outcomes sought included:
- A thriving place and economy, with space to support all sizes of business, where people want to come and live, work and visit.
 - An environment and economy underpinned by net zero carbon principles.
 - A relentless focus to solve our health and wealth inequalities alongside our partners.
 - A skilled population that feels part of a cohesive community and shares the benefits of the economic recovery.
- 4.3 The paper set out that one of the three strategic objectives is to secure the economic future of Reading by:
- Protecting business and the economy as much as we can through the worst period of the crisis and help to re-launch the town's retail, cultural and leisure economy when it is safe to do so.
 - Ensuring our transport infrastructure plays its part in a recovery that delivers (a) better air quality (b) a healthier local climate and population (c) our zero-carbon plans, based on improved opportunities for walking and cycling, the restoration of safe public transport as soon as possible, and harnessing new sustainable technologies in the way we work and travel in the future.
 - Ensuring that environmental sustainability is complemented by social and economic sustainability, emphasising economic inclusion and socially-conscious models of business.
 - Working to help those affected by redundancy, unemployment and exclusion into further education, skills, training or work.
 - Support for learners and recent leavers who need educational and career support to move to the next stage of their life.
 - Effectively managing business support schemes.
 - Working with key partners (Reading UK, TVBLEP, Berkshire Coordinating Recovery Group) to progress the place shaping and economic recovery plans.
- 4.4 In response, the Council established an Economic Recovery and Renewal Group as one of three high level groups to steer recovery work, chaired by the Executive Director of Economic Growth and Neighbourhood Services, Frances Martin. The Group's purpose is to provide leadership to support the safe and sustainable recovery and renewal of Reading's economy, doing so in a way which meets the Council's wider policy objectives including place shaping to addresses both new and existing challenges. Reading UK are represented on the Group. The Terms of Reference for the Group, incorporating a statement of the Council's priorities in relation to economic recovery, is at Appendix 3.
- 4.5 Recognising that securing the economic future of Reading will require wide participation from businesses and partners, the Council has worked closely with a number of external groups including the TVBLEP and Berkshire Economic Recovery Group.

Development of Reading 'Powered By People' Economic Recovery Strategy

- 4.6 The Reading UK Board has been meeting approximately every three weeks since April to address the COVID-19 situation and debating possible ways forward. In formulating a recovery strategy, it set several parameters to be met as follows:

- It would be a partnership strategy that the public, private and voluntary sectors across Reading could sign up to and participate in
 - It would respond to the immediate economic shocks arising from the COVID-19 pandemic, while addressing the inherent challenges in our economy which pre-existed COVID-19 (notably inclusive and sustainable growth)
 - It would be flexible enough to be developed throughout 2020 at least to take account of the as yet unknown economic impacts associated with COVID-19, evolving Government's policies and wider geopolitical decisions.
- 4.7 The title of the economic renewal Strategy is Reading 'Powered By People' because underlying the strategy is the belief that the road to recovery is through the people of Reading: they are at the heart of business decision making and recovery; they are the innovators, creators and entrepreneurs; they are the people who have cared for the community during the worst of the pandemic; and they are the labour force that will support a sustainable economic recovery.
- 4.8 The Impact on people who live, work, enjoy and do business in Reading will vary and some will need more help than others. It will take time to adapt to the impacts and changes brought about. There is a shared belief between the Council and Reading UK that the impact of COVID-19 will be so significant that the changes required to adapt will be greater than those in response to previous recessions.
- 4.9 The priority for the Strategy will be the start-up and growth of the local economy but by focusing on people we believe that we can simultaneously achieve wealth creation and help businesses adopt new business models and working practices, moving us to a successful and acceptable 'new normal'.
- 4.10 The strategy, at Appendix 2, sets out three main aims to achieve a 'new normal':
- Inclusive Reading - employment, skills and training for local people.
 - Smart Reading - a resilient economy, businesses and city centre fit for the future.
 - Destination Reading - a great place to work, live and do business.
- 4.11 If adopted the strategy will perform three key functions:
- Provide a single strategy in which the Council, Reading UK and other partners can work together to deliver and measure progress.
 - Provide structures for effective partnership working with Reading UK and a wide range of private and voluntary sector partners.
 - Provide aims and priorities that can be aligned with those being formulated at a Berkshire wide level so demonstrating how Reading is contributing to the wider economic recovery and strengthening Reading's case for additional financial resources.
- 4.12 It is also hoped that the Strategy will support the Council's position when it comes to seeking additional external Government funds and grants. In this regard, the Council's Economic Recovery and Renewal Group is monitoring emerging funding streams and ensuring that appropriate funding opportunities are pursued. The Group is also identifying and maintaining an overview of 'shovel ready' capital projects which can be put forward for financial support.
- 4.13 Given the shared ambition between the Council and Reading UK, it is recommended that the Strategy be adopted in full by the Policy Committee.

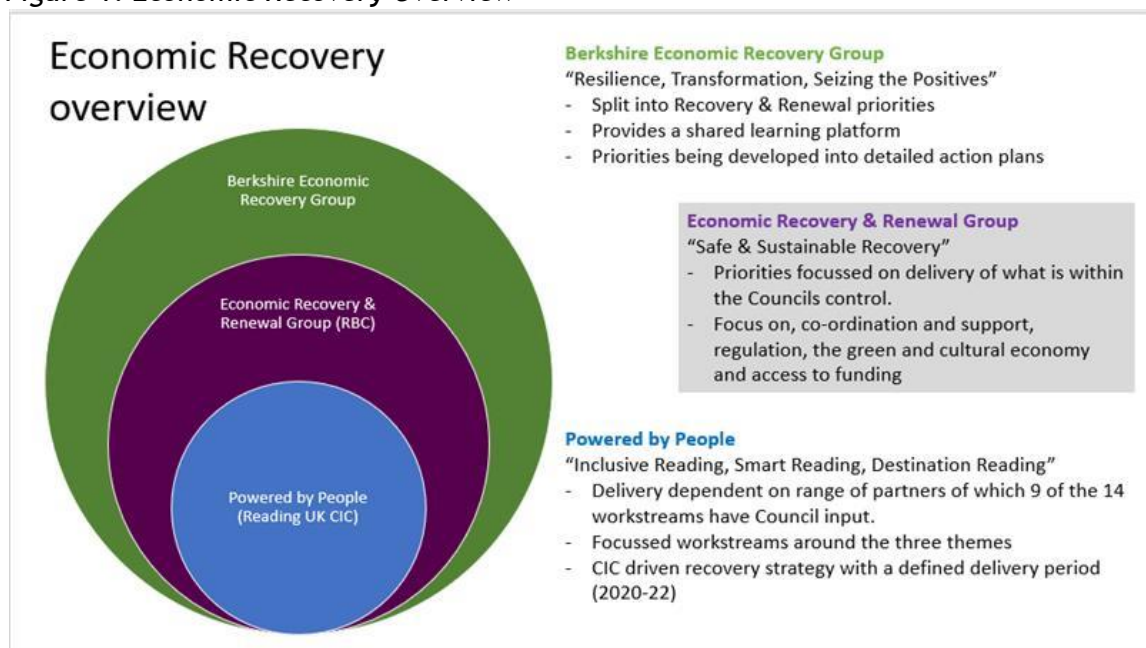
Implementation, Management and Monitoring of the Strategy

- 4.12 The economic situation is rapidly changing and there is a need for maximum flexibility and partnership working. Further analysis of the recession and its trends will be needed

as the situation develops and consultation will be required with the beneficiaries of the actions which will be taken. The Executive Director of Reading UK will be the senior responsible officer for the Strategy working closely with the Executive Director of Economic Growth & Neighbourhood Services. To ensure dual reporting of progress, monitoring and reporting will be to the Reading UK Board and through the Economic Recovery and Renewal Group and appropriate Committees to elected members of the Council.

- 4.13 Both RBC and Reading UK officers are participating with the Leader and Chief Executive in the work at the Berkshire-wide level, to ensure the town recovery strategy and the Council economic recovery plans align with the emerging Berkshire economic recovery strategy in a co-ordinated and efficient approach.
- 4.14 Figure 1 shows how the 'Powered By People' Strategy relates to the work of the Council's Economic Recovery & Renewal Group, and the Berkshire Economic Recovery Group.

Figure 1: Economic Recovery Overview



- 4.14 Working groups of partner organisations including Council officers are being put in place already to bring forward urgent actions - these include:

- An Inclusive Reading Working Group, which will help address the Council's commitment to tackle inequalities and take forward successful policies in the Council's Employment, Skills & Training Supplementary Planning Document (SPD).
- A Green Industries and Skills Planning Group that will respond to calls for green infrastructure, green jobs and green skills bids to the LEP and Government
- A private sector group including the Business Improvement District to help inform the Council's longer-term strategy to repurpose and revitalise the town centre economy and safeguard against current threats to its vitality.
- A Visitor Destination Working Group to attract visitors to Reading's cultural venues and other facilities once they open and to help us celebrate the range of anniversaries occurring in 2021, including the 500th anniversary of Reading Abbey.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The Council's Corporate Plan 2018-2021 (which was refreshed in Spring 2019) sets out six priorities - adoption of the Reading 'Powered By People' Strategy would support the following priorities:

- Securing the economic success of Reading
- Improving access to decent housing to meet local needs
- Keeping Reading's environment clean, green and safe
- Promoting health, education, culture & wellbeing

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). It will be important for recovery plans to reflect the commitments made in, and the urgency of, this declaration. A draft Reading Climate Emergency Strategy for 2020-25, produced by the Reading Climate Change Partnership with the Council's support, is being finalised following an extended period of public consultation. The Reading 'Powered By People' Strategy aligns with the aims of this strategy in terms of its support for a green recovery as set out in 4.3 above. Detailed implementation of 'Powered By People' will continue to be informed by both the spirit and the letter of the Climate Emergency Strategy.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 Reading UK has consulted the business community in the development of the 'Powered By People' Strategy and will continue to do so to co-ordinate work in the recovery phase. Qualitative consultation through a customer focus group has also commenced.

8. EQUALITY IMPACT ASSESSMENT

8.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2 It is imperative, that in planning for the recovery we look to protect the most vulnerable and marginalised in our society. The revised priorities set out in the 'Powered By People' Strategy facilitate this, particularly the renewed focus on a more inclusive economy. The Council will continually review progress to ensure that we do not leave behind any section of our community.

9. LEGAL IMPLICATIONS

9.1 There are no other legal issues arising directly from this report.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report. Existing resources with the Council will be deployed in partnership with external parties to achieve shared outcomes.

10.2 However, the scale of any financial plans will be subject to access to the following sources of funding:

- Government funding directly and/or through the TBVLEP, especially associated with infrastructure and green skills (hence the focus of the Economic Recovery and Renewal Group on identifying and pursuing relevant funding streams)

- LEP funding being sourced to drive the emerging Berkshire recovery strategy
- Private sector sources of funding including a further round of employment and skills plans funding agreed by RBC and managed by Reading UK to support the economic strategy as it has for the last 4 years
- Funding leveraged through partners organisations

11. BACKGROUND PAPERS

11.1 None.