

Subject:	Recovery Report and Action Plan
Date of Meeting:	19th October 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 and 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.
- 1.2 At the July 2021 meeting, the Board agreed to commission 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. It was also agreed that a workshop would take place to scrutinise the findings of the research to re-focus our approach and outline our ambition to deliver an updated Greater Brighton vision.
- 1.3 The Board agreed to bring a report to the October 2021 meeting, combining the updated report and the workshop outcomes to deliver a re-focussed approach outlining our ambition to deliver an updated Greater Brighton vision.

2. RECOMMENDATIONS:

- 2.1 That the Board note the findings of the research, carried out by Hatch (appendix 1)
- 2.2 That the Board note that the draft action plan is still in an early form, and work will commence to broaden the scope of the plan to reflect the regional projects and ambition.
- 2.3 That the Board delegate authority to the Greater Brighton Programme Board to continue working on the draft action plan, taking into account any Board Member discussion and reflecting strategic steer on priorities given at this meeting, and seek sign off via Local Authority CEOs and Board Business Partners at the appropriate time, so that work can commence at pace..
- 2.4 That the Board delegate authority to the Greater Brighton Programme Board to oversee the delivery of the action plan, and monitor and evaluate progress.

- 2.5 That the Board note that work has begun to source a live data feed to inform future decision making.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 In the summer of 2020, the Greater Brighton Economic Board commissioned Hatch to undertake a short and sharp assessment of the current and likely impacts of the pandemic on the Greater Brighton region. At that stage of the pandemic, there was limited available economic and labour market data and as such the Board and many other economic partnerships across the country focused on short-term measures to protect the economy based on economic forecasts.
- 3.2 One year later, we are still in the midst of the pandemic. However, with the raft of temporal data available it is possible to begin to glean what the economic impact has been – and is likely to be – on the Greater Brighton region. The pandemic has framed what a prosperous and attractive place the region is to live in with high demand by potential future residents.
- 3.3 Our proximity to London and the perception of advantage that we have by being located in the South East means we may miss out on any ‘levelling up’ effect. It is not helped by the fact that the data used to categorise local authority’s into priority bandings, was 2018/19 pre-covid data. This meant that Crawley were put in the least in need tier for the Levelling Up Fund, which is not where it should be in terms of needing support to recover from the economic effects of covid.

Key findings of the report:

- 3.4 Many of the region’s businesses have found opportunities during the pandemic and designed new services and products with national demand. However, as a visitor economy hotspot, the region has been hit by the subsequent waves of lockdown and the impacts on the high street and those working in arts and culture will take time to recover. And there has been a significant impact in Crawley as flight volumes through Gatwick continue to remain low.
- 3.5 Since the start of the pandemic, the Greater Brighton region has lost an estimated 7k PAYE jobs (net) with 7k people having found new jobs. Across the Greater Brighton total earnings paid on a PAYE basis has reached a high point and now exceeds pre-pandemic levels. This is unique as in most other parts of the country, total payroll earnings remain lower than the pre-pandemic figure in March 2020.
- 3.6 As there has been a net loss of 7k payroll employees, this means that salaried employees are earning more on average post-pandemic than they were before the pandemic. Survey evidence indicates that the increase in pay has not been shared equally across the pay scale and has disproportionately benefited higher earners. This reflects the higher concentration of professional and management roles located across the region.
- 3.7 Across the region 17k additional people now claim work-related benefits. While the numbers have increased, when taken as a proportion of the working age

adult population, the rates remain roughly in line with the UK average, with some regional differences, notable higher than average rates in Crawley.

- 3.8 Greater Brighton business insolvencies are running at higher rates than the UK average. Since the start of the pandemic, almost 900 Greater Brighton businesses have gone into liquidation. The rate of insolvencies is slightly higher than the UK average and this likely reflects the larger share of small professional services firms and consultancies based in the region – businesses that are reliant on short-term contracts.
- 3.9 The Stamp Duty holiday combined with a desire for more outside space drove the residential property market in areas outside of London. As a result many areas across Greater Brighton achieved property price growth that outstripped London and the wider South East.
- 3.10 One of the most notable patterns is the lagged return to use of public transport across the Greater Brighton region. At present the use of public transit stations, including rail and bus, is down 50% on pre-pandemic levels. This is significantly lower than the England average which is 20% below.

Sectoral Analyses:

- 3.10 The following sectors are covered in the analyses:

1. **Creative, arts and digital**
2. **Aviation and logistics**
3. **Retail and high streets**
4. **Tourism and cultural**
5. **Financial services and professional services**
6. **Agriculture and viticulture**
7. **Manufacturing**

Key findings:

- Creative, Arts and Digital has been badly hit and will take time to recover
- Businesses linked to the Aviation sector continue to be hit whereas the logistics sector has experienced significant growth
- Retail and high streets were impacted during lockdowns but the independent retail sector is now growing
- Tourism and cultural sector was impeded by lockdowns but has rallied over the summer months

- Financial services and professional services sectors did well during the pandemic
- Agriculture and viticulture has been impacted by restrictions on events and hospitality
- Manufacturing has been impacted unevenly with some sub-sectors thriving and others being severely impacted

Action plan:

- 3.11 The recovery workshop attended by the Greater Brighton Programme Board and local authority CEOs reviewed the 2020 Recovery Plan actions, under the Greater Brighton themes. Participants discussed which actions to continue working on, which had been completed and which ones were no longer relevant. People were also encouraged to put forward new or emerging pieces of work to support or deliver. Out of this workshop an action plan has been drafted, with SMART targets so that progress can be monitored. Following Board member discussion about strategic direction of the Greater Brighton Economic Board's work, and thought given to prioritisation of the actions, work will continue to revise the draft into a deliverable action plan. This work is proposed to be carried out by the Greater Brighton Programme Board who will also oversee the delivery of this plan.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 In creating a deliverable action plan with clear timescales and tangible outputs, the work of the Board can be clearly tracked and progress monitored. The ongoing economic impact of COVID-19 cannot be ignored and a 'continue as we were' approach is not feasible. The Board agreed at the last board meeting in July to produce an updated sustainable Recovery Plan for the region. The recommended actions within the revised plan have been shared with Board members for their feedback and so represent their views. They will be monitored on an ongoing basis by the Greater Brighton Programme Board.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The Greater Brighton Recovery Report and Action Plan has been circulated and shared with board members who have provided their feedback, which has been incorporated into the plan.

6. CONCLUSION

- 6.1 The Greater Brighton region has continued to be significantly impacted by the COVID-19 pandemic, notably in the creative, arts, visitor economy, retail and transport sectors. The Action Plan highlights the actions the Board can take to mitigate against the impacts and encourage the economy to grow in a sustainable way. The Board must work together and across geographical boundaries to make this happen.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Greater Brighton Economic Board supported the Recovery Report and Action Plan with the estimated cost of £9,000 being met from 2021/22 Greater Brighton Economic Board operational budget. There are no further financial implications expected regarding the completion of the draft action plan.

Finance Officer Consulted: Rob Allen

Date: 04/10/21

Legal Implications:

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

Lawyer Consulted: Joanne Dunyaglo

Date: 04/10/21

SUPPORTING DOCUMENTATION

Appendices:

1. Greater Brighton Recovery Report
2. Greater Brighton Draft Action Plan

Background Documents

1. None

