Place-based recovery

How counties can drive growth post-COVID-19

August 2020

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Executive summary

At the beginning of 2020 we published the *Place-Based Growth* report, which was commissioned by the County Councils Network (CCN). It was a report that sought to speak directly to the, then new, Government's agenda around 'levelling up' England. This report underlined the vital role that county authorities have in the successful implementation of this agenda. The report showed that county authority areas are the places where growth will need to occur for the Government's 'levelling up' agenda to be successful. They are a vital place leader for driving the changes required through investment, influence and action.

We believe that COVID-19 has only strengthened the argument for ensuring that a place-based response should remain at the forefront of policymaking in relation to both the short-term economic recovery as well as the delivery of longer term, sustainable growth.

Even in the space of a few months, the way in which we live, work and play has dramatically changed and when things do start to return some form of normality it will undoubtedly be different to what happened before. In particular, this report identifies four key ways in which behaviours have been impacted during the pandemic that will impact on future growth:

- **Home/digital working -** The pandemic has already caused a drastic shift in working patterns, with a notable surge in home working across a number of sectors as a result of social distancing and restrictions on travel.
- **Increasingly 'local' perspective -** As our digital and local lives have expanded as a result of COVID-19 and our physical and global ones contracted, important questions are being asked around the future of international trade, global supply chains and even the consumer appetite for foreign travel.
- **Reduced carbon consumption -** With industries temporarily closing down and restrictions on travel, there has been a notable reduction in pollution and carbon emissions.
- **Shift in consumer behaviour –** The enforced lockdown and associated increased dependence on online shopping has had an immediate impact on highstreets and has brought to the fore important questions about what the future of the highstreet should be.

With these changing behaviours comes increased demand for new products and services, some of which could present opportunities for county authority areas. To succeed, county authorities will therefore need be agile and move quickly to maximise any glimmer of positive change during these uncertain times. This includes:

- **Towns centres/highstreets need to be reimagined -** The behavioural changes highlighted above present an opportunity for towns to be reimagined, refocused and transformed. Regeneration needs to be ambitious and large scale and to link with future working patterns.
- **New forms of tourism -** Despite the significant drop in visitors from overseas, a rise in the domestic tourism market associated with 'staycations', could bring potential opportunities for some county authorities, particularly those that have natural assets to attract people.
- **Green recovery -** COVID-19 coupled with an increased public focus on climate change is providing an opportunity to rethink economic growth and pave the way for a 'green recovery'.
- **New sectors and markets -** Closely linked to the essential need for a green recovery, some sectors will thrive as a result of COVID-19. Recognising these sectoral strengths will be important for county authorities as they could help to lead the recovery process and act as enablers or confidence builders in the local economy.

Our previous report highlighted that the challenges facing county authority areas are often complex and multi-faceted. The report identified particular challenges in productivity, income disparity, skills, housing affordability, infrastructure funding gaps and digital connectivity. For some of these, the challenge focused on the spatial inequality and 'gap' in performance between county authority areas and other – often more urban – authority types. For others it was the spatial inequality that existed within the county authority area itself.

Many of these challenges have been exacerbated by COVID-19. The immediate economic shock and uncertainty around both the speed and nature of recovery will have exposed and deepened many of these longstanding inequalities. So, whilst lockdown restrictions are easing, the risks of COVID-19 have not passed, and the factors linked to high levels of place-based vulnerability remain highly relevant.

New economic analysis for this report shows:

- The sectoral make-up of county authorities presents a significant place-based vulnerability for county authority areas, with 5.9 million employees working in the most 'at risk' sectors, which accounts for just over half (53.4%) of total employees. This is compared to 44% for the Core Cities in England and 38% for London.
- Modelled GVA estimates suggest that the impact of COVID-19 could cause a marked decline in annual GVA output in England, but its impact will be felt the most in county areas, declining by 14.9%, comparatively greater than the London and Core City averages, at 13.3% and 13.9% respectively.

In total 34 out of 36 counties face a decline in economic output greater than the England average of 14.3%.

- The level of risk can vary hugely within individual county authority areas, highlighting the need to coordinate growth and recovery strategies at scale to work across areas of lower and higher risks within a county geography.
- The economic impacts of COVID-19 are already being felt in county authority areas
  - Up to June 30th, 3.5 million employees have been furloughed in county authority areas, accounting for almost half the England total (46%). Some county authority areas have close to one third of their workforce.
  - 32 of the 36 county authority areas have seen their claimant count increase by at least double between March and June 2020.

Recommendations

If these challenges are to be addressed; an economic and social recovery supported; and a programme of longer-term place-based growth that truly addresses spatial imbalances and inequalities enabled, the following recommendations should be considered.

These recommendations have at their heart a need to act at pace; to work with Central Government in designing the solutions; and ensure that talent and expertise – which is often spread across multiple organisations – is brought together at the 'place level' to create the capacity, resources and skills needed to deliver a step change in growth.

In considering these recommendations there is the ongoing need to address the longer-term financial settlement with local government. Given the additional cost and demand pressures facing many local authorities – a number of which have been exacerbated by COVID-19 – a lack of longer-term clarity will limit confidence to invest in growth.

1. **There is a requirement for prompt, targeted investment decisions by central and local government that focus on addressing place-based vulnerabilities and in doing so help to 'narrow the gap'** between traditional core growth areas and those more on the periphery and in doing so support 'levelling up' local economies.
2. **Funding processes need to be streamlined, simplified and devolved.** New funding should be focused on both immediate recovery actions as well as building capacity to deliver strategic growth priorities. Rationalising existing fragmented funding streams will enable this to happen more efficiently. Growth Boards, supported by the county authority, could act as the mechanism for joint local governance and accountability, ensuring that funding is streamlined to local delivery.
3. **An effective, green, long-term recovery at a local level requires devolution of powers to local authorities.** The Devolution and Local Recovery White Paper, expected to be published in the Autumn, should include devolving significant budgets and powers to councils so that they can ensure that recovery actions are attuned to specific local needs and challenges and that opportunities for growth are invested in.
4. **In considering greater unitarisation of authorities, thought needs to be given to both the scale and nature of these authorities in order to drive growth.** If the new authorities do not have the right scale in relation to economic geography it will be challenging for these authorities to act strategically, it will limit capacity and capability to drive place-based growth.
5. **Skills provision and growth need to be aligned.** At the heart of this sits a need to ensure that the current and future workforce have the skills required to deliver future growth. This needs to be reanalysed in light of COVID-19 and the different trends and behaviours that have emerged.
6. **Growth Boards should be established in every county authority area to lead on local, green place-based recovery and to ensure that there is capacity to deliver locally.** These boards should be politically-led with a statutory duty placed on county authorities to convene and coordinate key stakeholders (which could include neighbouring authorities and other existing boards to streamline delivery).
7. **Growth Boards should be insight and data led.** Learning from the Local Industrial Strategy evidence bases, Growth Boards should develop a clear, consistent and common evidence base that identifies strengths, opportunities and challenges for the place and develop data driven approaches to identifying priorities, solutions and appraisal of investment. In doing so, Growth Boards have the potential to play a key role in the 'levelling up' agenda.
8. **Work with the existing Growth Delivery Teams in Government to create a single point of contact for each region and the areas within it,** thereby removing the need for different conversations and creating a streamlined approach to making decisions. This in turn would increase the speed at which decisions are made and actions are taken.
9. **Planning responsibilities should be reviewed with responsibility for strategic spatial planning given to the appropriate scale of authority in the devolution context.** The focus of this review should be on the dual priorities of simplifying the planning process and accelerating delivery. Government should consider how county authorities, along with neighbouring unitary authorities within the county boundary, could take a more material role in the strategic and spatial planning process.
10. **Greater consideration should be given to the additional infrastructure requirements in non-metropolitan areas.** This is particularly the case given the economic and social vulnerabilities facing county authority as a result of COVID-19. National infrastructure assessments could consider how better investment in infrastructure outside metropolitan areas could link to wider recovery and growth-related matters that would help to address some of these vulnerabilities and help level up the economy across the country.

Content

1

Introduction

At the beginning of 2020 we published the Place-Based Growth report, which was commissioned by the County Councils Network (CCN). It was a report that sought to speak directly to the, then new, Government's agenda around 'levelling up' England. This report underlined the vital role that county authorities have in the successful implementation of this agenda. The report showed that county authority areas are the places where growth will need to occur for the Government's 'levelling up' agenda to be successful. They are a vital place leader for driving the changes required through investment, influence and action.

This earlier report highlighted the complex challenges that exist. It underlined the variability that exists between and within places and it warned of the danger of a 'one size fits all' approach to policy and programmes. In light of this, the report called for action that combined an intimate knowledge of place, with a joined-up approach to delivery and the freedom and powers to make decisions across a broader spatial scale.

It was a report that was also published pre-COVID-19, and the profound and significant social, health and economic impacts that have resulted from this global pandemic. These impacts have changed behaviours, disrupted markets and placed enormous pressure on public services. COVID-19 has changed people and places. The scale of the economic impact has demanded a fundamental rethink around economic development and growth.

However, what is clear – despite this wider uncertainty – is that country authority areas remain critical to the UK's place-based economic recovery.

This report, therefore, builds on much of the detailed analysis and findings of the previous report as it seeks to highlight both the work that county authorities are already doing in driving growth, work that has become even more important as a result of COVID-19. It presents new economic analysis, demonstrating the potential economic challenges as a result of COVID-19, as well as showing how more needs to be done if the full potential of county authority areas in supporting the economic recovery is to be realised. **This report calls for a bold and brave response.**

The report begins by briefly setting out the importance of a place-based recovery before looking in detail at the changing economic landscape that has resulted from COVID-19. In response to this, the report then looks at the county authority role as 'place-leader' before providing a series of recommendations for how county authority areas can be enabled and empowered to drive forward the UK's place-based recovery. Throughout the report, we have incorporated a number of case study box-outs to capture some of the actions that county authorities are taking to drive place-based recovery and growth in their areas.

We are extremely grateful for the time and valuable contributions made to this report by all those who were consulted.

2

Importance of place-based recovery

In our previous report we argued for a place-based approach to growth on the grounds of:

The uniqueness of place and the rise of spatial inequality.

The challenge of place and the need to rethink economic development.

The relationship between places and the importance of connectivity.

We believe that COVID-19 has only strengthened the argument for ensuring that a place-based response should remain at the forefront of policymaking in relation to both the short-term economic recovery as well as the delivery of longer term, sustainable growth.

Taking each of the three points to the left in turn, it is clear that while COVID-19 has affected all parts of the country, and is indiscriminate in who contracts the virus, the impact of this does play out very differently across different demographics and geographies. The result is therefore that inequality – particularly spatial – has become a central tenant of the debate around impact as well as how the country recovers from it. How particular vulnerabilities are managed and mitigated, and economic opportunities maximised will look very different around the country. Effective recovery therefore demands an intimate knowledge of place.

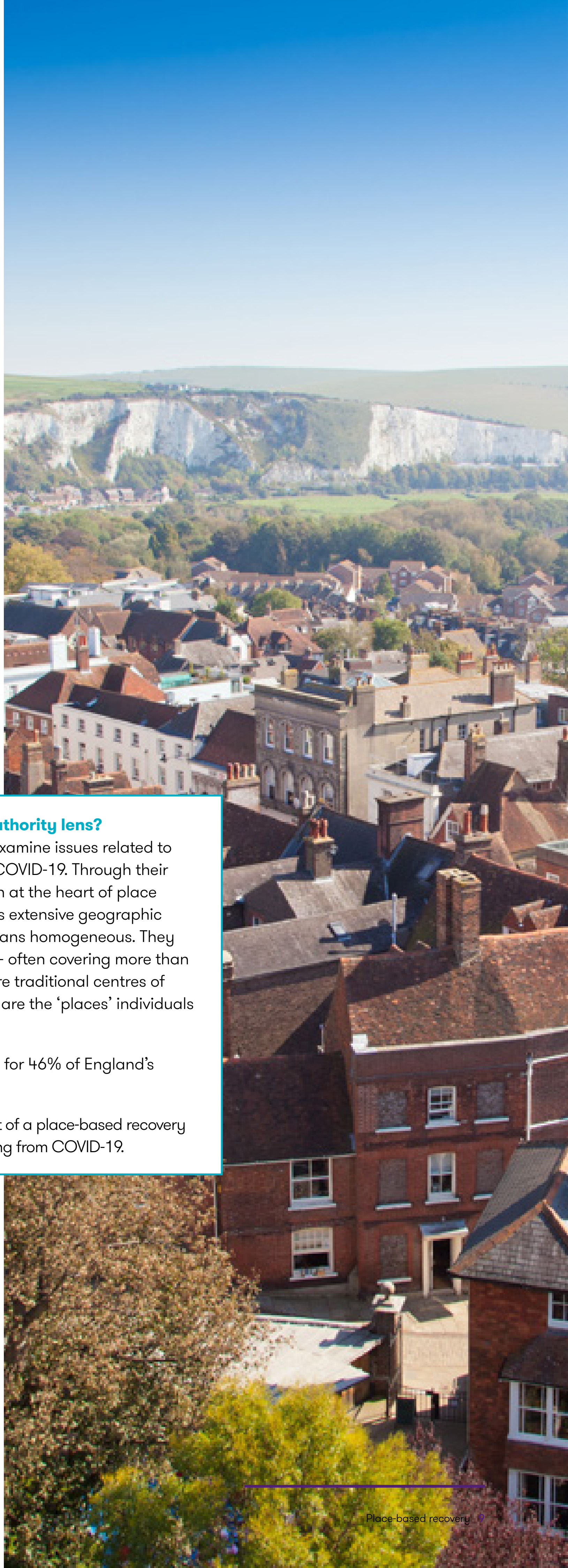
COVID-19 has also fundamentally changed behaviours and activities. Some of these changes will 'bounce back' relatively quickly, others will however take months if not years to recover, whilst others will have been changed permanently. Regardless of the timeframe, these changes underline the need for a different approach to economic development. COVID-19 has provided a unique 'case study' with regard to CO2 emissions and how we tackle climate change. It has raised important questions around what is valued from an economic, financial and societal perspective. It has accelerated digital adoption and a digital first approach. It has caused people to reconsider their local economies. Individually, these factors require a different answer with regard to traditional models of economic development, and, taken together this requires a step change in policy and approach.

Finally, lockdown by its nature significantly reduced the need for physical connectivity while simultaneously making digital connectivity an essential service. While this balance, as the UK continues to move out of lockdown, will inevitably shift it will never return to where it was in early March 2020. This raises two important questions for local economies:

- what are the most important connections; and
- what infrastructure is required to ensure that these connections exist?

The answers to these questions will vary considerably between different places. To properly answer these questions requires a strategic, joined up approach to decision making at an appropriate spatial level.

COVID-19 has required a central response to managing the spread of the virus and ensuring that appropriate economic and social safety nets are in place for people and businesses. However, as we move from managing the crisis to managing the recovery, powers and decision making need to filter back to places enabling them to make investment and take action on those issues most pertinent to their place – be that addressing weaknesses or maximising opportunities.



Why look at place-based growth through the county authority lens?

County authority areas are an ideal lens through which to examine issues related to place-based growth and how the UK needs to recover from COVID-19. Through their geographic coverage of much of the country they have been at the heart of place leadership locally, with many acting as the place leader. This extensive geographic coverage also results in a group of places that are by no means homogeneous. They cover urban, rural, national parks and coastal geographies – often covering more than one type of geography. For many county authorities they are traditional centres of heritage, culture and community; at a very simple level they are the 'places' individuals identify with, be that Surrey, Cornwall, Derbyshire or Essex.

They are also places where people live and work accounting for 46% of England's population, 47% of its homes and 48% of its businesses.

This combination of factors puts county authorities at the heart of a place-based recovery as they offer a broad reflection on different experiences resulting from COVID-19.

3

A changing landscape

3.1 Wider trends and behaviours

In our previous report we highlighted six macroeconomic trends which could have a significant impact on the shape and operation of county economies and societies, such as technology, sustainability and work patterns. We are already seeing signs that the pandemic could reinforce and accelerate behaviour changes that were already in motion as well as catalysing new trends. Even in the space of a few months, the way in which we live, work and play has dramatically changed and when things do start to return some form of normality it will undoubtedly be different to what happened before.

Broadly speaking we have identified four key ways in which behaviours have been impacted during the pandemic:

Home/digital working

The pandemic has already caused a drastic shift in working patterns, with a notable surge in home working across a number of sectors as a result of social distancing and restrictions on travel. Figures from the Office for National Statistics showed that nearly half of all adults (49%) worked from home between 11th and 14th June, an increase from 41% the previous week[1]. However, the extent to which an employee can work from home depends on whether a specific physical environment, tools, or proximity to other people are required for the role[2]. With people operating from home for the foreseeable future there will also be long-term impacts on places, such as reduction in the demand for commercial office space, repurposing of existing office space and reduced energy consumption. Two further considerations that are particularly pertinent for county authorities, are whether the dispersed nature of the workforce could result in businesses becoming less reliant on the local workforce, and whether the importance of cities as places of work will be reduced.

The role that technology has in enabling home working cannot be overlooked. Perhaps a positive outcome of the pandemic is that it has forced a much swifter digital transformation across many organisations. However, the greater reliance on broadband could present a risk for those more 'hard to reach' rural areas and could result in increased isolation if infrastructure provision isn't enabled – something which we explore in more detail in section 3.3.

Increasingly 'local' perspective

As our digital and local lives have expanded as a result of COVID-19 and our physical and global ones contracted, important questions are being asked around the future of international trade, global supply chains and even the consumer appetite for foreign travel[3]. Depending on the answers to these questions, there could be notable change in our reliance on complex, nested and interconnected global systems to deliver goods and services. In turn, this could see the 're-shoring' or 'near-shoring' of some key manufacturing provision.

The focus will invariably be on how to build more 'local' resilience. This potentially raises a number of opportunities for county authority areas that are able to provide suitable employment space and infrastructure connectivity to attract businesses and investment.

Reduced carbon consumption

With industries temporarily closing down and restrictions on travel, there has been a notable reduction in pollution and carbon emissions – a study led by the University of East Anglia showed a daily emissions decrease of 17% globally during the peak of the lockdown in early April compared to mean daily levels in 2019[4]. Whilst this is an unprecedented fall in carbon dioxide emissions, the study does point out that changes in behaviours by individuals – such as not flying, working from home and driving less – are not enough on their own to solve the emissions crisis and that wider structural changes in places are still needed. However, for some, COVID-19 will have seen them increase the use of their car as opposed to public transport due to fears of contracting the virus. There is also concern that once lockdown eases even further over coming months, there could be a gradual return to previous levels of transport usage.

What the lockdown period has shown is what is possible to be achieved through behavioural changes and this in turn has refocused attention to the green agenda. For county authorities it will heighten the need to explore new models of housing and transport delivery that can help create more sustainable growth.

Shift in consumer behaviour

The enforced lockdown and associated increased dependence on online shopping has had an immediate impact on

1 https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukeconomyandsocietyfasterindicators/18june2020

2 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/technologyintensityandhomeworkingintheuk/2020-05-01

3 Mark Carney (April 2010). Mark Carney on how the economy must yield to human values. The Economist.

4 Le Quéré, C., Jackson, R.B., Jones, M.W. et al. Temporary reduction in daily global CO2 emissions during the COVID-19 forced confinement. Nat. Clim. Chang. (2020). https://doi.org/10.1038/s41558-020-0797-x

highstreets, with Springboard reporting a stark 83.3% drop in footfall during the month of April[5]. Even prior to the pandemic the demise of the high street has been well documented, with many highstreets struggling to compete with online retail and out of town shopping venues. Covid-19 will therefore have accelerated further demise and brought to the fore important questions about what the future of the high street should be.

However, not all places are being equally impacted and, in some case, highstreets are seeing a resurgence in visitors owing to people's preference to shop in smaller more local environments as opposed to city locations. This is particularly true for smaller towns, as findings from Springboard show that smaller high streets have lost proportionally less footfall than the larger ones[6]. With increasing levels of people working from home, many people are choosing to shop more locally and avoiding unnecessary travel to large shopping centres. Time will only tell whether this interaction with local highstreets could develop into a more long-term trend which in turn will provide a new role for the traditional high street.

3.2 Emerging opportunities

With these changing behaviours comes increased demand for new products and services, some of which could present opportunities for county authority areas. To succeed, county authorities will need be agile and move quickly to maximise any glimmer of positive change during these uncertain times.

Towns centres/highstreets need to be reimagined

The behavioural changes discussed above present an opportunity for towns to be reimagined, refocused and transformed. Regeneration needs to be ambitious and large scale and to link with future working patterns. It must be focused on how to transform town centres and highstreets into vibrant places to live and work, with new models of housing delivery. Importantly, town rejuvenation will not look the same across all towns within county authority areas, plans will therefore need to be attuned to the unique characteristics and specialisms of each individual town. Sustrans suggests that re-establishing the role of a high street as a hub for social connection and reinforcing and celebrating its roots and unique character could go a long way to encourage people to stay local and spend their money where they live[7].

However, in order to be successful, county authorities need different planning powers and the agility to deliver transformation at pace. Additional financial support is also needed to stimulate activity, and whilst Town Deals offer some opportunities for transformation, they are currently only focused on 101 Towns in England.

Case study

Hertfordshire - Watford Junction Quarter transformation program

Hertfordshire Growth Board are committed to reinvigorate and reinvent its towns to respond to the challenges of COVID-19 and unlock future economic and cultural potential. It will focus on long-term strategic place making and place setting.

As part of this, the Watford Junction Quarter transformation programme will create a distinctive, new urban quarter focused around a major transport hub of regional importance; a thriving town centre, mixed use neighbourhood, much needed housing, employment opportunities, enhanced retail, leisure and community offer and driving economic growth. It will deliver major regeneration with 3,000 new homes and a further 7,000 homes around the station. The station will act as a hub for proposed region-wide enhancements in public transport, in particular the East-West (S) growth corridor and an interconnection for a new potential Mass Rapid Transport system at Watford Junction. The programme comprises the following core interconnected elements:

- Expand and enhance Watford Junction Station and strategic transport infrastructure – providing an enhanced station interchange, pedestrian access via a new public access footbridge across the railway tracks to improve connectivity and station capacity.
- Open up and connect a major town centre redevelopment site on brownfield land in order to facilitate creation of a new urban quarter delivering housing and employment space.
- Enhanced local infrastructure (environmental and educational) to optimise the level of development to be delivered in a highly sustainable location.

Hertfordshire are seeking Government investment of £62m to fund the technical studies, design work and strategic transport infrastructure for this programme.

5 https://www.bbc.co.uk/news/business-52606373

6 https://www.spring-board.info/news-media/news-post/smaller-towns-are-performing-better

7 https://www.sustrans.org.uk/policy/life-after-lockdown/2020/briefing-paper/reinventing-the-high-street-for-covid-19-recovery

New forms of tourism

Despite the significant drop in visitors from overseas, a rise in the domestic tourism market associated with 'staycations', could bring potential opportunities for some county authorities, particularly those that have natural assets to attract people. Coastal towns in particular could experience higher levels of visitors once lockdown eases more fully, serving as an alternative to international beach destinations and benefiting from pent up demand, which could bring a much needed boost to some of the hardest hit sectors in these areas such as accommodation and entertainment.

In recognition of this, some county authorities are already expanding marketing and promotional activities to unlock potential. For example, in Northumberland the County is enhancing their 'Discover our land' programme through a digital programme which will help to promote visitor attractions once lockdown is fully lifted.

However, any increase in tourism would need to be carefully balanced against the risks associated with large influxes of people, such as increases in noise and air pollution, littering and overcrowding.

Case study

Lancashire - Tourism growth

Lancashire County Council recognises that people have developed a new link to their local countryside and rights of way and the warmer climate may ultimately support UK as a stronger holiday destination when that industry can return – stimulating much needed investment in our coastal towns and other urban centres and high streets. Making full use of and maximising all spend on town funds will be critical to this economic regeneration.

Therefore, Lancashire is redefining days out, family time and holiday experiences. As a leisure destination, Lancashire has 137 miles of coastline and generates over 69 million visitors a year. One such key project is Eden Project North in Morecambe. A unique and ambitious project that seeks to reimagine the seaside resort for the twenty-first century. The project has far-reaching environmental, health, social and economic ambitions and benefits spreading to Morecambe, Lancaster, Lancashire and the Lakes/North as a whole. Key work is underway with the preparation of a business case to Government as a significant opportunity to kick start the economic and place recovery. The proposal is due to bring significant jobs to the area with the construction of a vast site. As a visitor attraction, it will be sustainable and transformative, with large indoor environments, housed within iconic pavilions, at its heart. It will build on the Eden Project's particular mix of entertainment and education, as well as driving positive behavioural change. Eden Project North will combine exhibits, performance, learning, play, immersive experiences, world-class horticulture, art, food, beverage and retail spaces, all integrated as essential parts of the overall experience.

Further down the Lancashire coast, Blackpool is already a major entertainment destination for visitors with real potential to increase staycations and to play a significant role in the economic recovery. Although within a unitary authority, Blackpool attractions play a fundamental role in the County's wider economy and together with Eden would enable the Lancashire coast to provide an increased but complementary range of experiences for visitors. With support for their investment plan including through Towns Fund Deal, a £300 million leisure development in Blackpool is set to offer a range of indoor attractions, as well as hotels, restaurants, food market, apartments and car parking. It will generate 1,000 new jobs and 600,000 visitors a year with a combined annual spend of £75 million.

Green recovery

COVID-19 coupled with an increased public focus on climate change is providing an opportunity to rethink economic growth and pave the way for a 'green recovery'. The UK Government climate advisers are urging that after the lockdown, restarting the economy should focus on low-carbon work programmes. The Government has already committed to cut emissions under the Paris agreement, but now it would appear that there is a greater drive than ever before, with the Government recently announcing a £40 million Green Recovery Challenge Fund to create new jobs in nature recovery and conservation. A study from Oxford University suggested that Government spending on low-carbon and other environmental benefiting activities would provide a bigger boost to the economy, in both the short and long term, than pursuing a traditional recovery focused on fossil fuels[8].

8 Cameron Hepburn, Brian O'Callaghan, Nicholas Stern, Joseph Stiglitz, Dimitri Zenghelis, Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?, Oxford Review of Economic Policy, , graa015, https://doi.org/10.1093/oxrep/graa015

The move to a net zero carbon economy is also likely to increase the demand for 'green jobs', with a recent report from the LGA predicting that by 2030, the low-carbon workforce in England could increase by almost 700,000[9]. It is a scale of growth that could present significant employment opportunities for county authority areas. However, in order to maximise the benefits, the report warns that councils would need to be given greater support and tools.

A number of county authorities that we consulted with are already finding ways to support a green recovery. In one example, the Council is utilising EU funding to encourage businesses to become more green by improving energy efficiency and using renewable energy to improve business competitiveness and resilience as well as reducing carbon in supply chains. Given the enabling role that funding has in maximising the benefits to local businesses and environment as well as enabling 'green recovery', it will be vital for councils that the proposed UK Shared Prosperity Fund (UKSPF) should have sufficient resource and flexibility to enable such schemes to continue. County authorities are also driving green recovery through the development of more sustainable infrastructure provision, which in turn will help to accelerate the country's pathway to net-zero carbon emissions. Activities include making roads more cycle friendly, providing more electric charge points and increasing flood protection.

Case study

Cornwall - Green recovery

Cornwall Council see the recovery and renewal process as an important opportunity to bring together social, economic and environmental renewal that will embed the principle of social justice, facilitate the transition to a low carbon economy and accelerate its ambitions to reverse the decline in nature and deliver its climate change action plan. The lessons learned from the COVID-19 pandemic have strong resonance with the impending threat of climate change; it needs an equally targeted and immediate response if the actions are going to be put into place to allow the Council and its partners to work towards the goals of its 2030 Climate Change Action plan.

To achieve the ambitions of the Climate Change Action plan, actions and leadership will need to be undertaken at multiple levels. At an organisational level, the Council has committed to achieving carbon neutrality by 2030. While good progress was being made, the changed normal of working patterns during the pandemic has made a stark impact. There was an 88% reduction in printing, linked to a 60% reduction in the amount of post sent this April compared with same month last year. As a result of over 4,000 staff working from home there has been a 42,000 mile a day reduction in commuter travel and 12 of the 35 office buildings have been closed or partially closed, resulting in an energy saving of approximately 270 MWh over a three month period. This has demonstrated the environmental benefits that can be achieved through new ways of working that were unimaginable before the pandemic. Much of this data will be used to reset and accelerate the Council's digital strategy, noting that the Council has also switched to providing digital inclusion sessions online during the pandemic. The Council feels that a return to business as usual from an operational perspective would be a missed opportunity, and the economic recovery approach should also focus on more regenerative approaches to economic wellbeing that do not foster carbon intensive practices without a strong rationale. This is captured well in the Council's adoption in September 2019 of a new decision making approach, based around the Katie Raworth doughnut economic model that balances the principles of social justice with our environmental boundaries.

With this in mind, the council is working with multiple partners to help drive the positive impacts of a green focussed recovery and renewal approach within its communities and the economy. It has recently launched the Carbon Neutral Cornwall Hive webpage, that promotes best practice sharing between the council and grass roots community groups. It has changed the criteria of its Community Infrastructure Levy to be focussed on climate change, with £500k now available for projects. The Local Enterprise Partnership is also placing great emphasis on green projects that are 'shovel ready' creating jobs in sectors that will continue to decarbonise our society in areas such as retrofit, fitting squarely within its recently written sustainably focussed Local Industrial Strategy. The Cornwall and Isles of Scilly Leadership board has also declared a climate emergency (our rural alternative to a combined authority model) with all of the organisations around the table committing to the actions required to meet this challenge head on. Cornwall is also developing a local nature recovery strategy; allowing it to place on a strategic level the principle of nature recovery alongside its climate change action plan. This balanced approach to recovery and renewal will allow for all facets of our living environment to flourish in a way that should support our economic and social wellbeing; something that remains at the heart of our ambitious approach to delivering on our climate change ambitions.

9 https://www.local.gov.uk/lga-over-million-new-green-jobs-could-be-created-2050

Case study

Essex – Locking in sustainable transport behaviour change

In response to the pandemic Essex County Council is focused on making streets Safer, Greener and Healthier. They are improving and expanding the cycling infrastructure, reallocating road space, extending footpaths and using a new behaviour change programme – Stop.Swap.Go! to persuade drivers out of their cars. Through these initiatives, the Council wants to promote healthy travel choices and help tackle the climate emergency and air quality challenges, as well as support a sustainable local economic recovery. A second phase of funding will focus on embedding longer-term active travel schemes. Separately, ambitious plans to put sustainability front and centre of the Council's transport strategy include expanding Park and Ride sites to include Park & Pedal / Stride, trialling e-scooters and developing a long term EV strategy and publishing ECC's walking strategy. These longer-term schemes will make cycling, walking and public transport more accessible and safer by increasing road space for non-motor transport. The initiatives support the Council's long-term aim to bring about a permanent shift to active and sustainable travel.

Somerset – Nuclear and renewable

The first phase of the Somerset Energy Innovation Centre (SEIC 1) opened in 2016, comprising 2,400 m2 of lettable flexible, meeting and information collaboration space. This was the first of three key investments in infrastructure to support growth in the nuclear and renewable sector and was a result of investment by Somerset County Council and successful European Regional Development Fund, Growth Fund and Heart of the South West funding bids. SEIC Phase 1 is currently managed by SWMAS Ltd who also provide support and to businesses looking to supply into the nuclear and renewable energy supply chain. The Centre is also home to EDF Energy's national induction centre.

Following the success of the first Centre two further phases have been developed, SEIC Phase 2 which will provide quality light industrial and office workspace. SEIC Phase 3 is due to be completed shortly has been designed to provide office/ light industrial workspace and full three-storey demonstration/ production space suitable for technology testing, demonstration and non-destruction testing.

The three phases of SEIC complete a key strategic infrastructure investment by Somerset County Council working in partnership with Sedgemoor District Council and other key stakeholders to deliver economic opportunity in the low carbon and nuclear sector.

New sectors and markets

Closely linked to the essential need for a green recovery, some sectors will thrive as a result of COVID-19. Recognising these sectoral strengths will be important for county authorities as they could help to lead the recovery process and act as enablers or confidence builders in the local economy. This could also entail the identification of 'anchor businesses' that act as an important source of employment for certain sectors.

As well as building on existing growth sectors, the changing economic landscape provides opportunities to transform sectors to be more digitally led and environmentally sustainable. One example of this is the logistics sector in Staffordshire (see box out below).

Sectoral opportunities will vary by county authority area, depending on the sector make-up and influence of large businesses operating in the area. For example, in Cheshire East and Cambridgeshire both councils recognise that Life Sciences will recover faster than others, whilst Lincolnshire County Council is looking towards the county's sector strengths in food production to deliver growth and want to see significant investment in automation in the food production sector to increase resilience. The box out below shows how Hertfordshire is investing in its Creative and Screen Industries to help drive productivity.

Case study

Staffordshire –
Logistics transformation

Staffordshire's location has made it particularly attractive to the logistics sectors, which has been one of Staffordshire's key growth sectors in recent years. The county feels that whilst the closure of nonessential shops will have affected many logistics companies, the overall impact on the sector should only be relatively short to medium-term. However, how logistics firms operate in the future may change particularly as shopping habits continue to shift online. Staffordshire recognise that the sector will also need to respond to the low-carbon agenda, with the granting of planning permission for the Strategic Rail Freight Interchange proposal at Four Ashes, supporting the shift towards moving more freight by rail, with more smaller logistics operations potentially required to serve local markets. Given Staffordshire's location and the prevalence of logistics companies in the county there is a real opportunity to transform the sector as part of recovery.

Hertfordshire –
Creative industries

Hertfordshire Growth Boards economic plan includes establishing South West Herts as the UK's leading Centre of Excellence for Creative and Screen Industries. This will be built around the internationally renowned cluster formed by Elstree Studios, Sky Studios and the BBC at Borehamwood and Warner Bros Studios at Leavesden and a myriad of local production companies and suppliers.

Over the next 10 years Hertfordshire aim to grow the GVA related to creative industries in real terms by a minimum of 10% to £6.1bn, create 2,000 jobs and 3,000 apprenticeships, deliver 45,000m2 of commercial and studio space and uplift the visitor economy by £20m pa. Hertfordshire plan to achieve this growth through the following delivery programmes:

- Screen Industries Incubator – construction of a physical centre providing dedicated incubation, start-up and grow-on space, a home for the Film & TV Production Service (below) and space in support of Skills Development (also below).
- Film & TV Production Business Support – delivered by established Herts-based business support services, notably Herts Growth Hub, Wenta and Herts Chamber. Providing specialist and generic support and sign-posting for start-up through to established businesses currently working with, or with ambition to operate in or supply, the creative and screen industries sector.
- Creative & Screen Industries Skills Development Programme – expanding and coordinating current provision delivered by a range of SW Herts learning and skills institutions, (University of Herts, Oaklands College, West Herts College and Elstree UTC) to deliver future skills demand.
- Hertfordshire is seeking [£45m] of investment in infrastructure to support the growth of Hertfordshire's Creative Screen industries.

3.3 Place-based vulnerabilities

Our previous report highlighted that the challenges facing county authority areas are often complex and multi-faceted. The report identified particular challenges in productivity, income disparity, skills, housing affordability, infrastructure funding gaps and digital connectivity. For some of these, the challenge focused on the spatial inequality and 'gap' in performance between county authority areas and other – often more urban – authority types. For others it was the spatial inequality that existed within the county authority area itself.

Many of these challenges have been exacerbated by COVID-19. The immediate economic shock and uncertainty around both the speed and nature of recovery will have exposed and deepened many of these longstanding inequalities. So, whilst lockdown restrictions are easing, the risks of COVID-19 have not passed, and the factors linked to high levels of place-based vulnerability remain highly relevant.

It is too early to truly understand the full impact of COVID-19 on individual places, indeed there is limited data available to even begin to unpick the immediate impact. In light of this, this section of the report seeks to examine particular place-based vulnerabilities (economic, social and infrastructure) as a means of understanding more about the place-based risks and challenges facing county authority areas.

Economic vulnerabilities

The deep and immediate impact of COVID-19 on economic output is already being felt, with the latest Office for National Statistics (ONS) figures showing that in May 2020 GDP was 24.5% below the level of February 2020, having risen by 1.8% in May 2020[10]. The sharp contraction experienced in the month of April was the largest fall since monthly records began in 1997, and three times greater than the fall experienced during the 2008 to 2009 economic downturn[11]. However, not all areas will experience the same decline and much of that will be determined by the sectors that make up each local area's economy.

Our last report explored the sectorial composition of county areas but in this report it is important to look deeper, and in particular to explore which sectors are deemed most 'at risk' to the impacts of COVID-19 to help understand which areas may be more vulnerable to greater economic impacts[12]. Our methodology is based on the Office for Budget Responsibility coronavirus commentary which provides output loses by sector in the second quarter of 2020 – any sector with an over 50% reduction in output has been identified as 'at risk'. Alongside this we consider the vulnerabilities of self-employed people as well as the immediate impact that coronavirus is having on unemployment.

Looking across these four key economic measures that point to particular place-based vulnerabilities that will impact a place's ability to recover, it is instantly apparent that county authorities face a number of challenges, particularly when compared to the England average. Figure 1 shows that almost all county authority areas have above average levels of employment in 'at risk' sectors, which is translating into greater than average decline in modelled GVA. Additionally, a high proportion of county authority areas have above average levels of self-employed, a group that has been disproportionally impacted by the crisis, and over half of county authority areas are above the England average on furlough up-take by employees. Each of these economic aspects will have impacts for place-based recovery and are explored in more detail in the following sub-sections.

Employment in 'at risk' sectors

Even as the lockdown eases people working in affected sectors could face uncertain employment prospects. Local areas with the greatest share of workers in these sectors are likely to experience greater economic distress because of the crisis[13]. With this in mind we have identified the sectors most 'at risk' to establish the level of exposure for county authority areas. Alongside this, additional colour is provided by looking at two major employers in county authority areas.

Of all employees working in county authority areas, 5.9 million are employed in the most 'at risk' sectors, which accounts for just over half (53.4%) of total employees. Figure 2 shows that as a proportion of total employment, this is comparatively greater than the England average, non-county authority areas, London and Core City averages, indicating that the sectoral makeup of county authority areas presents a significant risk.

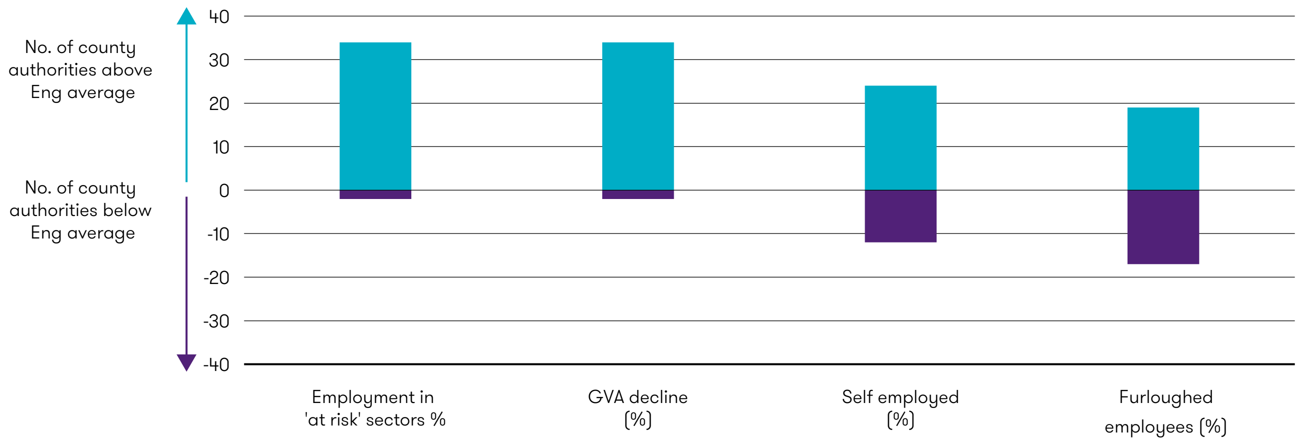
10 https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/coronavirusandtheimpactonoutputintheukeconomy/may2020

11 https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/coronavirusandtheimpactonoutputintheukeconomy/april2020

12 Sectors 'at risk' includes: Accommodation and food services; Arts, entertainment, recreation and other services; Retail; Manufacturing; Construction; Motor Trades, Wholesale and Education

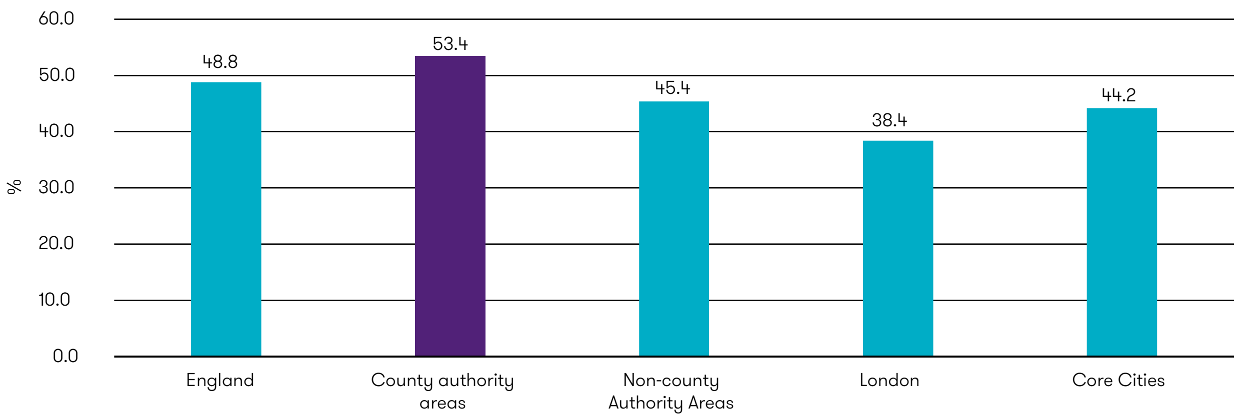
13 Alex Davenport et al. June 2020. The geography of the COVID-19 crisis in England. Institute for Fiscal Studies funded by the Nuffield Foundation.

Figure 1: Economic vulnerabilities – comparison to England average



Source: Business Register and Employment Survey (2018); ONS Regional gross value added (balanced) by industry: local authorities by NUTS1 region (2018), Annual Population Survey (Mar 2020); HMRC Coronavirus Job Retention Scheme (CJRS) Statistics (July 2020)

Figure 2: Employment in 'at risk' sectors



Source: Business Register and Employment Survey (2018)

It is perhaps not surprising therefore that 34 out of 36 county authority areas are above the England average on the proportion of employment in 'at risk' sectors (Figure 1). To understand what is driving this vulnerability it is important to drill down to a sectoral level. Figure 3 illustrates the proportion of employment in each 'at risk' sector for all county authority areas relative to the England average, ordered from highest proportion of employment in 'at risk' sectors to lowest. The colour denotes how much higher the figure is compared to the England average, for example dark purple denotes that the county authority area has a percentage that is at least 4 percentage points greater than the England average. This shows that a high number of county authority areas face employment risks in relation to manufacturing, with some areas having a percentage point difference of over 7 in the proportion of employment in this sector compared to the England average. The chart also shows that areas with high levels of employment in 'at risk' sectors can differ in terms of their underlying vulnerabilities. For example, whilst Derbyshire and Cumbria have very high levels of employment in manufacturing, Cornwall has pronounced risks in relation to accommodation and food services, with 16% of the workforce employed in this sector compared to 7.5% nationally. The accommodation and food services sector has had the highest proportion of the workforce furloughed (80% of workers[14]) and given Cornwall's high dependence on this sector, it is perhaps not surprising that Cornwall has one of the highest rates of furloughed workers of all county authority areas (this is explored in more detail further on in the chapter). It should be noted in reviewing Figure 3, that this reflects workplace employment and therefore some county authorities, particularly those in close proximity to major cities and with a high proportion of out commuting, will also see resident employment at risk.

14 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/furloughingofworkersacrossukbusinesses/23march2020to5april2020

Figure 3: Heat chart of employment in 'at risk' sectors

County authority area	Employment at risk %	3 : Manufacturing (C)	4 : Construction (F)	5 : Motor trades (Part G)	6 : Wholesale (Part G)	7 : Retail (Part G)	9 : Accommodation & food services (I)	16 : Education (P)	18 : Arts, entertainment, recreation & other services (R,S,T and U)
Cumbria	61.93	15.7	5.5	2.5	3.0	11.5	11.5	8.1	4.2
Derbyshire	60.27	16.8	5.4	2.7	4.7	8.4	8.1	9.4	4.7
Cornwall	60.00	7.1	6.1	2.1	3.8	11.8	16.0	8.0	5.2
Lancashire	58.61	14.1	6.5	2.2	5.1	10.7	6.9	9.3	3.8
County Durham	58.55	15.1	6.4	1.5	2.9	9.9	7.0	11.7	4.1
Dorset	57.67	10.1	6.1	1.7	3.4	10.1	11.5	8.8	6.1
Northumberland	57.54	11.6	5.8	1.5	2.9	11.6	9.7	8.7	5.8
Staffordshire	57.35	13.4	6.3	2.6	6.0	9.7	6.6	8.0	4.9
Nottinghamshire	57.28	13.2	6.3	2.6	4.6	9.9	7.3	8.6	4.6
Somerset	56.41	11.5	5.6	2.6	3.8	10.3	9.0	9.0	4.7
Devon	56.36	7.9	6.4	2.4	4.2	10.6	11.2	8.8	4.8
Lincolnshire	56.15	13.2	4.5	2.4	4.9	10.1	8.3	8.3	4.5
Central Bedfordshire	55.74	9.5	5.7	2.9	4.3	9.5	8.6	9.5	5.7
Herefordshire, County of	55.59	14.0	5.7	2.2	3.8	10.2	6.4	8.9	4.4
North Yorkshire	55.41	11.4	4.4	1.5	4.4	8.8	11.7	8.8	4.4
East Riding of Yorkshire	55.07	15.1	4.0	1.8	3.6	9.5	8.7	8.7	3.6
Worcestershire	54.74	13.3	5.1	2.3	4.7	9.4	6.3	9.0	4.7
Shropshire	54.33	9.7	6.4	2.8	4.8	9.7	7.2	8.9	4.8
East Sussex	54.14	6.1	6.1	2.2	3.9	10.5	9.9	9.9	5.5
Wiltshire	54.10	9.3	5.4	2.2	5.9	8.8	8.8	9.3	4.4
Gloucestershire	54.07	11.8	5.5	2.1	4.2	9.0	9.0	8.3	4.2
Oxfordshire	53.68	7.1	5.4	1.9	3.8	9.0	7.1	15.5	3.8
Leicestershire	53.46	12.6	5.2	2.6	5.5	8.4	6.4	8.4	4.5
Kent	52.70	6.5	6.4	2.3	4.6	11.0	7.4	10.1	4.4
Norfolk	52.59	9.0	4.9	2.5	3.8	10.9	8.2	9.0	4.4
Warwickshire	52.01	12.4	4.7	3.0	5.0	8.1	6.7	7.4	4.7
Hampshire	51.77	8.2	5.8	2.1	4.8	10.1	7.4	8.6	4.8
Northamptonshire	51.45	11.3	3.9	2.5	7.5	8.0	5.8	7.5	5.0
Essex	51.40	6.8	7.0	2.7	4.6	10.0	6.8	9.5	4.1
Buckinghamshire	51.39	7.3	5.6	2.1	7.7	9.0	6.4	8.6	4.7
Suffolk	51.23	9.9	4.9	2.8	4.0	9.9	7.4	8.0	4.3
Cheshire East	49.87	10.5	4.2	2.1	4.2	10.0	7.3	6.8	4.7
West Sussex	49.81	7.5	4.4	1.8	4.4	10.4	8.0	8.6	4.7
Cambridgeshire	49.62	9.7	3.9	1.8	3.6	7.0	6.7	13.0	3.9
Surrey	47.83	4.6	6.0	1.9	5.0	8.5	6.7	9.4	5.7
Hertfordshire	45.41	5.3	6.2	2.0	5.4	9.1	5.7	7.7	4.0
England	48.78	8.0	4.6	1.8	4.2	9.4	7.5	8.9	4.5

Source: Business Register and Employment Survey (2018)

% point difference from England

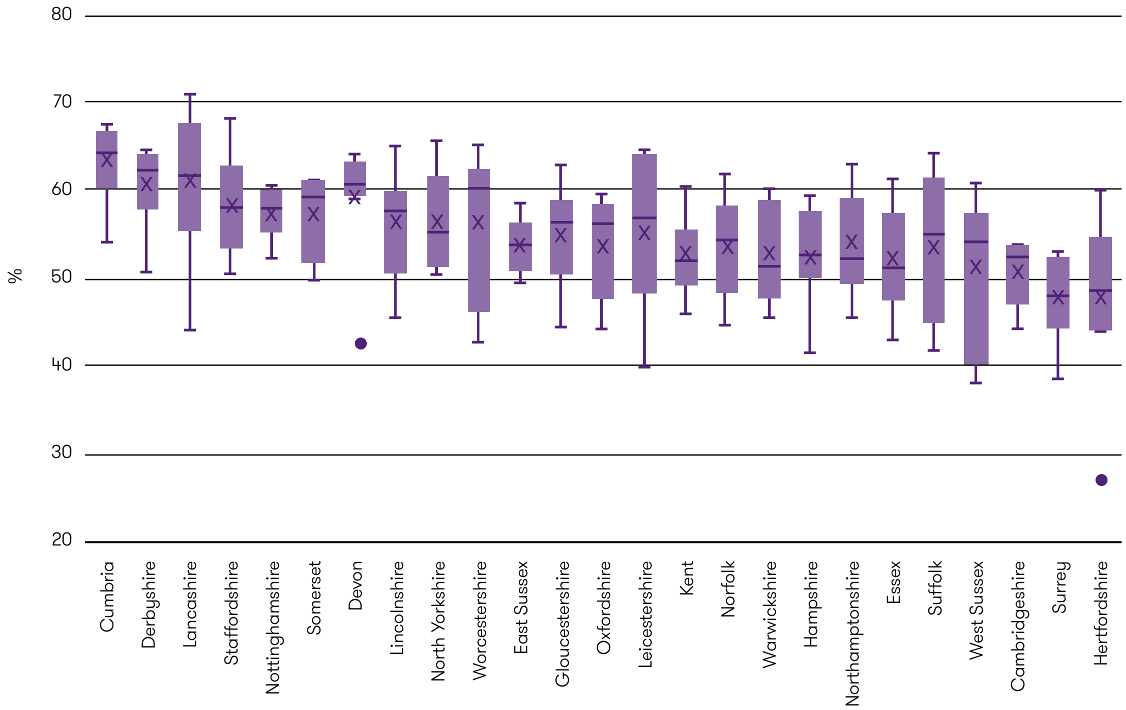
- 4 and above
- 2 to 4
- 0 to 2
- -2 to 0
- -4 to -2

The challenges are further compounded by the fact that the level of risk can vary significantly within county authority areas, which is reflective of the poly-centric nature of many county authority areas. This is illustrated in Figure 4 below which shows the variation in the proportion of employment in 'at risk' sectors for individual districts within shire counties[15]. We have only looked at the variation within county councils, rather than county unitary authorities, due to the availability of district level data. However, we would expect similar trends in these areas, that have similar characteristics to county council areas. The full data set at district level is provided in Appendix 1.

In Leicestershire the range is notably large, ranging from as high as 63.9% in Charnwood down to 39.8% in Blaby. This is reflective of the high levels of employment in manufacturing and education within Charnwood, in contrast to Blaby which has much lower levels of employment in the 'at risk' sectors and higher levels of employment in comparatively more resilient sectors such as the professional, scientific and technical sector. The variation is also notable in Lancashire, where areas with a high dependence on manufacturing, such as Ribble Valley and Pendle have levels of employment at risk as high as 70%. Alongside high levels of employment in manufacturing, Ribble Valley also has a high proportion of the workforce employed in accommodation and food services, another highly impacted sector. By contrast, Preston in Lancashire has only 43.9% of the workforce employees in 'at risk' sectors, and conversely above average levels of people employed in the health sector.

Whilst counties in the south of the country generally have lower levels of employment in 'at risk' sectors, there is still notable variation at the district level. For example, Hertfordshire has the lowest levels of employment in 'at risk' sectors overall, yet at a district level this ranges from as high as 59.9% in Broxbourne to as low as 26.8% in Watford. Areas with similarly high variation include Suffolk and West Sussex. Understanding this variability will help to ensure that support is targeted to the most exposed places, but also as outlined later in the recommendations, demonstrates the need to coordinate growth and recovery strategies at scale to work across areas of lower and higher risks within a county geography.

Figure 4: Within county variation* – Employment in 'at risk' sectors



Source: Business Register and Employment Survey (2018)

*Within county variance examines district level performance within county councils and therefore does not include county unitaries

15 As this analysis is at district level, we haven't included CCN unitary authorities

Employer spotlight

Rolls Royce (Derbyshire)
Rolls-Royce is Derbyshire's largest private sector employer with around 12,000 staff. Recent projects include the Trent 1000 engine manufactured in the city, used to power about half of the Boeing 787 Dreamliner fleet. As well as being home to Rolls Royce's civil aerospace business in Sinfin, Rolls-Royce's Defence site is in Raynesway.

In a statement, Rolls-Royce said that the impact of the coronavirus pandemic on the civil aviation industry had been "unprecedented". It added that it believed it would take "several years" for the civil aerospace market to return to levels seen before the pandemic struck. Chief Executive Warren East, "This is not a crisis of our making. But it is the crisis that we face and we must deal with it. Our airline customers and airframe partners are having to adapt and so must we."

In May, Rolls-Royce's announced it plans to reduce its workforce by 9,000, mainly in its civil aerospace wing, the majority of which will be at the Derbyshire based factory. This is a significant number of employees in Derbyshire and represents around 17% of the global workforce. Th firm has said that it will not be looking to reduce headcount in Defence.

However, the company has seen many waves of redundancies and recruitment in the past and the company CEO has indicated the company aims to steer its own course through this challenging period. He said: "We have emerged from troubled times before, to achieve incredible things. We will do so again."

Employer spotlight

Gatwick airport (West Sussex/Surrey)
Gatwick is a major international airport near Crawley in West Sussex and the second-busiest airport by total passenger traffic in the UK. The airport has two terminals, the North Terminal and the South Terminal and covers a total area of 674 hectares (1,670 acres) and currently employs around 2,200 in the region. The company majority owned by Vinci, a French infrastructure group.

Gatwick closed its North Terminal during the height of the pandemic as carriers ceased operations and passenger numbers dramatically dropped. A large proportion of staff were furloughed or contracts ended. The Airport effectively closed to commercial carriers but cargo and long-haul flights still used the location to manage existing routes and commitments. Gatwick Airport re-opened its North Terminal on 15 June with a range of new measures to protect the wellbeing and safety of both passengers and staff at a significant cost to the business

The airport was concerned about significant carriers deciding to restructure their routes away from Gatwick as passenger numbers are predicted to remain significantly reduced until at least 2024. Virgin Atlantic said it will end its operations at the airport, while British Airways said it could not exclude the possibility of also closing some of its services there in the future but has recently announced a return to previous long-haul flights.

The significant loss of revenue to the site has meant the company is lobbying Government to review its existing taxation demands. Both Heathrow and Gatwick airports are facing multimillion-pound business rates bills and are among thousands of UK companies set to appeal their rates bills on the basis that the pandemic has materially changed their circumstances. Gatwick faces a current bill of around £29.2m

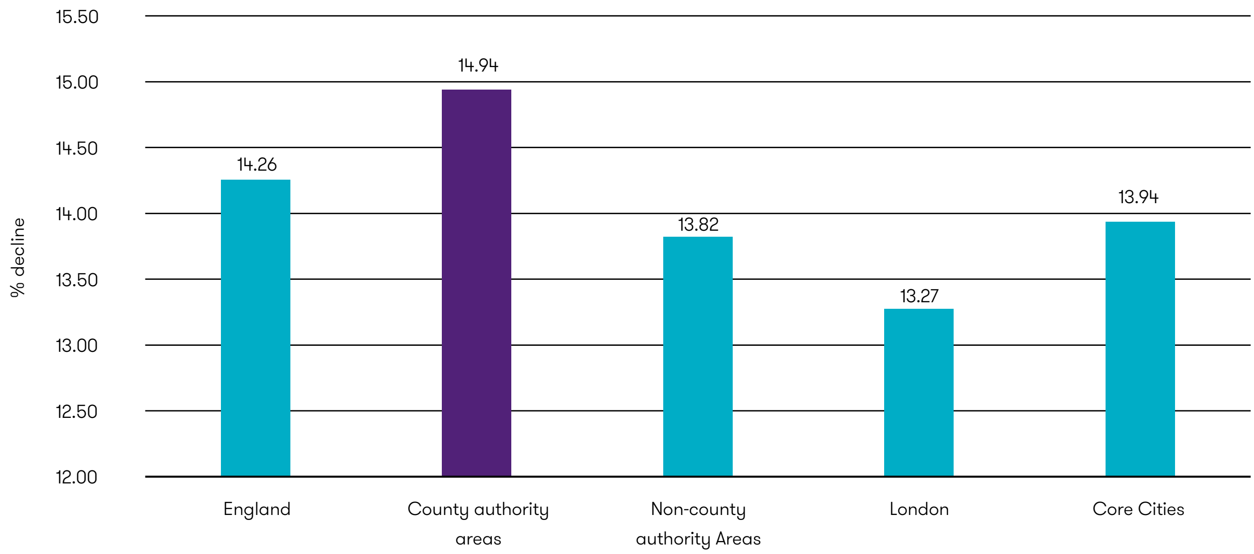
CEO Stephen Wingate said despite the immediate threats to revenue the company remains "very optimistic" about the long-term prospects and resilience of Gatwick but acknowledged the pandemic had hit the industry hard and that "severe economic knock-on effects are being felt in our local community"

GVA impact

The employment impacts noted above will reduce the scale of economic activity which will have knock on impacts on wider economic output. The differential impact on certain sectors will be a key driver of GVA output. Using the OBR predictions for output losses by sector, we modelled the potential impact on annual total GVA for each local authority area and compared this to the latest GVA to predict the likely reduction in GVA as a result of the COVID-19 crisis.

Figure 5 shows that the estimated decline in annual GVA is 14.9% in county authority areas, which is just above the England average of 14.3% and comparatively greater than the London and Core City averages, at 13.3% and 13.9% respectively.

Figure 5: Estimated decline in GVA



Source: Grant Thornton modelled using ONS Regional gross value added (balanced) by industry: local authorities by NUTS1 region (2018)

Figure 1, at the start of this chapter, shows that 34 of the county authority areas had an estimated decline in GVA greater than the national average. The impact varies between county authority areas, from a predicted reduction of 13.98% in Cornwall up to 16.42% in Central Bedfordshire, as show in Table 1. This variation reflects the significant variation in average productivity between county authorities with Cornwall experiencing one of the highest proportions of employees in at risk sectors but one of the lowest percentage declines in GVA.

Table 1: Estimated decline in total annual GVA (%)

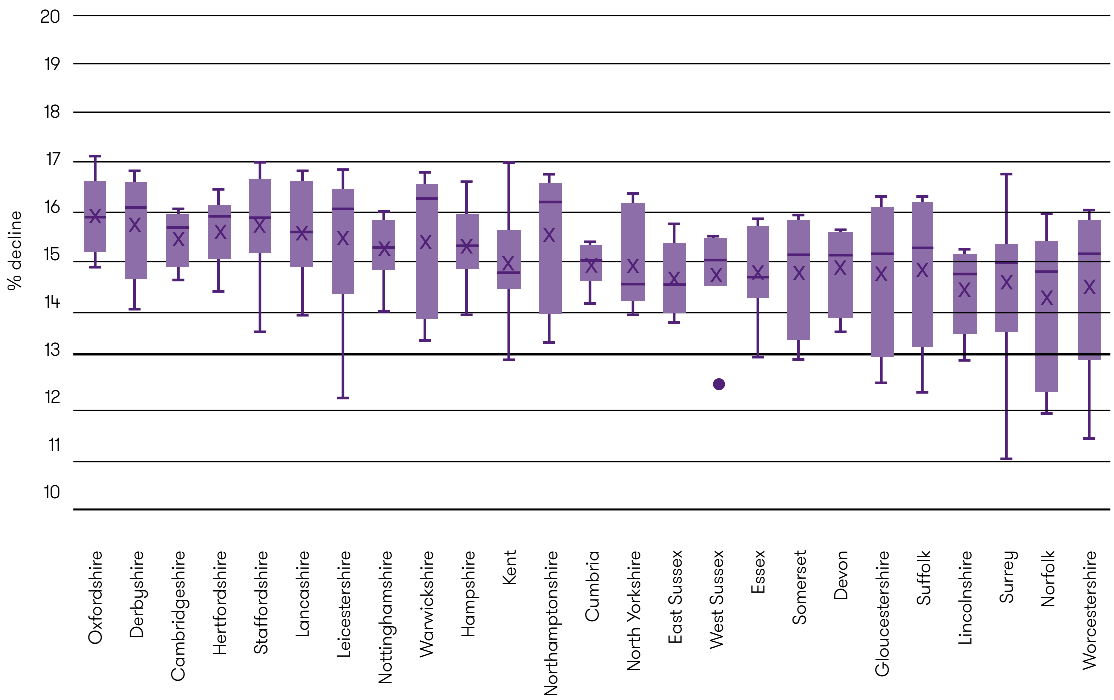
Rank	Area name	% decline in GVA
1	Central Bedfordshire	16.42
2	Oxfordshire	15.96
3	Derbyshire	15.77
4	Cambridgeshire	15.57
5	Hertfordshire	15.56
6	Staffordshire	15.56
7	Lancashire	15.45
8	Leicestershire	15.27
9	Nottinghamshire	15.22
10	Warwickshire	15.19
11	Hampshire	15.15
12	Cheshire East	15.08
13	Wiltshire	15.04
14	County Durham	14.93
15	Kent	14.91
16	Northamptonshire	14.87
17	Cumbria	14.87
18	Buckinghamshire	14.80
19	North Yorkshire	14.73
20	East Sussex	14.72
21	West Sussex	14.67
22	Essex	14.63
23	Somerset	14.63
24	Herefordshire, County of	14.63
25	Shropshire	14.54
26	Devon	14.49
27	Gloucestershire	14.48
28	Suffolk	14.47
29	Lincolnshire	14.46
30	Dorset	14.42
31	Northumberland	14.35
32	East Riding of Yorkshire	14.34
33	Surrey	14.31
34	Norfolk	14.29
35	Worcestershire	14.25
36	Cornwall*	13.98
	England	14.26
	County authority areas	14.94
	Non-county authority Areas	13.82
	London	13.27
	Core Cities	13.94

Source: Grant Thornton modelled data using ONS Regional gross value added (balanced) by industry: local authorities by NUTS1 region (2018)

* Cornwall has missing GVA data for a number of sectors owing to data being suppressed to prevent individual business identification. As a result, the GVA impact may underestimate the overall decline.

Perhaps more notable is the variation within county authority areas (Figure 6 – full data set at district level is provided in Appendix 1) which points to the importance of viewing the economic impacts of the virus through a place-based lens at scale. In fact it would appear that some of the county authority areas with the lowest overall estimated decline in GVA (to the right of the chart) have the greatest variation at a local level, so what might appear at first glance to show low risk is complicated by the underlying variance. For example, whilst Worcestershire as a whole has one of the lowest estimated declines of all county authority areas, at the district level this varies from as high as 16.1% in Wyre Forest down to 11.4% in Bromsgrove. Some of the variance is also reflective of the differences in levels of employment in 'at risk' sectors explored above. For example, in Leicestershire the decline in GVA is very marked between Charnwood (16.8%), which is one of the most impacted districts nationally, compared to Blaby (12.2%).

Figure 6: Within county variation* – Modelled GVA decline



Source: GT modelled using ONS Regional gross value added (balanced) by industry: local authorities by NUTS1 region (2018)

*Within county variance examines district level performance within county councils and therefore does not include county unitaries

Self-employment

Recent studies are suggesting that self-employed people are being disproportionally impacted by COVID-19. According to a study by ONS, 60% of self-employed people saw their income fall between April 3 and April 30, compared with 22% of employees. Alongside this, findings suggested that the self-employed had worse expectations for their household finances in the year ahead than employees. With this in mind, it is important to understand levels of self-employment across county authority areas pre-COVID-19. While Figure 1 showed that 24 of the 36 county authority areas have above average levels of self-employed people, Table 2 shows that in the 12 months to March 2020, 11.9% of residents in county authority areas were self-employed which is greater than all the comparator group averages, with the exception of London, at 13.2%. Herefordshire recorded the highest figure overall at 16.3%. By contrast, places such as Leicestershire and Central Bedfordshire had comparatively lower levels, at 9.2% and 9.7% respectively.

Table 2: Population aged 16-64 who are self-employed (%)

Rank	Area name	Percent
1	Herefordshire, County of	16.3
2	Devon	16.0
3	East Sussex	15.6
4	Cornwall	15.2
5	Shropshire	14.5
6	Dorset	14.0
7	Wiltshire	13.9
8	Surrey	13.4
9	Buckinghamshire	13.3
10	West Sussex	13.1
11	Hertfordshire	13.0
12	Kent	12.7
13	Gloucestershire	12.6
14	Somerset	12.4
15	Cumbria	12.3
16	Oxfordshire	12.1
17	Essex	11.9
18	Suffolk	11.4
18	Warwickshire	11.4
20	North Yorkshire	11.3
20	Northamptonshire	11.3
22	East Riding of Yorkshire	11.2
23	Northumberland	11.1
23	Worcestershire	11.1
25	Lincolnshire	11.0
26	Lancashire	10.9
27	Derbyshire	10.8
28	Hampshire	10.7
29	Cheshire East	10.6
29	Nottinghamshire	10.6
31	County Durham	10.0
32	Norfolk	9.9
33	Cambridgeshire	9.8
33	Staffordshire	9.8
35	Central Bedfordshire	9.7
36	Leicestershire	9.2
	England	11.1
	County authority areas	11.9
	Non-county authority areas	10.5
	London	13.2
	Core Cities	8.9

Source: Annual Population Survey (March 2020)

The future for self-employed people remains uncertain and it is likely that the impact will vary considerably between individuals depending on the nature of their work and wider socio-economic factors. Whilst the Government's Self-Employment Income Support scheme (SEISS) offers some assurance, not everyone will be able to benefit including those who are newly self-employed (since April 2019), those self-employed with annual trading profits in excess of £50,000 and freelancers[16].

In considering different economic vulnerabilities, it is important to note that many places will face multiple economic and social vulnerabilities. To illustrate this, Figure 7 shows those places that have high self-employment and a high proportion of elderly populations (top right quadrant) and those that have a comparatively low proportion of both. What is particularly notable is that the Core Cities have much lower levels of vulnerability on these two measures (bottom left quadrant), with a number of county authorities in the top right quadrant required to consider both in relation to their recovery planning. Wider social vulnerabilities are explored in more detail in section 3.3.2.

Furloughed employment

Data on the number of employees furloughed provides an indication of the immediate short-terms crisis caused by the shutdown of large parts of the economy. Up to the 30th June 2020 there were 7.6 million employees furloughed in England, of which almost half (46%) where in county authority areas. Furloughed employees accounted for 29.7% of eligible employment in England, whilst in county authority areas the proportion was marginally lower at 29.6%. Looking across all county authority areas, over half (19) had a furlough rate above the England average, as shown in Figure 1, which reinforces that county authority areas have high levels of employment in the most vulnerable sectors.

Table 3 shows the number of employees furloughed as a proportion of the local workforce for all county authority areas. Overall Cornwall has the highest proportion of furloughed employees, at 35.1%, which is significantly greater than the England average and comparator groups shown at the bottom of the table. It should also be noted, that whilst areas such as Kent, Hertfordshire, Hampshire and Surrey have comparatively lower rates of furloughed employees, the total number is sizable and will require a large scale response to support the large numbers who may not return to work or require retraining or upskilling.

Figure 7: Population aged over 85 (%) vs Self-employed (%)

Source: ONS Mid-year population estimates (2019), Annual Population Survey (Mar 2020)

16 House of Commons Treasury Committee. Economic impact of Coronavirus: Gaps in support (10 June 2020)

Table 3: Furloughed employees

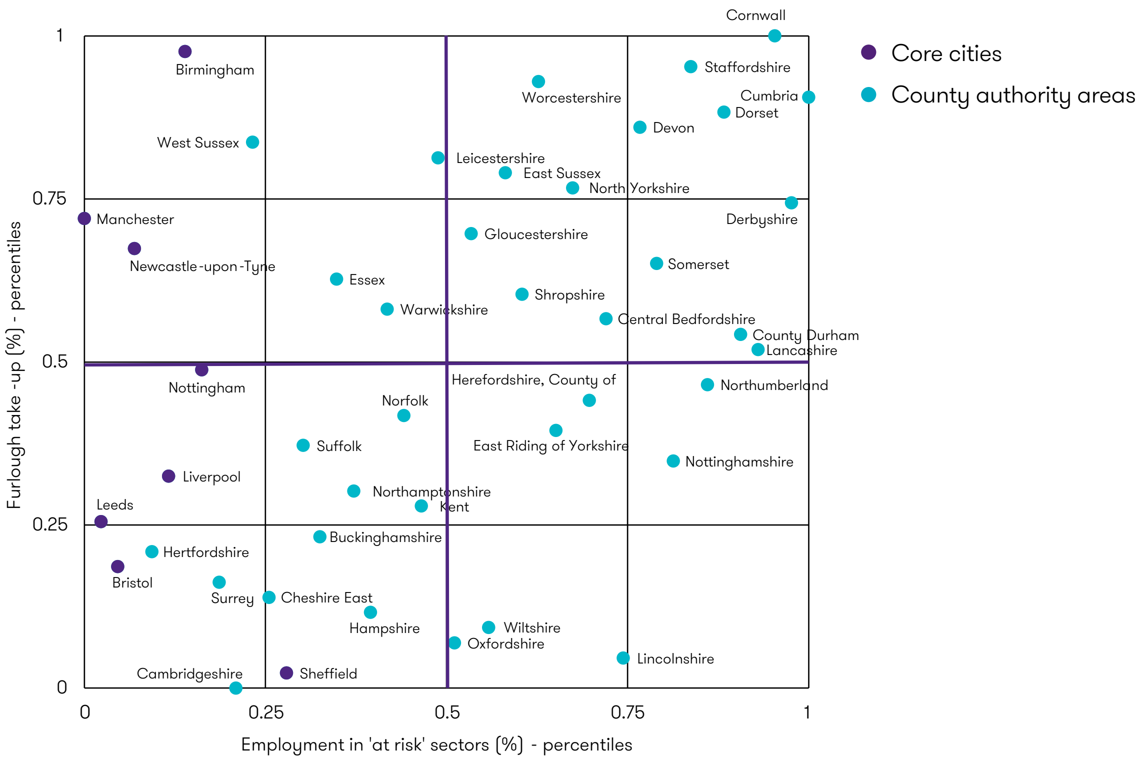
Rank	Area name	Employments furloughed	Eligible employments	Take-up rate (%)
1	Cornwall	79,700	226,900	35.1
2	Staffordshire	128,800	398,200	32.3
3	Worcestershire	88,800	274,600	32.3
4	Cumbria	73,400	227,200	32.3
5	Dorset	49,700	154,400	32.2
6	Devon	105,400	330,100	31.9
7	West Sussex	125,200	398,800	31.4
8	Leicestershire	102,100	325,400	31.4
9	East Sussex	68,300	218,200	31.3
10	North Yorkshire	85,000	272,900	31.1
11	Derbyshire	112,800	362,300	31.1
12	Gloucestershire	89,000	292,200	30.5
13	Somerset	74,600	247,400	30.2
14	Essex	204,000	677,000	30.1
15	Shropshire	40,500	134,500	30.1
16	Warwickshire	84,000	279,800	30.0
17	Central Bedfordshire	41,700	139,400	29.9
18	County Durham	63,900	214,600	29.8
19	Lancashire	158,500	532,600	29.8
20	Northumberland	39,300	132,700	29.6
21	Herefordshire, County of	23,700	80,200	29.6
22	Norfolk	113,800	387,600	29.4
23	East Riding of Yorkshire	43,300	147,600	29.3
24	Suffolk	97,400	332,800	29.3
25	Nottinghamshire	109,000	372,900	29.2
26	Northamptonshire	111,200	383,000	29.0
27	Kent	196,900	679,600	29.0
28	Buckinghamshire	73,500	256,100	28.7
29	Hertfordshire	163,000	576,300	28.3
30	Surrey	157,200	559,000	28.1
31	Cheshire East	50,400	181,000	27.8
32	Hampshire	179,900	650,000	27.7
33	Wiltshire	64,500	233,200	27.7
34	Oxfordshire	94,700	350,100	27.0
35	Lincolnshire	90,300	334,100	27.0
36	Cambridgeshire	81,000	322,400	25.1

	England	7,600,900	25,577,800	29.7
	County authority areas	3,464,500	11,685,100	29.6
	Non-county authority areas	4,136,400	13,892,700	29.8
	London	1,291,600	4,331,300	29.8
	Core Cities	594,200	1,987,500	29.9

Source: HMRC Coronavirus Job Retention Scheme (CJRS) Statistics (July 2020)

Figure 8 shows the furlough take-up rate correlated with the proportion of employment in 'at risk' sectors. Places in the top right quadrant have a high proportion of residents being furloughed alongside a high proportion of the workforce employed in 'at risk' sectors. The county authority areas with highest exposure on these two metrics are in the top right corner and include Derbyshire, Cumbria, Cornwall, Dorset and Staffordshire. By way of comparison, we have also included Core Cities within the chart. It is notable that all Core Cities are clustered to the left of the chart, illustrating consistently lower levels of employment in 'at risk' sectors alongside ranging performance on the level of furlough up-take.

Figure 8: Employment in 'at risk' sectors (%) vs. Furlough take-up (%)



Source: Business Register and Employment Survey (2018); HMRC Coronavirus Job Retention Scheme (CJRS) Statistics (July 2020)

Unemployment

The latest claimant count data from ONS provides an emerging picture of the impact of coronavirus over the past few months since lockdown started. At a national level, the data confirms that there has been a large increase in people claiming work related benefits since the lockdown. In June 2020, 2.2 million people in England filed a claim for either Universal Credits or Job Seekers allowance, a rise of 1.2 million since March 2020. The resultant claimant rate stands at 6.4% in England, an increase of 3.4 percentage points since March 2020.

Whilst all county authority areas have experienced an increase in claimant rate between the months of March and June, this has varied considerably by county authority area, which is to be expected given the mix of sectors that operate across county authority areas. Of the 36 county authority areas, 32 have seen their claimant count rate increase by at least double between March and June. Overall, Northamptonshire, Cornwall and Essex have seen the greatest percentage point increase in claimant rate since March 2020, as show in Table 4 below.

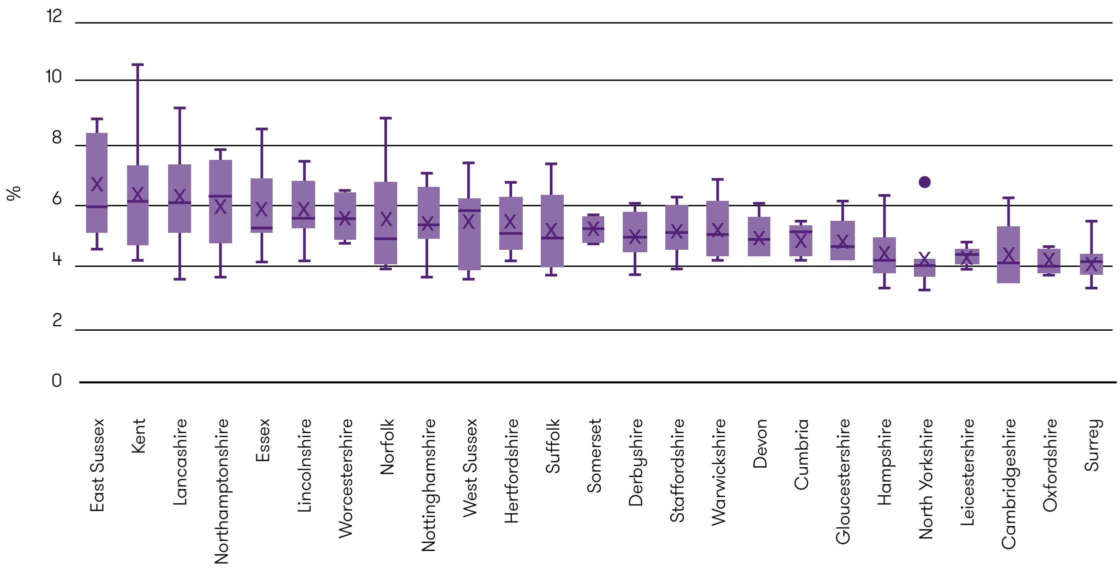
Table 4: Claimant count and percentage point change (March 2020 – June 2020)

County authority area	Claimant count - March 2020	Rank - March claimant count	Claimant count - June 2020	Rank - June claimant count	Percentage point change in claimant count from March 2020	Rank- Percentage point change
Northamptonshire	2.5	9	5.9	7	3.4	1
Cornwall	2.7	7	6.1	2	3.4	2
Essex	2.4	12	5.7	8	3.3	3
East Sussex	2.9	5	6.1	2	3.2	4
Hertfordshire	1.9	24	5	14	3.1	5
Kent	2.9	5	6	4	3.1	5
West Sussex	2	22	5.1	13	3.1	7
Worcestershire	2.3	13	5.3	10	3	8
Devon	1.8	26	4.7	20	2.9	9
Lancashire	3.1	3	6	4	2.9	10
Central Bedfordshire	1.6	32	4.4	28	2.8	11
Buckinghamshire	1.7	28	4.5	26	2.8	12
Surrey	1.2	36	3.9	35	2.7	13
Dorset	1.8	26	4.5	26	2.7	13
Gloucestershire	2	22	4.7	20	2.7	13
Warwickshire	2.2	19	4.9	17	2.7	13
Somerset	2.3	13	5	14	2.7	13
Norfolk	2.5	9	5.2	11	2.7	13
Lincolnshire	3	4	5.7	8	2.7	13
Derbyshire	2.3	13	4.9	17	2.6	20
Staffordshire	2.3	13	4.9	17	2.6	20
Hampshire	1.6	32	4.2	30	2.6	22
Cheshire East	2.1	20	4.7	20	2.6	22
Nottinghamshire	2.6	8	5.2	11	2.6	22
County Durham	4	1	6.6	1	2.6	25
North Yorkshire	1.7	28	4.2	30	2.5	26
Suffolk	2.5	9	5	14	2.5	26
Cambridgeshire	1.6	32	4.1	32	2.5	28
Shropshire	2.1	20	4.6	25	2.5	28
East Riding of Yorkshire	2.3	13	4.7	20	2.4	30
Cumbria	2.3	13	4.7	20	2.4	30
Oxfordshire	1.5	35	3.9	35	2.4	32
Herefordshire, County of	1.9	24	4.3	29	2.4	32
Northumberland	3.6	2	6	4	2.4	32
Leicestershire	1.7	28	4.1	32	2.4	32
Wiltshire	1.7	28	4.1	32	2.4	36

Source: Claimant Count (June 2020)

However, like many of the economic indicators, rising unemployment will not be even within county authority areas and is likely to be higher in already disadvantaged localities. Figure 9 shows that the claimant rate is considerably varied within county councils which creates a further challenge to managing and responding to the crisis. For example, within Kent the claimant count rate for June 2020 ranged from as low as 4.0% in Sevenoaks up to 10.3% in Thanet. Other areas have notable outliers for example in North Yorkshire, whilst the majority of district councils have a claimant count rate around 4%, Scarborough has a comparatively greater claimant rate, at 6.5%. This also underlines the challenges that coastal towns face where there is a high reliance on some of the hardest hit sectors relating to hospitality and tourism.

Figure 9: Within county variation* - Claimant count rate

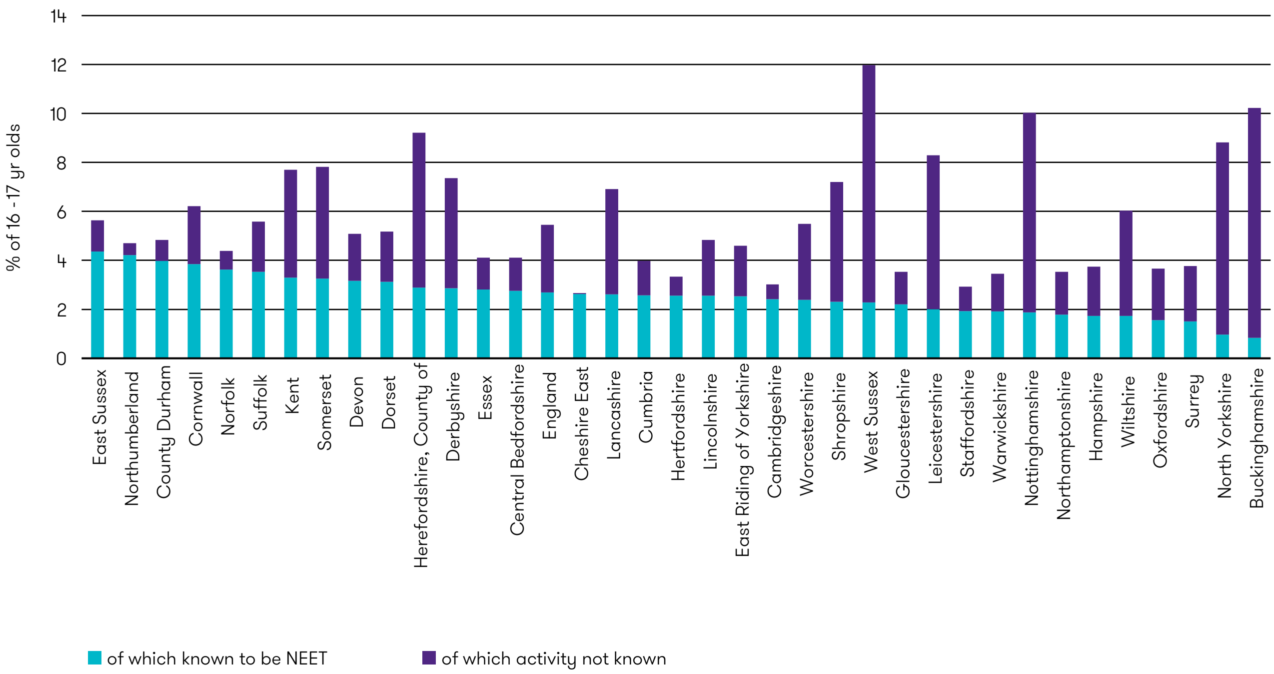


Source: Claimant Count (June 2020)

*Within county variance examines district level performance within county councils and therefore does not include county unitaries

Rising unemployment could also have knock on implications on the current levels of young people 'not in education, employment or training' (NEETs) which could rise substantially without intervention. In 2020, the proportion of 16-17 year old recorded as NEET or whose activity is 'not know' was above the England average in 15 of the county authority areas, and figures ranged from as high as 12.0% down to 2.7%, showing that the risk to NEETS could be much more acute in some areas than others. However, in many cases a high figure is being skewed by high levels of 'not knowns' which is shown in Figure 10. So whilst West Sussex had the highest percentage of NEETS and unknowns, when this is broken down to the actual level of known NEETs, the proportion in West Sussex is actually quite low in the context of all other county authority areas. Overall, East Sussex, Northumberland and County Durham have the higher proportion of known NEETs.

Figure 10: Proportion of 16-17 year olds Not In Education, Employment of Training (NEETs)



Source: Department for Education, NEET and participation: local authority figures (2020)

It is also worth noting that an increase in deprivation arising from economic impacts can have long-term health effects. For example, the IFS recently estimated that the fall in employment over the 12 months after the 2008 crisis caused an increase in prevalence of chronic illnesses of those of working age of around 900,000[17]. This means that whilst the immediate impacts are being reflected in unemployment numbers, it is likely that as a result of increased unemployment there could be an associated increase in deprivation with implications for health.

17 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/884760/Our_plan_to_rebuild_The_UK_Government_s_COVID-19_recovery_strategy.pdf

Key findings

In exploring economic vulnerabilities, our analysis has shown that the sectoral composition of county authority areas makes them particularly vulnerable to the impacts of COVID-19, especially in relation to manufacturing. But not all county authority areas are impacted to the same extent and much of that will be determined by the underlying sectors that define each area's local economy. Whilst one area may have a high dependence on manufacturing, another will be more at risk in relation to their reliance on accommodation and food and this will shape the response and actions required to enable recovery. Alongside this, whilst some areas may have fewer employees in particular at risk sectors, the economic output of those sectors (i.e. GVA) will not be the same and therefore modelled reductions in GVA will play out differently across county authority areas.

In addition to these future vulnerabilities the unemployment and furlough data underlines the immediate impact of COVID-19 and the impact it has had on county authority areas, with over half (19) of all county authority areas having a furlough up-take rate above the England average. Additionally, the latest claimant count data shows that 32 of the 36 county authority areas saw their claimant count increase by at least double between March and June.

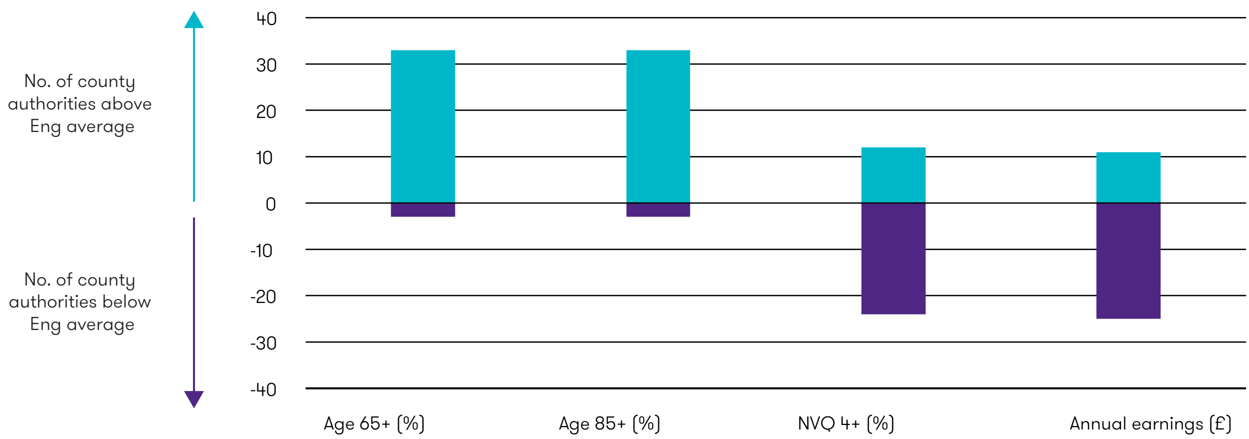
Across a number of the economic metrics it is also clear that the level of risk can vary hugely within individual county authority areas. Understanding this variability will help to ensure that support is targeted to the most exposed places and demonstrates the need to coordinate growth and recovery strategies at scale to work across areas of lower and higher risks within a county geography. It requires a combination of an intimate knowledge of place, a joined-up approach to delivery and freedom and powers to make decisions across a broader spatial scale.

Social vulnerabilities

Alongside economic vulnerabilities, it is also important to consider wider social vulnerabilities which make the challenge even greater for county authority areas.

Looking across four key social measures that point to particular place-based vulnerabilities that will impact a place's ability to recover, it is instantly apparent that county authorities face a number of challenges, particularly when compared to the England average. Figure 11 shows that the vast majority of county authority areas have above average levels of people aged over 65 and 85, alongside a working population that has lower skill levels and lower earnings. Each of these social aspects will have impacts for place-based recovery and are explored in more detail in the following sub-sections.

Figure 11: Social vulnerabilities – comparison to England average



Source: ONS Mid-year population estimates (2019); Annual Population Survey (Dec 2020); Annual Survey of Hours and Earnings (2019)

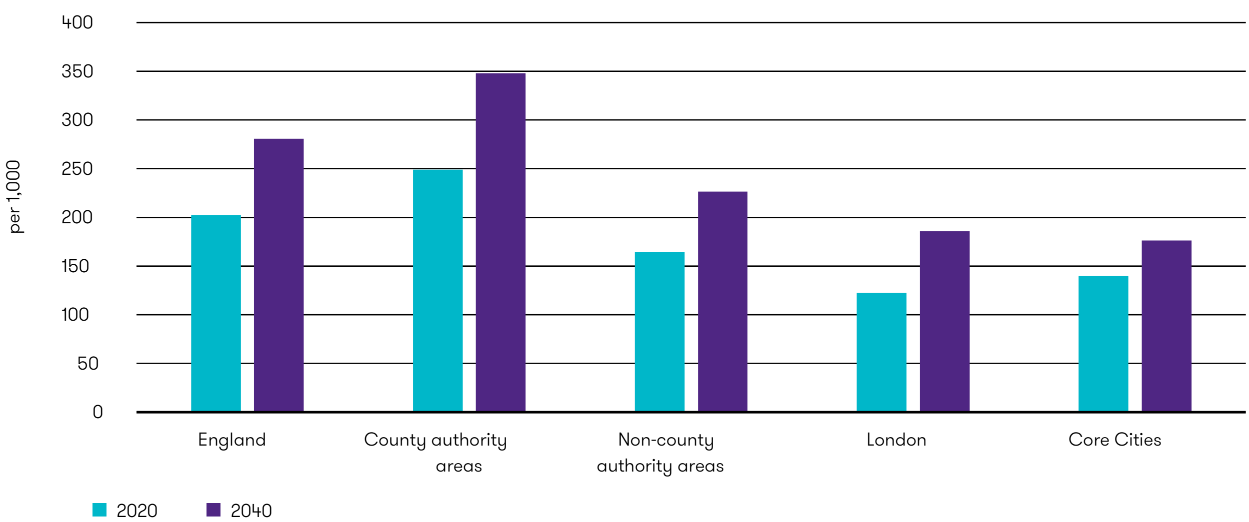
Age structure

Understanding an area's age demographic can help not only to predict the burden of critical cases should a second wave arise, but also speaks to the associated economic challenges that comes with an ageing population. For example, areas with a higher proportion of elderly people are likely to experience higher rates of fatalities, with data released from ONS showing that of the deaths relating to COVID-19 occurring between March and May, 89.3% were among those aged over 65 accounting for 37,169 fatalities[18][19]. As a result of this risk, it is likely that this demographic will take longer to emerge from lockdown and for consumer behaviour to return to anything resembling 'normal' compared to areas with a larger working age population.

Our analysis of the latest mid-year population estimates show that the vast majority of county authority areas have above average levels of population aged over 65 and 85, with 33 of the 36 county authority areas ranking above the England average on both indicators (Figure 11). This suggests that the demographic structure of county authority areas makes them particularly vulnerable both to increased pressure on services alongside consumer spend patterns that will take longer to recover.

Whilst this analysis points to the immediate risks associated with an elderly population, the longer-term challenges, relates to the balance between economically active and economically inactive population. The Old Age Dependency Ratio can be used to project increasing levels of economic dependency in the future. This is a simple ratio of the number of people of pensionable age and over per 1,000 people aged between 16 years to State Pension age (SPA). Given that the state pensionable age is likely to increase in the coming years, we have used 16 to 69 year olds to define our working age population and 70 and over as our dependent age group across both time periods. Using the latest population projections, Figure 12 shows that across county authorities in 2020 there are 249 pensionable people per 1,000 working age population, which increases up to 348 in 2040. It should also be noted that across both time periods, the dependency ratio is greater than both the England average and all other comparator group averages, illustrating the comparatively greater economic dependency of the ageing population in county authority areas.

Figure 12: Old Age Dependency Ratio 2020 and 2040



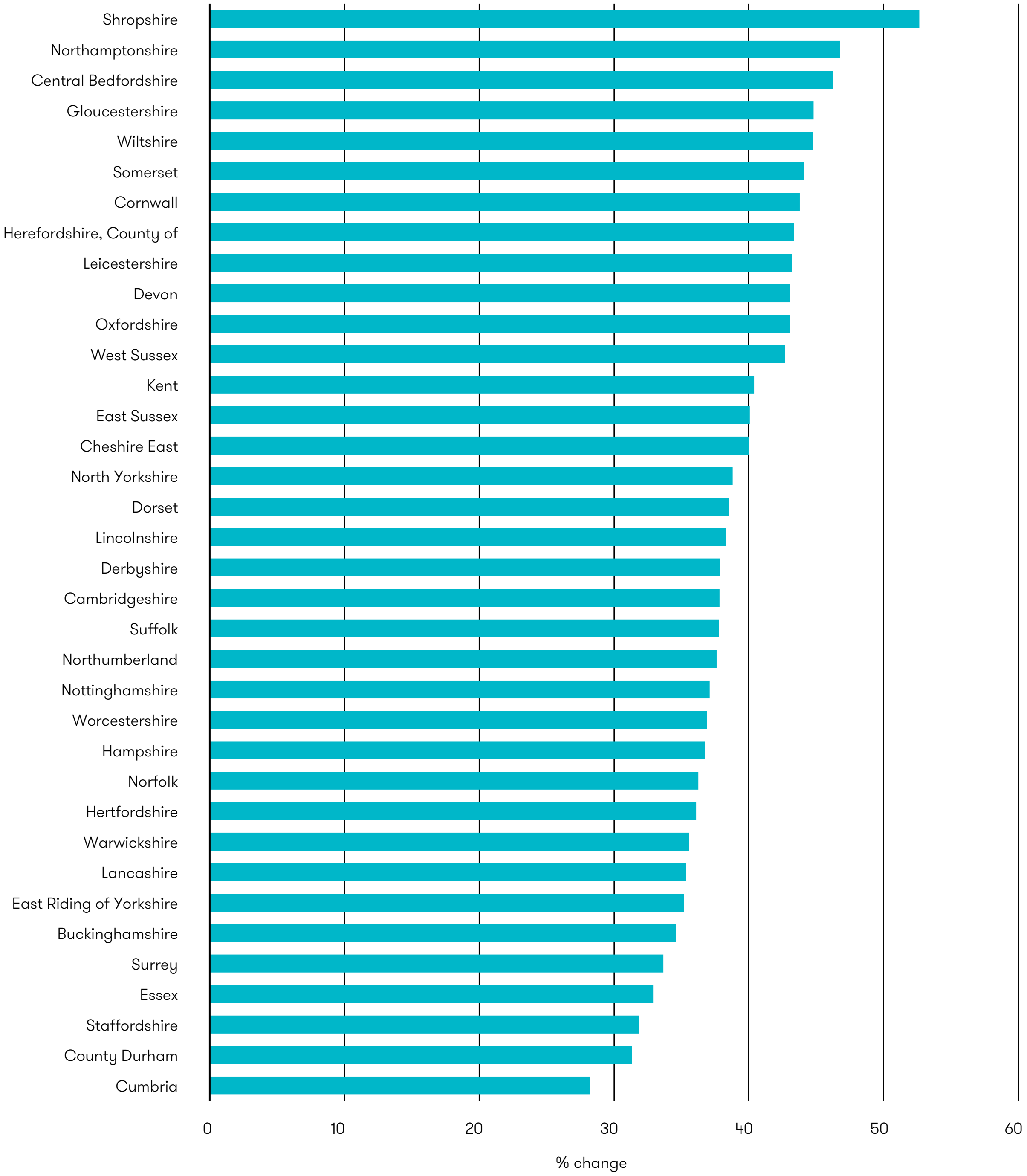
Source: ONS Mid-year population projections (2018)

However, the rate of population increase will vary both between and within county authority areas. For example, the projected rate of growth for 65 year olds and over between 2018 and 2043 ranges from 28.2% in Cumbria up to 52.7% in Shropshire (see Figure 13), which highlights the need to base any future planning on a thorough understanding of the unique demographic patterns of each place.

18 Office for National Statistics, Analysis of deaths involving COVID-19: deaths occurring in March to May 2020 UK

19 Research has shown that ethnicity, deprivation, pre-existing health conditions and occupation also contribute to an individual's risk of dying

Figure 13: Projected population growth in residents aged 65 and over (2020-2040)



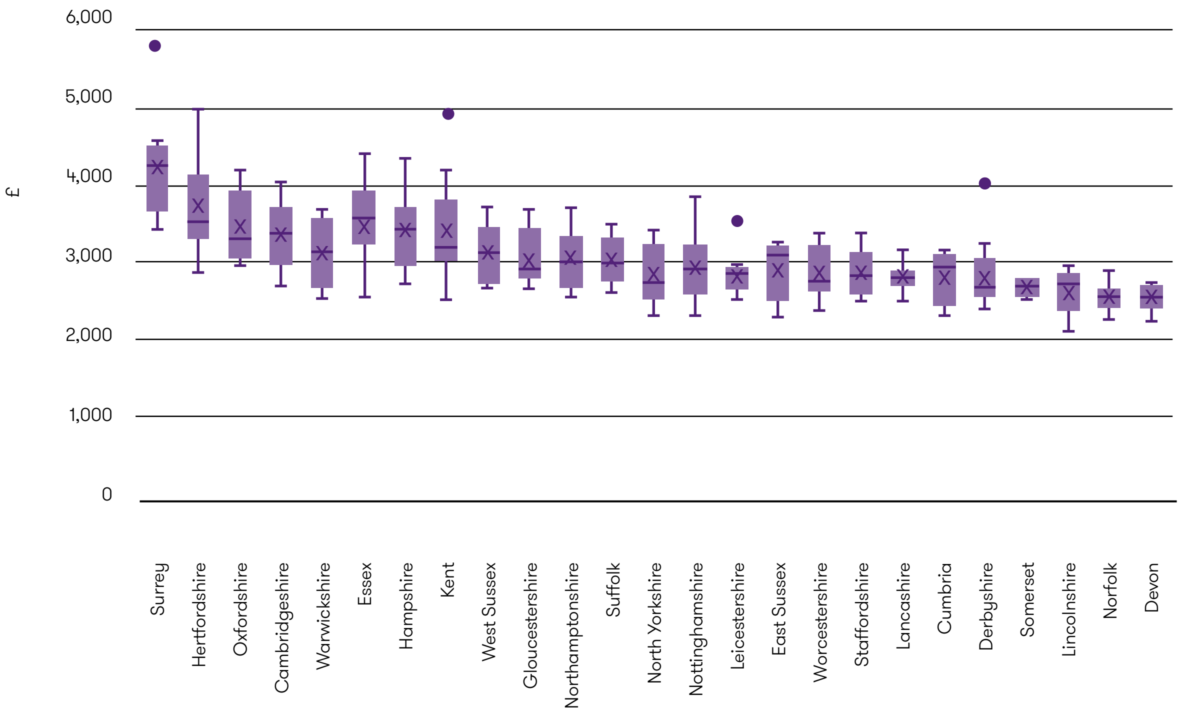
Source: ONS Mid-year population projections (2018)

Earnings

Our previous report revealed that county authority areas also suffer from income disparity, with 25 county authority areas having mean annual earnings below the England average and only 11 above. Additionally, when examined over a five-year time period, our findings showed that the gap in earnings for county authority areas is actually widening, with a 26.5% increase in the gap between the highest and lowest earning areas.

Emerging research is suggesting that COVID-19 is disproportionally affecting low-income families and could worsen income inequality[20]. A study by the Institute of Fiscal Studies showed that low-earners are mostly employed in the shut-down sectors and are at higher risk of being furloughed or becoming unemployed[21]. This could be particularly damaging for county authority areas that already suffer from lower earnings but could also heighten income disparity that exists within county authority areas. For example, Figure 14, shows that whilst earnings on average are highest overall in Surrey, at a local level the difference in earnings between the lowest earning and highest earning district is as much as £23,290. When considering the range in earnings at a local level, it would suggest that the impacts of COVID-19 could play out very differently across county authority areas and could deepen these divides even further without early action.

Figure 14: Within county variation* – Mean annual earnings (£)



Source: Annual Survey of Hours and Earnings (2019)

*Within county variance examines district level performance within county councils and therefore does not include county unitaries

20 https://www.sciencedaily.com/releases/2020/04/200430191258.htm

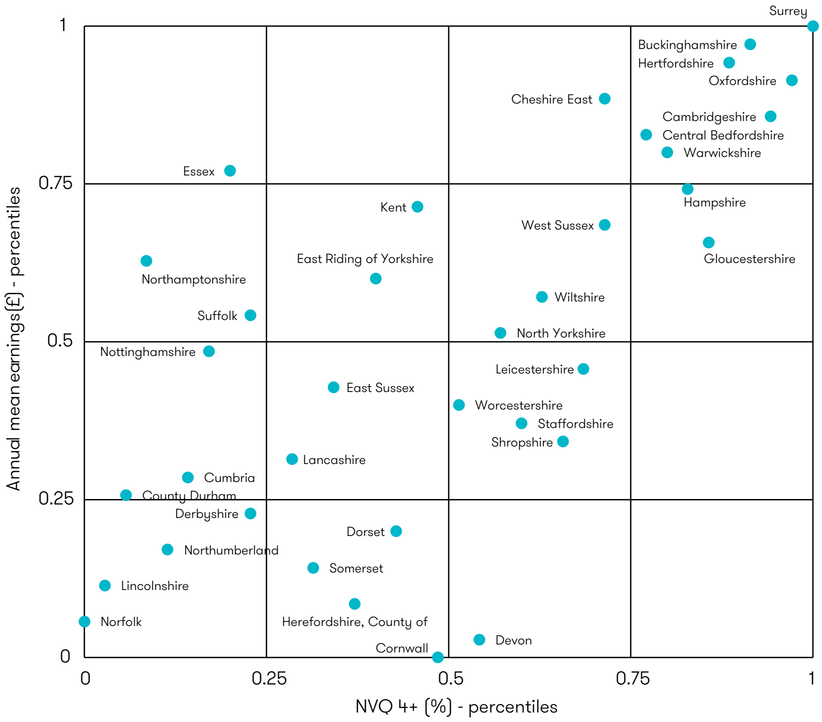
21 https://www.ifs.org.uk/inequality/wp-content/uploads/2020/06/Covid-and-inequality.pdf

Skills

Skill levels are a further important consideration for economic recovery with research indicating that there is strong relationship between skills and productivity[22]. Having a skilled and motivated workforce will be particularly important for recovery of places, not just in terms of responding to current employer demand but also for building workforce skills for the future. There may also be increasing cases of people changing career after the lockdown due to redundancies, which will require greater upskilling of residents and re-training.

Our previous report showed that the proportion of residents qualified to NVQ Level 4 and above can vary notably across county authority areas, and the latest data shows that 24 county authority areas are below the national average. As Figure 15 demonstrates, there are also clear linkages between the proportion of people qualified to degree level and above (NVQ Level 4 and above) and mean earnings, with county authority areas in the top right corner characterised by high skills and high income levels. It is also notable that the majority of these top performing areas are located in the South of the country, with the exception of North Yorkshire which is bucking the trend. Across the county authority areas, the proportion of people qualified to NVQ Level 4 and above varies from as low as 29.7% of the working age population up to 51.8% in the most highly qualified area.

Figure 15: Skills vs Earnings



Source: Annual Survey of Hours and Earnings (2019); Annual Population Survey (Dec 2019)

22 https://www.local.gov.uk/sites/default/files/documents/realising-talent-employme-e5c.pdf

Key findings

Through our analysis of demographic data we have illustrated that county authority areas are characterised by very high levels of people aged over 65 and 85, which could result in mounting pressure on services, alongside a slower return to more 'normal' consumer behaviours. Additionally, the rising Old Age Dependency ratio points to an increased economic burden on the working age population in the future, which will only amplify the economic impacts identified in the previous section.

A further vulnerability for county authority areas is the low proportion of people qualified to degree level and above. With skill levels seen as being integral to restarting and renewing the economy, this places county authority areas at an immediate disadvantage and will require concerted efforts to ensure that residents can be upskilled and retrained to respond to emerging employment opportunities during the recovery process.

Low earnings is a further risk area for county authorities, with 25 of the 36 county authorities falling below the England average on mean annual earnings. People with low incomes are more likely to work in the hardest hit sectors and are therefore particularly susceptible to the impacts of any future lockdown. Our data also showed that income levels is closely correlated to skills levels, which re-emphasises the importance of investing in skills to drive recovery and growth.

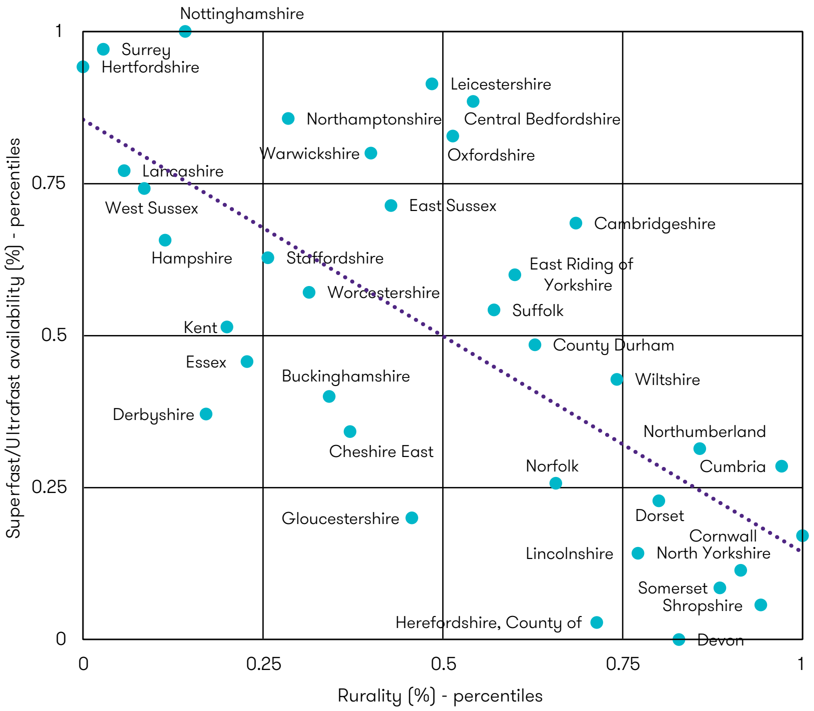
Infrastructure vulnerabilities

Broadband

The current crisis has highlighted just how important digital connectivity is to our lives and livelihood and will play a major part in a place's recovery and economic resilience. Investing in digital infrastructure is therefore critical, especially for those 'hardest to reach' places.

Whilst access to high-speed broadband (superfast, ultrafast and full-fibre) continues to increase across the country, it remains a major problem that is disproportionally affecting rural areas. The 2019 Connected Nations report by Ofcom found that there is a significant difference between the availability of superfast broadband in urban and rural areas, with 97% of residential premises in urban areas having access to superfast broadband compared to 79% of premises in rural areas[23]. As labour continues to shift towards a home working context, and organisations across the public and private sector adopt a digital first approach, this could prove particularly challenging for rural areas suffering from inferior access to high quality broadband[24]. Figure 16 shows the correlation between rurality and the proportion of premises that have access to Superfast/Ultrafast broadband for all county authority areas. This shows a relatively strong correlation between the two factors (with a correlation coefficient of 0.7), with more rural county authority areas, such as Shropshire, North Yorkshire and Somerset having a lower proportion of premises with access to either Superfast or Ultrafast broadband. The proportion of premises with Superfast/Ultrafast broadband ranges from 84.97% in the lowest performing county authority area up to 97.39% in the best performing authority.

Figure 16: Rurality (%) vs Superfast/Ultrafast broadband availability (%)



Source: Ofcom Connected Nations (2019); Census 2011

23 Ofcom (2020) Connected Nations 2019 UK report

24 Jeremy Philipson etc all. (April 2020) Covid-19 and rural economies. Centre for Rural Economy and Rural Enterpirse UK, Newcastle University https://www.ncl.ac.uk/media/wwwnclacuk/centreforruraleconomy/files/researchreports/CRE-briefing-Covid19-and-rural-economies.pdf

Case study

North Yorkshire – Superfast North Yorkshire programme

Provision of high-quality broadband is a major priority for North Yorkshire County Council and to date has been delivered through the Superfast North Yorkshire programme which for Phases 1-3 is built around a partnership between the council and BT to deliver high-quality broadband to 95% of all domestic and businesses in the county. The project has been funded by North Yorkshire County Council, Department for Digital, Culture, Media and Sport, Rural Payments Agency and the European Regional Development Fund. The programme is now in Phase 3 and has seen superfast broadband rolled out to around 92% of the population of North Yorkshire. Despite this progress there are still around 49,000 people who have no broadband coverage and the current pandemic has put increased urgency on ensuring that digital infrastructure is delivered to all. A further Phase 4 is currently in the procurement stage with work hopefully beginning at the start of 2021. Additionally, the council wants to ensure that "any investment in infrastructure must be coupled with investment in skills and access to technologies for people and businesses because the two must work together to make sure the benefits of the infrastructure can be realised."[25]

Physical infrastructure

Physical infrastructure is central to the Government's economic growth strategy, which sets out to invest £5bn to accelerate infrastructure projects, fuelling jobs and economic recovery. This suggests that sustained infrastructure investment will be critical to the recovery and that come Autumn, the Government will also publish a National Infrastructure Strategy which will set out a clear direction of core economic infrastructure, including energy networks, road and rail, flood defence and waste[26].

Alongside this, there is also growing recognition that recovery will require more innovate solutions to housing growth, as highlighted in 'After the Virus' which states that "The housing crisis cannot be solved by piecemeal additions here and there. We also need to think imaginatively about new towns and garden cities"[27]. This is a policy objective that many county authorities are already actively pursuing as part of their recovery plans, such as the Hemel Garden Community project in Hertfordshire.

There is therefore a clear opportunity for county authorities to play a greater strategic role in managing this growth and ensuring that homes are being built in the right place and that there are suitable connections to employment and economic opportunities.

However, investing in the critical infrastructure to support this growth is being hampered in two main ways;

a | Infrastructure funding gaps

Despite the recognised economic benefits of infrastructure, county authority areas have historically missed out on much needed infrastructure investment. For example, Combined Authorities are often the recipients of infrastructure 'deals', with local planning authorities often having little choice other than to compete for small packets of ad-hoc funding which can be a timely and complex process to bid for. The situation is further complicated by the current developer contributions system which is structured in such a way that means county councils have very little power to set and negotiate the rates and ultimately the contributions that they receive, despite being responsible for vital infrastructure. Part of the challenge is that the distribution of the contributions is negotiated at a district level whereas some of the funding could make a valuable contribution towards education and infrastructure.

To understand the scale of funding gap, a number of county authorities had previously calculated the specifics of their infrastructure needs using population growth predictions, new housing plans and employment levels. This provides a total infrastructure cost and then any agreed funding on existing projects is taken from this total and the remainder is identified as the 'infrastructure gap'. Our previous report identified an average funding gap of c£4bn to meet their County's needs with some as high as £8bn[28].

b | Fragmented system of planning development

Striking the right balance between housing and infrastructure is further complicated by the current fragmented system of planning development in which district councils oversee housing planning whilst county councils manage local infrastructure investment. This is a legacy of previous policy changes such as the introduction of the Planning and Compulsory Purchase Act (2004) which abolished structure plans and with it the statutory plan-making role of county councils. Whilst Section 29 of the 2004 Act does enable county councils to have a strategic planning role by working with their districts through Joint Committees, they can be timely to set up and cannot be created if there are both county councils and unitary authorities involved in the plan-making partnership.

25 https://www.northyorks.gov.uk/news/article/good-quality-broadband-should-be-basic-utility-running-water-and-electricity

26 https://www.gov.uk/government/news/build-build-build-prime-minister-announces-new-deal-for-britain

27 Centre for Policy Studies and RT HON Sajid Javid (2020) After the Virus – A plan for restoring growth

28 This was based on published infrastructure gaps from Hertfordshire, Essex, Oxfordshire, Kent, Staffordshire and Surrey.

Whilst the vast majority of county councils that we interviewed for our previous report said that there is good co-operation with their planning authorities and vice versa, they acknowledged that the disjointed approach can make planning complex and time consuming. Planning authorities also face pressures as a result of reductions in Central Government funding which has often resulted in a shrinking workforce. Coupled with the high cost of producing local plans, there is a need for a more combined plan-making process between district and county councils which could help deliver immediate and potentially significant cost savings. Also, given the polycentric nature of many of the county authority areas, spatial planning is only likely to become more challenging and could hinder place-based recovery.

Given that scale and pace of investment will be two critical factors in driving a place-based recovery these are significant issues that need to be addressed.

Despite the challenges outlined above, county authorities are finding innovative ways of planning for and delivering infrastructure in their areas. The below case studies provide details of some of these:

Case study

Staffordshire Strategic Spatial Plan (SIP)

Staffordshire County Council is the first county in the Midlands to create a Strategic Infrastructure Plan (SIP). The SIP is a non-statutory collaborative approach to planning which aims to quantify the scale and quality of infrastructure provision required to support future growth. Importantly, the SIP aims to not only explore the challenges being faced across Staffordshire but also consider the cross-border impacts with neighbouring authorities[29]. Whilst these type of initiatives are imperfect, they are an important step closer to providing a more coherent, place-based approach to strategic decision making. A number of other county authorities have also pursued the route of non-statuary strategic plans or Growth Frameworks, these include Surrey, Suffolk, Norfolk and West Suffolk.

Nottinghamshire – Development Corporation

The County Council has, over the last three years, driven forward the implementation of a regional growth strategy to capture the growth benefits of HS2 in partnership with neighbouring County and City Councils and District and Borough partners. As a result of this work, in 2018 the Government invited the County Council as part of the Midlands Engine to bring forward a new locally led Development Corporation. This new body will not only deliver the development at Toton, but also integrate the opportunities with the proposed International Centre for Zero Carbon Futures at the soon to be decommissioned Ratcliffe on Soar power station and a net zero, Inland Freeport in the neighbouring East Midlands Airport area in Leicestershire. The Secretary of State announced in October 2019 an intention to approve the incorporation of this new delivery vehicle.

29 Staffordshire County Council (2019) APPENDIX A - STRATEGIC INFRASTRUCTURE PLAN TENDER BRIEF

Case study

Oxfordshire – Oxfordshire Growth Board

The plans for infrastructure investment and economic development centre around the Oxfordshire Growth Board, the first of the four now spanning the Oxford to Cambridge Arc. The Board is a joint committee of the six councils of Oxfordshire together with key partners including the University of Oxford, NHS Oxfordshire CCG, Homes England, Environment Agency and Oxfordshire Local Enterprise Partnership (OxLEP). It has been set up to facilitate and enable joint working on economic development, strategic planning and growth, overseeing all the projects agreed in the Oxfordshire Housing and Growth Deal and other funding streams. Oxford City Deal alongside the OxLEP. Its strength is to be able to work in consensus across Oxon, the Arc and with Government to leverage planned growth to gain greater infrastructure and funding support from Whitehall.

A pivotal project commissioned by the Growth Board is the 'The Oxfordshire Infrastructure Strategy' (OxIS), involving the county's six local authorities and OxLEP, with the purpose of prioritising the County's infrastructure requirements to 2040 and beyond. This sets out the priority strategic infrastructure investment needed to support jobs and housing growth in Oxfordshire, alongside shaping and influencing investment strategies and plans at a national, sub-regional and local level. Through the Oxfordshire Growth Board, the OxIS Strategy has directly influenced the £215million growth deal for Oxfordshire announced in November 2017, which will provide £60m for affordable housing and £150m for infrastructure improvement[30], the £218million Didcot Garden Town Housing Infrastructure Fund, the £102million A 40 corridor Housing Infrastructure Fund and more.

The Growth Board plays a key role in shaping strategies, such as the Digital Infrastructure Strategy that will pave the way for full fibre across the county, and are enabling Oxfordshire to be on the front foot for post COVID-19 recovery planning.

Key findings

Infrastructure provision will play a key part in the recovery process and is a core focus of the Government's economic recovery plans. County authorities already play an important role in the planning and delivery of key infrastructure, drawing upon their scale and capacity to deliver projects at pace. They are therefore well placed to play a leading role in the recovery process. However, our previous report highlighted that infrastructure investment is being held back in county authority areas by a significant funding gap and a complicated and fragmented planning system. Despite these hindrances, county authority areas are finding innovative ways to push forward infrastructure provision in their areas, whether that be through non-statutory spatial plans or the development of locally-led development corporations.

Alongside physical infrastructure, digital connectivity is becoming more important to our lives and livelihoods than ever before. Whilst access to superfast/ultrafast broadband is improving across the country, many people living in rural county authorities are still facing inadequate access and could be further marginalised if the current shift to home working becomes a more embedded long-term trend.

30 https://www.oxford.gov.uk/info/20283/oxfordshire_growth_board/1236/oxfordshire_housing_and_growth_deal

Counties as place-leaders

Our previous report highlighted that county authorities play a vital place-shaping and place leadership role through the influence that they exert. Previously we have identified six core ways in which county authorities exert influence, these are now even more important as county authorities provide place leadership and drive forward economic recovery.

Convenor

County authorities regularly take the lead in bringing together different parties and stakeholders to create and then deliver the strategic vision for a place. This convening role is increasingly being formalised, be that through a place-based vision or through governance structures such as the Growth Boards which have been established in Oxfordshire and Hertfordshire. By convening partners, county authorities have been able to leverage resources and ensure a shared focus on action.

Facilitator

Closely linked to the convening role, county authorities have often facilitated delivery by removing particular barriers to growth. This has generally occurred through local leadership or through strategic investment. For example, facilitating activity by taking a head-lease, unlocking or releasing land around a strategic investment or facilitating conversations with Central Government around a particular opportunity or investment.

Communicator

County authorities have often played the lead role in communicating about the place. Be that in terms of investing time to engage and communicate with Members about individual projects; or leading on the discussion with Government around investment; or promoting the strengths and opportunities that exist within a particular place; or communicating place-based visions to communities and businesses. County authorities have also led on communicating with and learning from other county authorities.

Capacity

County authorities have also provided additional capacity around delivery. For some this is around providing resources (people and time) to support the development and delivery of key projects and programmes. For others it is drawing on the personal and political networks of key members to support engagement with Central Government or to build relationships and consensus across different stakeholders.

Seed funder

As noted above under facilitation county authorities have often used their limited financial resources to enable strategic leaderships by using capital programmes to fund projects, release wider opportunities or unlock latent potential. While relatively small sums of money are involved, the catalytic nature of this investment is much greater as it either helps realise other sums of investment, or it provides confidence to the market or it aids commercial viability for key projects.

Vision-setter

A clear and unified place-based strategy is increasingly seen as important to driving place-based growth. County authorities are frequently taking the lead role across multiple partners in establishing this vision/clarity of purpose. These visions are place as opposed to organisation focused and are taking a longer-term view that seeks to look beyond the short-term financial pressures. It is a process that requires clear place-based leadership alongside boldness and creativity. Where a local authority is able to establish a longer-term vision it provides an invaluable framework against which strategic priorities can be set and investment decisions made. The vision provides a roadmap for the place bringing partners and budgets together.

More recently, county authorities have been taking the lead in developing and implementing recovery plans, which while not a traditional vision for a place, do provide the necessary focus and direction to the activities they need to support recovery. Below, we provide a number of example actions that individual county authorities have taken in relation to planning and delivering place-based recovery. These case studies are not a comprehensive overview of everything that is happening within an individual locality, rather they provide a 'pen-picture' of different places, priorities and actions. The case studies deliberately focus in on different actions. Some of the case studies look at a specific recovery plan framework (e.g. Kent's 5 channelled medium-term recovery plan); others look at governance mechanisms to facilitate recovery (e.g. the establishment of a locally led development corporation in Hertfordshire); and others look at place specific remedial action.

Kent

Five channelled Recovery Plan

Kent County Council have led work on economic recovery through the Kent & Medway Economic Partnership setting out five 'channels' of activity that they see as forming the basis of a medium-term recovery plan. Two of the channels are over-arching, relating to communications and coordination and the need to demonstrate that the county is 'open for business', with the other three relating to support for businesses, the labour market and future investment.

Already, with support from KCC and district partners, the Kent & Medway Growth Hub Covid-19 Helpline has taken over 8,000 calls and over 1,800 webchat contacts, and has delivered over 3,000 telephone advice sessions – with intelligence from the programme informing the county's understanding of the crisis. This service has now been extended to provide a free business recovery support programme to local businesses as they emerge from lockdown.

As shown in chapter two of this report, areas of Kent already suffer from high levels of unemployment, and at the district level this can vary significantly. Working with central Government and with partners across Kent and Medway to address the pressing challenge of rising unemployment that is anticipated as lockdown eases and furlough support ends, an Employment Task Force is to be established as a time-limited, action-focused body to coordinate a Kent and Medway-wide response and take an active role in the labour market. To support the work of the Task Force, KCC is to refresh Kent and Medway's Workforce Skills Evidence Base to provide an up-to-date source of information on likely sources of employer demand.

The future investment channel, is seen a vital in the future economic strategy that succeeds the Recovery Plan, especially where it will deliver local business and employment opportunities and contribute to the delivery of a lower carbon, more sustainable economy. In the scenario where the Government seeks to accelerate local infrastructure spending, Kent is taking steps to ensure there is a 'ready-made' project pipeline to ensure it is able to deliver at pace. Linked with this, Kent wants to be on the 'front foot' in taking advantage of new propositions where they have the potential to support their recovery strategy e.g. the Government's proposals for freeports. Looking to the longer term, Kent is already building the case for the delivery of advance infrastructure through the proposed Kent and Medway Infrastructure Deal.

Hertfordshire

"Growth" corporation to respond and rebound from COVID-19

Hertfordshire County Council is proposing to Government that it will bring forward it's growth programmes through an innovative new model of locally led development or "Growth" Corporation. Hertfordshire propose that its Growth Corporation will have a Board – (currently the Hertfordshire Growth Board) to act as the overall accountable and decision making body, and a dedicated Delivery function, this proposed model builds on the recent MHCLG Development Corporation consultation and brings together private and public sector partners to work with local communities to:

- use new development corporation powers and mechanisms to deliver development on a county wide geography;
- scale up delivery of economic, housing, social, infrastructure and environment projects on a strategic corridor and garden city scale; and
- build on Hertfordshire's unique characteristics and track record of garden cities and new town growth and deliver the regenerated town centres, renewed facilities, critical infrastructure and transformational housing needed.

It will act as a pathfinder to demonstrate how development corporation principles and powers can be designed to support and drive accelerated growth, reflecting the knitting together of industrial strategy, strategic spatial planning and statutory local plans, across a two tier, polycentric county area.

Furthermore, it will provide the mechanisms to fast track a scaled response and rebound from the impact of COVID-19. In particular, this includes a focus on flexible commercial and office workspace to manage the numbers of commuters to London, strengthening the county's digital infrastructure, and rapid deployment of plans to decarbonise transport.

Northumberland

Regional partnering to coordinate recovery

Northumberland Council has recently published their initial priorities for Covid recovery planning which outlines how they will support residents, businesses, and communities to recover from the COVID-19 crisis in the coming week and months. This will build upon their ambitious pipeline of actions and initiatives designed to drive economic growth across Northumberland, which were established prior to the crisis. Despite the lockdown the Council has been moving ahead with schemes and programmes of activity to ensure that they are ready to go when the restrictions are lifted. Plans include:

- Delivering on the Councils capital plans by creating new council houses, schools and amenities as well as putting infrastructure in place to support economic growth.
- Promoting Northumberland's tourism thought a package of exciting measures, including the digitalisation of the planned 'Discover our Land' programme'.
- Delivering on the Borderlands Deal to secure further funding and support for rural business growth.
- Securing funding on the Energy Site in Blyth to secure and create up to 10,000 jobs.
- Progressing the Northumberland Line through seeking Government commitment to both phases of development.
- Progressing town centre regeneration via securing funding and developing regeneration plans.
- Using regulatory powers to support and encourage small business to recover or get established.
- Continuing the work of the Business Hub which has been a valuable source of advice and support during the lockdown.

The Council will play a leading role in the recovery but also recognises the importance of working in partnership with local and regional bodies, including the North of Tyne Combined Authority and LEP, to coordinate, implement and adapt their plans to changing circumstances. Regional level work will focus on innovation, monitoring of behavioural changes and crucially, a strategic evidence base to drive planning and investment decisions.

Staffordshire

Responding, recovering, renewing and transforming

Staffordshire's response to the crisis and overall vision for recovery is being guided by the principles of 'Respond, Recover, Renew and Transform'. Across these themes there are crosscutting issues that they want to address including the:

- need to meet carbon-neutral targets
- supporting inclusive growth to ensure all residents benefit from the development of the local economy including within urban and rural areas
- communicating and engaging effectively with businesses and residents, thereby creating a strong Staffordshire identity.

One area of focus for the Council is ensuring that residents within Staffordshire have the skills to meet the needs to existing and future businesses. They are looking to achieve this through a number of sub-priorities such as:

- Develop an effective local careers advice service that supports people in making good career choices throughout their lives, not only in terms of meeting the needs of existing and future employers but also encouraging people to start their own business and develop the leadership, management and other skills necessary to ensure local businesses have the greatest opportunities to innovate and grow.
- Develop further vocational education and training provision within Staffordshire to support our key sectors that require more technical skills. This will include maximising the benefits of the apprenticeship levy by encouraging a greater number of higher-level apprenticeship opportunities within the county, enabling larger employers to take greater ownership of their future skills requirements.
- Work with local and surrounding skills providers to develop the skills amongst our population that will meet the needs of the clean, high-value and transformational businesses we are aiming to develop and attract.

Recommendations

The economic and social impacts of COVID-19 have been both profound and far-reaching. Indeed their true scale is not yet fully known, however the economic analysis included in this report does demonstrate the potential scale of the challenge for county authorities. Nationally, since the start of the pandemic, Government has deployed a range of significant actions and interventions to manage the response to the pandemic and in recent weeks, help to stimulate the recovery.

However, focus must now turn to how local areas can help drive a place-based recovery. Ministers have set out on several occasions that they will look to local authorities, combined authorities and Elected Mayors to help ensure a truly placed-based response to the recovery, while maintaining an unrelenting focus on 'levelling up'. The now renamed Devolution and Local Recovery Whitepaper is expected to be the key conduit to drive forward this agenda, alongside wider reforms to the planning system. County authorities must be at the forefront of these plans.

This report has highlighted the place-based leadership role that county authorities have played and are playing as they seek to navigate and direct their places back to a growth trajectory. This report has also underlined a number of the challenges facing county authorities, challenges that are different – in both scale and nature – to other parts of the country. Challenges that need to be addressed if recovery and further growth is to be supported.

The following recommendations are an evolution of the recommendations identified in our previous report. They take as their foundation the effective work that has already taken place within county authority areas along with the actions and interventions already made by Central Government. They have as their objective a desire to support an economic and social recovery as well as enabling a programme of longer-term place-base growth that truly addresses spatial imbalances and inequalities. And, they have as their mode a need to act at pace; to work with Central Government in designing the solutions; and ensure that talent and expertise – which is often spread across multiple organisations – is brought together at the 'place level' to create the capacity, resources and skills needed to deliver a step change in growth.

In considering these recommendations there is the ongoing need to address the longer-term financial settlement with local government. Given the additional cost and demand pressures facing many local authorities – a number of which have been exacerbated by COVID-19 – a lack of longer-term clarity will limit confidence to invest in growth.

1 There is a requirement for prompt, targeted investment decisions by central and local government that focus on addressing place-based vulnerabilities and in doing so help to 'narrow the gap' between traditional core growth areas and those more on the periphery and in doing so support 'levelling up' local economies. COVID-19 has exacerbated longstanding place-based inequalities particularly at a local level – this report highlights some of the real economic, social and health vulnerabilities that exist within county authority areas. This is particularly true for peripheral economies spanning coastal, rural and former industrial areas which sit at the heart of the levelling up agenda.

2 Funding processes need to be streamlined, simplified and devolved. New funding should be focused on both immediate recovery actions as well as building capacity to deliver strategic growth priorities. Rationalising existing fragmented funding streams will enable this to happen more efficiently. Growth Boards, supported by the county authority, could act as the mechanism for joint local governance and accountability, ensuring that funding is streamlined to local delivery. Alongside this, any future funding intervention needs to be made on the basis of programmes rather than projects. It needs to minimise fragmentation, ensure alignment with other funding pots and give local government more responsibility at the local level to decide how the funding is allocated. This approach will not only ensure that more resource is spent on frontline delivery (as opposed to management and administration) but it will enable a focus on reducing inequality both between different places and within local economies.

3 An effective, green, long-term recovery at a local level requires devolution of powers to local authorities. The Devolution and Local Recovery White Paper, expected to be published in the Autumn, should include devolving significant budgets and powers to councils so that they can ensure that recovery actions are attuned to specific local needs and challenges and that opportunities for growth are invested in. New powers and budgets will facilitate quicker and more effective delivery. It is also important that any re-organisations does not distract from delivery.

4 In considering greater unitarisation of authorities, thought needs to be given to both the scale and nature of these authorities in order to drive growth. If the new authorities do not have the right scale in relation to economic geography it will be challenging for these authorities to act strategically, it will limit capacity and capability to drive place-based growth. The challenge will be to ensure that any new administrative boundaries do not concentrate economic challenges or opportunities, nor introduce additional complexity or disaggregation that will negatively impact local capacity to simultaneously deliver structural reform and support the immediate economic recovery at pace. Without careful consideration and analysis of this issue, place-based inequalities could actually increase and the recovery be slowed. Therefore, reorganisation to the right economic scale is essential.

5 Skills provision and growth need to be aligned. At the heart of this sits a need to ensure that the current and future workforce have the skills required to deliver future growth. This needs to be reanalysed in light of COVID-19 and the different trends and behaviours that have emerged. In part this will relate to accelerating digital and technology skills but it covers a much broader range of growth needs (and skill levels) from climate change to housing provision to the delivery of core infrastructure. But it will also be about retraining those falling out of the labour market. The geographic scale of county authorities provides an opportunity to think strategically about the commissioning of skills for places. For this to succeed some skills funding would need to be devolved to this spatial scale as well as to employers.

6 Growth Boards should be established in every county authority area to lead on local, green place-based recovery and to ensure that there is capacity to deliver locally. These boards should be politically-led with a statutory duty placed on county authorities to convene and coordinate key stakeholders (which could include neighbouring authorities and other existing boards to streamline delivery). The Growth Boards should be governed by a national framework which would cover the agreed 'building blocks' for recovery and growth – powers, governance, funding and capacity. Growth Boards should form an alliance with local development corporations and 'powerhouse' groupings, where they exist, to enable delivery on the ground.

7 Growth Boards should be insight and data led. Learning from the Local Industrial Strategy evidence bases, Growth Boards should develop a clear, consistent and common evidence base that identifies strengths, opportunities and challenges for the place and develop data driven approaches to identifying priorities, solutions and appraisal of investment. In doing so, Growth Boards have the potential to play a key role in the 'levelling up' agenda.

8 Work with the existing Growth Delivery Teams in Government to create a single point of contact for each region and the areas within it, thereby removing the need for different conversations and creating a streamlined approach to making decisions. This in turn would increase the speed at which decisions are made and actions are taken. It would also make it easier for national bodies to consider how their recommendations and priorities impact at the local level.

9 Planning responsibilities should be reviewed with responsibility for strategic spatial planning given to the appropriate scale of authority in the devolution context. The focus of this review should be on the dual priorities of simplifying the planning process and accelerating delivery. Government should consider how county authorities, along with neighbouring unitary authorities within the county boundary, could take a more material role in the strategic and spatial planning process. Any review should include changes to CIL and S106, including extending the Strategic Infrastructure Tariff to county areas, to ensure that strategic decisions are being made that can drive recovery and growth, remove the risk adversity that exists within the system and enable decisions to be taken across a wider geography. This will enable a more coordinated approach in delivering the infrastructure required (education, digital and physical connectivity) to both support the recovery and lay the foundations for longer-term sustainable growth. It is also a change that would give additional powers that will help areas to leverage extra funds, convene and align strategically and ultimately deliver new infrastructure and homes at pace. It is a pace of delivery that will drive further savings as places see the dividend of growth sooner.

10 Greater consideration should be given to the additional infrastructure requirements in non-metropolitan areas. This is particularly the case given the economic and social vulnerabilities facing county authority as a result of COVID-19. National infrastructure assessments could consider how better investment in infrastructure outside metropolitan areas could link to wider recovery and growth-related matters that would help to address some of these vulnerabilities and help 'level up' the economy across the country. Importantly, there is a need to address the gaps in funding identified by the county infrastructure plans. Greater consideration should also be given to the role of planning obligations, planning gain and locally led delivery vehicles such as development corporations or similar. In particular, and in order to address the emerging growth opportunities from COVID-19, this should focus on the infrastructure needed for a digital and low-carbon economy as well as improving transport connectivity.

Appendix 1
District level data

County/District	Employment in 'at risk' sectors (%)	Estimated decline in GVA (%)
Cambridgeshire	49.6	15.6
Fenland	53.9	15.2
East Cambridgeshire	53.3	15.7
Huntingdonshire	52.5	14.6
Cambridge	50.1	16.1
South Cambridgeshire	44.1	15.9
Cumbria	61.9	14.9
South Lakeland	67.6	15.3
Barrow-in-Furness	66.5	14.7
Allerdale	65.5	15.2
Copeland	63.3	14.8
Eden	62.3	15.4
Carlisle	54.1	14.2
Derbyshire	60.3	15.8
Erewash	64.6	16.5
North East Derbyshire	64.1	14.6
Amber Valley	63.6	16.5
Derbyshire Dales	63.1	14.9
South Derbyshire	61.5	16.8
High Peak	61.2	15.8
Bolsover	56.7	16.6
Chesterfield	50.6	14.0
Devon	56.4	14.5
Mid Devon	64.2	15.6
Torridge	63.3	15.4
Teignbridge	62.8	15.7
West Devon	61.8	15.6
South Hams	60.0	14.8
North Devon	59.7	14.8
East Devon	59.3	13.6
Exeter	42.8	13.6
East Sussex	54.1	14.7
Wealden	58.4	15.8
Eastbourne	53.9	14.5
Rother	53.8	14.9
Hastings	52.2	13.7
Lewes	49.5	14.1
Essex	51.4	14.6

County/District	Employment in 'at risk' sectors (%)	Estimated decline in GVA (%)
Maldon	61.1	15.8
Castle Point	60.1	15.7
Braintree	57.5	13.1
Rochford	56.3	14.9
Tendring	55.8	14.5
Colchester	52.6	14.4
Epping Forest	49.6	15.7
Basildon	49.5	14.5
Chelmsford	48.9	14.3
Harlow	47.0	13.2
Brentwood	45.5	15.8
Uttlesford	43.0	15.5
Gloucestershire	54.1	14.5
Stroud	62.9	16.3
Forest of Dean	57.4	16.1
Cotswold	56.5	12.5
Tewkesbury	56.1	15.2
Cheltenham	52.6	15.1
Gloucester	44.4	13.2
Hampshire	51.8	15.2
New Forest	59.3	16.0
Havant	59.1	16.0
Gosport	57.5	15.3
East Hampshire	55.3	15.1
Test Valley	53.4	15.3
Basingstoke and Deane	52.6	13.9
Hart	51.3	16.6
Eastleigh	51.3	14.9
Fareham	50.2	15.7
Winchester	44.9	14.4
Rushmoor	41.6	15.5
Hertfordshire	45.4	15.6
Broxbourne	59.9	16.4
North Hertfordshire	57.5	16.0
Hertsmere	53.5	15.8
Three Rivers	48.7	15.2
Dacorum	48.7	16.0
Stevenage	48.5	14.6
Welwyn Hatfield	44.8	15.3
St Albans	44.3	16.1
East Hertfordshire	44.1	16.2
Watford	26.8	14.4
Kent	52.7	14.9

County/District	Employment in 'at risk' sectors (%)	Estimated decline in GVA (%)
Canterbury	60.4	17.0
Thanet	59.9	15.1
Swale	55.4	15.5
Ashford	55.0	14.7
Dartford	52.9	15.7
Sevenoaks	52.1	14.4
Gravesham	51.8	15.8
Dover	51.1	14.4
Tonbridge and Malling	50.4	14.8
Tunbridge Wells	48.9	13.0
Folkestone and Hythe	48.0	14.5
Maidstone	45.9	14.6
Lancashire	58.6	15.4
Ribble Valley	71.0	16.0
Pendle	69.3	16.9
Hyndburn	67.7	16.3
Wyre	67.0	15.7
Rossendale	66.0	16.7
South Ribble	63.1	16.9
Fylde	60.3	14.1
Burnley	60.0	15.5
West Lancashire	59.2	15.3
Chorley	54.1	15.2
Lancaster	53.6	14.8
Preston	43.9	13.9
Leicestershire	53.5	15.3
Oadby and Wigston	64.6	16.0
Melton	64.0	16.1
Charnwood	63.9	16.8
Hinckley and Bosworth	56.8	16.3
Harborough	48.7	14.4
North West Leicestershire	48.3	16.4
Blaby	39.8	12.2
Lincolnshire	56.2	14.5
East Lindsey	65.1	15.2
West Lindsey	59.8	14.9
South Kesteven	58.6	14.7
North Kesteven	57.7	15.2
South Holland	57.2	14.5
Lincoln	50.8	13.5
Boston	45.5	13.0
Norfolk	52.6	14.3
North Norfolk	61.8	15.0

County/District	Employment in 'at risk' sectors (%)	Estimated decline in GVA (%)
Breckland	58.1	15.4
Great Yarmouth	57.5	14.8
King's Lynn and West Norfolk	54.4	14.7
Norwich	51.4	16.0
Broadland	48.4	12.0
South Norfolk	44.5	12.3
North Yorkshire	55.4	14.7
Ryedale	65.6	16.2
Scarborough	61.4	13.9
Richmondshire	59.5	15.1
Hambleton	55.1	14.2
Craven	52.7	16.4
Selby	51.4	14.3
Harrogate	50.3	14.5
Northamptonshire	51.5	14.9
Corby	63.0	16.8
East Northamptonshire	58.9	15.9
Wellingborough	58.3	16.3
Daventry	52.1	16.2
South Northamptonshire	51.0	16.6
Kettering	49.4	13.9
Northampton	45.6	13.4
Nottinghamshire	57.3	15.2
Gedling	60.5	15.7
Broxtowe	60.0	16.0
Newark and Sherwood	59.4	15.8
Ashfield	58.1	14.8
Bassetlaw	56.7	14.0
Mansfield	55.4	15.3
Rushcliffe	52.2	15.0
Oxfordshire	53.7	16.0
West Oxfordshire	59.6	16.1
Cherwell	56.8	14.9
Oxford	56.3	17.1
South Oxfordshire	51.3	15.9
Vale of White Horse	44.3	15.5
Somerset	56.4	14.6
Mendip	61.3	15.5
South Somerset	60.1	14.8
Sedgemoor	58.0	15.9
Somerset West and Taunton	49.7	13.0
Staffordshire	57.3	15.6
Staffordshire Moorlands	68.1	15.7
Tamworth	63.3	17.0

County/District	Employment in 'at risk' sectors (%)	Estimated decline in GVA (%)
Cannock Chase	61.0	16.8
Newcastle-under-Lyme	58.4	16.1
South Staffordshire	57.6	16.0
East Staffordshire	53.7	15.7
Lichfield	53.3	15.0
Stafford	50.6	13.6
Suffolk	51.2	14.5
Babergh	64.1	16.3
Mid Suffolk	58.4	16.1
East Suffolk	54.9	15.3
West Suffolk	48.7	14.2
Ipswich	41.6	12.3
Surrey	47.8	14.3
Elmbridge	53.1	14.0
Waverley	52.4	15.0
Tandridge	52.3	16.3
Woking	52.2	16.8
Guildford	49.6	15.4
Spelthorne	47.9	15.3
Runnymede	47.5	15.1
Epsom and Ewell	46.3	14.6
Surrey Heath	44.3	13.5
Mole Valley	41.7	13.6
Reigate and Banstead	38.5	11.0
Warwickshire	52.0	15.2
Stratford-on-Avon	60.1	16.2
North Warwickshire	57.2	16.3
Rugby	51.4	16.8
Nuneaton and Bedworth	50.3	14.3
Warwick	45.4	13.4
West Sussex	49.8	14.7
Adur	60.9	15.5
Arun	57.2	15.0
Horsham	56.5	15.3
Mid Sussex	54.0	14.5
Chichester	52.7	14.7
Worthing	40.3	12.5
Crawley	38.2	15.4
Worcestershire	54.7	14.2
Wyre Forest	65.2	16.1
Redditch	61.4	15.8
Malvern Hills	61.2	15.1
Wychavon	59.3	15.2
Worcester	47.6	13.5
Bromsgrove	42.8	11.4

About us

Grant Thornton UK LLP

Grant Thornton UK LLP has a well established market in the public sector and has been working with local authorities for over 30 years. We are a leading provider of advisory, consulting and audit services, counting over 40% of English upper-tier local authorities as clients.

Our approach draws on a deep knowledge of local government, combined with an understanding of wider public sector issues. We have significant insight, data and analytics capabilities which supports our advisory and consulting work with local government. Our team comprises consultants, analysts, researchers and developers with a range of backgrounds which includes operational roles in the sector. Much of our work is underpinned by our national insight, data and analytics, which help to shape location and customer strategies.

We are backed by a wider firm that offers 3,500 specialists across a wide range of business advisory services working from 27 UK offices.

We have a deeply collaborative approach, and we work effectively across systems and with organisations from the public, private and third sectors. Our people, have a strong public service ethos, who are proud to be part of our client's improvement journeys including through the implementation stage.

If you have any questions about this report or would like to find out more about our approach to working with local government please contact:

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CCN

Founded in 1997, the County Councils Network is the voice of England's counties. A cross-party organisation, CCN develops policy, commissions research, and presents evidence-based solutions nationally on behalf of the largest grouping of local authorities in England.

In total, the 25 county councils and 11 unitary councils that make up the CCN represent 26 million residents, account for 39% of England's GVA, and deliver high-quality services that matter the most to local communities.

The network is a cross party organisation, expressing the views of member councils to the government and within the Local Government Association.

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