

Recover, Reposition, Renew: Economic Growth Strategy Recovery

Short Term - Recover

1. Support Newport Businesses

- Maximise take up of existing and emerging schemes,
- Ensure business support is sufficiently agile to respond to those who need it most need it but remains aligned to local, regional and national priorities for growth and recovery
- Focus on start-ups, particularly those in identified growth sectors and the foundational economy

2. Leading the City through Recovery

- The local authority must continue to show leadership to all communities including businesses, and ensure that interventions are timely, appropriate and efficient.
- Ensure critical opportunities to rebuild the economy are not missed and resources are not duplicated and wasted given the scale and unprecedented nature of this challenge

Medium Term - Reposition

3. Securing Inward Investment

- The only current certainty is that the world has changed fundamentally, and Newport will need strengthen and flex its core offer to ensure it is well-positioned for a new world.
- Opportunities around promoting the city as a Covid-secure place to visit, with a very competitive quality of life offering must be fully exploited.
- The city must maximise and exploit opportunities for public investment through the Welsh Government regional development framework and Transforming Towns programme, alongside any UK Government-led investment opportunities.

4. Preparing for Infrastructure Development

- Being ready for a world where new concepts such as social distancing align with the acceleration of digital networks. Recognising the move away from traditional work base and commuting requirements of the workforce and improving the ability to accommodate and accelerate remote working as part of investment packages.

5. Skills and Learning

- Growing the FE and HE sectors in the city is a key strategic objective but the challenges for this sector are currently intense. Prioritise the delivery of new and improved educational and learning facilities and support both universities and Coleg Gwent to align their offer to the 'new normal'.

Long Term - Renew

6. Economic Resilience

- **Unique opportunity – the indiscriminate and sudden impact of Covid-19 brings the realness of other challenges into focus, including climate change, balancing growth with resilience, changing demographics and inequities of both health and wealth. Whilst co-ordinating the immediate recovery of the local economy, and seeking to reposition Newport for the new world, the opportunity to reflect on the relationship between the economy, the environment and society must not be lost. A better balance between these three domains will equal greater long-term resilience for the local economy and the future well-being of citizens of the city.**

Introduction

Circumstance and events have changed dramatically since the arrival of Covid-19. The lives of citizens, and the economic outlook of businesses and employees has become significantly more uncertain. The Prime Minister's announcement of lockdown on 23rd of March effectively shut down large swathes of the economy and necessitated unprecedented intervention from the UK and Welsh governments to mitigate the worst of the economic damage a prolonged lockdown would bring. This Covid-19: Economic Impact and Recovery Paper will look to inform further on the effect of the pandemic, and how a recovery strategy can complement Newport's existing Economic Growth Strategy.

The Economic Picture before lockdown

At the current time, the UK is still in the early stages of its response to the pandemic. Over time, key economic indicators will be published so we will be better able to understand the wider impact across society and the economy as well as the local picture.

Heading into the pandemic, Indicative data over the Jan-Mar 2020 period showed the Welsh employment rate was 73.4% and 1.1% points down on the year¹. Conversely the national unemployment rate was at 3.2% and 1.3% down on the year.

Lockdown Period: March-May

The effect of lockdown on the wider economy has been modelled by the Office for Budget Responsibility. The scenario of a 3 month lockdown has seen the UK economy forecasted to shrink by -12.8% in 2020 with an unemployment rate of 7.3%.

To counteract economic contraction and mass unemployment brought about by the lockdown policy the UK government introduced an unprecedented number of economic support packages to UK business.

Official statistics (Table 1) make clear there has been significant uptake of Government support with only 15.3% of businesses still trading not having accessed any of the available schemes.

The most significant has been the Coronavirus Job Retention Scheme with 75.9% uptake by businesses accessing the scheme to some degree. The very high use of the scheme reflects reduced demand across most of the economy for workers while economic activity was halted. This policy has made it possible for business operations to be paused or downscaled

¹ Source: Welsh Government Analysis of Labour Force Survey <https://gov.wales/key-economic-statistics-may-2020>

without mass redundancies, retaining much of the workforce in place in readiness for recovery.

Table 1: Source: Office for National Statistics – Business Impacts of Coronavirus Survey (Coronavirus and the latest indicators for the UK economy and society: 14 May 2020)

Government Support	All businesses not permanently ceasing to trade
Business has not applied for any support	15.3%
Devolved governments business grants or loan schemes	2.9%
Accredited Finance agreements	11.6%
HMRC Time to Pay scheme	22%
Deferring VAT payments	59.2%
Business Rates holiday	29.1%
Coronavirus Job Retention scheme	75.9%

Additional financial packages are intended to assist with cash flow for businesses to adapt during a period of reduced demand in many sectors however there is an urgent need to navigate a way out of lockdown to prevent further long term economic and societal pressures. Chart 1 below illustrates the effect on businesses that have continued to trade throughout lockdown in each nation with over 60% of businesses having turnover decreased and over a quarter of businesses suffering a turnover loss of more than 50%.

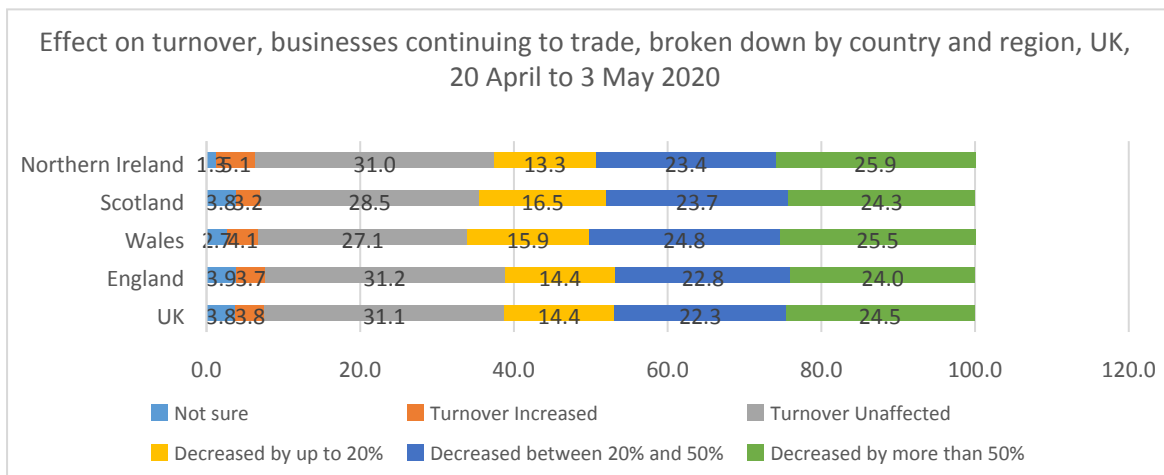


Chart 1: Source Office for National Statistics – Coronavirus and the economic impacts on the UK

Conversely for businesses still trading, the workforce has largely (71.4%²) continued to work as normal although average hours have dropped for many workers. Recent figures show 21.8% of businesses workforce have been placed on furlough however this fluctuates significantly between industries; ranging from 96%³ of accommodation and food service businesses applying to the scheme but only 45% of Human Health and Social Care organisations. Therefore, for a rapid resumption of economic activity, it will be necessary to

²Source: Office for National Statistics – Coronavirus and the economic impacts on the UK Effect on workforce, businesses continuing to trade, UK, 20 April to 3 May 2020

³ Government schemes being applied for, surveyed businesses who have not permanently stopped trading, broken down by industry, UK, 20 April to 3 May 2020

explore options for raising the number of workers able to return to work in a secure environment in a way that responds to the bespoke needs of individual sectors.

The Regional Picture – How is Newport doing?

The 2019 Business Count for Wales shows a total of 106,015⁴ active enterprises. Data published to May 2020 shows the national take up of Business Rates relief to be 50,700 (Table 2) or 47.8% of Welsh businesses.

Table 2 <https://gov.wales/summary-data-about-coronavirus-covid-19-and-response-it-18-may-2020>

Welsh Government Support	Number Awarded/Applied	Amount
Business Rates Relief	50,700	£622,000,000
Development Bank of Wales Loans	1,351	£87,200,000
Economic Resilience Fund - Micro Businesses	6893	£67,000,000
Economic Resilience Fund - SME's	2,578	£143,000,000

Business rates relief was a key element of the immediate response to the economic crisis. Newport City Council has received praise for the swiftness and efficiency with which it has rolled out this support, with a total rates relief awarded in Newport to date has been over £17m. In addition to the suspension of business rates, the Council has awarded grant support totalling a further £26m to more than 2,000 Newport businesses.

The majority of Newport's businesses fall into the 'micro' category (4,460). Before the pandemic, there was a significant focus on these being a growth driver for the local economy due to the city's excellent start-up rates; with a particular focus on responding to demand for flexible working space capable of accommodating new digital companies.

Across Wales, ERF funding to micro-businesses has been the most widely applied for, which reflects both its flexibility but also the fact that many businesses in this bracket did not qualify for support via local authority rates teams. The application process is now paused but Business Wales estimate around 220 Newport micro-businesses were successful in accessing the funding.

Data for Wales 21,130 SME's shows around 12% of this size bracket also accessed this funding, however only around 6% of Newport's 1135 SME's accessing this funding before the application process was paused. Whilst this suggests take-up was lower for Newport businesses, the speed and efficiency at which rates relief and grants were rolled out would have meant many were ineligible for this funding. In addition, a criticism of the ERF scheme is that it has not been open to businesses that are not VAT registered, leaving many of Newport's large number of start-ups and micro-businesses unable to access the funding. However, in recognition of the need to assist a greater range of businesses, Welsh Government have launched Phase 2 of the Economic Resilience Fund. Applications for this funding closes at the end of June.

⁴ Inter Departmental Business Register (ONS)

<https://www.nomisweb.co.uk/reports/lmp/la/1946157404/report.aspx?town=newport>

Signs of Recovery

Survey of public views on Covid-19 19 th March-18 th May 2020		19 th -21 st March	15 th -18 th May
Threat posed to your job or business	Very high or high	54%	48%
Coronavirus will have financial impact on self and family	Strongly or somewhat agree	75%	63%
Concerned will be able to pay bills one month from now	Extremely or very concerned	-	21%
Welsh Government doing good job to contain spread of virus	Very good or good job	-	73%
NHS doing good job to contain spread of virus	Very good or good job	76%	81%

Tentatively, the public has become more confident about job security as the national response to the pandemic has progressed. Surveys of adults aged 16-74 between March 19th and 18th May have shown a 6%⁵ reduction in those who fear they may lose their job or business, and a 12% reduction in the number of people who feel Coronavirus will have a financial impact on themselves or their family.

The public are also slightly more confident in measures taken to contain the spread of Covid-19, with 81% of respondents now feeling the NHS is doing a good job to contain the virus; an improvement of only 5% over the 9-week period.

A change in attitudes and the production of the Welsh Government recovery plan 'Unlocking Our Society,' will enable a gradual resumption of national economic activity across many sectors within Wales. What is clear is that not all sectors will be able to move at the same pace, with hospitality and leisure predicted to be among the last sectors to reopen. We are still uncertain how shifts in working practices will impact on major developments and the potential change to global supply chains as businesses and countries seek to limit their exposure to future shocks.

It is within this context that an economic recovery strategy for Newport will need to identify what areas of the economy will require support, where new opportunities may be found as a result of the disruption of the pandemic, and the need to shape the 'new normal'.

Emerging Trends – Business contraction & growth

Forecasting future outlooks for sectors will be difficult at this time with many economists viewing the nature of the exit from lockdown as being key to minimising the damage that has already been done to the economy and jobs market. Nationally, 44%⁶ of active businesses have reported their cash reserves will not last 6 months while a quarter of businesses have reported turnover has dropped by 50%.

Hopes for a 'V Shaped' recession are now receding with the Chancellor Rishi Sunak warning of 'a recession like no other'. Therefore to effectively combat the worst economic effects of this recession we should learn the lessons of the past one. Adapting to the 'new normal' will require innovation, education & training and investment in digital infrastructure. Re-

⁵ <https://gov.wales/survey-public-views-coronavirus-covid-19-8-11-may-2020>

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<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19roundup/2020-03-26#businessimpact>

evaluating who society considers key workers has been enforced by the reality of life with Coronavirus. Currently, only 33.7%⁷ of Newport employees meet this classification.

Foundational Economy

As is the case across Wales, the foundational economy as a 'sector' accounts for the majority of the jobs available in Newport. A total of 42,300 roles are within the definition of the foundational which represents more than one in every two jobs. This sector provides the services necessary for people to enjoy a basic quality of life, including food, energy, housing and care. The Coronavirus pandemic has both redefined the way we think about the role these jobs play in the delivery of society's essential services, and showcased their inherent resilience in adapting to current trading challenges.

Foundation Economy – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Electricity, gas, steam and air conditioning supply	500	0.6%
Water supply; sewerage, waste management and remediation activities	800	1%
Construction	4500	5.5%
Wholesale and retail trade; repair of motor vehicles and motorcycles	11000	13.4%
Public administration and defence; compulsory social security	6000	7.3%
Education	4500	5.5%
Human health and social work activities	13000	15.9%
Other service activities	2000	2.4%

Wholesale retail, construction and education will have experienced the most disruption. The outlook for high street retail is uncertain. During lockdown store overheads have been a significant cost to retailers and only those who have continued to trade online have secured any sales.

If traditional retail is to survive, support for local retailers, and new ways of operating safely are required. We should look to learn from European countries who are exiting lockdown and permitting the opening of their retail businesses safely and quickly. The new normal will affect property requirements, with greater click and collect facilities and less display space likely feature in the future.

Some essential construction sites have remained operational throughout the Coronavirus pandemic and many more are now beginning to reopen with both the UK and Welsh Governments providing support and guidance on working with social distancing in place. The UK Government has shown eagerness to get the construction industry working again in face of significant contraction to support the property sector's recovery.

Education

Education has changed dramatically with social distancing requirements; with increased digitalisation contrasted with profound disruption to normal curriculums. Nevertheless, the education sector will be one of the pacesetters of lockdown-easing, and among those able to return to something close to its previous operation.

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<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19roundup/2020-03-26#businessimpact>

In respect of the higher education subsector, there are concerns that HE students will be the last to resume studies with some university students expected not to return in 2020-21 and other lectures confined to digital platforms. The financial outlook for UK universities is poor as a result with the loss of income from international student fees and many more UK students considering deferring their place.

Newport's USW campus houses business and computer science courses and it is unknown how these will respond to the change in teaching practices but with the growth of online trading and learning, this should strengthen the position of the growing South Wales Cyber Cluster.

Manufacturing & Logistics

By their nature, these industries are unable to continue to work remotely and as a result many businesses within the manufacturing sector will have furloughed employees to cope with reduced demand. Some national businesses within the sector are already making employees redundant as a result with potentially more to come following a future winding down of the government furlough scheme. Others have been able to rapidly reposition themselves in order to respond to the current demand for materials such as hospital beds, PPE and sanitiser.

Manufacturing & Logistical – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Mining and quarrying	50	0.1
Manufacturing	8000	9.8
Transportation and storage	6000	7.3

Logistics have rapidly adapted in response to the pandemic however with reduced overall demand in the economy and lower consumer confidence this industry may also experience contraction in line with manufacturing and wholesale retail industries.

Professional Services

Professional and Financial services are one of the UK's largest sectors and account for significant amount of Welsh national GVA totalling £13,231m; around 29%⁸ of Wales economic output. Significantly, professional services will be those most able to work from home during the lockdown period and least effected by demand side effects that could cause a more significant downturn across the wider economy.

Profession Services – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Financial and insurance activities	4000	4.9
Real estate activities	1250	1.5
Administrative and support service activities	8000	7.3

⁸ <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/latestgva-by-area-industry>

Newport has a number of SME's within this sector with further opportunities for FinTech products to be rolled out further. The ability of these businesses to operate remotely and the pace of adaptation towards home working may reduce demand for office space but conversely, presents an opportunity for Newport with its competitive house prices and quality of life offer to promote itself in the rise in home-working.

Innovation

Innovative industries linked to higher education and skilled graduates are vital to adapting to social distancing and wider economic recovery; though this will be via the medium of technological advancement rather than the mass creation of new jobs. Up to the lockdown period Newport was benefitting from a successful cyber and semiconductor hubs with growth in the cyber cluster and expansion of digital start-ups generating demand for office development.

Innovation – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Information and communication	2250	2.7
Professional, scientific and technical activities	5000	6.1

Digital businesses by their nature have a high turnover therefore the effect of market disruption to these businesses may not be as profound as is experienced in other sectors. Most do not require a commercial unit to operate from and this trend may again continue with greater numbers of people working from home in the future.

The semiconductor cluster represents an innovative high-tech industry with potential for further growth, as their products are found in many of the electrical devices we use.

Increased investment in medical technology companies is likely, and will intersect with other industries such as logistics and distribution. This represents a further opportunity for Newport to capitalise on wider med-tech activity in the Cardiff Capital Region which is being accelerated in part by the Covid-19 response and desire to reduce dependency on imports of vital equipment and supplies.

Tourism & Hospitality

The economic outlook for tourism, leisure and hospitality is the most challenging across all industries. By design these require travel and social interaction and even the most positive 'V shaped' recovery forecasts predict significant impact over the short term. In an industry that operates on often-small profit margins and high turnover, operating existing models will remain challenging.

Tourism, Culture & Hospitality – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Accommodation and food service activities	6000	7.3
Arts, entertainment and recreation	1250	1.5

Wales Tourism Barometer Survey between 22nd April and 1st May 2020 reported 72%⁹ of South East Wales tourism businesses having to furlough at least some staff. On average this amounted to 15.6 people in practice accounting for most if not all of the business staff. Across all sizes of business, the median reported loss as a result of the crisis in just the period since the beginning of the outbreak was approximately 20% of normal revenue for the whole year. Around 5% of businesses had applied for the ERF microbusiness scheme and 11% had applied to the SME fund, while 23% had applied but did not meet the criteria. Three in four businesses that were eligible had applied for the business rates scheme while take up of loans has been low as many businesses feared being unable to make repayment.

South East Wales businesses will be significantly affected by continued lockdown; with 84% reporting the loss of substantial bookings in May.

The hospitality and events industry is a cornerstone to the ‘Newport Offer’ strategy, and a mechanism for promoting Newport to inward investment and visitors. In the run up to the pandemic, the industry had grown significantly with investment in hotel accommodation driven by demand generated the by International Convention Centre Wales. To avoid a ‘lost opportunity’ situation finding ways to help the sector adapt to become Covid-19 secure will be vital to continuing to promote Newport.

Over the short term, this could involve bringing food and drink services to the customer in order to promote Newport’s brands and facilitating access to outside space in order to operate adapted business models.

The city has a Destination Management Group (DMG), which comprises key businesses and organisations in the hospitality sector in Newport. This would be a way to involve tourism and hospitality businesses in the recovery plan and through which initiatives could potentially be promoted,

Emerging Trends – Regional collaboration in response to pandemic

Newport remains a part of greater regional and partnerships, most saliently the Cardiff Capital Region and Western Gateway. These regional partnerships seek to further economic development through shared resources and collaboration, such that success at regional level filters down to local areas.

While Newport has a growth potential second only to Cardiff in the South East Wales region, as recognised and reinforced by the strategic role and importance afforded to it in the National Development Framework, this places further responsibility on the city to drive growth on behalf of the region. Activity through the recovery period must therefore closely align with the plans of the wider Cardiff Capital Region.

Cardiff Capital Region developed its Industrial and Economic Strategy in 2019. The strategy has been reviewed to ensure it remains fit for purpose in a post-Covid world, with the conclusions of this review endorsed by the CCR Economic Growth Partnership and the Regional Cabinet on 18th May 2020. The five over-arching actions identified for CCR are as follows:

1	Avoid the short-term crowded immediate ‘funding’ response space to ensuring interventions compliment not duplicate existing business support packages.
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⁹ <https://gov.wales/sites/default/files/statistics-and-research/2020-05/tourism-barometer-coronavirus-covid-19-impact-survey-wave-3-2020.pdf>

2	Maintain adherence to original strategic plan and its focus on our industries of the future BUT accelerate efforts on building clusters around med-tech, compound semi-conductors, data/ AI, infrastructure, fin-tech and energy. Balance this with an appropriate approach to building local wealth.
3	Revisit, adjust and adapt current investment programmes as necessary to ensure they are still fit for purpose;
4	Leverage other funding sources and swiftly deploy, relevant financial tools and solutions where there is a proven viable company or proposal in order to increase business resilience and facilitate growth.
5	Establish a new “Re-building Local Economies Challenge Programme”

Emerging Trends - Infrastructure

Newport’s role as a city within the South East Wales region facilitates a net inflow of 15,300 workers (Chart 3). Its strategic location as the gateway to Wales also supports a large flow of workers and goods across the border to England, with an estimated 4,500¹⁰ people commuting from Newport each day to Bristol for work. The intra-regional commuter pattern illustrates a significant exchange of workers, most significantly between Cardiff, Caerphilly and Torfaen.

Despite the technology being available for some time, it has taken an event of the magnitude of the Covid-19 lockdown to drive a step-change in home working and the associated enabling digital platforms that allow this. Up to 44%¹¹ of the UK workforce are currently working from home to some degree.

This change of behaviour has significantly reduced travel and congestion on our roads, with huge associated reductions in pollution and carbon emissions. It is unclear how this will play out long term as workers begin to return to their workplaces, however the revolutionary rise in home working is likely to continue to shape the wider economy. Emerging from this pandemic could present us with an opportunity to accelerate our decarbonisation ambitions and complement our own Carbon Management Plan.

¹⁰ <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Commuting/detailedcommutingpatternsinswales-by-welshlocalauthority>

¹¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukconomyandsocietyfasterindicators/14may2020>

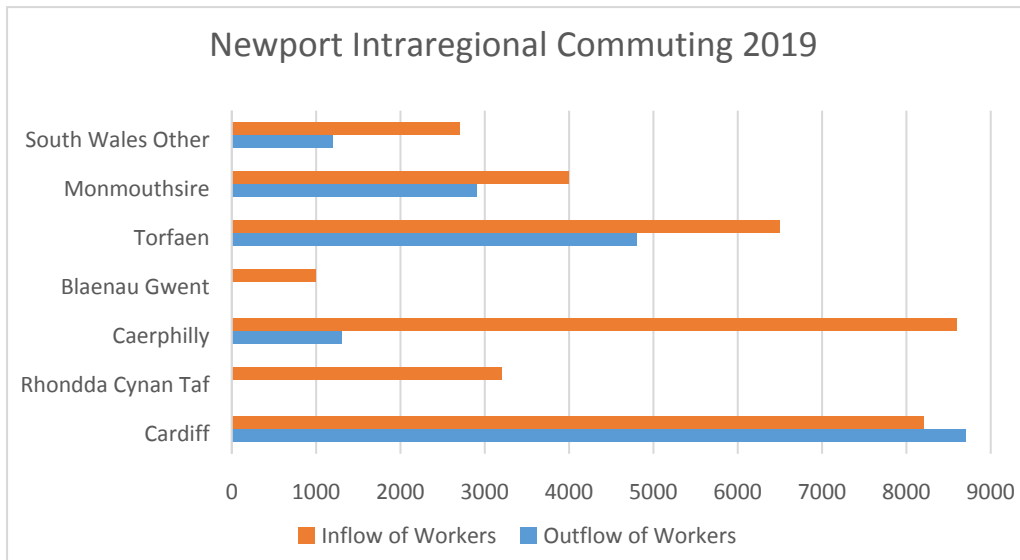


Chart 2: Source Detailed commuting patterns in Wales by Welsh local authority statsWales

As a consequence of the move to greater homeworking it is inevitable digital infrastructure will require further investment in areas including extending superfast and ultrafast internet connectivity beyond the current 96% of premises and connecting more remote areas. Revisiting earlier proposals around a 'Digital Bid' could also serve to boost digital infrastructure and coordinate increased investment.

Expansion of data warehousing facilities will also be needed to meet increased digital working. Many businesses will require considerable digital storage and bandwidth therefore considerations around expansion of data storage facilities should be considered to accommodate expected growth in the market. Newport is well placed to meet this need with proposals already being considered for a significant expansion to the Next Generation Data site at Imperial Park.

Emerging Trends – Education & training for a changing job market

It is reasonable to expect reduced skills demand across all sectors in the short term. Over the short to medium term, demand for skills will change in response to shortages in industries that have been able to adapt quickest to the pandemic. These will need to be identified to support the development of new training pathways.

The Economic Growth Strategy adopted by NCC identifies the need to align educational curricula to future growth sectors, including ICT, life sciences, advanced manufacturing and financial and professional services. Covid-19 is unlikely to change the direction of this focus, but will intensify it given these industrial sectors are also those at the heart of the global response to the pandemic crisis. Conversely, construction and tourism were also identified as opportunities to grow job opportunities within the foundational economy, have been two of the harder hit industries.

Healthcare was not identified as a strategic growth priority, however the coronavirus pandemic has shown a constant need for these skills in society. Increased investment in healthcare can be anticipated in the future alongside policy changes that may mean greater demand for healthcare professionals.

Opportunities for apprenticeships is uncertain but the long term goal of increasing Science, Technology, Engineering and Maths (STEM) skills levels remains vital for recovery. Given the challenge facing further and higher education bodies as a result of the pandemic our

institutions will need to be supported as they transition to more digital academic platforms, and ensure that their structure and courses remain suitable for the a changing job market and increased digitalisation of work. Labour market analysis will aid targeted interventions and help adapt pathways into skilled employment in a disrupted jobs market.

Pre-coronavirus, sport and leisure were emerging pathways into employment. Lockdown measures have effectively paused demand for qualified coaches, qualified personal trainers and instructors. The full extent of how lockdown will effect growth in this area is unknown but should be explored as it offered a route into flexible skilled employment.

One of the objectives in Newport's Well-being Plan published by the Public Services Board (PSB) is that "People have skills and opportunities to find suitable work and contribute to sustainable economic growth". To this end, the PSB has a Right Skills Intervention Board with representation from across the training and education sector (including NCC, National Training Federation for Wales, Coleg Gwent, University of South Wales, Careers Wales, the Department for Work and Pensions, and Gwent Association of Voluntary Organisations). The Skills board has links with employers through the Newport Economic Network and the PSB members themselves are significant employers in their own right.

The Board could be the vehicle to co-ordinate skills support in the city as part of the economic recovery post Covid-19, linked to regional initiatives through the Cardiff Capital Region Regional Skills Partnership. It has already identified the digital and health sectors as key sectors requiring support in Newport, and applies an "Equalities" perspective to its work to address the needs of disadvantaged groups.

Emerging Trends – Investment & innovation

Future inward investment is uncertain. Prior to Covid-19, attracting greater foreign investment from high net worth individuals and institutions was recognised as an opportunity to move Newport up the value chain, however some economic analyses are now predicting a contraction in extra-territorial investment globally, as individual countries concentrate on their own recoveries. The pace at which countries exit lockdown will further affect the availability and risk appetite of investors. However there could be an opportunity for the Council to consider using development funding and strategic acquisitions in order to put in place and stimulate a number of key investment opportunities.

As in any crisis response, public funding will be critical to kick-start the economy in the wake of Covid-19, and the Council has welcomed the Welsh Government's proposals to develop a Regional Investment Framework in order to ensure their future investments deliver the greatest strategic impact. The Council has requested greater clarity around the mechanics of the framework, and relationships with the existing regional fora detailed above. The framework will also need to address the challenges posed by the as-yet unknown landscape of risk around the EU Exit and Shared Prosperity Fund if it is to be a success.

The Newport Offer post Covid-19

Whilst promoting the strengths of the local workforce, the advantageous location and growing cyber cluster will remain a key message within the Newport Offer. We will tailor our approach to inward investment and visitors in order to build business confidence within the city.

Once travel restrictions lift within Wales, efforts to harness our green environment and natural assets will redouble, as a first step in bringing the tourism and hospitality sector back. This would also complement the Green and Safe Spaces intervention in Newport's Well-

being Plan, through which partners are working together to promote access to green space for health, play and recreation. With increased home working, and ongoing disruption to international travel, the opportunity to travel to Newport safely for visits, holidays and outdoor recreation must be fully exploited.

Newport's key attractions range from historical assets such as the Transporter Bridge, Caerleon, the Roman fortress and Tredgar House, to nature experiences such as the RSPB National Nature Reserve and the Newport Wetlands, complemented by a genuinely global brand and catchment through the Celtic Manor Resort. Each location has the potential to operate to some degree an open-air environment with reduced risk of viral transmission. Developing new Covid-19 safe business models will allow visitors to return to Newport. This should be explored as an angle for the Newport Offer to promote Newport as Covid-19 secure place for both business and leisure.

Newport remains positioned as strong contender to capitalise on demand for office space from companies looking to relocate to more economic locations. Capturing the interest of these occupiers is likely to rest on the ability to bring forward further Grade A office space in conjunction with a strong narrative around the outstanding quality of life and housing affordability offer. The potential workforce within an hour of Newport has been a key consideration for previous inward investors in the past, such as the Office for National Statistics.

The recognition of Newport within the draft National Development Framework as a focus for regional growth and investment with a strategic role for the wider region will also act to attract highly skilled employment opportunities across sectors. Despite the pandemic, the South Wales Metro remains a strategically important project for the long term that will see Newport benefit with improved connections between communities and worksites. Supporting sustainable travel at a local level and through the Well-being Plan, PSB partners are focused on increasing options for efficient, safe and accessible transport across the city with overall low impact on the environment.

Conclusion – Adapting to the new normal

The Coronavirus pandemic has brought about a shift across the economy with unprecedented effects on society and jobs in just three short months. To respond, society will have to find new ways of working and a 'new normal'. We must look to support businesses as they exit lockdown in the most effective and safest way. This will need to be followed up with identifying the long term impacts on job opportunities, and skills demands and adapting our strategy to how best we can continue to drive economic growth during and after the pandemic. Regional partnerships, regeneration schemes and work & skills programmes are the most powerful tools we have to encourage inward investment, support indigenous business growth, and reduce inequality during and after the pandemic.

Well-being of Future Generations Act

The proposals above are in line with the Well-being of Future Generations Act in that they seek to prevent further contraction in the economy in the short term where this could be averted but with a view to bringing benefits to the economy in the longer term through skills development and inward investment in potential growth sectors.

Newport's economic response to the pandemic will rely on partners collaborating to find the most innovative solutions and businesses will need to be involved in decisions that affect

them through vehicles like the Newport BID, Newport Economic Network and the Destination Management Group.

The response is in line with the Council's Well-being Objectives:

- To improve skills, educational outcomes and employment opportunities.
- To promote economic growth and regeneration while protecting the environment.

The recovery plan also integrates with interventions in Newport's Well-being Plan which can respond flexibly to changing circumstances.

Appendix 1

Table 3 Government schemes being applied for, surveyed businesses who have not permanently stopped trading, broken down by industry, UK, 20 April to 3 May 2020

Industry	Coronavirus Job Retention Scheme	Business rates holiday	Deferring VAT payments	HMRC Time To Pay scheme	Accredited finance agreements	Devolved government funded - small business grants or loan schemes	The business has not applied for any of these initiatives
Water supply, sewerage, waste management and remediation activities	67.1%	11.4%	55.7%	18.6%	5.7%	2.9%	20.0%
Construction	89.4%	16.0%	55.3%	29.1%	9.9%	3.5%	7.1%
Wholesale and retail trade; repair of motor vehicles and motorcycles	78.5%	43.9%	60.7%	22.5%	8.6%	4.3%	10.6%
Education	58.3%	7.7%	26.6%	8.0%	4.5%	*	35.6%
Human health and social work activities	45.0%	15.5%	20.2%	7.8%	1.6%	3.1%	47.3%
Manufacturing	72.5%	13.5%	46.1%	18.2%	9.5%	2.0%	19.8%
Transportation and storage	82.1%	20.6%	58.8%	23.3%	12.0%	2.0%	11.3%
Real estate activities	72.9%	50.0%	68.6%	22.9%	11.4%	5.7%	18.6%
Administrative and support service activities	84.6%	23.7%	67.9%	22.3%	13.8%	3.4%	9.1%
Information and communication	48.0%	9.5%	51.0%	14.1%	4.5%	*	31.4%
Professional, scientific and technical activities	73.2%	12.5%	67.9%	17.3%	11.1%	1.8%	16.3%
Accommodation and food service activities	95.0%	82.2%	86.2%	41.5%	21.0%	4.9%	1.3%
Arts, entertainment and recreation	86.2%	59.6%	64.0%	30.2%	17.5%	4.4%	6.2%
All industries	76.3%	28.7%	58.9%	21.9%	10.9%	2.9%	15.1%