

CITY OF NEWPORT

**ECONOMIC GROWTH
STRATEGY RECOVERY
2021 UPDATE**



RECOVER – REPOSITION - RENEW

Introduction

This paper looks to provide an update on how the Council has delivered on its economic recovery agenda within the unique context of the pandemic. It presents a narrative on how Newport is performing as we look ahead to a period of economic uncertainty and recovery.

Having adopted the updated Economic Growth Strategy (EGS) shortly before the full impact of the pandemic was brought to bear, an Addendum to the strategy was published in October 2020 which focussed specifically on economic recovery from the devastating impact of the pandemic. This new strategy was entitled Recover, Reposition, Renew and sought to understand the fundamental changes underway in the local economy and suggested ways the Council might respond to the economic challenges that accompanied the spread of Covid-19. It forms an additional layer to the adopted EGS focusing on economic recovery in the first instance.

Since the first confirmed case of Covid-19 in Wales in February 2020 a great deal has changed. Our society has been through a series of lockdowns and restrictions that have helped to curb both infections and serious illness. These restrictions have however had a profound effect on our economy and brought about a number of changes to our working patterns, accelerating the rise of digital technology and home working. Offices have no longer been the heart of corporate activity and administration and the already-struggling retail sector has seen a number of high-profile casualties that have further affected confidence in town and city centres. Measures to enforce social distancing have affected the hospitality sector considerably and in some cases, irreversibly. The pandemic has however also delivered opportunity, with a focus on re-imagining existing commercial property as collaborative, co-working and flexible space. The need to make real and credible progress towards decarbonisation has gathered momentum, alongside a wave of technological advancement as services and enterprises digitise as the norm. We will feel the effects of the pandemic for generations, and it has not occurred in isolation. Significant economic factors such as the UK Exit from the EU, social security reform, and rising energy prices will continue to impact on the local economy for years to come. However we will continue to respond to these challenges and provide support and assistance where required.

Well-being of Future Generations Act

The structural shifts in global and local economies over the last two years have also served to fuel debate on what we mean by economic wellbeing and how we measure and frame success. The pandemic has intensified the effects of inequality in our society and ignited the need to focus on outcomes for people and place that promote resilience and sustainability, instead of a pure focus on growth.

The long-term Economic Growth Strategy inherently supports the Well-being of Future Generations Act and the Recovery addendum reflects the shift towards prioritising resilience over growth. The emphasis of the immediate response was fundamentally about preventing and limiting the damage in the economy in the short term, whilst considering longer-term impacts and predicting changes to the economy.

Newport's economic response to the pandemic has relied on collaboration with partners to find the most innovative solutions and businesses will need to be involved in decisions that affect them through vehicles like the Newport BID. Collaboration is at the core of Council's Well-being Objectives and remains key to delivering cross-cutting objectives around improving skills, educational outcomes and employment opportunities, and promoting sustainable economic growth and regeneration while protecting the environment.

The Newport Offer post Covid-19

Newport's strengths leading into the pandemic are those that will drive recovery and form the pillars of the Newport offer post Covid-19. The strengths of the local workforce, key industrial sectors and clusters, and a uniquely advantageous location remain relevant in the post-Covid world. These are intrinsic to the message the city presents to inward investors and visitors in order to build business confidence within the city.

Once restrictions fully 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 will also complement the Green and Safe Spaces intervention in Newport's Wellbeing Plan, through which partners are working together to promote access to green space for health, play and recreation. With increased home working, and ongoing apprehension regarding international travel, the opportunity to encourage 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, the Roman fortress at Caerleon and Tredegar House, to nature experiences such as the RSPB National Nature Reserve and the Living Levels, complemented by a genuinely global brand and catchment through the Celtic Manor Resort. Each location benefits from being able to operate predominantly in an open-air environment with reduced risk of viral transmission making them resilient to future coronavirus restrictions. Developing new Covid-19 safe business models has allowed visitors to return to Newport, and while this is yet to be in large numbers with limited organised events, we have nonetheless seen the start of the return of important events such as the Newport Marathon and the Christmas Lights Switch On.

Newport remains positioned as a strong contender to capitalise on demand for office space from companies looking to relocate to more accessible and strategic locations. Capturing the interest of these occupiers in part rests on the operating models of businesses first stabilising and then understanding their needs. We have seen this start with the decision of Admiral to rationalise their estates portfolio. Whilst this has seen the partial closure of their City Centre building, there has been a high level of interest in this space and we work with the Company to bring in new and expanding businesses into the City Centre. We have a strong offer in Newport, presenting an opportunity for an outstanding quality of life and more affordable housing. The potential workforce within an hour of Newport has been a key consideration for previous inward investors in the past and as we strengthen, grow and adapt our skills base to ensure that it reflects the needs of existing and new employers and businesses, we will ensure that Newport and its workforce are well positioned for the future.

The recognition of Newport as a focus for national growth within Future Wales, the National Plan 2040 also reflects Welsh Government's commitment to promoting Newport for growth and investment. Newport is also part of strategic partnerships including the Cardiff Capital Region and the Western Gateway. Both these partnerships have ambitious plans to improve connectivity and economic opportunity through projects such as the South Wales Metro and exploring opportunities to harness green energy. The Burns Commission will see more community-based connectivity through new train stations and other infrastructure improvements which supports sustainable travel at a local level. This reflects the commitments of the Well-being Plan and the focus of the PSB partners on increasing options for efficient, safe and accessible transport across the city with overall low impact on the environment.

Performance

The following section summarises the objectives detailed in the Recover, Reposition, Renew paper and progress against these objectives.

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

Actions to date:

Business Support

- Total Covid -20 Grants given out from Business Support, across 10 discretionary grant schemes - £6,284,500, of which 1 grant scheme focussed on start-ups (74 assisted)
- Total number of Businesses assisted - 3233
- Budget this year for the Business Development Fund (mainly the City of Newport Business Grants) is - £366,000 (increase of over £300,000) – 350 expression of interest forms have been received and £100,000 awarded to date.
- Grant maximums are higher this year for the City of Newport Grants (Max £10,000 for city centre businesses and £5,000 outside city centre), with a focus on ‘progressive’ business. Additional items such as IT/online trading software and website development have also been included.
- Through the Welsh Government Transforming Towns framework, an investment of £181,567 to facilitate business outdoor trading including provision of free branded barriers to support social distancing

NNDR / Business Rates relief

NCC administered the roll out of rates relief and grant support to businesses:

- Delivered 7312 grants across the 4 Covid Business Rate grants - £46,785,201.00
- Processed Covid Extended Business Rates Relief - £20,004,058.24 for 1411 businesses.

Trading standards

NCC Licensing allowed a number of businesses to defer Licensing fees until such time as certain sectors could reopen or receive relevant grants from Welsh Government, this includes the 1200+ taxi drivers that NCC licence.

To support businesses to continue trading, the Café Pavement policy was revised and flexibility afforded to businesses specifically in the city centre where we not only permitted longer trading hours outside but also allowed more trading space.

Community Regeneration

Covid, and its associated lockdown restrictions provided a challenge to what is predominantly a customer facing section. There was a need to look at alternative ways to continue support to those most in need. In doing so, the need for greater digital engagement was identified and rolled out:

- Newport is one of 22 authorities that deliver the Communities for Work and Communities for Work Plus programmes across Wales. Through the Welsh Government and Digital Communities Wales Digital Loans Scheme we were able to loan Chromebooks and Wi-Fi dongles to those participants identified as in need. This provision provided them with a means to communicate with the community regeneration team and other services, to undertake job search related activity e.g. writing a CV, submitting applications, attending virtual interviews and completing online training courses. The programme provided 10 laptops and Wi-Fi dongles per Hub.
- Reach + is a joint initiative with Coleg Gwent that supports migrants and refugees. During lockdown it was identified that many clients were isolated and with no Wi-Fi or digital equipment had little or no contact/support. Through our Barriers Fund we were able to purchase and distribute 65 iPads and Wi-Fi dongles to customers. In doing so it enabled them to continue ESOL education during lockdown and enabled us to communicate important info to clients regarding Covid and restrictions. We were able to remove language barriers through translating and circulating digital information on rules and guidance on lockdowns, testing, isolating etc. for clients to clearly understand the risks. We distributed 65 iPads and WIFI Dongles out to Refugee Customers in order to continue with online ESOL during COVID.

Empty Property Group

The Empty Property Group is a multi-disciplinary group led by the Regeneration, Investment & Housing service, and seeks to improve the physical condition of Newport's built environment by bringing about the re-use or demolition of key vacant properties. In 2020, officers and elected members participated in training sessions facilitated by Welsh Government on how to tackle long-term empty properties through enforcement action. The group has developed an action plan which has been approved by Welsh Government. Tailored action plans are now being implemented for specific, problematic properties in the city.

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'.

Actions to date:

Transforming Towns

Newport is a significant beneficiary of funding through the Welsh Government's Transforming Towns framework for regeneration in Wales. To date, the Council has secured over £15m towards Newport projects. As outlined above, significant projects in the pipeline as the pandemic hit the UK have nevertheless progressed toward completion, often being refined in the process to reflect the post-pandemic context. These developments include:

- The £20m development of a new leisure and well-being centre adjacent to the University
 - The £5.5m redevelopment of the historic indoor market
 - A £3m restoration of the Market Arcade
 - Re-purposing of the Information Station as a tech hub, and the associated refurbishment of the central library building
 - The £17m Chartist Tower redevelopment as a 4* city centre hotel
 - Investment of £181,567 to facilitate business outdoor trading including provision of free branded barriers to support social distancing
 - Redevelopment of Olympia House and a third phase of development at the Kings Hotel
- In addition, the Council has continued to support key developments such as the £4m refurbishment of the former sorting office on Mill Street.

Community Renewal Fund

In June 2021, Newport Council supported organisations to apply to the UK Government's, Community Renewal Fund. The purpose of this fund is to enable local organisations and groups to access funding up to the value of £3 million pound to deliver various schemes focused on investment in skills, local businesses, communities and place and supporting people into employment.

The Council received 11 bids from various private, not for profit, third sector and education organisations. Following the submission of eight applications, the UK Government awarded funding to seven bids that are primarily focused on skills, employment, rejuvenation of areas in Newport, and tertiary education. These successful projects will commence in February with funding available until June.

Right Skills Board

The Board is one of the five interventions in Newport's Well-being Plan 2018-23 published by One Newport. Achievements this year include:

- Virtual Careers weeks for Newport schools (Year 9 and above) focussing on growth sectors:

- Digital sector with interactive sessions with local employers in the CS Connected Semi-conductor cluster, cyber security, creative, software engineering, future tech.
- Health, social care and childcare sectors in Newport with interactive sessions with NCC, ABUHB, Child and Adult Mental Health Service, Coleg Gwent and USW.
- Successful bid with Ffilm Cymru to the UK Community Renewal Fund for a programme to link young people in Newport to a range of career opportunities in the screen sector, provide placements and work experience opportunities for Coleg Gwent students and create strong, ongoing links between education in Newport, screen sector employers / organisations and Careers Wales.
- Youth Engagement and Progression Framework in Newport reducing the number of NEET young people
- REACH restart project providing employability support to refugees and ESOL assessment / support to refugees and asylum seekers to aid integration.

NCC Youth Academy

The Newport Youth Academy programme delivers to 16 and 19 years olds identified as NEET (Not in Education, Employment or Training) who are furthest from employment and/or further education.

It uniquely offers a wide range of vocational qualifications and career pathway, including niche opportunities in Coding, Construction and Sport to name a few.

Performance October 2020 – October 2021:

Total number of students enrolled on Programme: **111**

- Of the 53 students that have left the programme, 45 of them left with evidence of a positive destination (into employment or further education)
- 115 accredited qualifications have been achieved and certified

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.

Actions going forward:

Right Skills Board - has the following projects to take forward:

- RDP-funded Carbon literacy training to community organisations in rural areas with a “Train the Trainer” element to support wider roll-out across Newport as a legacy
- Initiatives to support Welsh in the workplace and promote Welsh as an employability skill in local schools
- Further sector-focused careers weeks with schools
- Work with Regional Skills Partnership to foster engagement between the semi-conductor cluster and Newport schools on skills development

LDP Review

The Council has begun the process of creating a replacement Local Development Plan (RLDP). This plan will cover the period 2021-2036 and will set out how the authority will meet its role as a centre for national growth, as identified by Future Wales, the National Plan 2040. The RLDP work involves creating a robust evidence base which includes the need to understand and plan for economic growth and recovery. The Council has commissioned BE Hatch to undertake an Employment Land Review and economic projections to inform the growth options for the plan; all of which will assist in the policy development for directing land use in a manner that assists in the focus for an economic recovery.

Conclusion – Moving ahead

The Coronavirus pandemic has brought about a shift across the economy with unprecedented effects on society and jobs. Since March 2020 society has adapted to find new ways of living and working that can allow us to live with Coronavirus.

The impact of the pandemic on the local authority has been stark, with contraction in business and jobs evident across sectors and mirroring the trend seen for both Wales and the wider UK. Nevertheless, as the ongoing vaccination campaign and diminishing severity of new waves of the virus begins to signal a way out of restrictions, there are a number of key positives to note which suggest that Newport is well-positioned to thrive as we emerge from the pandemic.

- Excellent jobs growth leading into the pandemic has helped mitigate the inevitable losses in the wake of the pandemic, notably in the scientific, technical and cultural sub-sectors.
- Progress of an ambitious programme of regeneration and investment, with over £120m of projects in the pipeline for delivery. Many of these schemes are due to complete soon, including the re-opening of the indoor market, restoration of the Market Arcade and opening of the Chartist Tower.
- Enhancement of partnership working in response to the pandemic, with bodies such as the Right Skills Board reaching maturity quickly and beginning to deliver projects.
- Further securing of investment from the UK Government through the Community Renewal Fund.

As we look forward, support for the local economy through the next phases of delivery under the Economic Growth Strategy will remain critical. The long-term effects and impacts of the pandemic, coupled with other macro-economic influences such as the departure from the EU, are yet to emerge and we must now turn to how Newport can best promote growth in job opportunities, adapt to changing skills demands and drive more sustainable economic growth. 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.