

# Cabinet report



1 September 2020

## Covid19 Economic Recovery Plan

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|------------------------|---|
| Name of Cabinet Member | <b>Councillor Carole Baume</b><br>Cabinet Member for Economy and Culture  |
| Report sponsor         | <b>Geoff Snelson</b><br>Director of Strategy and Futures  |
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|---|--|
| Exempt / confidential / not for publication | <b>No</b>                              |
| Council Plan reference                      | <b>Covid19 Recovery action section</b> |
| Wards affected                              | <b>All wards</b>                       |

## Executive summary

This report presents for decision a focused Economic Recovery Action Plan that forms a major part of the council's overall Covid19 Recovery Framework. The Action Plan includes urgent activity to support businesses and help people into work, including dedicated action to support young people and women. It also includes longer-term action to build confidence and secure investment in the city and drive green economic growth and the innovation economy. It recommends allocations from a council budget of £2.25 million to fund projects that have been developed through engagement with the business community and other stakeholders. It is proposed to reserve budget for a further funding round focused on business support and green business recovery to give time to develop promising projects further and provide the flexibility and capacity to respond to future needs as they emerge

1. Decisions to be made:
  - a) agree the Covid19 Economic Recovery Action Plan (Annex A);

- b) allocate funding of **£2,162,880** to the projects listed in Annex B subject to further development, where required, and final sign-off by the S151 officer; and
- c) within 6 months,
  - (i) allocate any budget released from schemes in this current round once they have been subjected to the final sign-off process,
  - (ii) run a process for schemes to bid for the **£500,000** green business recovery fund allocated in Annex B through this decision, and
  - (iii) allocate the **£87,120** balance remaining of the budget to further business support schemes.

## 2. Why is the decision needed?

- 2.1 The council agreed a Covid19 Strategic Recovery Framework through a Delegated Decision on 21 July 2020. Actions and initiatives delivered through the Framework are designed to create a recovery that contributes to the key council priorities of A Green Economy, Tackling Child Poverty, and Addressing Inequality. More details of this context are included in the Strategic Recovery Framework.
- 2.2 The Delegated Decision on 21 July required that a dedicated Economic Recovery Plan be presented to Cabinet for decision on 1 September 2020 and allocated a budget to this of £2.25 million. The budget allocation is in addition to urgent action already taken to address the economic impact of the Covid-19 pandemic, including:
- a) moving the economic development function to the corporate core to ensure more senior leadership for the service and a stronger focus on the economy across the whole council;
  - b) prompt payment of over £112 million to directly support around 30% of businesses in Milton Keynes;
  - c) re-opening local high streets and Restarting MK, working with Parish and Town Councils, businesses and ward councillors to re-open high streets safely across the borough;
  - d) providing a fast-tracked licencing process for local cafes, restaurants, pubs and bars to trade outside, waiving fees for licenses for outdoor tables and chairs;
  - e) extending discretionary business rates relief to major cultural and arts organisations;
  - f) working alongside the Federation of Small Businesses, MyMiltonKeynes, Milton Keynes Business Leaders Partnership, Destination Milton Keynes and MK Business Council, launched a plan for a safe and sustainable return for businesses to safely #restartmk and;
  - g) contacting over 2,000 food, licensed and other businesses to give advice about re-opening safely and dealing with unexpected risks.
- 2.3 The Economic Recovery Action Plan annexed to this report includes relevant actions from the Strategic Recovery Framework and, where appropriate, provides further detail on how they are to be implemented. The council has also worked with the business community and other partners to create a set of focused projects (Annex B) that are to

be funded through allocating **£2,162,880** million from the £2.25 million budget, with the balance being retained for a future funding round.

2.4 The projects considered for funding were submitted following a call for proposals, including via business network organisations. Proposals were submitted using a pro-forma devised for the purpose that required an outline of the scheme, the economic need to be addressed, the funding sought, the outcomes to be achieved, and whether it was a new scheme or an enhancement to an existing scheme. The pro-forma returns were considered through an assessment process. Some of the schemes potentially overlap with others that are proposed or already exist and all require further details to be submitted before the funding allocation can be finalised. The award of funding at this stage is therefore indicative to allow a further stage of refinement and final sign-off by the section 151 officer against a set of criteria that will include:

- a) Value for money
- b) Deliverability
- c) Governance
- d) Overlaps with other schemes

2.5 The reasons for not recommending projects for funding included that they were insufficiently detailed, did not offer good value for money, requested support for commercial schemes, or were not focused on economic recovery objectives. Feedback will be provided to the unsuccessful projects.

#### Action plan headlines

2.6 Key elements of the action plan will provide urgent support to businesses and individuals:

- a) working with the South East Midlands Local Enterprise Partnership to provide immediate and enhanced help and support to Milton Keynes businesses;
- b) funding for the Federation for Small Businesses to provide immediate subsidised access for small businesses to legal support, employment law support, tax support and many other resources that will help them through the Covid-19 crisis;
- c) a 'Restart Network' run by Milton Keynes College that will offer individualised and practical support across the city to help those most in need back into the workplace over an 18-month period, for adults, young people aged 18 – 24, and those furloughed;
- d) a programme for young people Not in Employment, Education or Training (NEETs) over 12 months leading to further study, traineeships, apprenticeships and employment;

- e) encourage the development of the green economy in MK by launching a ‘Green Business Recovery Fund’, which will allocate funding to schemes which support MK Businesses and encourage and develop green practices; and
- f) MK Business Ambassadors scheme to support engagement with existing and prospective businesses and investors to understand their needs and promote the Milton Keynes opportunity.

2.7 These urgent schemes sit alongside other actions in the Economic Recovery Plan that address longer-term objectives including driving green economic growth through low carbon energy generation schemes and major investment programmes that will improve the energy performance of homes, major skills development initiatives, support for business growth in the innovation, digital and tech sectors and securing investment into city-scale growth projects.

2.8 Within the next six months, a call for proposals will be launched for the £500,000 green business recovery fund established through this decision. This will focus on supporting MK’s businesses to develop green business practices in their recovery plans.

Future funding round

2.9 It is proposed to reserve budget for a further business support funding round to give time to develop promising projects further and provide the flexibility and capacity to respond to future needs as they emerge in what is an uncertain and fast moving economic context. This second round would take place within 6 months and focus on continued support for business recovery. It would:

- a) allocate the overall balance of **£87,120** of the budget to further business support schemes;
- b) reallocate any funding released from schemes in this current round once they have been subjected to the final sign-off process.

**3. Implications of the decision**

- a) Financial

|                   |     |                                     |     |
|-------------------|-----|-------------------------------------|-----|
| Financial         | YES | Human rights, equalities, diversity | YES |
| Legal             | NO  | Policies or Council Plan            | YES |
| Communication     | NO  | Procurement                         | NO  |
| Energy Efficiency | YES | Workforce                           | NO  |

A Delegated Decision on 21 July 2020 allocated a total of £2.25 million to a dedicated Economic Recovery Plan broken down as follows:

- £1,000,000 Support for Business
- £ 750,000 Getting people back to work

- £ 250,000 Supporting women in work
- £ 250,000 Supporting young people

This action plan allocates **£2,162,880** of the Economic Recovery budget, including a green business recovery fund allocation of **£500,000**. A balance of **£87,120** is reserved for a future round of allocations

b) Legal implications

None

c) Other implications

The Economic Recovery Action Plan contributes to the wider Strategic Recovery Framework's objective to create a recovery that contributes to addressing the key council priorities of a green economy, tackling child poverty, and addressing inequality.

The council has worked with the business community and other partners to create a set of focused projects that are proposed for funding.

#### 4. Alternatives

The creation of an Economic Recovery Plan was required by a Delegated Decision on 21 July 2020. The option of not creating such a plan has not therefore been considered.

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#### List of annexes

Annex A – Economic Recovery Action Plan

Annex B – Recommended funding allocations to projects

#### List of background papers

- Covid-19 Strategic Recovery Framework for Milton Keynes (Delegated Decision, 21 July 2020)