

REPORT TO: Employment, Learning & Skills and
Community Policy and Performance Board

DATE: 21 September 2020

REPORTING OFFICER: Strategic Director – Enterprise, Community
and Resources

PORTFOLIO: Economy, Enterprise and Property

SUBJECT: Covid-19 Recovery and Halton’s Economy

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1** The purpose of this report is to expand on the borough’s Economic Reset Plan by providing further data and analysis on the potential impact of Covid-19 on the Halton economy.
- 1.2** A further presentation of the data will be provided at the meeting
- 1.3** This information will be used to inform where resources could be best targeted in order to support the borough’s future economic growth.

2.0 RECOMMENDATION: That

- 1) The report be noted; and**
- 2) The Board considers the information presented and raise any questions of interest or points of clarification following the presentation.**

3.0 SUPPORTING INFORMATION

3.1 Position

As the World starts to emerge from the first phase of the Covid-19 crisis, local authorities are consolidating existing statutory and operational requirements. They are also reallocating and securing resources in order to redefine their economies. They are working hard to improve the economic and social prospects for local residents and businesses over the years ahead.

Halton Council has already produced an Economic Reset Plan, which has previously been circulated to all Council Members. The Plan will be used to ensure that the Council can support local businesses in partnership with local organisations and businesses and partners operating in the Liverpool City Region.

Further economic data is now available. This has been incorporated into the borough's Economic Reset Plan.

A summary of key findings and merging issues is set out below.

3.2 Sectors and Furlough

Clearly, the impact of COVID-19 on the direct service sectors in Halton was significant. The hospitality, leisure, entertainment, non-essential retail sector and personal services represents 9,500 jobs (of 60,000 jobs) and 825 business units in the borough. However, it is worth noting that manufacturing activity and construction work was affected by the period of lockdown.

Despite the above, the level of furloughed employees in Halton was below the UK average at 27% or 16,300 employees as opposed to 32%.

3.3 Unemployment

By the end of July, the unemployment rate in Halton had jumped by 67%. This was before the end of the Furlough Scheme, so it is likely that this figure will worsen.

3.3 Resilient Sectors

Chemicals, pharmaceuticals, warehousing and logistics, technical, administrative and digital sectors are all strongly represented in the Borough and have generally proved to be much more resilient than many other sectors.

3.4 Improving Sectors

Halton has some businesses that are likely to have seen an increase in activity from the chemical sector contributing to sanitization products (Zep, for example manufactures professional strength cleaning and maintenance chemicals in Halton) to transport and logistics demand from grocery multiples (Eddie Stobart has increased employment to support the Tesco distribution centre.

Halton has a strong presence in the retail distribution sector, both food and mixed.

3.5 Industrial Summary

The economic position across the UK has been very badly affected by Covid-19 but in Halton pharmaceuticals, healthcare, digital and hydrogen present some clear future opportunities. The Borough is also well positioned to benefit from increased industrial digitisation (Industry

4.0) and chemicals has somewhat resilient. As a result, there are some areas for optimism.

Whilst these industries present opportunities and the area has limited exposure to the gravely affected automotive and aerospace sectors.

Brexit represents another future area of challenge.

3.6 Sector Focus

As part of all the recovery work there is a recommendation that business engagement is at the heart of a longer-term plan.

The focus on supporting those businesses that offer the most opportunity for the area and as such are proposed for chemicals, energy, logistics, life sciences, digital & creative and advanced manufacturing.

3.7 Public Sector Response

The difference that a public sector response can make, is to help businesses recognise new supplier and customer relationships; assemble the data that makes a difference in policy, funding and parent company decision making; identifies interventions that support modernisation –such as the response to Industry 4.0 challenges; and determines the future skills needs as businesses change.

The public sector have a clear role in supporting people into employment where possible with training, raising the awareness of opportunities and tutoring job seekers with the skills required to secure employment.

4.0 POLICY IMPLICATIONS

4.1 The paper attached to this reports is an attempt to remedy employment and business support in these unprecedented times and will flex and adapt to meet the needs of businesses.

5.0 FINANCIAL IMPLICATIONS

5.1 There are no immediate financial resources and delivery is from existing resources and team members.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None

6.2 Employment, Learning and Skills in Halton

Report produced in conjunction with officers delivering employment, learning and skills and policy frameworks.

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

None

7.0 RISK ANALYSIS

Risk of losing elements business base in the short and medium time but out of the control of the Halton Council.

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 Halton Borough Council Economic Reset Plan 2020.
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