

To: Council

On: 17 December 2020

Report by: Chief Executive

Heading: Renfrewshire Economic Recovery Plan

1. Summary

- 1.1 This report presents an Economic Recovery Plan for Renfrewshire for the period December 2020 to December 2022. The Plan has been prepared in conjunction with and approved by the Renfrewshire's Economic Leadership Panel. The Economic Panel commend the Plan to Renfrewshire Council for endorsement.
 - 1.2 The Plan's success is dependent on the continued support and contributions of a wide variety of local partners, many of whom will lead on specific elements of the Plan's delivery. A detailed Action Plan with specific economic targets will follow in early 2021.
 - 1.3 The Plan takes its lead from the Scottish Government's approach to economic recovery but focuses on the actions that will make the biggest difference in the local context. It is intended to build on, rather than replace, the existing Renfrewshire Economic Strategy and progress will be reviewed on a 6-monthly basis by the Council's Leadership Board.
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2. Recommendations

- 2.1 It is recommended that Council:
 - (i) endorses the Renfrewshire Economic Recovery Plan (Dec 2020) as recommended to them by the Renfrewshire Economic Panel;
 - (ii) agrees that regular updates on delivery of the Plan will be brought back to the Council's Leadership Board over the next 2 years; and

- (iii) agrees that the Plan provides the basis for continued dialogue with Scottish Government and their agencies on a specific case for supporting a Renfrewshire economic recovery.
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3. Background

- 3.1 A report providing an update on Renfrewshire's economic position during the Covid-19 pandemic was considered by Council at its September 2020 meeting. The Council instructed officers to prepare an Economic Recovery Plan in conjunction with the established private sector-led Renfrewshire Economic Panel. Whilst it will be some time before the Renfrewshire economy recovers to pre-Covid levels it is important that the Council (as one of most significant influencers locally) endorses the direction of travel over the next period.
- 3.2 The Covid-19 pandemic has had a significant impact on the UK, Scottish and Renfrewshire economies. This has affected most economic sectors and has placed a large proportion of Renfrewshire residents and businesses in a more precarious economic position than the one they faced in 2019. Appendix 2 to this report offers an updated overview of the UK, Scottish and Renfrewshire economic context from that presented in the September 2020 report.
- 3.3 The Fraser of Allander Institute's (FAI) bespoke analysis of the Renfrewshire economy (Aug 2020) demonstrates that even with its 'most-likely' scenario the Renfrewshire economy will not return to pre-Covid levels of activity until winter 2022/2023. FAI also predicted in their report that if "second wave restrictions" were imposed (similar to those being experienced by Renfrewshire's classification as a Protection Level 4 area) then it may be as late as November 2024 before it recovers.
- 3.4 FAI's view is that the specific characteristics of the Renfrewshire economy place it at a relative disadvantage in the current pandemic context. Due to the concentration of activity in manufacturing; international exports; aviation; retail; construction; and transportation / logistics; the local economy is likely to require targeted interventions and flexibility in how national policy is applied in order to see a full recovery.
- 3.5 Quantifying the impact on Renfrewshire's economy from the Covid-19 pandemic is not straightforward. There are impacts from the lockdown restrictions on how business operates, and how customers and suppliers interact with local businesses. There have also been perceptible shifts in behaviours that could lead to significant economic change if the trends continue post pandemic.
- 3.6 The Council, in conjunction with the Renfrewshire Chamber of Commerce, completed a successful survey of around 500 locally based businesses in June 2020. We plan to re-run a similar survey with the Chamber in spring 2021 as the furlough scheme is coming to an end and the BREXIT transition period has passed.

- 3.7 Since March 2020 the UK and Scottish Governments have put in place several financial supports for business and employees that have acted as a “buffer” from the reductions in economic activity that have resulted from the restrictions imposed.
- 3.8 Between March 2020 and October 2020 the number of universal credit claimants looking for work in Renfrewshire increased by 80% (see Table 1). This has affected all ages, except for 16-17 year olds. There has been a lower rise in male claimant than females and this may be due to their employment in some of the most affected business sectors.

Table 1: Universal Credit Claimants – Renfrewshire; 2020

| | Total claimant numbers | Of which male | Of which female | Aged 16-17 | Aged 18-24 | Aged 25-49 | Aged 50+ |
|------------------|------------------------|---------------|-----------------|------------|--------------|--------------|--------------|
| Mar-20 | 4,015 | 2,655 | 1,360 | 20 | 745 | 2,250 | 1,000 |
| Apr-20 | 6,685 | 4,395 | 2,290 | 25 | 1,140 | 3,855 | 1,665 |
| May-20 | 7,530 | 4,910 | 2,620 | 35 | 1,360 | 4,270 | 1,860 |
| Jun-20 | 7,480 | 4,825 | 2,655 | 30 | 1,475 | 4,155 | 1,815 |
| Jul-20 | 7,765 | 4,965 | 2,800 | 30 | 1,550 | 4,280 | 1,905 |
| Aug-20 | 7,780 | 4,975 | 2,805 | 25 | 1,565 | 4,250 | 1,935 |
| Sep-20 | 7,535 | 4,825 | 2,710 | 25 | 1,505 | 4,120 | 1,885 |
| Oct-20 | 7,230 | 4,620 | 2,610 | 25 | 1,425 | 3,930 | 1,845 |
| change Mar – Oct | 80% | 74% | 92% | 25% | 91% | 75% | 85% |

- 3.9 The Job Retention Scheme (Furlough) commenced in April 2020 and was initially intended to run until the end of October. The UK Government has now extended the furlough offer until the end of March 2021, meaning it will have been available to businesses having to furlough staff for a full 12 months.
- 3.10 Table 2 sets out the scale of the furlough scheme as it has been applied for by employers of Renfrewshire residents (furlough statistics are based on employee’s residential address). Our estimate is that this has had a value (at Nov 2020) of approximately £115m to Renfrewshire businesses.

Table 2: Job Retention (Furlough) Scheme Claimants – Renfrewshire residents; 2020

| Month | Number on Furlough |
|------------------------|--------------------|
| June (end of May) | 23,000 |
| July (end of June) | 26,800 |
| August (end of July) | 28,300 |
| October (end of Aug) | 8,800 |
| November (end of Sept) | 6,900 |

- 3.11 Grant support for businesses affected by the Covid-19 restrictions since March 2020 has resulted in approximately £28.5m being paid out to individual business with premises in Renfrewshire. Primarily focused on retail, hospitality and leisure sectors, the various schemes have benefited more than 2,500 business premises. Similar grants will continue to be payable (monthly in arrears) to business affected by the individual tiered restrictions in place from October 2020.
- 3.12 Around 4,000 self-employed businesses in Renfrewshire have taken advantage of UK Government's Self- Employed Income Support Scheme (SEISS) since its inception in March 2020. Designed to compensate for the loss of income for such businesses we estimate this has had a value to date of approximately £9.6m.

Economic Opportunity

- 3.13 We know from analysis carried out for the Renfrewshire Economic Strategy (2019) that the local economy benefits from significant opportunities for growth after the pandemic. The building blocks of Renfrewshire's economy have been consistently strong for some time and include a strong business base, strong higher and further education campuses and strong connectivity. Ongoing investments such NMIS and MMIC at AMIDS, the Council's Cultural Investment Programme, the roll-out of fibre broadband connectivity across Renfrewshire and the continued demand for new residential and commercial development illustrate a positive outlook.

4. Economic Recovery Plan

- 4.1 The draft Economic Recovery Plan 2020-2022 (attached to this report at Appendix 1) sets out the priority actions for the Renfrewshire economy over the next 2 years. Some of these can be enacted immediately and others will take longer to implement. All the content of the Economic Recovery Plan will require a partnership approach between two or more of Renfrewshire's key economic stakeholders. The lead organisation for each action is listed in the Plan.
- 4.2 The Plan's actions have been developed under 6 themes. These themes take their lead from the Scottish Government's national equivalent plans but are also edged with a Renfrewshire specific context. The 14 priority actions sitting below these overarching themes are those the Renfrewshire Economic Panel believe will make the largest difference to the recovery of the local economy, improving lives and securing greater well-being through targeted investment and jobs led recovery. The priority actions are targeted interventions to address specific economic challenges from the Covid impact. Other economic development activity (employability, business support, regeneration investment) will continue to be pursued in parallel.

4.3 The Economic Recovery Plan has been developed to achieve several overarching objectives. These can be summarised as:

- Maximising the number of jobs that can be created or retained locally;
- Supporting improvements in business productivity and competitiveness, including the upskilling of their existing workforce, increasing innovation and R&D and building management and leadership capacity;
- Improving the employability of those currently unemployed or who potentially face unemployment through reskilling and retraining;
- Tackling inequalities; employment, income, education and health including measures to mitigate the risks of increasing multiple disadvantages and any widening of the gap between the most and least deprived as a result of the economic crisis;
- The need to adopt actions that support a 'green' recovery;

4.4 The agreed themes for the Economic Recovery Plan were trailed in the September 2020 Council report and the rationale for selecting these is set out below:

- **Supporting Business and their Workforce** – business is the principal provider of job opportunities in Renfrewshire. Many sectors have struggled due to the pandemic restrictions in terms of customer footfall, trade and supply chains. The pandemic has changed economic behaviour and businesses will need to adapt with new skills for this new economy;
- **Supporting Our Young People** - Evidence from previous recessions and economic downturns, as well as the current pandemic, is that the younger generation are disproportionately affected. Government programmes and funding are geared towards economic opportunity for younger people. As well as a safety net we need to equip them to meet changing and future employment opportunities; and to provide the best start in life;
- **Economic Well Being** - There is a need to ensure a resilient recovery whereby local businesses maximise local economic opportunities and we ensure that this activity does all it can to overcome local inequalities in terms of benefiting everyone. It is also about targeted interventions to help people back to work to provide a stronger labour market for business growth;
- **Skills and Employability** - Ensuring that our local population are equipped with the skills required for the future underpins our economy. We need to ensure that when choices are made ranging from first career, to identifying the need for upskilling of the existing workforce, to selecting retraining programmes for those affected by redundancy, such decisions are equally well informed about local opportunity;

- **Green Recovery and Net Zero Economy-** Renfrewshire Council has declared a Climate Emergency and prepare a Climate Change Adaptation Plan. Economic Recovery needs to ensure it is focused on tackling such issues in Renfrewshire;
- **Capital Investment** – Capital investment is a major source of new employment opportunities as well as economic activity for supply chains based in Renfrewshire. It will help sustain existing key sectors such as construction

Priority Actions

4.5 The following priority actions are proposed for inclusion in the Renfrewshire Economic Recovery Plan. To provide a wider context (at Appendix 3 to this report) we have offered a summary of the draft equivalent plan for the Glasgow City Region.

- (1) Develop a **refreshed employability programme** for Renfrewshire (utilising Youth Guarantee and Kickstart funding) to reduce unemployment among young people (18-24 yrs.) and to support local businesses;
- (2) Promote **enterprise and entrepreneurship in all Renfrewshire secondary schools** through curriculum development that encourages linkage with existing business mentors and aligns to STEM activity plans
- (3) Support and grow **supply chain management and knowledge exchange** among manufacturing SMEs to supply Scottish / UK businesses and global supply chain.
- (4) Develop a programme to support **work-place wellbeing** across Renfrewshire companies Work with NMIS (Skills Academy)
- (5) Develop a **productivity and innovation programme** for Renfrewshire manufacturing companies (aligned to the existing AMCF / Critical Engineer programme).
- (6) We will ensure that we raise awareness among locally based companies of our **proposed procurement** across Renfrewshire capital projects and purchase of supplies and services to enhance opportunities for successful bids;
- (7) Extend the participation of Renfrewshire schools in the **Future Paisley creative learning programme**;
- (8) Bring forward actions to **reduce health inequalities**, improving economic participation, more secure earnings and greater earning power;
- (9) Targeted interventions for **recruitment, upskilling and re-skilling** across Renfrewshire's key sectors

- (10) Make it easier for young people to understand their **learning and career choices** at the earliest stage and align this to Economic Strategy and known workforce demand and provide long-term person-centred support for the young people who need this most;
- (11) Promote a **Renfrewshire Apprentice Framework** that can be rolled out across local businesses wishing to participate;
- (12) Propose a large scale **investment programme for Council housing stock** to meet climate change objectives, encourage neighbourhood regeneration and promote wider investment;
- (13) Create a **clearly defined and publicised investment proposition** to attract more investment and talent to the area that will see Renfrewshire secure its position as the primary location for manufacturing (research and development) investment in Scotland;
- (14) Pilot and test the creation of **active travel routes** between neighbourhoods, town centres and business locations using these to test SMART travel solutions and evaluate benefits to biodiversity, air quality and access.

The role of partner agencies

- 4.6 Partner agencies (eg. Scottish Enterprise, Skills Development Scotland, DWP, Chamber of Commerce, HSCP, West College, UWS) have a key role to play in delivering the Economic Recovery Plan. Without their input the Plan will not be the success we are striving for.
- 4.7 Through a combination of budgets and joint initiatives, collectively we can achieve more for the people and businesses in Renfrewshire. The private sector also has a key role. They are the biggest investors in the local economy. The private sector is also the principal provider of new jobs, albeit they have borne the brunt of the economic downturn in recent months.
- 4.8 The Action Plan itemises the lead partner for each of the key priorities. In some cases, the lead will be joint between two partners.

What impact might the Recovery Plan have

- 4.9 We know the Economic Recovery Plan will create jobs as well as training opportunities for young people in Renfrewshire. We know there is a significant scale of planned capital investment for the area, with the potential for more. This will create more economic opportunity at AMIDS, in our town centres and in our other business locations.

- 4.10 At Dec 2020 we estimate the economic impact from the Recovery Plan (2020-2022) could include:
- 700+ young people finding work;
 - 400+ businesses benefiting from additional resources;
 - 1,500 additional opportunities of employment, education or training to young people;
 - 150 new apprenticeships being created;
 - Level of economic investment in Renfrewshire (circa £500m);
- 4.11 As we develop more detail for Economic Recovery, we will introduce specific targets for each of the 14 Priority Actions outlined above and in Appendix 1. The progress against these targets will be reported back to Leadership Board in due course.
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Implications of the Report

1. **Financial** – None beyond existing approved budgets.
2. **HR & Organisational Development** – None
3. **Community/Council Planning** –
 - *Our Renfrewshire is thriving – an Economic Recovery Plan will be critical in supporting the recovery of local business, production and employment from the consequences of the Covid-19 restrictions.*
 - *Our Renfrewshire is well – promoting economic activity among all citizens and communities will support the resilience of individuals, families and neighbourhoods*
 - *Our Renfrewshire is fair – economic recovery will prioritise the delivery of inclusive growth*
 - *Reshaping our place, our economy and our future – the Covid-19 restrictions are having, and will have, long lasting implications for Renfrewshire's places and its economic future. Rebuilding our economy offers chances to reset ambitions and to introduce innovative thinking about the future of our places.*
 - *Building strong, safe and resilient communities – promoting economic activity among all citizens and communities will support the resilience of individuals, families and neighbourhoods*
 - *Tackling inequality, ensuring opportunities for all – economic recovery will prioritise the delivery of inclusive growth*
 - *Creating a sustainable Renfrewshire for all to enjoy – an economic recovery that is a green recovery and contributes to Scotland's net-zero carbon target will be prioritised in future planning*
4. **Legal** – None
5. **Property/Assets** – None

6. **Information Technology** - None
 7. **Equality & Human Rights** - the Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** - None
 9. **Procurement** - None
 10. **Risk** - None
 11. **Privacy Impact** - None
 12. **COSLA Policy Position** –supports the COSLA Priority to develop local economies and support inclusive growth
 13. **Climate Risk** – an economic recovery that is a green recovery and contributes to Scotland's net-zero carbon target will be prioritised in future planning
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List of Background Papers

- (i) *Renfrewshire Economic Update; Council; 21 September 2020*
- (ii) *Update on Covid-19; Renfrewshire Council Emergencies Board; 17 July 2020*

The foregoing background papers will be retained within Chief Executives Services for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Alasdair Morrison; Head of Regeneration; Tel 0141 618 4664; Alasdair.morrison@renfrewshire.gov.uk)

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Renfrewshire's Economic Recovery Plan December 2020 to December 2022

| Theme | <u>Priority Actions</u> | Lead Agency | Partner Agencies |
|---|---|---------------|------------------------|
| Supporting Our Young People | <ul style="list-style-type: none"> Develop a refreshed employability programme for Renfrewshire (utilising Youth Guarantee and Kickstart funding) to reduce unemployment among young people (18-24 yrs.) and to support local businesses | RC | DWP; DYW; SDS; |
| | <ul style="list-style-type: none"> Promote enterprise and entrepreneurship in all Renfrewshire High Schools through curriculum development that encourages linkage with existing business mentors and aligns to STEM activity plans | RC | SDS; DYW |
| Supporting Business and their Workforce | <ul style="list-style-type: none"> Support and grow supply chain management and knowledge exchange among manufacturing SMEs to supply Scottish / UK businesses and global supply chain. | SE | Chamber; RC |
| | <ul style="list-style-type: none"> Develop a programme to support work-place wellbeing across Renfrewshire companies. | HSCP | Third Sector; NHS |
| | <ul style="list-style-type: none"> Work with NMIS (Skills Academy) to develop a productivity and innovation programme for Renfrewshire manufacturing companies (aligned to the existing Critical Engineer programme). | NMIS / SDS | Chamber; SE; RC |
| Economic Well Being | <ul style="list-style-type: none"> We will ensure that we raise awareness among locally based companies of our proposed procurement across Renfrewshire capital projects and purchase of supplies and services to enhance opportunities for successful bids; and build in a requirement for commitment to the Youth Guarantee in such contracts. <i>This action will be accompanied by education piece for all anchor institutions and suppliers</i> | RC | UWS; WCS; NHS; HSCP |
| | <ul style="list-style-type: none"> Extend the participation of Renfrewshire schools in the Future Paisley creative learning programme | RL | RC |

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|---------------------------------|---|----------------|-----------------------------|
| | <ul style="list-style-type: none"> bringing forward actions to reduce health inequalities, improving economic participation, more secure earnings and greater earning power | HSCP | RC |
| Skills and Employability | <ul style="list-style-type: none"> Targeted interventions for recruitment, upskilling and re-skilling across Renfrewshire's key sectors eg. introduction of a new Social Care Graduate Apprenticeship programme at UWS and enhancement of redundancy services via PACE, etc. | RC / SDS | UWS; WCS |
| | <ul style="list-style-type: none"> make it easier for young people to understand their learning and career choices at the earliest stage and align this to Economic Strategy and known workforce demand and provide long-term person-centred support for the young people who need this most; | RC / SDS / DYW | UWS; WCS |
| | <ul style="list-style-type: none"> Promote a Renfrewshire Apprentice Framework that can be rolled out across local businesses wishing to participate | WCS / SDS | UWS; RC |
| Capital Investment | <ul style="list-style-type: none"> Large scale refurbishment programme for Council housing stock to meet climate change objectives, encourage neighbourhood regeneration and promote wider investment | RC | SG |
| | <ul style="list-style-type: none"> Create a clearly defined and publicised investment proposition to attract more investment and talent to the area that will see Renfrewshire secure its position as the primary location for manufacturing (R&D) investment in Scotland | RC / SE | SE / Anchors / SG / Chamber |
| Green Recovery | <ul style="list-style-type: none"> Pilot and test the creation of active travel routes between neighbourhoods, town centres and business locations using these to test SMART travel solutions and evaluate benefits to biodiversity, air quality and access. | RC | Sustrans / SG |

Partner Agencies (key):

DWP – Dept of Work and Pensions; DYW – Developing the Young Workforce; HSCP – Health & Social Care Partnership; NMIS – National Manufacturing Institute Scotland; RC – Renfrewshire Council; RL -Renfrewshire Leisure; SE – Scottish Enterprise; SG – Scottish Government; SDS – Skills Development Scotland; UWS – University of West Scotland; WCS – West College Scotland

COVID-19: Overview of UK, Scottish and Renfrewshire economic context at Nov 2020

UK position

The UK economy is slowly showing signs of recovery in wake of the COVID-19 pandemic. In September 2020, Gross Domestic Product (GDP) grew by 1.1%, the fifth consecutive monthly increase following a record fall of 19.5% in April 2020. However, it remains 8.2% below the February 2020 level, and growth in the UK economy's main sectors has slowed. GDP recovery may continue to be slow with further lockdowns being experienced across the country, and uncertainty remains over any Brexit deal. Latest independent forecasts published by the HM Treasury suggests UK GDP could contract by 10.2% in 2020.

The crisis has significantly impacted the labour market. Between July to September 2020 estimates show a large increase in the unemployment rate and a record number of redundancies, while the employment rate continues to fall.

Since March 2020 the Claimant Count has increased by 112% or 1.4 million. However, the claimant count did drop slightly in October 2020 to 2.6 million (from 2.7 million in September 2020). The continuation of the furlough scheme until March 2021 may help stabilise this rate for the next few months.

As of 30th September 2020, estimates show that furloughing of staff across all sectors have continued to decrease. Since the peak of 8.9 million employments furloughed in May 2020, preliminary figures show that the number of employments furloughed continued to fall throughout the summer months to 5.2 million on 31 July 2020 and down further during the autumn months to 2.4 million on 30 September 2020. However, with the new lockdown measures introduced across the various regions of the UK, potentially the number of staff on furlough will increase again in the coming months. As of November 2020, the value of claims made to the scheme were c.£43bn.

By 31 October 2020, 2.3 million (69%) of the potentially eligible population had claimed a second Self-Employed Income Support Scheme (SEISS) grant with the value of these claims totalling £5.9 billion.

Overall, economic output forecasts for 2020 have stabilised in recent months. However significant short term uncertainty remains for the final quarter of the year as well as for the medium term as new local restrictions on activity are introduced to suppress the spread of the virus.

Scotland position

The latest GDP data shows that the Scottish economy grew for the fourth consecutive month in August and over that period recovered around 60 per cent of the output lost during the unprecedented falls in March and April 2020. However, the pace of growth slowed in August 2020, as was the case across the whole of the UK. Slower growth was evident in both the services and construction sectors, alongside a slight fall in output in the production and manufacturing sectors, highlighting the gradual pace at which output will return to pre-pandemic levels. Overall, GDP remained 9.4 per cent below its level in February 2020.

However, the scale of the impact on output during national lockdown, the subsequent pace at which demand has recovered and the need for local restrictions means that sectoral differences are already emerging. For example, accommodation and food services output was 31 per cent below its level in February while construction output was 9 per cent below and manufacturing 5 per cent lower.

Whilst business activity continued to stabilise into the third quarter of the year, subdued demand, heightened uncertainty and new local restrictions have slowed the pace and scale of activity. By the start of October 2020, the proportion of total businesses (with 10+ employees) reporting as currently trading was 95%, with the accommodation and food services sector (80%) and the arts, entertainment & recreation sector (89%) continuing to have the lowest proportions trading over this period. These figures will inevitably decrease further with the introduction of further restrictions under the localised levels system.

Businesses continued to reopen and adjust to new operating and demand conditions going into the third quarter. However, in relation to turnover, many were operating below full capacity and cashflow challenges remained a key risk. Most companies in Scotland continued to report that turnover has fallen compared to last year. Sectors such as accommodation & food services and arts, entertainment & recreation, continued to be impacted significantly by restrictions on consumer activity.

The Scottish labour market has shown signs of recovery in the latest quarter. In terms of CJRS, as restrictions eased in August 2020 and people continued to return to work, the number of employees on furlough fell by 120,400 (reduction of 39%) between the start of August and end of September. In total, the latest HMRC data shows that at the end of September 2020, 183,200 employments in Scotland were on furlough. Scottish businesses have reported that around 11.9% of their workforce were on furlough in October, down from 32.1% in June.

HMRC data show that by end of October 2020, 142,000 claims in Scotland had been made to the second SEISS which opened on 17 August 2020. This represents 69% of the eligible population, with an average claim of £2,500. In total around £359m has been paid out under the second scheme. The number of claims was down from the first SEISS in which there were 158,000 claims in Scotland.

Over the quarter June to August 2020, the employment level increased by 15,000 in Scotland, whereas unemployment level remained broadly stable over the quarter and the unemployment rate was unchanged at 4.5%. Scotland's claimant count decreased in October reflecting that the number of people that are unemployed or employed with low income and/or low hours is stabilising. In total, the number of claimants decreased by 2,972 over the month to 214,837 taking the overall claimant count rate to 7.7%. However, despite this decrease, compared to the same period last year, the claimant count has nearly doubled across Scotland since March 2020 (+89%).

In summary, the short term outlook for the final quarter of 2020 remains notably uncertain as cases rise in Scotland. This has been reflected in weakening business and consumer optimism and presents even greater uncertainty for the medium term outlook. Scenario analysis published in the latest State of the Economy report in September, suggests Scottish GDP could fall by 9.8% in 2020 and not return to pre-crisis levels until the end of 2023, whilst unemployment could rise to 8.2%, and potentially take longer to recover.

Renfrewshire position

Renfrewshire's Claimant Count in October 2020 was 7,230 representing a 4% fall between September and October. Whilst this reduction in claimant count is positive, since March there has been an 80% increase, which highlights the impact the crisis has had on the local economy and workforce. Overall, Renfrewshire's claimant count equates to around 6.3% of the working age population. To be put this in context, this is the 11th highest rate across the 32 local authority areas.

At the end of September 2020, Renfrewshire had 6,900 employees on furlough, around 8% of all eligible employees – comparable to the Scottish average. The number represents a significant reduction (-76%) from the high of 28,300 people on furlough recorded at the end of July 2020 in Renfrewshire. This corresponds to the easing of lockdown restrictions from August onwards. However, as noted above, the introduction of further lockdown restrictions will likely lead to further people being put on furlough in Renfrewshire. It has been estimated that the value of claims made against the CJRS scheme regarding payments to Renfrewshire based businesses is around £115m.

Some sectors of the Renfrewshire economy were impacted by the lockdown more than others. Accommodation and food service activities, other service activities, construction and transportation and storage were sectors where firms reported high shares of their workforce being put on furlough.

Take-up of the second SEISS scheme in Renfrewshire as of 31st October was 73%, with 4,000 claims which accounts for a total value of approx. £9.8m.

Glasgow City Region – Draft Economic Recovery Plan (Nov 2020)

The GCR Economic Recovery Plan is due to be presented to the GCR Cabinet in December 2020. It is presented here in draft format only.

| KEY THEME | CONTEXT | WE WILL DO THIS BY |
|---|---|---|
| <p>Protect Jobs and Businesses</p> <p>Protecting jobs and hard-hit local businesses is critical.</p> | <p>We will maximise UK Government and Scottish Government funding so that a comprehensive and enduring package of financial and business support is in place to secure the incomes of staff and businesses.</p> <p>We recognise that it is our social/footfall dependent businesses which are being hardest hit. These businesses which have played a critical role in the renaissance of the region. It is vital that they are given targeted support to allow them to trade and flourish.</p> | <p>1. Lobbying for the continuation of, and for additional support from central government to meet the specific needs of Glasgow City Region, its businesses and employees.</p> <p>2. Supporting commuters and residents to travel safely into the City Centre and throughout GCR we will extend active travel options and provide safe, efficient, reliable and attractive public transport.</p> |
| <p>Provide Residents with Skills to Flourish in the Future Economy</p> <p>It is sadly inevitable that as a result of restrictions on economic and social life, there will be significant job losses.</p> | <p>The digital transformation brought about by Covid and changing ways of working means that some parts of our Establishing an enhanced package of Glasgow City Region Partnership Action for Continuing Employment (PACE) support to help those made redundant back into work or training.</p> <p>It is vital that we provide all the necessary support to get our residents back into work as quickly as possible. It is equally as essential that money is spent wisely, and residents are provided with skills to flourish in the future economy.</p> | <p>3. Establishing an enhanced package of Glasgow City Region Partnership Action for Continuing Employment (PACE) support to help those made redundant back into work or training.</p> <p>4. Co-ordinating an emergency workforce development programme with responsibility for delivering a regional skills programme that cuts across business, educational institutions, SDS and councils.</p> <p>5. Identifying skills opportunities and in-demand jobs of the post Covid economy and focus on the need to grow meta skills to help our workforce adapt to the new labour market.</p> |

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| <p>Stimulate New Long Term Employment Opportunities</p> <p>During times of economic recession, to prevent as much scarring on the economy and our communities as possible, it is critical government steps in where possible to fuel demand – and create the next wave of employment and address the climate emergency.</p> | <p>One of simplest ways is to expand infrastructure investment – including finding new ways to deliver projects.</p> <p>And, perhaps most excitingly, there is an emerging body of evidence that one of the most successful ways of stimulating the economy and create local jobs is through green growth</p> | <p>6. Engaging with the UK Government and Scottish Government to increase and accelerate investment in infrastructure to provide short term economic stimulus and to create jobs and drive green economic growth as we move into the post-Covid period.</p> <p>7. Improving the quality of housing, creating jobs, and delivering on our shared commitment to net zero carbon emissions we will develop a proposal to deliver a housing energy efficiency retrofit programme.</p> |
| <p>Supporting Businesses and Communities to Adapt</p> <p>Some businesses are already finding new ways of working.</p> | <p>This innovation needs nurtured with knowledge transferred from those who have successfully adapted to other businesses, helping to boost their resilience.</p> <p>We know that recessions hit the most vulnerable members of society the hardest. We need to expand our efforts to empower residents to develop solutions that best meet their needs. In doing so, striving to create an equitable recovery, challenge existing inequalities, and respond to the climate emergency.</p> | <p>8. Enabling businesses to innovate, adapt and become more resilient, City Region partners will work together to provide additional business support with a focus on digital and decarbonisation.</p> <p>9. Applying a Community Wealth Building approach to reduce the amount of V&DL across the City Region, bringing land back into use for commercial, greenspace, or community benefit.</p> <p>10. Developing an action plan that will help our most disconnected residents overcome the barriers – affordability of connection, lack of skills, or lack of interest – that lead to digital exclusion. We will also work with the private sector to accelerate the roll out of digital infrastructure across the City Region</p> |