Economic Development Strategy

Refresh June 2021









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Foreword







Ross Mackinnon Executive Member for Economic Development

West Berkshire's local economy has long been strong and resilient with a high number of businesses representing a diverse range of industries, a well-qualified workforce and an excellent natural environment.

Our local Economic Development Strategy which was first published in draft in March 2019, and was eventually adopted in early 2020, reflected on this position of strength and sought to ensure that more local people were able to take advantage of the opportunities our district has to offer.

As we write this, we are in the midst of the Covid-19 global pandemic and are working to mitigate the immediate impact on the local economy whilst beginning to come to terms with the long term effects that may emerge. We are also operating in the context of the UK's exit from the EU, which is likely to have still further effects on the national and local economy.

The pandemic had not been a factor we- or indeed anyone- had predicted. Although we are better equipped to recover from its impact than the majority of areas, we must not ignore the catastrophic effects it has had on certain groups and industries. Early evidence we have collected suggests that our young people, women and ethnically diverse communities have felt the biggest impact and that our retail, hospitality, leisure and creative industries have suffered from prolonged periods of lockdown which have rendered them unable to resume trading as they did before. Over time, the extent of this will become clearer and we must be ready to act accordingly.

In this document, we will be looking at our previous strategy and considering whether the actions it contains are still relevant in the current climate. Some of them will be given the long term view we took when developing it. Others will need to be reviewed given the new environment we are presented with post-Covid and post-EU Exit and more still will need to be created as we look to get our economy back on track.

In the coming months and years, the lasting effects of the pandemic will become clearer. We intend to work with our partners, including our businesses, the Thames Valley Berkshire LEP and other stakeholders, to restore what we have lost, build on what we have gained and to galvanise West Berkshire's position as a great place to live, work and do business.

Context: Covid-19 and West Berkshire's local economy

The emergence of Covid-19 and the resulting effects on public health, the economy and daily life has been arguably the most significant event in living memory. Its impacts have been felt in all corners of the globe and the lasting legacy of the virus is as yet unknown. Just a few months ago, having to go into lockdown and then subsequently into the deepest recession on record would have been unthinkable and yet that is exactly where we have found ourselves.

The infographic on page 6 gives details of some elements of this impact. At the height of lockdown in mid-2020, over 20,000 local people were on furlough which is a significant percentage of the workforce. These numbers have now stabilised but the fact remains that many industries such as retail, hospitality and leisure, remain in a precarious state and continue to employ almost 16% of local people. Targeted interventions must be made if we are to ensure that these people remain in employment and that businesses are given the best possible chance of survival.

The rise of home working was a clear result of the pandemic and our statistics show that just under a third of workers are able to do this. Although this is positive, prolonged periods of working from home have also taken their toll on wellbeing, with over half of employees expressing concerns of feeling isolated or detached from the workplace. Furthermore, the relative success of home working alongside the cost and emissions savings made as a result of office buildings not being used will lead many employers to consider their estate needs which in turn will have a knock on impact on our town centres. This is a factor we have already begun to explore in Newbury through a masterplanning exercise but is likely to have an impact across the district's other towns.

The unequal impact of Covid-19 must also remain in our collective consciousness as we look to the future. In the West Berkshire 2036 Vision we reflected closely on the fact that there is a significant equality gap in our district, with many health and wellbeing indicators showing life quality opportunities as being much better in the least deprived wards than in the most. Not only this; but young people, women and Ethnically diverse communities are more likely to work in those industries which have been shown to be vulnerable as a result of lockdown arrangements. The refresh therefore takes into account the pressing need to see truly inclusive growth in the district.

In advance of publishing this refreshed strategy, we have been working with partners on a number of short and medium term initiatives to mitigate the impact of the virus on our district. At national level, central government have made a number of interventions including the launch of the Coronavirus Job Retention Scheme, the establishment of a number of grant schemes targeted at the most impacted industries and the introduction of Business Interruption Loans through the British Business Bank. Alongside this, initiatives such as the Re-Opening High Streets Safely Fund, the Eat Out To Help Out Scheme and Shop Local Week have sought to increase consumer confidence during the return to the high street. In West Berkshire, this meant that over 20,000 local people had received income through the furlough scheme and that 2,200 local businesses received a grant.

At regional level, the Thames Valley Berkshire Local Enterprise Partnership has been offering direct support to businesses in the form of the Berkshire Growth Hub and has also engaged with local firms across all industries in order to gather data about the economic impact being felt.

This has subsequently been fed back to Government to inform their plans as well as being used to shape the Berkshire Recovery and Renewal Plan, which in turn has been used to support our plans in West Berkshire.

At local level, as well as administering these central government schemes, we have also intervened to minimise the impact on our local businesses by temporarily deferring business rates to every local business, implementing temporary measures in our towns to support social distancing, offering free advice to affected firms, distributing targeted local grant schemes to support our most vulnerable industries and by streamlining our own regulatory functions- such as planning and licencing- to ensure that the re-opening of local businesses occurred smoothly.

The ultimate success of these policies will only become evident over time. There is, however, a danger that the current recession will continue and that this will have much more serious repercussions for some sectors, particularly retail, leisure, the creative industries, manufacturing and construction.

Early indicators suggest that of all areas in the country, West Berkshire is likely to be better-placed than most to weather the storm and to bounce back economically¹, with areas in the North and Midlands most at risk. That isn't to say however, that there is room for complacency and we intend to keep this refreshed strategy under review as the impact on our district becomes clearer.





12,000
employees
furloughed in
July 2020

of local employees in most impacted industries (19484 people)



3920

unemployed in July 2020 v 1285 in July 2019

10.2 contraction in UK Economy in 2020

Projected



employees able to work from home

97%

drop in May 2020 Heathrow passenger numbers v previous year

13.1%

fall in retail sales May 2020 v May 2019





Most impacted industries - retail, hospitality, leisure, aviation

Our Vision

That West Berkshire's local economy recovers to previous levels as soon as possible. In the medium to long term, it will then adapt to the post-Covid 19 environment and emerge stronger than before.

In doing so, the district will move rapidly towards a productive and resilient economy founded on the principles of inclusive, clean growth and where everyone is given the opportunity to thrive.

Strategic approach

In developing this refresh, we have considered the short and long term needs of local people and businesses, reflecting that we must help them to respond to the immediate impact of the crisis whilst planning for the challenges of the coming years.

In the short term, the initial response work detailed in our Context Chapter has formed the focus of our work as grant distribution, signposting and offering direct advice to resident and businesses in order to help them to operate safely has been of the utmost importance. As we look towards the medium to long term, factors such as digital infrastructure to facilitate homeworking, future uses of commercial property, improving the available workspace in the district, securing long term employment for those who have lost their jobs and the need to ensure that our economic recovery occurs in a clean and inclusive way must be considered.

In order to coordinate this work effectively, our approach has been:

- To develop plans for short term recovery initiatives in order to facilitate the safe re opening of local businesses
- To undertake a thorough analysis of the likely long term impact of Covid-19 and to develop and implement plans to mitigate these

- To refresh the previously stated objectives across the strategic themes outlined in our Economic Development Strategy, namely People, Places, Infrastructure and Business Environment
- To engage more effectively with the business community to ensure a well coordinated recovery and enhanced levels of confidence in the district's local economy

We have also closely considered the objectives outlined in the Berkshire Recovery and Renewal Plan, which are:

Connected Berkshire – where physical and digital connectivity give our businesses a cutting edge and the Berkshire workforce enjoy greater flexibility in where and how they work.

Collaborative Berkshire – where our businesses, anchor institutions and support services, alongside central and local government, work together in an enhanced business eco-system to accelerate innovation and commercialisation, thereby protecting existing jobs and creating new ones.

Skilled Berkshire – where employers get the critical skills they need and employees can train and retrain in order to navigate new career paths.

Both our approach and the aims stated at Berkshire level will help West Berkshire and the wider region to 'build back better', boosting inclusivity, productivity and sustainability in a way that benefits all of our residents and businesses.

"The district will move rapidly towards a productive and resilient economy founded on the principles of inclusive, clean growth and where everyone is given the opportunity to thrive."



Before the Covid-19 pandemic, West Berkshire had historically low levels of unemployment and a job density of 1.1. Not only this, but the well-qualified workforce, high quality schools and the opening of the new University Centre in Newbury placed West Berkshire's local economy among the most successful in the country.

Whereas the standard of education and many of the opportunities available in West Berkshire may not have changed in recent months, it is impossible to ignore that under 24s, women, those from Ethnically diverse communities and those working in certain industries, such as retail, leisure and the creative industries, have been impacted disproportionately.

In our previous Economic Development Strategy, we agreed to undertake a number of actions with our partners in order to ensure that the district's residents had the best opportunity of thriving.

Among these actions were targeted investment in digital skills, a review of barriers to work and a new Apprenticeship Levy Scheme for employers. From what we know about the impact of Covid-19, the majority of these initiatives are, if anything, even more necessary than before and we intend to work with our schools, training providers and businesses to implement them as quickly as possible.

Other actions contained in the table are revised or completely new as we look to support our residents, especially those most affected by Covid-19, towards recovery. The Berkshire Recovery and Renewal Plan's 'Skilled Berkshire' priority also has clear implications in this area, so many of our actions will mirror those intended at regional level.

The following table contains these actions as well as commentary around their development.

Priority	Commentary	Action
1. Empower everyone to enter the workplace	Given the rise in unemployment benefit claimants and uneven impact of Covid upon young people, ethnic minorities and women, this remains highly relevant.	Work with the Equalities Officer to understand whether barriers exist to people of races or ethnicities most affected by Covid-19. This may include those who do not have English as a first language Target skills maintenance and employment guidance interventions at women and other impacted groups Place further resource into locating education, employment or training for young people, with a focus on those who are NEET Identify critical skills gaps in our working population post-pandemic and work with partners, including Newbury College and other training providers, to address these Enhance employability skills through the Berkshire Education Employment Partnership programme and the Industry Educator Programme Support the development and delivery of a Berkshire Skills Strategy and Action Plan Work with the Berkshire Growth Hub to assist those who want to re-enter the workforce by starting a new business
2. Put in place employment support for the newly-unemployed and underemployed	We will monitor unemployment statistics closely, but in July 12,000 people were furloughed in West Berkshire and we fear a significant number of these are at risk of redundancy.	Promote Berkshire Opportunities as a first port of call for the recently unemployed Through the Jobcentre, identify and refer young people to the Kickstart Scheme, delivering this message through other council services Utilise the Kickstart scheme to create temporary roles in West Berkshire council, schools and other services Work with the LEP to influence employers to offer value-added jobs to a wider range of employees

Encourage uptake of apprenticeships 4. Support Newbury College's University Centre	Apprenticeships remain a key route for young people and should be prioritised alongside other training and employment routes This is relevant and going ahead, although perhaps altered in format due to Covid	Continue Community Apprenticeship Levy work Gift as much of WBC's £500,000 apprenticeship levy excess as possible by forming partnerships with local businesses. Support the LEP's new Apprenticeship Hub University Centre Newbury now open We will explore the possibility of arranging placements for their students within WBC We will support them in further funding bids as required to enhance the local educational offering We will champion their inclusion in the LEP's 5 year Capital Improvement Plan We will help Newbury College to raise its profile as a local centre of excellence and will also encourage local employers to work with the College to shape its provision, thereby ensuring it meets local needs and addresses skills gaps
5. Help to grow digital skills	Given the increased competitiveness in the national job market due to coronavirus, it is as appropriate as ever to ensure our workforce is as skilled and focussed as possible	Partnering with schools, and our teams involved with schools, to deliver targeted digital skills training such as coding – initially through online classes Prioritise digital skills within opportunities offered by the Council; including apprenticeships, work experience and potential Kickstarter roles We will support the LEP's proposed Digital Skills Partnership to boost the availability of vital skills locally
6. Work with partners to improve careers advice and put employment and skills at the heart of everything we do	As a major employer we could make a large contribution to improving employment and skills post-Covid	Design and run work experience programme at WBC. Beginning with an audit of council teams for appropriate, discrete projects that an intern or work experience student could take ownership of Work with the LEP and Berkshire Growth Hub to develop a 'skills brokerage service' to build resilience within businesses Work with the LEP to enhance the provision offered by the Berkshire Careers Hub Work with the Berkshire Growth Hub to build leadership and management skills within local SMEs



West Berkshire is a desirable place to live with its mix of beautiful countryside, picturesque villages, bustling towns and excellent connectivity. Whereas the pandemic hasn't changed the way the district looks, what is guite clear is that the national economic impact as well as our shared experience in lockdown has changed how we feel about our 'place' and how we will use it in future.

Without question, some industries have been more impacted than others. Whereas some of the district's larger employers operate in industries that haven't felt such a heavy impact, such as IT, others, such as retail, have felt it very keenly. This is likely to alter the makeup of businesses on our high streets and necessitate changes to the range of uses seen in town centres. Even for those who haven't been negatively affected, the legacy of the pandemic is likely to see repercussions as businesses review their estate needs. In contrast some local estate agents have commented that they have seen an increase in enquiries for properties in West Berkshire from those looking to relocate from London and other cities as regular commuting makes way for flexible and home working.

Long before the pandemic, we had begun working with our neighbouring authorities and Thames Valley Berkshire Local Enterprise Partnership to develop a fresh approach to place-making, which included moving towards major redevelopments such as the one at the London Road Industrial Estate and undertaking large scale masterplanning exercises in both Newbury and Thatcham. The significant impact of the pandemic has increased the urgency for this work to begin and through the newly established Berkshire Placemaking Board we will identify and deliver projects that will help us to build back better after what has been an unprecedented economic shock.

This could well be an opportunity to build on West Berkshire's reputation as a great place to live and to attract people and businesses to the area, as well as that of the wider Thames Valley Berkshire region. We know that now is the time to think about the projects that will help us to do this and to ensure that our 'place' retains its strengths and makes further progress.

The table below outlines some of the ways in which we will do this:

Priority	Commentary	Action
1. Use the Local Plan to deliver cohesive sustainable development in Newbury, Thatcham, Hungerford and Pangbourne.	This is as appropriate as ever and allows us to take a long term view on economic development.	Continue to review the new Local Plan and embed economic development priorities into it. Specifically, for the duration of the post-Covid downturn, additional weight can be given to economic development in commercial planning decisions. Give consideration for the altered needs of businesses in the post-pandemic landscape Deliver LRIE and Town Centre master plans with economic development at their core Thatcham master plan is underway which will contribute to revitalising Thatcham's town centre
2. Reshape our town centres	Coronavirus has accelerated the changing role of town centre Newbury centre has seen some business losses, but remains financially robust	Through the Berkshire Placemaking Board, identify projects which will contribute to sustainable, inclusive growth and seek funding for them from Government through the Levelling Up Fund and similar revenue streams Through the Placemaking Board, identify opportunities to work alongside other public entities to bring forward co-location opportunities under the One Public Estate programme Use LRIE and Town Centre Master Plan to allow for alternative and experimental uses We will support our High Streets across the district to deliver the new uses that are needed by local residents and businesses Establish a town centre grant scheme to drive footfall in Pangbourne, Thatcham, Theale and Hungerford Develop Shop Local branding and marketing activity to encourage more ethical, impactful shopping and purchase of services Seek funding for masterplanning exercises for other West Berkshire towns in order to improve the public realm and the spaces available to residents and businesses

3. Support rural businesses to diversify. Support the Lambourn horse racing industry	This has become more pressing for some rural businesses in recent months.	In line with previous successful projects, support rural estates to diversify, provide advice and planning assistance to allow this Particular support should be given to projects that involve 'greening' of farm infrastructure such as solar panels
4. Enhance our leisure offering	Leisure is an essential part of the West Berkshire offer.	Undertake a feasibility study for the enhancement of the Northcroft Lido Ensure the Local Plan and new master plans for Newbury allow a diverse range of uses and the potential for leisure offerings Work collaboratively with the leisure team on large future projects



"Develop Shop Local branding and marketing activity to encourage more ethical, impactful shopping and purchase of services"



In recent years, much of the investment made in infrastructure in West Berkshire was focussed on transport, whether through targeted highways infrastructure to unlock development or improvements to the rail network. Our existing Economic Development Strategy recognised this and a new Infrastructure Delivery Plan is being developed as part of the Local Plan review to 2036. The current situation will likely change the course of this work in some ways but not others

The most obvious need for infrastructure improvement lies in digital infrastructure, not only to enable businesses to operate but also to ensure local networks are able to accommodate the legions of new home workers emerging from the pandemic. Investment in superfast broadband for some time saw West Berkshire among the best connected rural areas in the country, the district has somewhat fallen behind in full fibre coverage. Redressing this balance must therefore be prioritised as part of the recovery process.

We must also look at what green infrastructure must be developed in the district so that we can meet our aspirations towards carbon neutrality. Our Environment Strategy, which was adopted earlier this year, explains how we intend to do this and we will ensure the work we do aligns with what it sets out in detail.

The town centre work mentioned in the previous chapter is also likely to have some bearing on how these infrastructure improvements will look. As this work is ongoing, it is not possible to say how but given the likely shift in the district's business composition, this change may be significant. In that same vein, we must renew our commitment to working with our rural businesses and communities to understand what changes would enhance their sustainability.

The table below outlines some of the plans that have recently been adopted, although these are likely to change as more analysis is undertaken:

Priority	Commentary	Action
Support delivery of the Environment Strategy's green infrastructure targets	Carbon neutrality by 2030 remains one of our most important priorities.	Support the Environment Team on the Environment Strategy Delivery Plan where appropriate
illiastructure targets	The path to achieving this may have been altered slightly by changes in behaviour due to	Promote active travel, including through the Smart Cities project
	Coronavirus.	Promote carbon reduction initiatives to local businesses
		Partner with local businesses to deliver green infrastructure
2. Digital infrastructure focusing on 'full-fibre' and 5G coverage.	Coronavirus has accelerated the home-working trend; so supporting this transition is more relevant than ever. Particularly in reducing barriers for people in rural areas.	Gigaclear have nearly reached '100%' coverage, we will consider how we can maximise the benefits of this. Continue to facilitate 5G coverage. The Getting Building Fund is funding gigabit fibre to a number of West Berkshire schools — and allowing adjacent communities to link into it as well Contribute to the production and delivery of the LEP's Digital Strategy
3. Ensure affordable housing delivery	Lack of affordable housing in West Berkshire remains a key barrier to economic development	Feed into Housing Strategy and new Local Plan policies Work with the LEP to harness the Local Growth Fund in order to support affordable housing delivery Economic Development Team to produce consultation responses to influence planning decisions.
4. Enhance intelligent and sustainable transport infrastructure	This remains highly appropriate as transport infrastructure facilitates the development and employment we need.	Progress through the Local Transport Plan We will promote active travel modes in all relevant planning consultations with a particular focus on active commuter travel Contribute to the LEP's Berkshire-wide connected travel plan



For some time, West Berkshire Council has sought to ensure that the district is the best possible place to do business and supporting firms to establish themselves in the area is one of the top priorities contained in the Council Strategy 2019-23.

In recent months, we have all been preoccupied with the immediate response to Covid-19 and adapting as best we can to the new environment in which we must operate. The work we are undertaking to support businesses as they make these changes including through our regulatory processes as well as administering grants and making referrals to other sources of support has been a key part of this response. This is likely to continue for some time but we must also look to the long term interventions which will help the local economy to growth in future.

Prior to the pandemic, we had begun to explore what an enhanced support offering might look like. As the

impact of Covid-19 becomes clearer, we will be able to develop and target that support to the industries we know are in greatest need.

Not only that, but we must consider what support should be made available to those who wish to start up a new business. Initial work undertaken by Thames Valley Berkshire Local Enterprise Partnership has suggested that additional incubator space should be made available those wishing to start up a new venture.

As with our place-making aspirations outlined in the 'Places' chapter, we must also renew our efforts to develop a clear articulation of the West Berkshire offer. This will be particularly important in a post-Covid world where attracting and retaining businesses will be more important than ever.

The following table outlines the initial interventions we and our partners intend to take in order to strengthen the district's reputation as a great place to do business:

Priority	Commentary	Action
1. Create an environment to help start-ups and small businesses grow	This is still appropriate. However we do not yet know whether the creation of new companies in West Berkshire has been affected by Coronavirus. There are currently 292 empty business rated properties in West Berksire. However this is the lowest level in a year.	Develop the business case for incubator space Develop a 'one stop shop' business advice service and website signposting page Work with LEP to offer targeted support to green businesses Ensure that more businesses have appropriate access to finance through the LEP-funded Thames Valley Berkshire Funding Escalator and by continuing to work with the Business Growth Fund to close the key funding gaps that exist Work more closely with the LEP and DIT to encourage Foreign Direct Investment in the district and the wider region
2. Remain business friendly as a council	This is more pressing than ever given the vulnerability of many businesses due to the impacts of Covid and lockdown measures.	Promote Greenham Local Development Order and implement similar initiatives where possible Hold supplier forums to support local SME's to bid for WBC procurement. Likely to be held digitally Embed social value in procurement Ensure processes, such as tables and chairs licencing, are easy to navigate Hold quarterly webinars to inform businesses of our work, including on the budget, public protection and other areas affecting them
3. Support businesses that have been affected by Covid-19 to reopen and trade resiliently.	Bolstering our existing support and looking to create closer relationships with local businesses.	Work with the Revenues and Benefits team to support businesses to access Covid-related financial support e.g. business rates deferral during lockdown and Additional Restrictions Grants. Support businesses to adapt and diversify by referring them to the Berkshire Business Growth Hub for bespoke advice

4. Promote the West Berkshire brand and provide soft landing to new companies	More important than ever due to widespread economic impact	Produce an inward investment prospectus Devise projects that will help develop the West Berkshire brand Build the team's social media and newsletter databases
5. Foster relationships and create stronger engagement with local businesses.	This has naturally formed a more intrinsic part of our approach given the need to understand businesses' unique needs as a result of Coronavirus.	Enhanced engagement work programme to be developed Industry-based networking and round tables to be put into place, as already exists with the Development Industry Forum Seek partnerships to broaden our offering outside of West Berkshire borders Establish a West Berkshire Growth Board to develop shared initiatives to promote the area. May replace the Skills and Enterprise Partnership Support our anchor institutions, such as AWE, to bring forward plans to develop and further embed themselves in the local community

Conclusion

The lasting legacy of Covid-19 is as yet unknown: this refreshed strategy, focussed on recovery, has been written during the latter stages of the response to the crisis. The initial response to the crisis in which grants were distributed and new processes were developed has made way for an extended response phase during which we must also look towards the recovery.

The insight we have gained about the industries who have been most vulnerable, the demographics who have seen the worst impact and the lifestyle changes which are likely to last beyond the end of the pandemic has shaped what is contained in this refresh. We know that retail, hospitality and leisure businesses are likely to have a very difficult recovery period ahead and that targeted interventions will be required to help them to rebuild what they have lost. We know that young people, women and Ethnically diverse communities will need more support than many in the coming years. We know that homeworking is likely to continue as it represents a more cost effective and greener choice for many employers. There is still, however, a great deal we do not know and so we will continue to review our actions through the accompanying delivery plan to ensure they remain relevant and, crucially, are effective.

One of the real take away messages from the pandemic for us as an authority was that there was real scope to enhance our communications and engagement. As this strategy represents a refreshed version of previously stated objectives, we have not undertaken a full consultation on what it contains. What we have done, however, is listened to our community- residents and businesses- and have used what they have told us about their experiences in the past few months alongside the data we have available to shape our approach going forward. Through our relationships with partners including TVBLEP, Newbury BID, the Chamber of Commerce, our parishes and others, we will continue to listen and engage, reshaping our approach where necessary in order to meet local needs.

Our commitment to being 'Open for Business' remains but we recognise that a great deal of work must be done to get back to where we were just a few months ago. The actions we have outlined in this strategy represent what actions West Berkshire Council and its close partners intend to undertake to support the local economy as it gets back on its feet. Of course, so much of what is to come is outside of our control. Our commitment to the district, therefore, is that we will do all in our power to mitigate any negative impact and to facilitate a sustainable, green and inclusive recovery through our actions, investment and policies.

"The actions we have outlined in this strategy represent what actions West Berkshire Council and its close partners intend to undertake to support the local economy as it gets back on its feet."



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