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Ten ideas for local authorities to help re-build economies after COVID-19

Start reading

Ten ideas for local authorities to help re-build economies after COVID-19

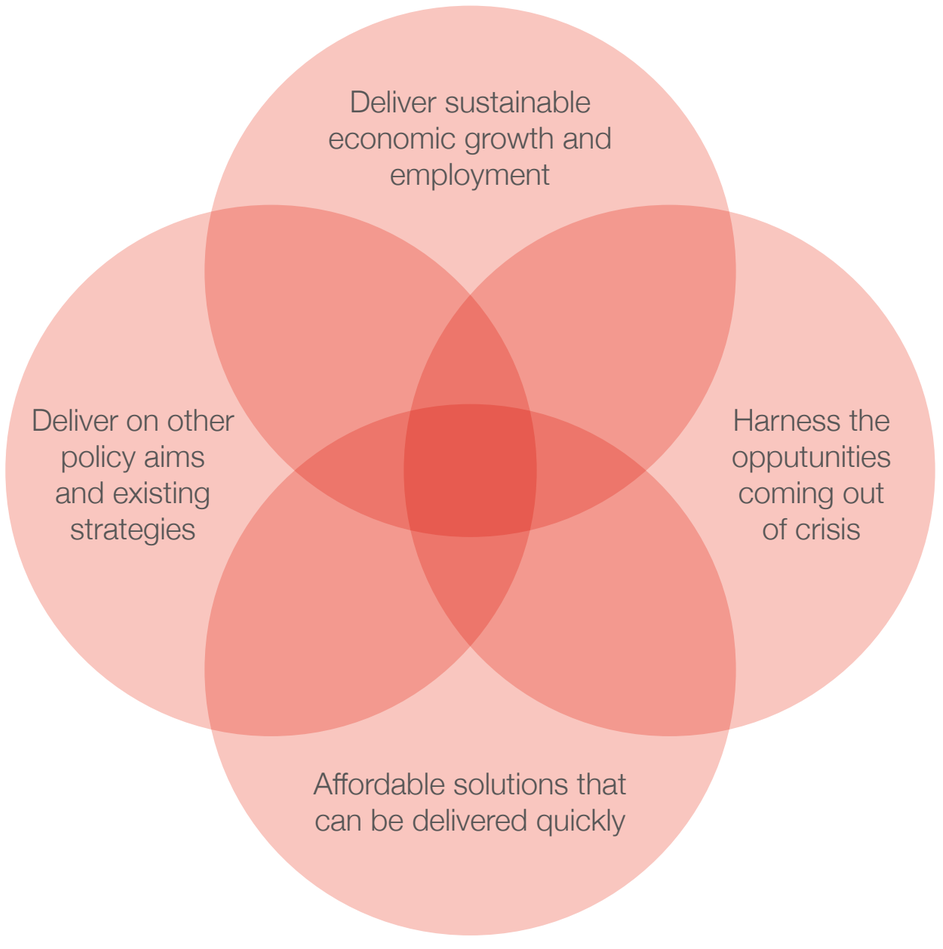
In the midst of the pandemic, authorities are rightly focused on minimising the human cost, providing relief to their communities and delivering essential day-to-day services.

Another major challenge for councils is to mitigate the impact of COVID-19 on their local economies, so that businesses can once again thrive and provide employment opportunities and vibrancy to local communities.

Our 'Ten Ideas' are intended to provide some practical solutions that might be helpful to local government during these unprecedented times. They draw on our experience from what has worked well in other areas, such as in London after the 2011 riots, in Christchurch after the 2011 earthquake, and in New York following hurricane Sandy in 2012. Our suggestions take into account that a substantial proportion of the national government's support for businesses will have positive implications locally.

We propose building on that national platform to create locally-tailored solutions that will deliver more economic support, social benefits and resilience if they are tailored to the local context. Overall, we suggest prioritising those solutions by taking into account these four overlapping principles:

FOUR PRINCIPLES FOR ECONOMIC RECOVERY



Understanding the impacts of COVID19

The impact on business

HOSPITALITY, TRAVEL AND RETAIL SECTORS ARE LIKELY TO REQUIRE MOST INTERVENTION

The nature of the measures to slow down the spread of COVID-19 will impact some areas of the economy more than others. Accommodation and food services are expected to be the hardest hit, and employment structures in these sectors risk contributing further to the decline. For example, an estimated 974,000 people were on zero-hours contracts before the pandemic (Q3 2019/20); nearly one in four of whom were employed in hotels and restaurants. Help for this industry will require a targeted approach from councils – not least because it employs a significant number of people - and because alongside retail it is such an important component of high streets and city centres across the country, symbolic of a wider economic health, and the centres of our community life.

The transport sector is also being hit. Air, railway and bus operators, and in London, the undergrond tube service, have seen demand for services collapse. This will have employment effects for towns and cities. For example, in employment areas around some major airports where a large proportion of households are dependent on the aviation sector, workers face the prospect of lasting economic disruption.

Manufacturing and construction sectors are experiencing a significant decline as the number of customers decrease, and working from home to service the remaining demand is more difficult. Those that service the sections of the economy, that are themselves experiencing a downturn (such as travel and aviation), may take a long time to recover.

Some businesses and parts of the public sector have been increasing staff numbers and working hours – including technology providers, major on-line delivery enterprises, supermarkets (to deal with a surge in internet demand) and the health services. Looking forward, an important question will therefore be on how councils should or could think about what will happen if they start reducing headcount, as the economy starts to revert to normal.

Immediate responses

Forward-looking initiatives local government should start now to prepare for economic recovery

1 Use this time of disruption to test and trial new ways of doings things - from digital consultation to drone delivery

YOUR CHALLENGE:

Disruption of day-to-day services has made normal public service activities challenging or impossible to deliver.

YOUR RESPONSE:

Test and trial new ways of providing services, taking advantage of lower risks during this unique time.

EXAMPLES:

Enable the next generation of entrepreneurs by making the right support more accessible Use a range of digital consultation and stakeholder engagement tools, including learning from disaster relief and international development projects, to find new ways to engage with communities more effectively and efficiently. A range of new online platforms take spatial approaches, enable community engagement and automatically digitise responses to help with consultation. Trial these technologies on a temporary basis, then consider which are the right elements to carry forward into recovery.

Testing and trials of new technology. Testing new technology in cities can be challenging due to the risks to public safety, public perception if things do not go quite right, and finding the space among day-to-day business. However, many of these risks are lower, and the acceptance of 'failure' may be higher for non-essential services during these abnormal times.

Our work with Nesta to test innovative drone usage highlighted publicly beneficial uses (e.g., medical deliveries, emergency response, and infrastructure inspection at distance) that could minimise risk levels to testing with fewer people out and fewer aircraft in airspace. While there may still be regulatory challenges (e.g., approvals from the CAA in this instance), now may be the time to test new technology.

Find out more ›

2 Gather innovative ideas for solving pandemic-related problems and for the post-pandemic era

YOUR CHALLENGE:

Rapid and significant changes in the economy combined with the way you provide public services requires innovative and implementable ideas to support the community.

YOUR RESPONSE:

Harness the power of your businesses and community to find innovative ideas.

EXAMPLES:

Hackathons can be run at distance to find the great ideas in your community. The Hack-the-Crisis movement has been organising online hackathons in more than 53 countries around the World to organise the local start-up community and offer solutions on how technology can respond and offer solutions to the economic shock. Establishing categories 'saving local businesses' or 'organising local communities' drives the start-up community towards providing innovative solutions to the challenges faced by the community.

The Swedish Innovation Agency, Vinnova, is calling for innovative ideas to address the wider impact of the COVID-19 pandemic. They want to attract projects that support our society in a challenging time. New solutions should be ready to be put into practice within six to twelve months.

Immediate responses

Forward-looking initiatives local government should start now to prepare for economic recovery

3 Support workers, especially unemployed and furloughed, with skills for new jobs

YOUR CHALLENGE:

The increase in unemployment and furloughed workers has negative impacts on the economy and on personal health and wellbeing.

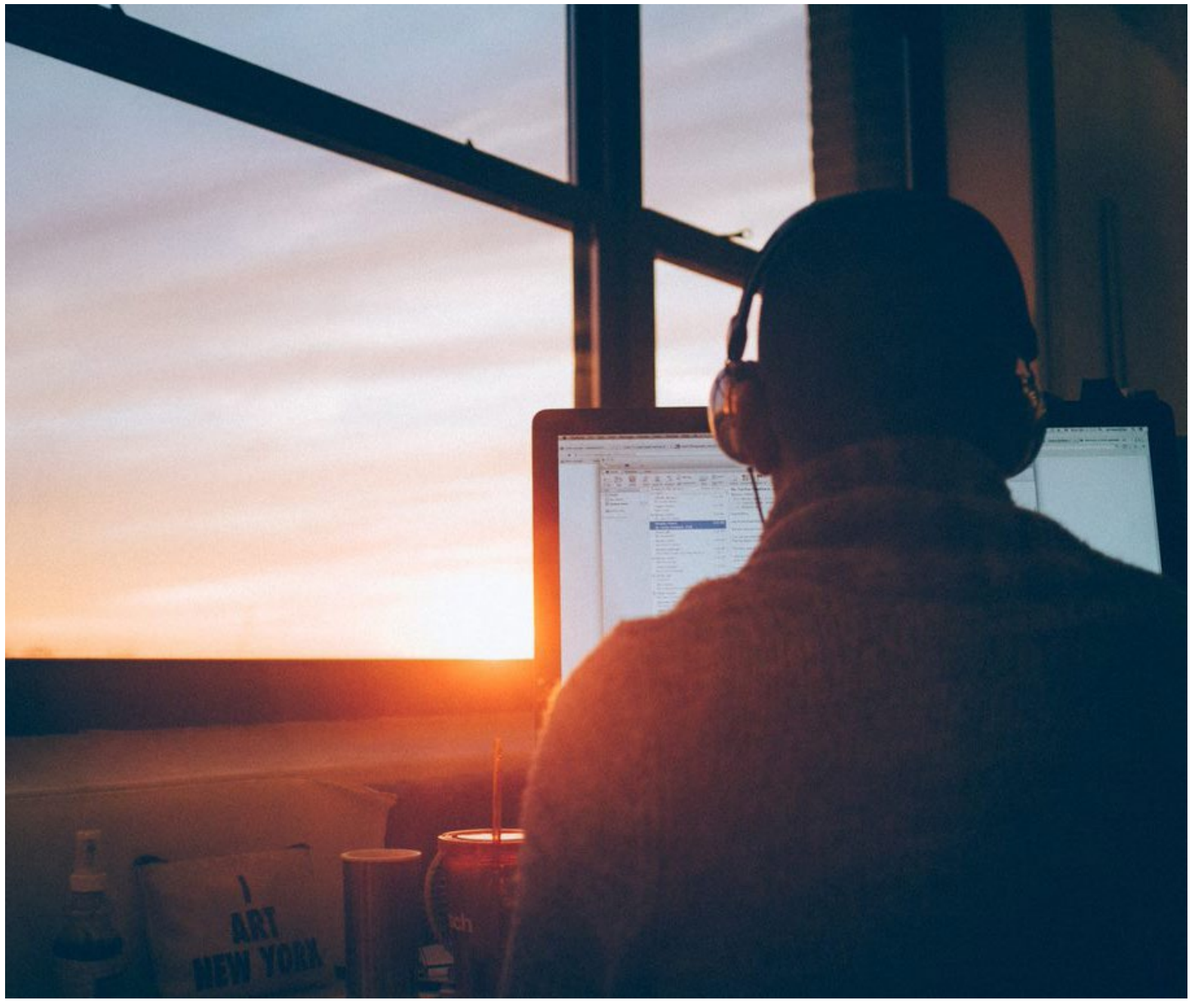
YOUR RESPONSE:

Provide skills, training and entrepreneurial support today to prepare workers for jobs in recovery.

EXAMPLES:

Coordinate your education and training providers and programmes to help those currently not in work to gain the new skills for jobs coming out of the pandemic. For those not in work, economic uncertainty and personal financial instability can have negative effects for their health and wellbeing. Using this time to empower workers to upskill, and re-train for the types of jobs that will be in demand following the economic shock, will set them up for a better forward path. Work with your contacts in Further Education colleges, Universities and other training programmes to support online learning with affordable payment plans. Make the most of Government's Skills Toolkit. The Toolkit is a collection of training resources to help people use their time in lockdown to gain new skills for when more businesses reopen. It includes courses from The Open University, The Open University, Futurelearn, Google. and digital-inclusion charity the Good Things Foundation. These courses could provide a foundation for building up a more tailored skills programme based on local employer needs and local further and higher educational offer.

Enable entrepreneurs through making the right support more accessible. 'Need' and economic recession often lead to people daring to make the 'entrepreneurial jump'. Making the necessary support system readily available to help new ideas succeed or fail fast could spur on the next wave of economic growth. Consider building up your existing entrepreneurship programmes and working with your LEP and neighbouring councils and universities to bring tried and tested support mechanisms to new entrepreneurs.



Immediate responses

Forward-looking initiatives local government should start now to prepare for economic recovery

4 Get your applications ready for central government funding for projects of significant importance that can deliver quickly

YOUR CHALLENGE:

Government grants and institutional investors will be looking for 'shovel-ready' schemes fully ready to implement as we head into recovery.

YOUR RESPONSE:

Be prepared with the best strategic cases and business cases for the schemes that will fulfil your city's vision.

EXAMPLES:

Government and institutional investors will be looking to fund stimulus projects. To make the most of these funding opportunities, local government needs to be prepared with the best strategic case for projects. Demonstrating the direct benefits of projects and programmes to local and wider regional economies can help move them up the priority list for government funding. Consider ways to reduce cost or risk without reducing design quality.

Our work with the BEE Midtown Business Improvement District helped to find ways to reduce the cost of the Holborn Station upgrade and additional funding options to make the project more affordable for TfL and meet Camden's planning and public realm needs. This involved bringing together engineers, economists, planners and urban designers to approach the project with a new mindset and strategic thinking to find the right balance of cost savings and clever design.

Find out more ›

Leading recovery

Strategies and initiatives as your businesses and residents come out of lockdown to help accelerate economic recovery

5 Establish a 'business recovery task force' that enhances your existing support offer in the long-term

YOUR CHALLENGE:

There will be pressure to bring the economy back on track and to attract investment as quickly as possible.

YOUR RESPONSE:

Focus on getting the basics of the economy right first, then provide additional support to key sectors.

EXAMPLES:

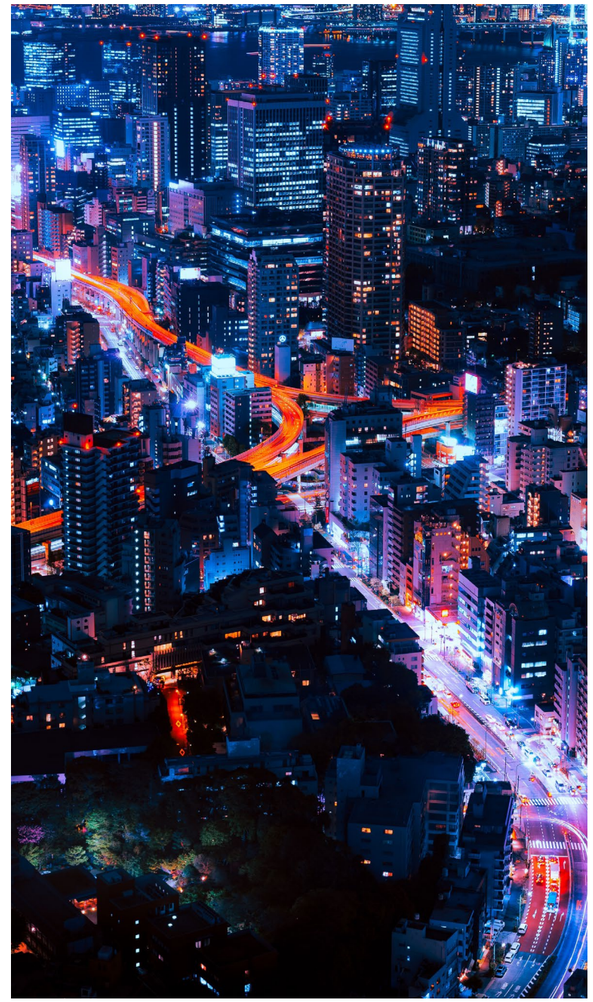
There will be a need for immediate support for businesses. The municipality of Southern Alberta established a COVID-19 recovery task force, that focuses on six key areas:

- Provide online resources for businesses
- Provide access to financial support and coordinating among funding bodies
- Establish a peer support network and counselling
- Open a physical support centre when permitted
- Identify workforce retention and development needs
- Address other barriers to business and lobbying for required government action

Economic shocks tend to accelerate structural changes. The decline of high street retail will be exacerbated and sped up. Investment and the importance of biomedical research and AI will rise following the pandemic. Managing decline and supporting growth requires a multi-faceted approach across economic development, planning, licensing, and even transport.

Listen to your businesses and workers to understand what they need to be successful. What are their needs and how can you fulfil them to help these organisations grow? These requirements may differ substantially from those of the businesses that have suffered most from the pandemic and economic shock, and might include faster broadband, skills in certain areas, transport links, or other factors that you can influence.

Ensuring good support for businesses ready to scale up. These 'scale-ups' are a very valuable asset to the UK and the local economy, but they are also vulnerable. Those that have had significant growth in turnover/employment over the past few years might need to be targeted carefully to avoid collapsing. Make an appointment to meet with their representatives so that you can understand how you can help them deliver.



Leading recovery

Strategies and initiatives as your businesses and residents come out of lockdown to help accelerate economic recovery

6 Get people back into town

YOUR CHALLENGE:

Use the change in travel patterns and reduction in traffic to embed sustainable transport behaviours and investment.

YOUR RESPONSE:

Encourage people back on to sustainable and active transport, promote free bikeshare systems, create temporary pedestrian zones and bike lanes and provide electric charging points.

EXAMPLES:

Public transport use has decreased more than private transport during the pandemic. London, New York, Auckland, Bogota, Berlin and many other cities are increasing space dedicated to active travel by rolling out temporary cycleways and increasing pedestrian space.

Auckland, New Zealand has revealed a $60 million plan to expand 'tactical urbanism' by expanding footpaths and temporary cycleways where people can keep two metres of physical distance.

Experiment with new ways of commuting and public transport provision that take advantage of people being out of their day-to-day routine. London has made the Santander Cycles bikeshare system free for all journeys under 30 minutes, with docking stations near hospitals prioritised to ensure a regular supply of bikes.

Many more cities are experimenting with public transport being free of charge. Electric charge points can be delivered quickly and if placed in prime car parking spots, can encourage the faster take up of zero emission transport. Some of these changes may become permanent and stay for the post-pandemic period, increasing the take up of active travel methods.

Consider more inclusive approaches to transport. Our work on designing more inclusive cities for children and the ageing population has shed light on the importance of using smart technology for safer intersections and crossings. These make cities easier for everyone to get around, regardless of age or ability.

Find out more

Leading recovery

Strategies and initiatives as your businesses and residents come out of lockdown to help accelerate economic recovery

7 Re-imagine the high street and set up ‘meanwhile’ uses

YOUR CHALLENGE:

The economic shock will accelerate the challenges faced by high streets and retail businesses.

YOUR RESPONSE:

Create a town centre that takes advantage of underutilised space and brings vitality back to the high street.

EXAMPLES:

Many retail and hospitality businesses were already facing challenges before COVID-19, and sadly many will never re-open their doors once the pandemic is over. Demand for certain services on high streets will have changed fundamentally. In-person shopping will have gone down substantially, and it may be a long time before people pack into concert venues, gyms, and night clubs again.

Affordability and flexibility of commercial space plays an important role in helping businesses get back on their feet and opening the door for SMEs and start-ups. Local planning authorities, public landlords and licensing bodies play an important role in supporting meanwhile use. These strategies can allow temporary use of underused and vacant spaces by businesses (including SMEs and start-ups) and community organisations.

Interventions can take many forms, from temporary community and recreational activities, to arts, culture and commercial uses. Using spaces in this way can optimise the use of assets by local communities, facilitating the human connections that build community resilience. Although the physical use of space is temporary, these activities can promote long-lasting economic and social benefits to local communities. Lively ground floor businesses (shops, food and beverage, and leisure) and bustling commercial districts play a big part in developing sense of place and attracting investment.

As part of the support provided for the Greater London Authority in the development of their City Resilience Strategy (launched February 2020), Arup developed a study on Meanwhile Use and its potential to support resilience planning, sustainable and inclusive growth.

Find out more

Longer term planning

Longer-term changes and objectives for your strategies to support a more resilient and inclusive economy

8 Re-think economic growth

YOUR CHALLENGE:

Re-evaluate what kind of growth you want for your local place and taking into account the value of resilience and inclusion.

YOUR RESPONSE:

Develop strategies with a more inclusive, resilient and sustainable economic growth strategy.

EXAMPLES:

It is important to think about economic growth beyond the pandemic, and how you might direct it towards the inclusive growth agenda. These include projects on delivering homes that locals can afford, looking at mechanisms to deliver affordable public transportation, and maintaining market intelligence that supports business investment and strong decision making. Sustainability goals could be the development of energy efficiency programmes in social housing stock and business resource efficiency programmes.

The Bristol Inclusive and Sustainable Growth Strategy is a great example of how a council can steer the local economy. We worked on this strategy which sets out an action plan to deliver objectives on productivity-driven growth together with the fair distribution of economic contributions and benefits.

Find out more

Our work with the Greater London Authority focused on 'Good Growth,' seeks to fulfil the right balance of wider economic, social and environmental aims through growth and development. This framework gives policymakers, planners and businesses a way to assess decisions on how the growth of a city affects quality of life, attractiveness to business and sustainability. A more balanced approach can lead to more resilient economies and communities.

Find out more

9 Prepare for the next time, and bridge the digital divide

YOUR CHALLENGE:

There is great disparity in the quality of digital infrastructure and hardware across businesses and communities as well as the skills to use it to its potential.

YOUR RESPONSE:

Develop a strategy for digital investment and inclusion so that day-to-day digital life and response to economic shocks benefit from digital preparedness.

EXAMPLES:

The benefits of investment in digital infrastructure, hardware, platforms and skills should go hand-in-hand.

A local digital strategy should set out that a comprehensive approach to making the most of digital technology and bridging the digital divide includes:

- A digital economy ripe for growth and innovation
- A digital built environment in which homes, offices, public spaces, and transport use physical and digital technologies to enable a better quality of life
- Digital public services that use technology to deliver improved outcomes at lower cost (e.g. health and care provision)
- Digital communities in which local residents have the skills to thrive in a digital world.

In our work with the East Hertfordshire West Essex Digital Innovation Zone, we demonstrated that digital strategy cannot stop at laying cables but has to extend to the transformation of public services and improving worker and resident skills to get the full benefits.

Find out more

Longer term planning

Longer-term changes and objectives for your strategies to support a more resilient and inclusive economy

10 Revisit your priorities. Is your strategy pandemic-proof?

YOUR CHALLENGE:

Learning from this pandemic, you need to build up institutions to prevent infectious disease in the future.

YOUR RESPONSE:

Ensure that the priorities and objectives of the council are resilient to pandemics.

EXAMPLES:

The world is learning more and more about the way 21st century pandemics impact local communities and local economies. This pandemic took most decision makers as a surprise, and we all have to learn the best practices in developing anticipating pandemic-related decision making. This 'pandemic-proof' approach to policy making may be used at every level of decision making.

Will people be so frustrated by working from home, that this will reinforce the need for high densities of face-to-face collaboration in cities and offices, and if so how do we respond? Or will firms need less office space with its role being focused on fostering collaboration, not providing lots of desks?

The answers of the local authority to these and many similar questions should influence future planning, so that the community and the economy become more resilient to a wide range of shocks—health, environmental, social, and financial. Climate change continues to threaten our environment and way of life. Rising income inequality is tied to health disparities and social justice concerns. Building more resilience into city strategies and the built environment will become ever more important as we understand the ramifications of this pandemic.

Understanding the impacts of COVID19

The impact on people

DEMOGRAPHIC INSIGHTS SHOULD TAILOR POLICY RESPONSE

Councils are trying to get to grips with targetting financial relief and recovery measures to address the needs of different demographic groups. Households headed by the youngest age band (16 to 34 years) are less likely to have sufficient financial funds to cover a reduction in household income (with a 50 per cent loss in household income, half of them would not have the financial assets to cover their expenses). The younger generation are also more likely to be employed in sectors feeling the brunt of the pandemic, often on short term or zero-hour contracts. It is perhaps fair to say though, that this group may be one of the quickest to bounce back and to seek new opportunities once the economy starts to recover.

Policies will also need to be directed to those on fixed incomes such as older people. Under normal circumstances, 14 per cent of over-70s in England receive help from a family member living in their household with tasks such as getting in and out of bed or shopping for food. Older people tend to have a higher level of dependency on local council services.

Post COVID-19, older people may be more reluctant to go out, socialise, and access essential services such as healthcare and food, potentially leading to declines in physical and mental health, and knock-on effects on local bus service demand, and on local retail.

SHORT, MEDIUM AND LONG-TERM ACTION

Authorities play a crucial role in directing national government support, taking the lead on looking after local economies. They will need to redouble their efforts to lift parts of the economy once recovery begins. Our Ten Ideas listed below range from immediate responses to managing recovery and supporting the economy and targeting sustainable and inclusive growth.

Of course, the application of these ideas will vary from one authority to another. But we hope some of the ideas provide a contribution to thinking on how to best deal with the situation at hand and the possibilities for lasting change once recovery begins.

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SOURCES

Coronavirus (COVID-19) roundup

Coronavirus, the UK economy and society, faster indicators: data as at 2 April 2020