

**ACTION NOTE OF THE ‘CONNECTED ECONOMY GROUP’ (CEG)**

**Friday 15 May 2020, 1100-1215 hrs, by Skype**

**Members participating:**

Cllr J McMillan, East Lothian Council (JMM) (Chair)

Cllr J Findlay, East Lothian Council (JF)

Cllr P McLennan, East Lothian Council (PML)

Keith Barbour, Mid- and East Lothian Chamber of Commerce (KB)

Garry Clark, Federation of Small Businesses (GC)

Douglas Proudfoot, East Lothian Council (DP)

Neil Craik-Collins, East Lothian Council (NCC) (for L Brown)

Elaine Morrison, Scottish Enterprise (EM)

Phil Ford, Skills Development Scotland (PF)

Nick Croft, The Edinburgh College (NC)

Cath Davidson, Department for Works and Pensions (CD), (for G Jardine)

**In attendance:**

Susan Smith, East Lothian Council (SS)

Paolo Vestri, East Lothian Council (PV)

Jim Lamond, East Lothian Council (JL)

**Apologies:**

Monica Patterson, Gill Jardine, Lesley Brown

1. **Introductions and apologies**

JMM welcomed all to the meeting and accepted the apologies listed above. The minute of last meeting was approved with no matters arising.

1. **COVID-19 Response**
	1. Update since last meeting

DP highlighted progress with regard to response measures and in particular the significant interventions delivered through the range of business support schemes.

* 1. Report on business support

SS reported that the Newly Self Employed Hardship Fund, managed by Economic Development and launched on 30 April, has to date supported 63 self-employed individuals with a £2000 grant. The Business Support funding, managed by Non Domestic Rates (NDR), has paid out £13.5m to 1161 businesses. JL added that, with the number of applications being received now at a lower level, the turnround time is 2-3 working days and for noting the rejection rate in East Lothian is lower than the national average. The NDR team is considering how to stimulate demand and encourage businesses not yet applying to do so. Also, the NDR team will be updating billing arrangements when time permits.

EM was able to update on the Creative Tourism & Hospitality Hardship Fund and on the Pivotal Enterprise Resilience Fund (PERF), both Scottish Enterprise schemes. Both funds will close on Monday 18 May at 1700 hrs. PERF is targeted at growth businesses with support of up to £150,000 and is not sector-specific. 3000 applications were received during the short opening period; 50 applications have been approved so far and contracts issued. No further information will be released until the Ministerial announcement next week. The Fund reopened and has continued to receive applications and it is expected that demand will be greater than the funding available, although this has been doubled. EM commented that around 15% will not be validated due to ineligibility. JF asked, if as expected the Fund is over-subscribed, about the impact on the amount of grant awarded and EM said that funding need will be part of the appraisal process.

JMM referred to East Lothian Investments Business Interruption Loans and said that two requests had been received since the last meeting. The Chancellor’s Bounce Back Loans have preferable rates.

With regard to Skills Development Scotland, PF said that the agency has been undertaking analysis to better understand trends to inform its response and the impact on businesses and sectors, people and employment. There has been engagement with industry sectors to hear about their challenges. PF commented that, as expected, the impact will be greater on those under 25, those on low incomes and on women. 920,000 jobs could be at risk and in Edinburgh & Lothians around 12,000-117,000 meaning an increase in Universal Credit claims. Businesses say that they are concerned in particular about cash flow and the exit plan for the lockdown. Although there are opportunities in say the Health sector, there remain ongoing challenges – eg social distancing – and a potential spike in unemployment due to reduced demand for goods and services. There will be an impact on training and apprenticeship provision. In addition to the PACE Service, SDS has launched an enhanced online resource for job seekers to support the My World Of Work jobs hub and a new online learning portal.

NCC said for East Lothian Works that the service continues to work closely with SDS and other partners. All the available supports have been pulled together and drew attention too to the Triage service/single entry point for individuals to be directed to the right place complemented by a helpline and website. The Service is promoting the City Deal Job Matching Service and its own job vacancy boards. Together with SDS it is working with school leavers. Engagement with DYW is continuing and NCC commented that Foundation Apprenticeships are a concern given the focus on work-based learning with employers. JMM commended on how joined-up ELWorks is. JF referenced the Hospitality Unite website that NCC agreed to look into.

For DWP CD said that demand for its service had evened out. 65-70% of new claimants are the self-employed. There is a clear focus on claims and making payments as well as signposting to opportunities such as key worker openings. DP asked about self-employment statistics and CD referred to activation calls to businesses, SS had provided content for upskilling Job Centre staff. CD noted how effective and informative the East Lothian Council website is.

NC for The Edinburgh College said that the College is supporting current students as well as recruiting for 2020-21. Of the 17,000 FE/HE students, around 25-30% usually progress to FE/HE meaning that around 12,000 graduates normally enter the labour market. The College will be developing a support campaign focused on employability and entrepreneurship for students who are leaving, in partnership with SDS, DWP, and Business Gateway. The College’s Commercial team continue to provide support to businesses via on-line learning. For 2020-21 the number of applications is slightly down but the number of offers made has increased compared to the same time last year. NC said that there are issues with managing agents in construction and trades with regard to the number of apprenticeships for annual year 2020/21. The College is also developing a revised curriculum delivery model for 2020/21. Digital learning is also more of a priority with City Region Deal support, and NC commented on the potential number of adult sole traders returning to education.

GC from FSB commended JL and the NDR team for their sterling work, unlike some other local authorities within his patch. FSB surveys indicate concern from local businesses currently closed that they will not be able to reopen. FSB continues to push the Scottish Government to address gaps – eg sub-lets. Legal support to businesses and their operating structure continues to be provided. JMM said that BG starts are told about FSB and Chamber membership.

KB said that he is happy to work with partners to disseminate messages and opportunities to members.

EM highlighted the Scottish Government Economic Recovery Group with recommendations expected at the end of June. From SE, the Chair, Lord Smith, leads on business engagement and canvassing for ideas. A wider call for ideas will be issued today. Also, for noting, the SE Economics Team is working with Scottish Government on scenarios for the next five years and what needs to change to support the economy. SE Sector Teams and National Opportunity Teams are reviewing their thinking. Practical guidance to businesses remains at the forefront and EM drew attention to a planned series of mini-campaigns focused on workplace innovation, role of leadership, importance of strategy, different models, online trading.

1. **COVID-19 Recovery and Renewal**

JL is the recovery lead who said that he has found the discussion around recovery very useful. The Council remains in response mode but planning for recovery is being considered. The local authority has the lead role for recovery and renewal. The Terms of Reference for Renewal and Recovery have been prepared and a framework will be presented to political leaders next week. JL highlighted the five key activity areas, namely Economy, Community, Health & Social Care, Environment & Infrastructure, Education & Children’s Services. Action cards for each of those are being developed and JL recognises the lead role for the CEG with regard to economy. JL said that the most significant activity area is economy and seeks confirmation that the CEG willing to take on this lead role.

DP commented that the CEG represents Community Planning partners and collaboration in this space is very important. He reminded that we remain in response mode and the duty to continue key messaging – as indicated on the council website. The aim is to secure maximum support for East Lothian including longer-term. DP referred to key sectors and said that he and SS have been reflecting on the recovery approach and the pivotal role of the CEG. It will be proposed to establish a sub-structure to be established in order to spread the load and maximise expertise. Rural, employability, town centres, tourism, hospitality are examples and a proposed structure will be presented to the next meeting.

JMM assumes CEG members in agreement. KB, EM, CD, JF and GC all assented.

1. **Tourism and Hospitality**

SS said that Neil Christison, Regional Director, VisitScotland (VS), has offered to support recovery and lead the development of a Tourism Recovery Plan. JF highlighted a recent Scottish Tourism Alliance survey - 55% of Tourism & Hospitality businesses have no cash reserves. JF’s own survey of East Lothian hotels and golf courses had indicated that 75% do not see things returning to normal until 2022. The 2020 season has gone and there will be some recovery in 2021 but no revenue earned until around March. These circumstances are critical to what kind of support can be given from ELC, VS, Scottish Government and other.

JF added that the East Lothian Tourism Action Plan needs to be refocused for the next 3-5 years. Golf Tourism needs to be more strongly stressed and commented that

tourism businesses need help now and have a plan in place going forward. JMM said that, once the sub-group structure is in place, it will become clearer how partner support for businesses can be channelled.

1. **Longer Term Growth – NPF4 Call for Ideas Response**

DP drew attention to longer-term plans for growth such as Edinburgh and South East Scotland City Region Deal and to East Lothian Council’s response to the National Planning Framework 4 Call for Ideas: <https://www.eastlothian.gov.uk/meetings/meeting/16539/members_library_service>

DP added that the Council has acknowledged the impact of COVID-19 in its growth strategy and sectoral components. The Regional Spatial Strategy and Regional Growth Strategy, albeit delayed, will still be developed.

1. **Q&A/AOB**

JF said that City of Edinburgh councillor colleagues have been engaging with senior staff from large Edinburgh employers to consider the establishment of regional hubs for employees rather than large offices in the city centre. JF asked if East Lothian could accommodate. DP said that this is a restart and renewal approach for some sectors with active travel and freeing up of infrastructure other benefits. Locations such as Blindwells and Cockenzie would lend themselves to this approach. Digital can be a challenge but progress is being made. JMM asked about the timescale for the next meeting and it was agreed that this be held on Friday 5 June.