

Economic Recovery Update & Measures

David Fletcher

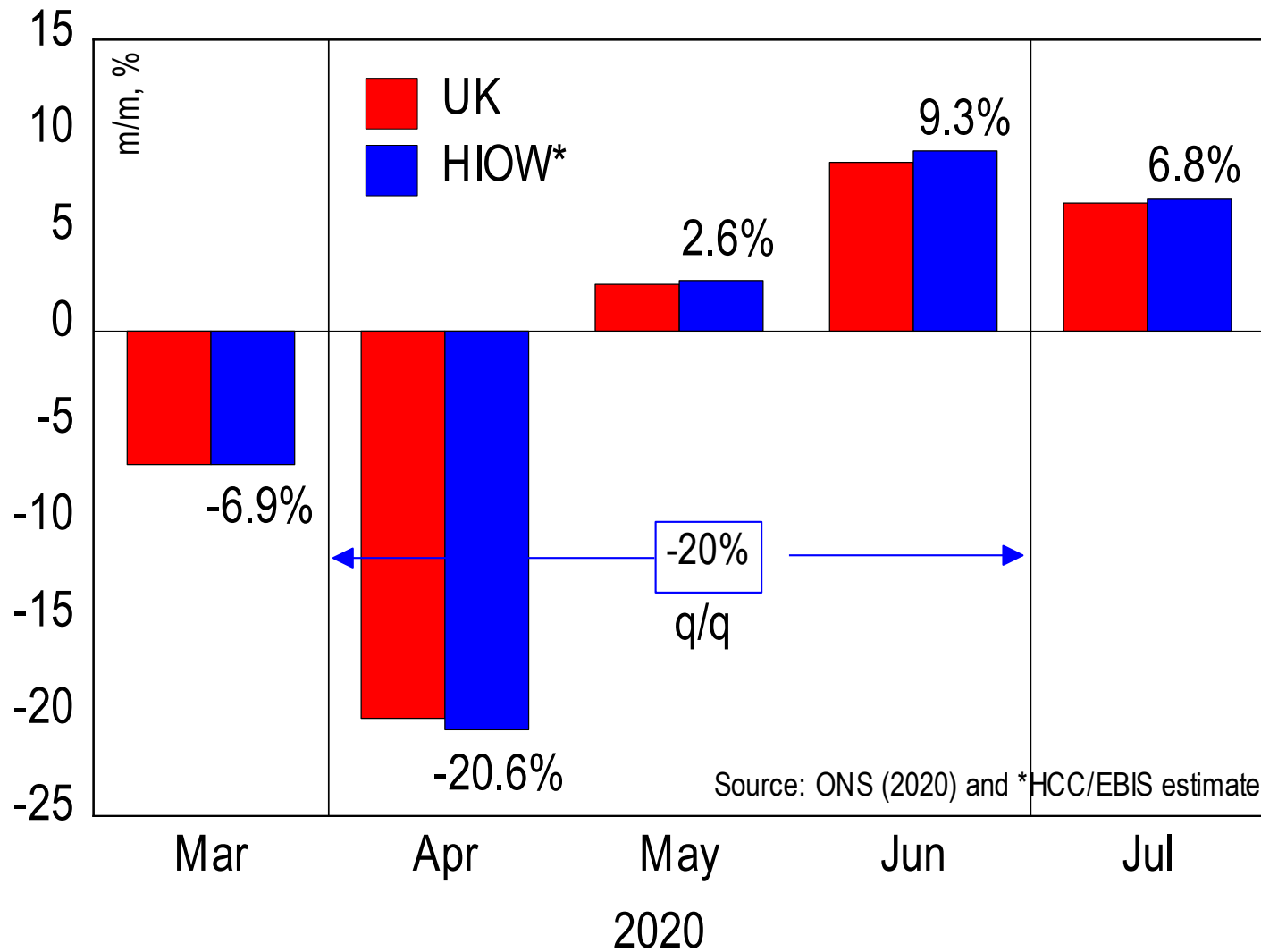
Assistant Director – Economic Development

8 October 2020

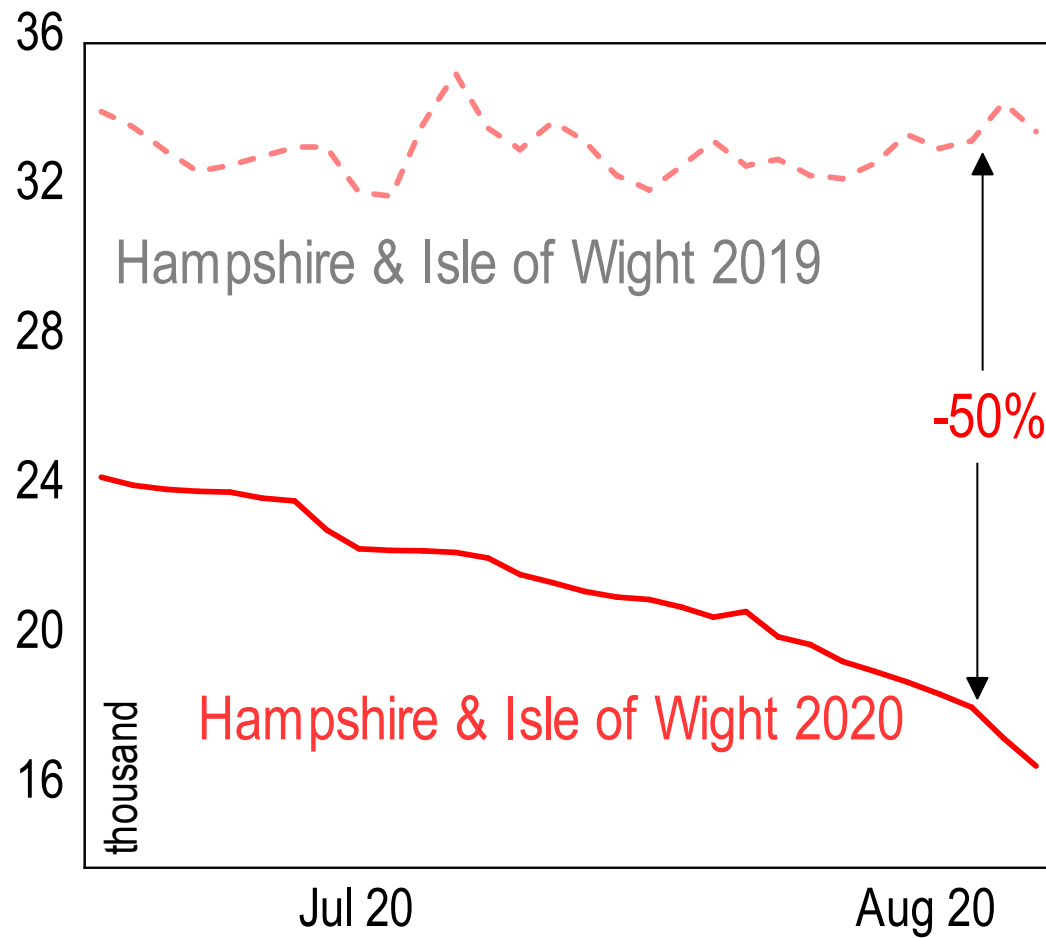


Economic Recovery - Data

Fall and rise of GDP

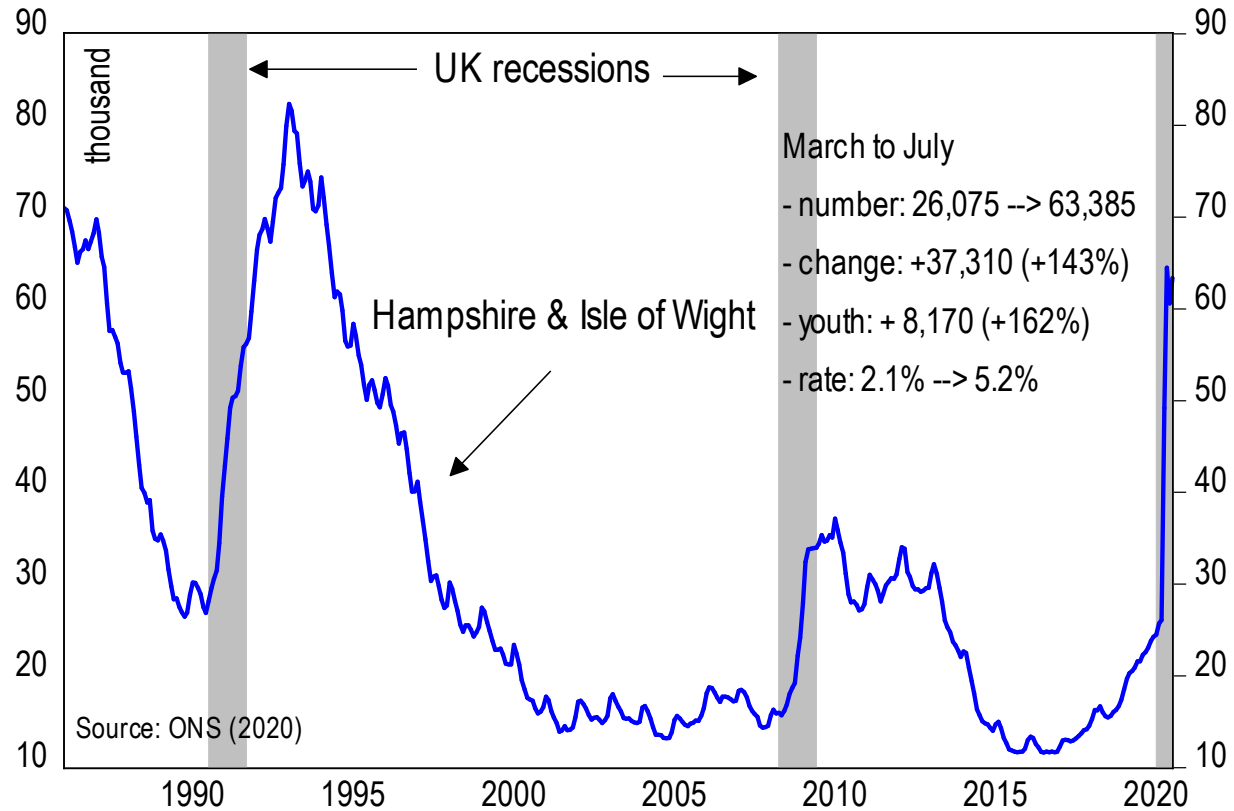


Impact on labour market (1)



Jobs postings in HIOW

Impact on labour market (2)

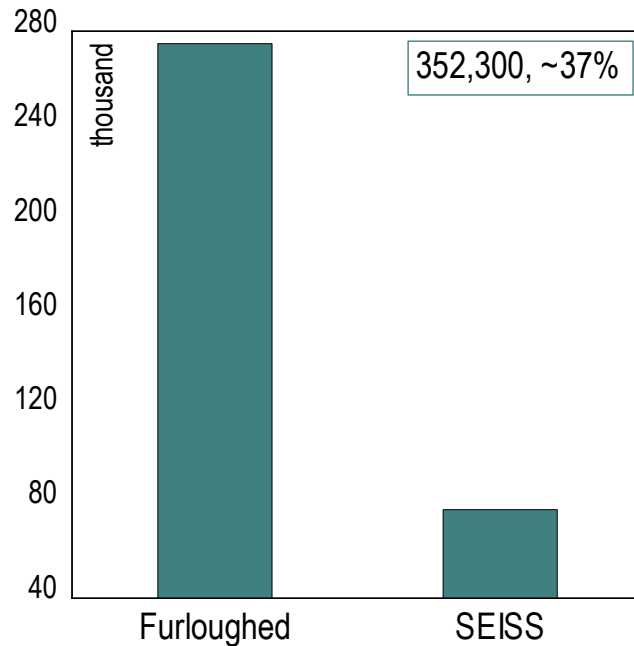


Unemployment: claimant count,
HIOW



Jobs supported by Government schemes

Residents supported - H1OW

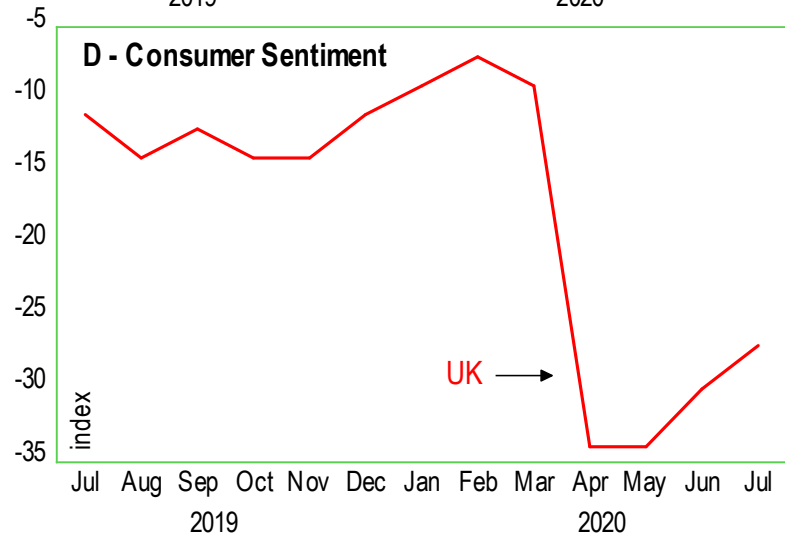
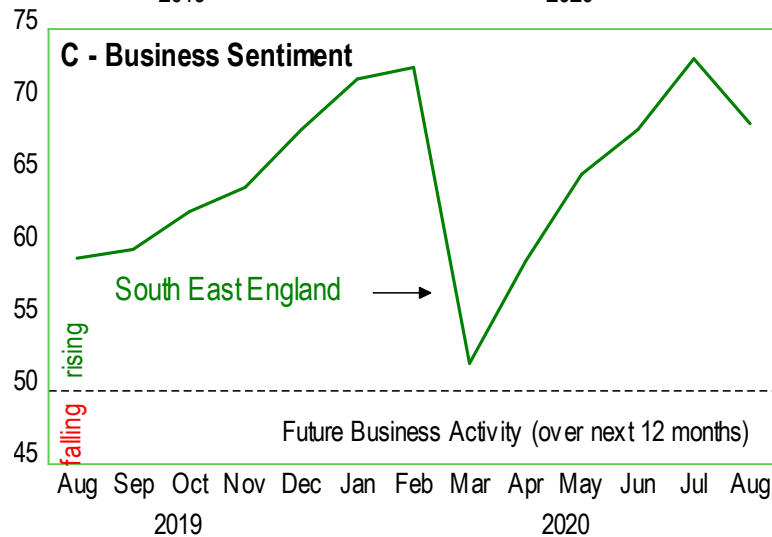
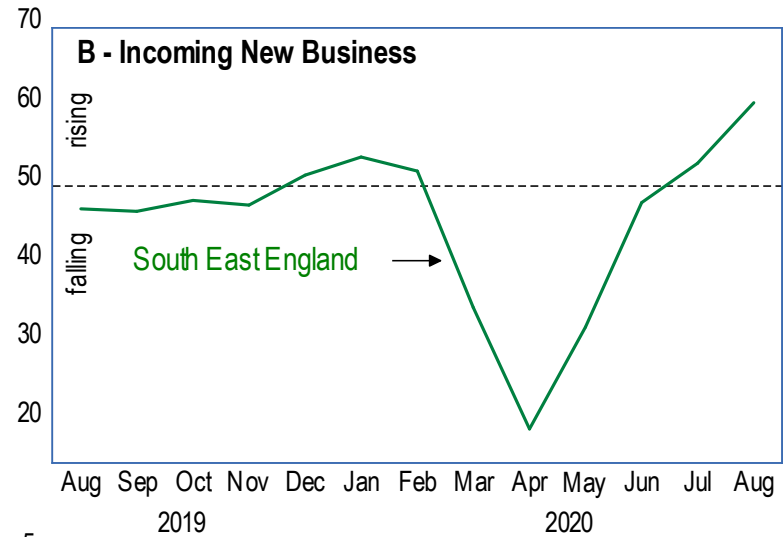
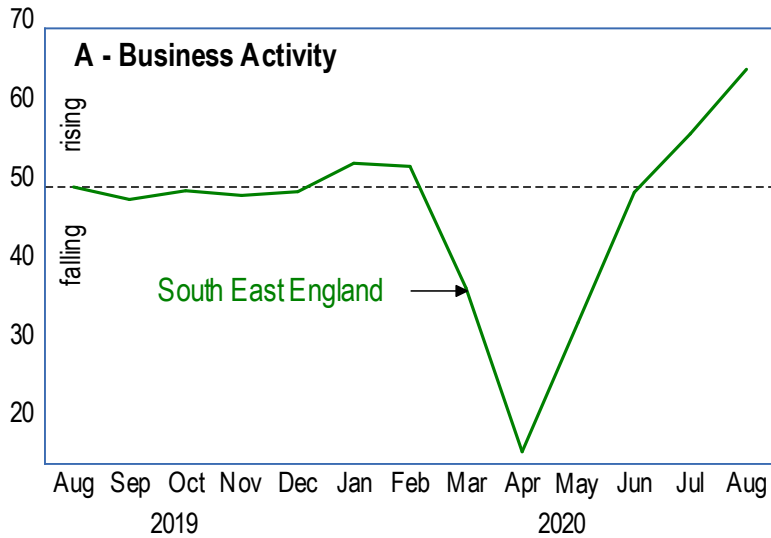


Furloughed residents by sector – South East

Accommodation & food	77%
Arts, Entertainment etc.	72%
Construction	55%
Wholesale & retail etc.	40%

Public admin & defence	1%
Finance & insurance	7%
Health / Education	11% / 13%
Information & comms	16%

Confidence returning?



Winter Economy Plan

Winter Economy Plan

- New Job Support Scheme
- Self employed income support – extended to end April 2021
- VAT cut for hospitality/tourism – extended end of March 2021
- Business loans – payback extended from 6 to 10 years

New Government job support scheme

Chart 1: Contributions to Employee Wages (%)



- Min 33% of hours worked
- Scheme funds one third of hours not worked
- Employer funds hours worked + one third of hours not worked
- 6 months from Nov

Source: Capital Economics

Hampshire – Emerging Priorities

Emerging Priorities (Short Term)

- Continued Govt support for businesses
- Domestic tourism support
- Employment and skills support including Kickstart scheme, Construction Skills Fund
- Cruise sector support?
- Southampton Airport – planning
- Local retail – high streets and e-commerce

Emerging Priorities (Medium Term)

- Business support – including financial (grants, community bank)
- Innovation support – tech start up programme
- Work hubs – urban centres
- Digital connectivity – multiple proposals

Emerging Priorities (Long Term)

- Freeport status – competitive process
- Major regeneration, housing and infrastructure projects
- Green recovery/low carbon growth
- Circular economy – local supply chains

Future of Office Workspace

COVID19 - Changing Behaviours



“30% of all offices will be consumed flexibly by 2030”

Jones Lang Lasalle, July 2020

The logo for EM3, featuring the letters 'EM3' in a stylized font. The 'E' is blue, the 'M' is green, and the '3' is yellow. The logo is centered on a white rectangular background.

COVID19 - Changing Behaviours



“We will be exploring how a network of community-based remote working hubs, within walking or cycling distance of many people’s homes could be created.....these hubs could be used by public, private and third sector employees....our aim is for a hybrid workplace model, where staff can work both in the office and at home, or in a hub location.

By doing this, we can contribute to taking action against climate change by reducing congestion and pollution, while increasing productivity and promoting work-life balance benefits for employees and employers.”

Welsh Government Cabinet Statement, Sept 2020



COVID19 - Changing Behaviours



Massive increase in remote working

ICT sector - 76%*

Professional, Scientific and
Technical services sector - 68%*



*ONS August 2020

Short term impacts



Immediate changes to business operating models

Increase overnight in remote working

Drop in demand for co-working space



‘New Normal’?



Medium term - major office occupiers - retain space to enable social distancing?

Longer term trend to smaller, satellite offices? - to reduce commute times?





‘New Normal’? (2)

Growth in demand for flexible work spaces - for occupiers large and small?

Workspaces still have critical role -client engagement, collaboration, innovation, culture, social



Areas of opportunity?



London relocations?

Reconfiguration of major office space?

Larger vs smaller urban centres?

Satellite hubs for larger corporates?

Public sector hubs / property rationalisation

Town centre regeneration schemes

Thank You

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