



**THAMES
VALLEY
BERKSHIRE**

**RECOVERY AND
RENEWAL PLAN**



Welcome

BUILDING A BETTER FUTURE FOR BERKSHIRE

Thames Valley Berkshire Local Enterprise Partnership (LEP) is here to support the economy, the business community and the workforce of Berkshire.

COVID-19 continues to have a devastating effect in all areas of our lives. The impact and aftershocks of the pandemic are still being felt locally, nationally and across the globe. While it's not yet clear when normal life will return, we can begin to rebuild a better future for Berkshire.

A survey by Make UK, the manufacturer's organisation, published in November 2020, found that 90% of manufacturers felt business organisations, LEPs, Growth Hubs and Trade Associations were best placed to understand the needs of business. As well as providing a snapshot of the economic fallout of COVID-19, this Recovery and Renewal Plan sets out the actions, in the near, medium and longer term, that Thames Valley Berkshire LEP will undertake with its wide range of partners including our businesses, Local Authorities, support organisations and anchor institutions, to protect and rebuild our economy.



**THIS IS A
FRAMEWORK
FOR OUR FUTURE**

AN ENVIABLE LOCATION

Thames Valley Berkshire is more than the sum of its parts. We are close to London and Heathrow Airport, as well as to Oxford. This makes us an attractive destination for foreign direct investment.

We are more than simply fortunate in terms of our location and historical legacy. Our seven major towns, each with an economy of their own, contribute to Berkshire's strength in cutting edge industries, such as digital technology and life sciences.

Those industries are supported by anchor institutions such as the University of Reading, Royal Berkshire Hospital and Atomic Weapons Establishment (AWE), to create thriving business and innovation environments, commonly referred to as business eco-systems. Rural West Berkshire is home to many small and medium sized businesses, again often specialising in future technologies, as well as offering access to green spaces that make Berkshire a great place to live, as well as to work.

Arts, culture and history are also important: attractions such as Windsor Castle provide a visitor economy, while smaller arts venues, like the South Park Arts Centre in Bracknell, the Corn Exchange in Newbury and Norderm Farm in Maidenhead provide leisure and entertainment facilities for those residents in Berkshire.

Like all areas, we have our challenges. The cost of living – especially the cost of housing – is high in Berkshire, making it difficult for us to compete with London in attracting and retaining young talent. Despite our overall economic success, we have deprived neighbourhoods where good work opportunities have failed to materialise. In developing this Recovery and Renewal Plan, we are not content to simply return to business as usual. This is an opportunity to reset,

making Berkshire even better, ensuring that no member of our community is left behind, and becoming truly sustainable, in line with the government's target of a 'net zero' carbon economy by 2050.

This Recovery and Renewal Plan is a pathway to a future where our economic and resilience goals are closely aligned with our vision for clean and equitable growth. Our plan is divided into three stages and across three priority strands.

Our actions and interventions will identify and facilitate opportunities to become better connected. They will draw our business community closer together for greater knowledge exchange and strengthen our connections to the outside world to create more opportunities. The plan also ensures we are equipped with skills to navigate our way through the challenges of COVID-19 and beyond in order to secure our future success.

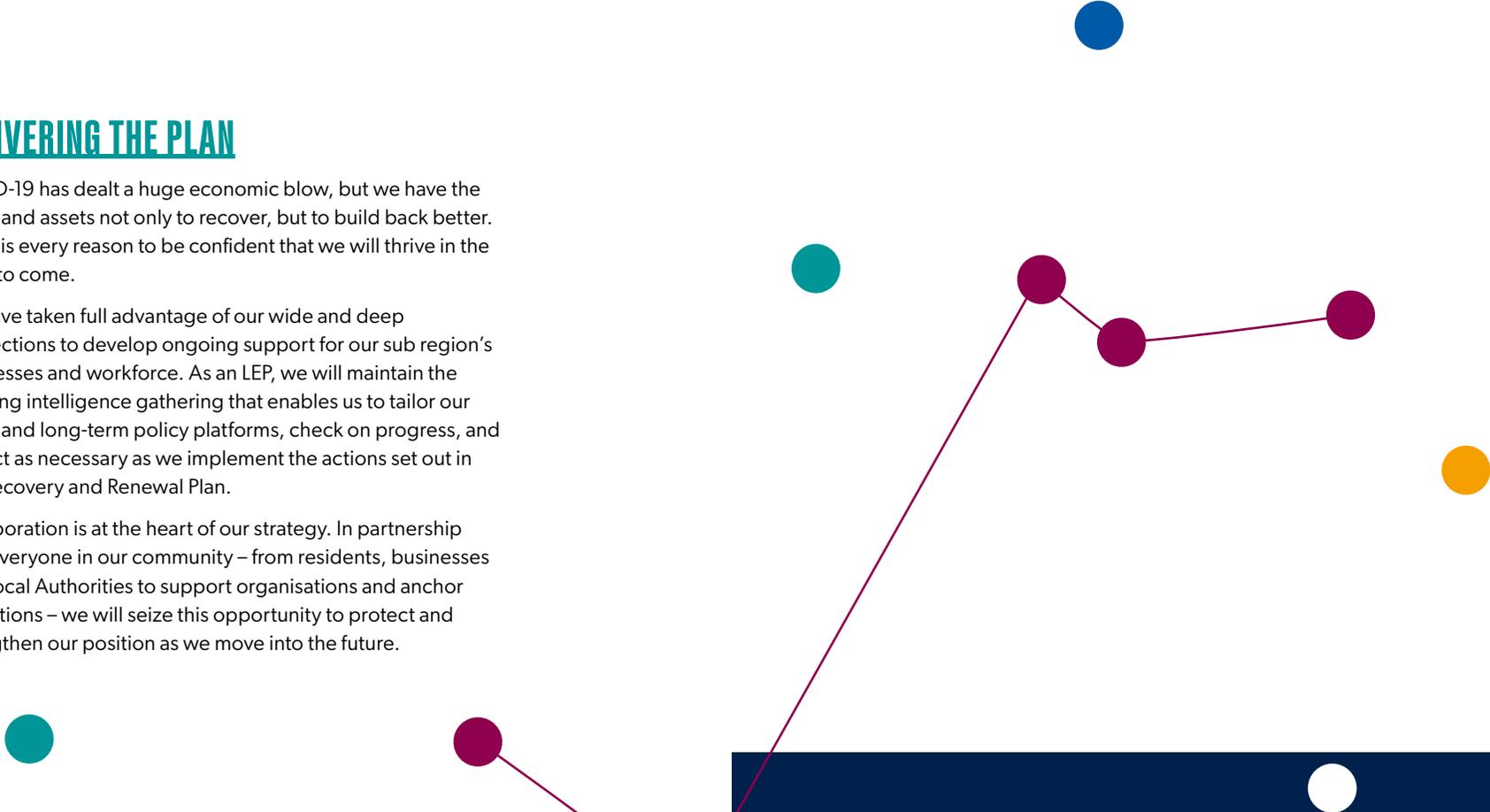


DELIVERING THE PLAN

COVID-19 has dealt a huge economic blow, but we have the vision and assets not only to recover, but to build back better. There is every reason to be confident that we will thrive in the years to come.

We have taken full advantage of our wide and deep connections to develop ongoing support for our sub region's businesses and workforce. As an LEP, we will maintain the ongoing intelligence gathering that enables us to tailor our short- and long-term policy platforms, check on progress, and correct as necessary as we implement the actions set out in this Recovery and Renewal Plan.

Collaboration is at the heart of our strategy. In partnership with everyone in our community – from residents, businesses and Local Authorities to support organisations and anchor institutions – we will seize this opportunity to protect and strengthen our position as we move into the future.



90% OF MANUFACTURERS BELIEVE BUSINESS ORGANISATIONS, LEPS, GROWTH HUBS AND TRADE ASSOCIATIONS ARE BEST PLACED TO UNDERSTAND THE NEEDS OF BUSINESS.

OUR RECOVERY AND RENEWAL PLAN AT A GLANCE

OUR THREE PRIORITIES

CONNECTED BERKSHIRE



COLLABORATIVE BERKSHIRE



SKILLED BERKSHIRE



AT THE HEART OF OUR RENEWAL AND RECOVERY PLAN:

Clean growth in line with the Government's 2050 net zero carbon target

Reduction of inequality so that everyone in Berkshire benefits

OUR THREE STAGES

IMMEDIATE

Help companies and individuals through the worst of the pandemic, minimising difficulties and ensuring a base from which to rebuild

6-18 MONTHS

Help companies and individuals to 'bounce back'. Pursue better, faster digital infrastructure, regenerate our town centres and develop our innovation eco-systems

2-5 YEARS

Build back an even better Berkshire, with higher productivity across the economy, leading to increased wages. We will build a sustainable Berkshire, in full alignment with the government's target of a 'net zero' carbon economy by 2050.

RECOVERY

RENEWAL

GROWTH

IMPACTS OF BREXIT AND COVID-19



THE ECONOMIC SHOCKS FACING BERKSHIRE

The repercussions of COVID-19 on the Berkshire economy – as for the entire UK – have been significant. In October 2020, the Organisation for Economic Co-operation and Development (OECD) published its Economic Survey for the UK. The report forecast that, after a sharp fall in activities during lockdown, overall demand will recover only gradually as consumer-facing sectors remain disrupted and both higher unemployment and business closures leave their mark on the economy.

With a strong service sector and reliance on consumer spending, the UK feels the impact of the pandemic keenly. On 5 November 2020, the Bank of England updated its economic forecasts, predicting UK GDP (Gross Domestic Product) to shrink by 11% in 2020. It also forecast the unemployment rate to peak at around 7.75% in the second quarter of 2021.

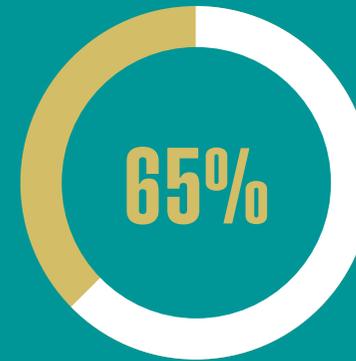
The speed of recovery is extremely uncertain, according to the OECD; it depends on the trajectory of the pandemic and whether further lockdowns are necessary. Other factors, notably the nature of the UK's exit from the European Union and any free trade agreement between the UK and the EU that follows, lead to even more economic uncertainty.



**THE IMPACT OF EU EXIT IS FORECAST
TO GENERALLY FURTHER EXACERBATE
THE RECOVERY CHALLENGES
OF BERKSHIRE-BASED ENTERPRISES.**

HOW THE PANDEMIC HIT BERKSHIRE BUSINESSES IN 2020

**38,200 JOBS WERE FURLOUGHED
AS OF 30 SEPTEMBER 2020,
A FALL OF 10,000 ON THE
PREVIOUS MONTH.**

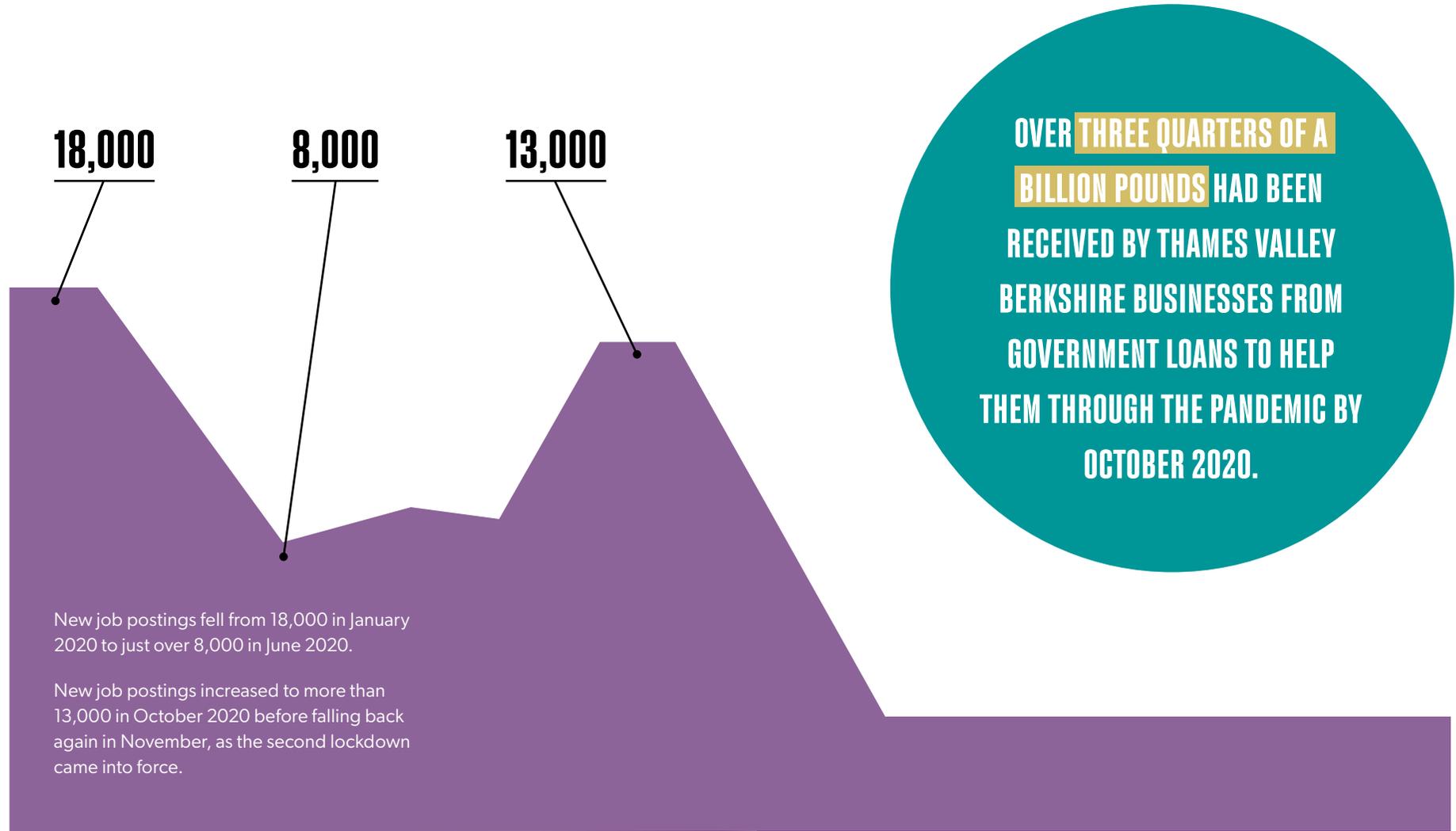


THE NUMBER OF PEOPLE CLAIMING
JOBSEEKER'S ALLOWANCE ROSE
65% BETWEEN OCTOBER 2019 AND
OCTOBER 2020

**NEW JOB POSTINGS FELL FROM
18,000 IN JANUARY 2020 TO JUST
OVER 8,000 IN JUNE 2020.**

**31% OF BUSINESSES SAID RESTRICTIONS
ON AIR TRAVEL / TRANSPORTATION WERE
IMPACTING CUSTOMER VOLUMES.**

JOB POSTINGS IN BERKSHIRE



OVER THREE QUARTERS OF A BILLION POUNDS HAD BEEN RECEIVED BY THAMES VALLEY BERKSHIRE BUSINESSES FROM GOVERNMENT LOANS TO HELP THEM THROUGH THE PANDEMIC BY OCTOBER 2020.

COVID-19 AND THE BERKSHIRE ECONOMY

**THE NUMBER OF UNIVERSAL
CREDIT CLAIMANTS ROSE FROM
29,375 TO 68,201 BETWEEN MAY
2020 AND SEPTEMBER 2020.**



**FOREIGN DIRECT INVESTMENT FLOWS ARE EXPECTED TO
FALL BY MORE THAN 30% IN 2020.**

**WITH FOREIGN OWNED COMPANIES MAKING UP 30% OF
EMPLOYMENT IN BERKSHIRE (COMPARED TO 16% IN THE
UK AS A WHOLE), THIS COULD LEAD TO A SIGNIFICANT HIT
ON JOBS IN THE COUNTY.**

THE THREE MOST HEAVILY FURLOUGHED SECTORS ARE:

**ADMINISTRATION AND SUPPORT
SERVICES**

**ARTS, ENTERTAINMENT AND
RECREATION SERVICES**

**ACCOMMODATION AND FOOD
SERVICES**

**MOVING INTO
A CLEANER,
MORE INCLUSIVE
FUTURE**



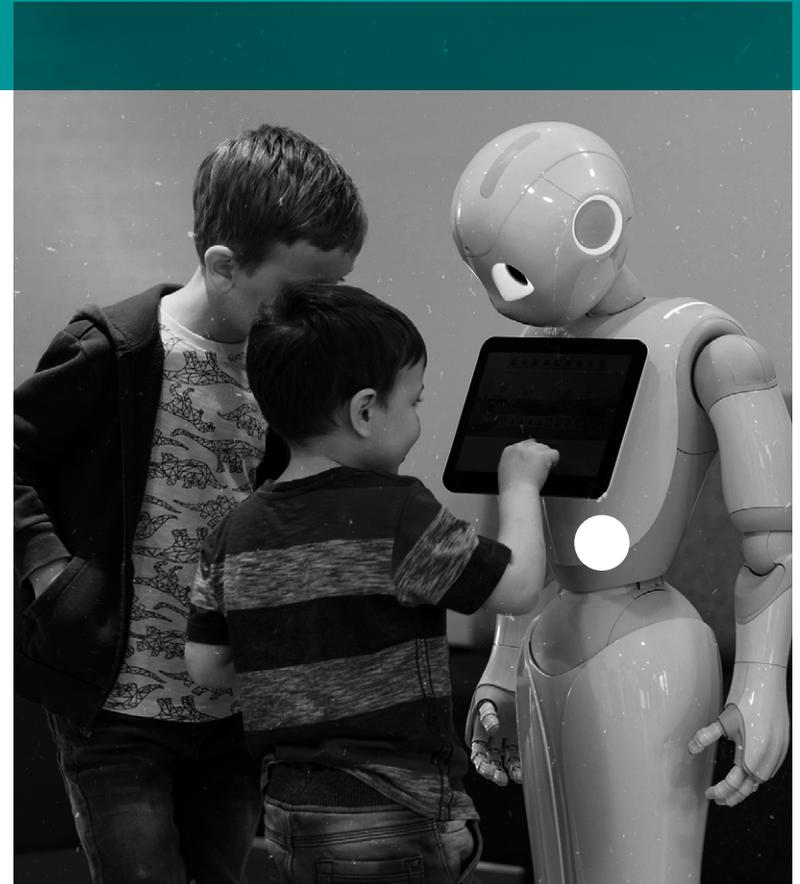
A FUTURE FOR EVERYONE IN BERKSHIRE

Inclusivity is a thread that runs through our Recovery and Renewal Plan. We want to ensure that, as Berkshire moves forwards, no one is left behind. In-work poverty is a problem in some parts of the region. Housing is expensive and, while we offer good opportunities for the highly skilled, many in our workforce find themselves in poorly paid, insecure roles.

In a nationwide context, Berkshire and the South East appear affluent in comparison to many other parts of the UK. As a region, Berkshire is thriving, yet the picture is more nuanced at community level; for example, in Slough a much higher proportion of the workforce is based in at-risk sectors than in Wokingham, just 20 miles away.

The government's 2019 Indices of Deprivation highlights stark differences around the county. Wokingham and Windsor and Maidenhead are two of the seven least deprived Local Authorities in England. In contrast, deprivation in the county is highest in Reading (ranked the 144th most deprived Local Authority area in England, out of 317 areas) and Slough (ranked 172nd).

**WE WANT TO ENSURE THAT,
AS BERKSHIRE MOVES
FORWARDS, NO ONE IS
LEFT BEHIND**



ENCOURAGING GOOD GROWTH

The Government's £4 billion Levelling Up Fund, announced in November 2020, aims to create a better life for everyone across the UK. It is still important, however, that leading sub-regions such as Berkshire are supported to stay at the forefront of UK competitiveness.

By supporting businesses to provide job progression, we want to increase prospects for everyone in Berkshire. It is our aim to accelerate the pace of economic growth and sustain it at a high level. We know this must be good growth: by this we mean growth that is smart, knowledge intensive, inclusive and resilient. By supporting Berkshire business to succeed, we can help residents across all demographics and in all parts of the sub-region to do well.

WHAT IS THE LEVELLING UP FUND?

In November 2020, the Chancellor Rishi Sunak announced the launch of the £4 billion Levelling Up Fund. It will take a place-based approach to the needs of local areas, with every locality in England able to bid directly for funding of local projects (there will be separate funds for Scotland, Wales and Northern Ireland). Successful projects should improve the experience of everyday life. Examples might include more libraries, museums, and galleries; better high streets and town centres; traffic reduction schemes and upgraded railway stations.



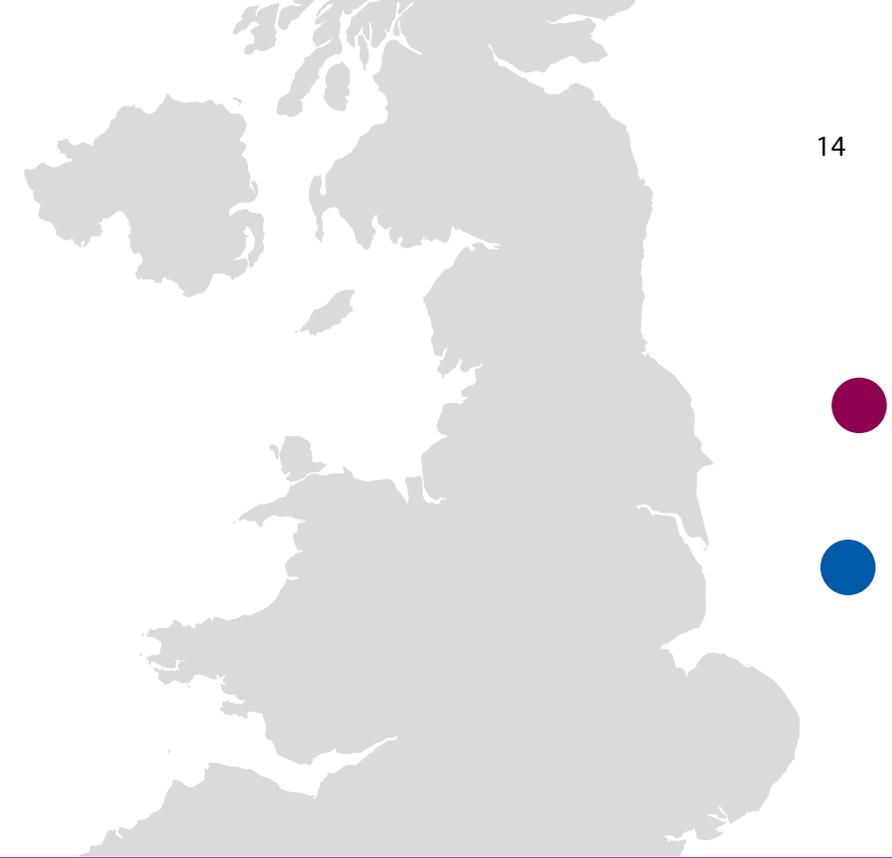
CLOSING THE PRODUCTIVITY GAP

We are a productive sub-region – one of the few parts of the UK that matches the average productivity of Germany. Despite this, around 180,000 workers are based in four low-productivity sectors:

- retail and wholesale trade
- administration and support services
- tourism, hospitality and food services
- entertainment and recreation

We will seize opportunities to work with companies to raise their productivity as we rebuild the Berkshire economy. Our focus is on three areas.

1. **Raising management capability** – this includes continuous improvement, setting the right targets and monitoring performance, and promoting employees based on ability.
2. **Supporting digital skills and adoption** – when it comes to having strong web presence, UK SMEs fall behind their counterparts in the Nordic countries, Germany and the Netherlands.
3. **Enhancing skills utilisation** – ensuring that the skills of employees are fully utilised. That requires better job design and leads to a more motivated workforce. Employees who are properly rewarded and have a say in how their working day is structured are more productive.



FACT

THE FIVE MOST DEPRIVED AREAS IN BERKSHIRE ARE IN READING. ALL FIVE FALL WITHIN THE 10% MOST DEPRIVED AREAS OF THE COUNTRY.

CLEANER. GREENER GROWTH

Growing sustainability is integral to all our strategic activities. We are aligned to the government's commitment to achieving net zero carbon by 2050. We have a track record of investing in clean growth schemes and will continue to invest in business solutions that move the UK towards net zero carbon emissions.

THE STORY SO FAR

Innovative power

We have already successfully implemented infrastructure for green energy and are seeing the rewards. The Slough Trading Estate – a key asset in the UK's digital strategy – is powered by the 50MW SSE Biomass Power Station.

Tackling problems

The Smart City Cluster is a two-year, £1.73m Internet of Things (IoT) project that showcases how tech solutions can meet real-world challenges. Across Berkshire, project teams and Local Authorities are championing initiatives to address issues such as fuel poverty, social isolation and carbon emissions.

More efficient travel

The LEP has led the co-ordination of stakeholders to advocate for the Western Rail Link to London Heathrow (WRLtH). The proposed 6.6km direct rail link would remove over 5,100 tonnes of CO2 per year of vehicle emissions. Journey times to Britain's busiest airport would also be improved, and economic productivity boosted.

NEXT STEPS

Collaboration will be the key to building our climate resilience. We will develop green recovery action plans with the six Berkshire Local Authorities. Our links with local expert anchor institutions such as the University of Reading and the European Centre for Medium-Range Weather Forecasts will be invaluable.

We will also embed the Transport for the South East green agenda, to which all six Berkshire Local Authorities are signed up. This includes:

- reducing carbon emission to net zero carbon by 2050 at the latest
- reducing the impact of and need to travel and enabling greater local connectivity
- protecting our natural, built and historic environments
- improving biodiversity

Berkshire's longer term sustainability vision will be achieved in collaboration with energy and transport providers, government agencies, our Local Authorities, major companies and anchor institutions. We will also partner with Swindon and Wiltshire LEP on the potential development of hydrogen infrastructure along the M4 corridor.

THE UK'S 2050 NET-ZERO TARGET

In a climate-neutral economy, any emissions are balanced by schemes to offset an equivalent amount of greenhouse gases from the atmosphere. The UK was the first major economy in the world to pass legislation to bring all greenhouse gas emissions to net zero carbon by 2050. In June 2019, the government committed to putting clean growth at the centre of its industrial strategy. Now, China has agreed to achieve net-zero emissions by 2060, a huge leap forwards for a sustainable future.



FACT

AROUND 50% OF ALL OUR INFRASTRUCTURE PROJECT FUNDING HAS SUPPORTED SUSTAINABLE PROJECTS.

CONNECTED BERKSHIRE



CONNECTIVITY IS KEY

Forging connections helps us grow as a region. Physical connectivity – by road, rail or air – brings us closer to our collaborators, markets and customers. Fast, reliable digital access streamlines the way we work.

Traditionally, Berkshire has benefitted from its proximity to Heathrow Airport and London. The many businesses and foreign-owned companies drawn to our favourable location have contributed to our strong economy. Several major infrastructure projects have been proposed or are currently in progress which are set to further improve accessibility.

LINKING UP THE POST-PANDEMIC WORLD

It's vital that our digital services support us to work efficiently whether we are based at home, in a public workspace, or in the office. A traditional 'five-days-a-week, 9-5' office routine could be slow to return. Professional life may even evolve completely as we commute less and work in increasingly flexible ways.

If a significant proportion of networking events, meetings and conferences continue to be held online, Berkshire's businesses will need increased digital capacity.

Access to transport hubs such as Heathrow may be less vital as companies reduce their carbon footprint. Despite this, social contact will continue to play a role in our professional lives. In this blended approach, better transport links that facilitate face to face meetings will complement more powerful digital services. This will enable Berkshire businesses to successfully adapt to the new commercial landscape.

We want to attract companies who wish to relocate from London as a response to trends in flexible working. We do not seek to compete with other parts of the UK. Instead, as some organisations give up their London HQs, we wish to be seen as a viable UK alternative to a move overseas.

**WE DO NOT SEEK TO
COMPETE WITH OTHER
PARTS OF THE UK**

CONNECTIVITY IN BERKSHIRE - THE STORY SO FAR

Several major infrastructure projects are improving Berkshire's access.



More than £7.5 billion is being spent on electrifying routes from London to Newbury and Cardiff, station improvements, and track upgrades.



Crossrail is due to come on stream in the first half of 2022. Despite this, a semi-fast service remains elusive, meaning its convenience will be lessened for those seeking a single train into central London and the City.



The development of the £848m Smart M4 motorway is more than halfway to completion.



We are leading the co-ordination of stakeholders to advocate for the Western Rail Link to London Heathrow (WRLtH).

RESILIENCE

To support our sub-region through short-term challenges, we will:

Identify and act upon connectivity opportunities.

We will develop Berkshire's Place Making Board to bring together stakeholders to reimagine public spaces and harness expert local knowledge to prioritise for future investments and funding. We will also collaborate on the Heathrow Local Recovery Action Plan to drive local economic growth, post-pandemic. By continuing to work with Local Authorities and the private sector, we will advance appropriate and sustainable developments.

Partner with One Public Estate to support collaboration across the public sector in pursuit of local growth. Create a joint prospectus of Berkshire investment opportunities with OPE by Q1 2021.

Work with the private sector to develop a digital strategy for Berkshire. This will be done by the Digital Infrastructure Group (DIG), which brings together all six Local Authorities across Berkshire and the LEP.



FACT

WHAT IS ONE PUBLIC ESTATE?

One Public Estate (OPE) brings together the Office of Government Property (OPG), the Local Government Association (LGA) and the Ministry of Housing, Communities and Local Government (MHCLG). The programme supports collaboration across the public sector in pursuit of local growth, funding projects such as affordable housing and town centre regeneration.

Connected Berkshire

RENEWAL

Focusing on our medium-term priorities, we will:

- **Accelerate 4G and 5G digital infrastructure.** So far, £1.7m funding has facilitated the roll-out of full fibre to communities across West Berkshire. We will fund research to identify areas of focus, and create the right environment for public and private sector investment.
- **Reimagine our town centres to become business and leisure hubs.** Alongside an acceleration in new housing, we will develop hubs for those who want to start their own business. A template for this is The Deck in Bracknell, in which the LEP will invest £1m to leverage £20m of private sector funding.
- **Innovate to reduce residents' carbon footprints.** The LEP-funded Berkshire Smart City Cluster project is working with Eco-Rewards which offers incentives to schools, businesses and communities in Bracknell Forest to encourage residents and students to choose greener travel and healthier lifestyle options. We will promote similar initiatives across other Local Authorities in Berkshire.

**SO FAR £1.7M FUNDING
HAS FACILITATED THE
ROLL-OUT OF FULL FIBRE**



GROWTH

To achieve our long-term goals, we will:

- **Collaborate for strategic development.** By working closely with our partners on the Berkshire Place Making Board, the Digital Infrastructure Group and the One Public Estate Team, we can ensure we target the right funding opportunities.
- **Deliver a Berkshire-wide digital network.** Developing short, medium and long-term priorities, we will identify and bid for government funding to deliver our digital strategy and support skills development.
- **Tailor connectivity to work for the way we work.** Once we understand long-term trends in working, we can create flexible and connected transport options for those who will continue to commute. For those who will work from home in the future, we will support the long-term development of Berkshire's digital infrastructure. As fewer people commute out of Berkshire for work, the development of residents' employment and leisure needs within the county will become a priority.



**WE WILL SUPPORT THE
LONG-TERM DEVELOPMENT
OF BERKSHIRE'S DIGITAL
INFRASTRUCTURE**

COLLABORATIVE BERKSHIRE



SUPPORTING A RESILIENT BUSINESS ECO-SYSTEM

Our economy benefits from a diverse mix of sector clusters and dynamic businesses of all sizes and from all parts of the world. Together they make Berkshire one of the most vibrant economies in the UK.

More than 90% of our businesses are small and medium enterprises. We are also home to world class companies such as Microsoft, Fujitsu, Pfizer and Bayer. We benefit from key business parks as well as anchor institutions such as Syngenta and the University of Reading. These businesses make up a powerful eco-system that thrives best when knowledge, experience and opportunities are shared.

WORKING TOGETHER TO GROW TOGETHER

Many of the sectors we excel in, such as telecommunications, digital tech and life sciences, are resilient to the shocks of COVID-19. For these industries, the future looks bright.

As we move into a post-COVID-19 world, knowledge transfer between businesses will be vital to creating opportunities right across the Berkshire business community. The supply chains of larger organisations will become lifelines for smaller businesses, leading-edge start-ups can be a wellspring of creativity and innovation, anchor institutions will deliver insights that help to support and benefit businesses of all sizes across different sectors.

As a business community we are diverse, talented, resilient and dynamic. Our initiatives will create opportunities for this community to become even stronger.

FUTURE-PROOF CLUSTERS OF EXPERTISE



Our key sectors include digital technology, telecommunications, life sciences. Digital tech alone generates 25% of Berkshire's GVA – 3 x the national average.



We are a magnet for the life science and healthcare sectors. Leading pharma companies such as GSK, Pfizer and Boehringer Ingelheim have regional or national bases here.



Energy and the environment is an emerging sector which has attracted GE Energy and Honeywell as well as energy pioneers Fuel Cell Systems and PassivSystems.



The creative sector is getting a boost with increased demand for film/tv production space outside London. The University of Reading is planning to develop a Cine Valley Film and Media Village.

RESILIENCE

To support our sub-region through immediate challenges, we will:

- 

Further develop the Berkshire Business Growth Hub.
See page 29 for details of how the Hub will support businesses.
- 

Provide businesses with better access to finance and workspaces for growth. We will work with partners to close key funding gaps. We will also generate workspaces for those who cannot work at home, start-ups and small enterprises.
- 

Reshape the message and audience for foreign direct investment. We will also seize the opportunity for Berkshire to attract London-based and overseas companies. In collaboration with our partners, we will further facilitate and promote inward investment from large and foreign owned companies, making full use of services from the DIT and the new Office for Investment.
- 

Support Heathrow’s ambition to become an Associate Freeport by working with London, Enterprise M3 and Buckinghamshire Thames Valley LEPs and other partners.

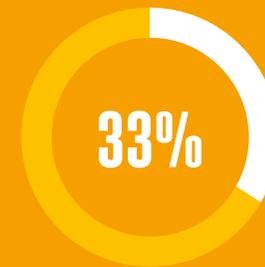


FACT

ONE IN EIGHT ENTERPRISES USING COMMERCIAL PREMISES PLANS TO EXIT OR DOWNSIZE THEIR SPACE.



FACT



33% ANTICIPATE THAT MORE THAN TO HALF TO ALL OF THEIR WORKFORCE WILL BE WORKING FROM HOME IN THE FUTURE.

RENEWAL

To achieve our medium-term priorities, we will:

- Work to bring together all anchor institutions.**
We will also get behind specific sector/cluster focused projects/interventions such as the University's Science Park development proposals.
- Actively engage successful corporates in the local area**
to co-develop a vision for a robust business eco-system.
- Support our partners to implement mechanisms for knowledge exchange in response to the Industrial Strategy Grand Challenges.** We will encourage the launch of challenge competitions, data science collaborations, student placements and events that promote a common purpose. Championing an 'entrepreneurship meets intrapreneurship' style community will connect corporates and SMEs to develop local supply chains, an innovation pipeline and mentoring initiatives.



**WE WILL WORK WITH
GOVERNMENT TO
IMPLEMENT THE SECTOR
DEALS FOR ARTIFICIAL
INTELLIGENCE AND LIFE
SCIENCES AS RELEVANT
TO BERKSHIRE.**

Collaborative Berkshire

GROWTH

To address our longer-term aims, we will:

Accelerate the development of a network of innovation sites to offer entrepreneurs and businesses flexible accommodation and access to administrative, business and innovation services and networks. The LEP has already started to invest in this activity, for example a £1.65 million investment in the new Slough Innovation Space due to open in April 2021. We will encourage further development of innovation sites, for example the planned Science and Innovation Park at Jealott's Hill. We will also forge innovation alliances with adjoining LEPs, such as Enterprise M3, Oxfordshire, Swindon and Wiltshire and Thames Valley Buckinghamshire.

Attract and support business, talent and investment. This will be focused on enterprise or innovation districts where clusters are either established or emerging.

Raise awareness of Berkshire and offer relocation advice and support. Encouraging people who previously commuted to London to move their business, or work more frequently in Berkshire, will help to boost the Thames Valley Berkshire economy.

WE WILL ENCOURAGE FURTHER DEVELOPMENT OF INNOVATION SITES



Collaborative Berkshire

THE BERKSHIRE BUSINESS GROWTH HUB

The Thames Valley Berkshire Business Growth Hub offers fully funded, impartial support services and expert advice to entrepreneurs, start-ups and established businesses in Berkshire. Businesses can access free clinics and workshops on a range of business issues, alongside a special High Growth Programme to provide tailored support to small and medium sized businesses (SMEs) with high growth potential.

BUILDING RESILIENCE THROUGH THE GROWTH HUB

The Growth Hub will continue to play a key role in supporting SMEs as we move into the future. We will develop the website to allow all businesses to easily access the latest local and national support and to provide information on key topics such as COVID-19 and Brexit.

Through the Hub, we will continue to offer a Recovery and Growth Programme and the bespoke Growth Mapper Recovery diagnostic tool which helps eligible businesses identify principal areas to focus on for recovery.

The Hub will also be a beacon for businesses seeking to export. Guidance and support aimed at high-export-potential businesses will be signposted and promoted. These resources will include the Department for International Trade's (DIT) support services, including the new Internationalisation Fund Export Grant Scheme and Intensive Trade Support Programme.

**ACCESS FREE CLINICS
AND WORKSHOPS
ON A RANGE OF
BUSINESS ISSUES**

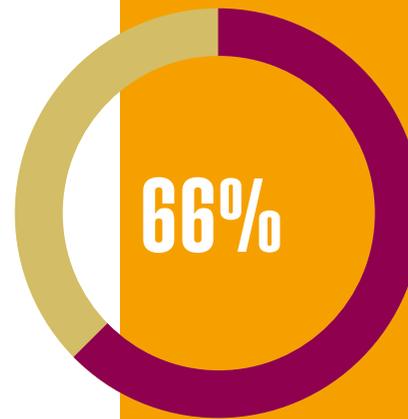
REPOSITIONING THE GROWTH HUB

Taking account of government's reform of business support, we will review and reposition our Business Growth Hub offer. Working with our business support partners, including our six Local Authorities, we will continue to provide a full range of targeted support for different segments of business.

We will seek to reach the 'majority middle' of potentially hard-to-reach firms, which may not be engaged with our network. Working collaboratively with our public and private partners, we will share best practice and existing expertise with an aim to:

- support those looking to start their own enterprise
- assist SMEs to address specific business challenges such as the adoption of e-commerce
- help businesses to scale-up

Find out more at www.berkshirebusinesshub.co.uk



STAYING AGILE

66% of Berkshire-based enterprises have already made or anticipate making significant changes to their operating models. Of these, more than half have bolstered online service capabilities; a quarter have developed new products or services to capitalise on new opportunities.

FACT

FROM MARCH 2020 TO DECEMBER 2020, THE BUSINESS GROWTH HUB HAS ENGAGED WITH OVER 1,400 BUSINESSES AND RECEIVED ALMOST 27,000 VISITS TO THE WEBSITE.

SKILLED BERKSHIRE



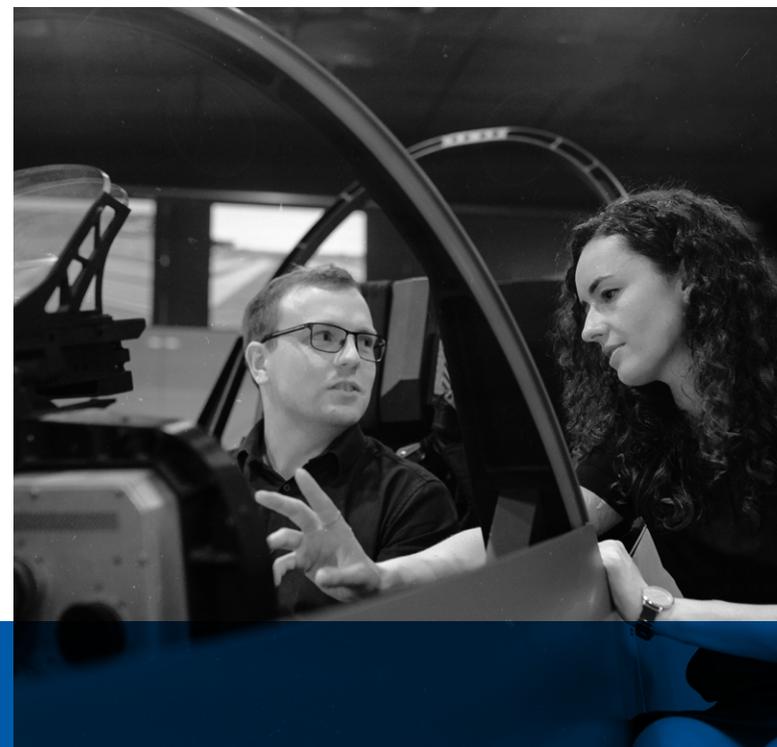
THE IMPORTANCE OF SKILLS

Increasing workforce skills will see Berkshire through the COVID-19 pandemic and out the other side. Skilling up our population will make Berkshire more resilient to future trends, such as an ageing population or the increasing automation of job roles. Training will also make Berkshire more robust in the face of the EU Exit, which may result in shortage of workers with specialist skills locally.

THRIVING THROUGH LEARNING

Training will play a vital role in allowing everyone in Berkshire to thrive going into the future: training allows those who have lost their job due to the pandemic to access new opportunities. Learning can boost confidence and aid mental and physical health.

Our sub-region's unemployment level is lower than the UK average, however at local level there are variations. Slough, for example, has one of the highest unemployment rates in the South East. To achieve prosperity right across Berkshire, we must ensure that everyone has the necessary literacy, numeracy and digital skills to access the jobs market. While specialist skills are important, we must also enhance soft skills, such as emotional intelligence, resilience, interpersonal, communication and problem-solving.



FACT

EVIDENCE SUGGESTS THAT THE ECONOMIC CONSEQUENCES OF COVID-19 HAVE FALLEN DISPROPORTIONATELY ON YOUNG PEOPLE, WOMEN AND LOWER SKILLED WORKERS.

Skilled Berkshire

RESILIENCE

To address short-term priorities we will:

- **Develop and promote our new skills and employment portal, Berkshire Opportunities.** The portal enables residents to find work and learning opportunities; post crisis it will highlight our growth areas.
- **Create an outreach programme for those impacted in the aviation sector.** Developed in partnership with Heathrow Airport Limited, the Department for Work and Pensions and others, it will promote skills needed for resilient sectors.
- **Establish an Apprenticeship Hub.** It will seek to support employers to maintain existing apprenticeship posts and encourage employers to continue to recruit apprentices of all ages.
- **Enhance the employability skills of young people.** Opportunities for the younger workforce have been significantly impacted by the pandemic. Working with local training providers, we will create impact through two major programmes: the Berkshire Education Employment Partnership and the Industry Educator Programme.
- **Develop and publish a new Berkshire Skills Strategy and Action Plan** that responds to a post-COVID economy.
- **Continue to maximise support to those furthest from the labour market** to improve skills and employment opportunities through the European Social Fund.

BERKSHIRE OPPORTUNITIES ENABLES RESIDENTS TO FIND WORK AND SEARCH FOR COURSES



RENEWAL

In pursuit of our medium-term goals, we will:

- **Explore the inclusion of a skills brokerage service on the Business Growth Hub.** This would provide impartial guidance to help businesses get the skills they need to grow and develop.
- **Develop our labour market and skills analysis.** We will develop the scope of the Berkshire Observatory and undertake detailed analysis on the impact of COVID-19 in particular sectors to identify priorities for action by sector.
- **Explore the development of a local Digital Skills Partnership.** Partners and key local digital employers would help increase the digital capability of individuals and organisations in Berkshire.
- **Build capacity in skills shortage areas and emerging growth sectors.** We will work with our further education colleges to develop a five-year Capital Investment Plan to achieve this.
- **Tailor skills and training provision for those most impacted by the economic fallout from COVID-19.** This activity will focus on developing transferable skills and encouraging lifelong learning in resilient and recoverable sectors.

**WE WILL WORK
WITH OUR FURTHER
EDUCATION COLLEGES
TO DEVELOP A
FIVE-YEAR CAPITAL
INVESTMENT PLAN**

GROWTH

To achieve our longer-term ambitions, we will:

- **Continue to develop digital career pathways and address digital skills.** We will continue to work with Activate Learning to develop the Reading Hub of the Bletchley Park Institute of Digital Technology
- **Seek opportunities to develop further Institute of Technology hubs in Berkshire.** In order to respond to the needs of employers in emerging and growth sectors, we wish to partner with Further Education (FE) and Higher Education (HE) providers in the activity.
- **Actively support the delivery of skills infrastructure projects** to ensure everyone in further education is learning in high quality facilities, using industry-standard equipment.
- **Enhance careers, education, advice and guidance for our young people** through the continued expansion of the Berkshire Careers Hub.
- **Influence employers to attract the best employees and increase productivity.** This means increasing the number of people in 'good work' and addressing the gender pay gap in Berkshire.



**ENSURE EVERYONE IN
FURTHER EDUCATION
IS LEARNING IN HIGH
QUALITY FACILITIES**



ANNEX A – CONTRIBUTORS TO THE THAMES VALLEY BERKSHIRE LEP ROUNDTABLES

CONTRIBUTORS TO THE THAMES VALLEY

BERKSHIRE LEP ROUND TABLES

Activate Learning Trust	Community United West Berkshire	Henley Business School	Net Company
Active Workplace Solutions	Confederation of British Industry	Highways England	Network Rail
Adviza	Connect Reading	Honda	Newbury College
AkzoNobel	Connecting Communities in Berkshire	Housing Solutions	Newbury West Berkshire EDC
Atomic Weapons Establishment	Crest Nicholson	Innotatio	North Wessex Downs
Balfour Beatty VINICI	Department of International Trade	Innovate UK	One Public Estate
Bayer	Department for Transport	Institute of Directors	Oxford Brookes University
Berkshire College of Agriculture	Department for Work and Pensions	K3	Oxford Innovation Services
Berkshire Growth Hub	East Sussex Council	Kempton Carr Croft	PassivSystems
Boyes Turner	Education Bus Partnership West Berkshire	Khandker	Pathways
Bracknell Forest Council	Environment Agency	Kier	PDMS
British Gas Supported Employment	Ethical Reading	KPMG	PwC
British Business Bank	EY	Kymira	QA
Careers & Enterprise Company	Federation of Small Businesses	Lloyds Bank	Radian
Centre for Cities	Gigaclear	Matthews Associates Ltd	RBWM Tourism
CHACO	Great Western Railway	Maybe Engineering	Reading Borough Council
Chiltern Training	HBS	Microfocus	Reading Buses
Chimero Consulting	HCR Law	Microsoft	Reading UK CiC
Cities and Local Growth Unit	Heathrow Strategic Planning Group	NatWest	Redwood Technology

CONTRIBUTORS TO THE THAMES VALLEY BERKSHIRE LEP ROUND TABLES

Regional Network Solutions

Resource Productions

RNS (Digital)

Royal Berkshire NHS Foundation Trust

Royal Borough of Windsor & Maidenhead

RVA

SANTEC

Scale Up Institute

SEGRO

Shoosmiths

Skills for Care

Slough BCP

Slough Borough Council

Slough CVS

South Western Railway

SQW

SSE

Stantech

STEM Learning

Stuart Michael Associates

Syngenta

Tech Nation

TFL

Thames Valley Chamber of Commerce

Thames Valley Forum

The Bulmershe School

The FSE Group

The Institute of Chartered Accountants
in England and Wales

The TRL Academy

Toshiba Energy Systems
& Services Company

UK Property Forums

Unite the Union

University of Reading

Vodafone

Ways Into Work

WEA Berkshire

West Berkshire Council

West Berkshire Training Consortium

Westcoast

Windsor Forest Group

Wokingham Borough Council

Work Lab

Xenon Groupo

The LEP took a consultative and collaborative approach in preparing this Recovery and Renewal Plan.



From May – July 2020, a suite of Economy Briefings was commissioned to inform the LEP on the general economic impact of the pandemic at a global, national, Berkshire-wide and Local Authority level and the initial response of the business community.



In June, a Business Insights survey was undertaken to provide insights into the extent of the impact of the pandemic on Berkshire businesses; the survey asked forward-looking questions to enable the LEP to anticipate business needs and to understand where, and in what ways, businesses' initial response was transforming into a new short-term normal.

Both the Economy Briefing and Business Insights survey fed into a series of virtual Recovery and Renewal roundtables organised by the LEP in September 2020. The aim was to gather intelligence and input from businesses and partners to identify short- and medium-term priorities for a Berkshire Recovery and Renewal Plan.

Approximately 200 attendees participated in the roundtables ranging from large to small businesses, charities, Local Authorities, think tanks, trade associations, higher education, further education, media, unions, consultants, training providers and investment/finance providers.

This wide-reaching consultation allowed the LEP to receive bottom-up feedback on how to support local businesses and residents through the pandemic and move from building resilience, to renewal and sustained growth.

ANNEX B – ECONOMIC ANALYSIS



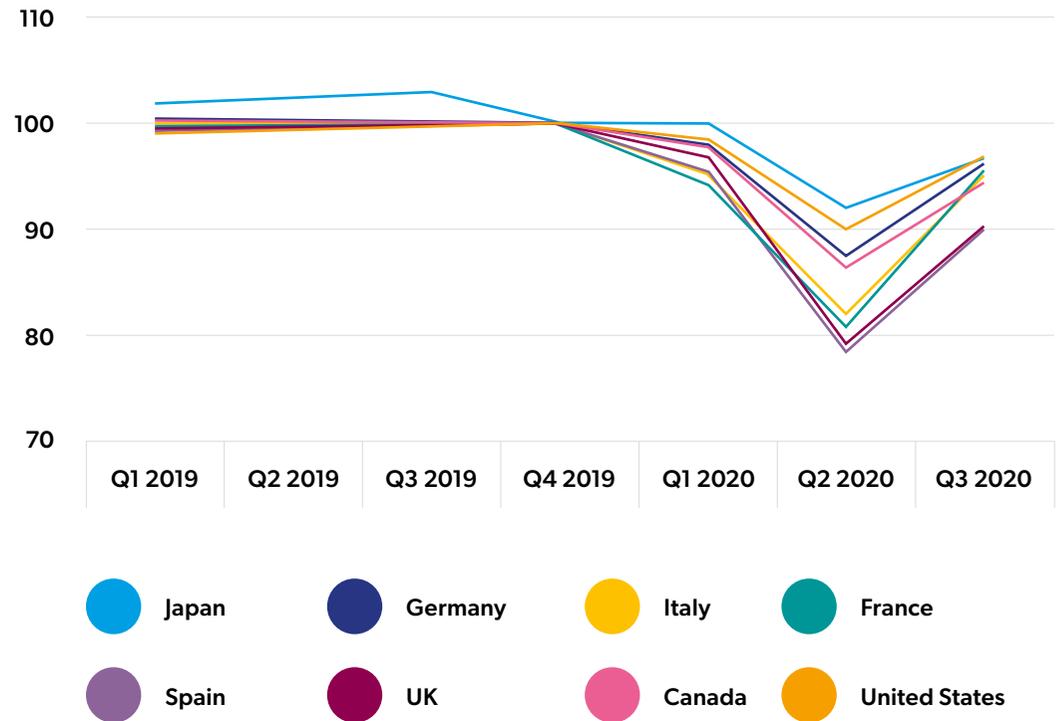
ANNEX B - ECONOMIC ANALYSIS

ECONOMIC SCENARIO

According to the Office for Budget Responsibility (OBR) in November 2020, COVID-19 has delivered the largest ever recorded peacetime shock to the global economy. The UK economy has been hit particularly hard by the virus and by the public health restrictions required to control it. The OBR believes that GDP is set to fall by 11 per cent in 2020 – the largest drop in annual output since the Great Frost of 1709. Global output is forecast to contract by 4.4 per cent in 2020, a far more severe hit than the contraction which followed the 2008-9 financial crisis. The interconnected nature of the global economy means that lower growth around the world also affects the economy of the UK.

Growth has returned with the re-opening of the economy after the first lockdown, albeit not strongly enough to make up for that lost in the first months of the pandemic. According to the Office for National Statistics, following two consecutive quarters of contraction, UK gross domestic product (GDP) is estimated to have grown by a record 16.0% in Quarter 3 (July to Sept) 2020. The level of GDP in the UK is still 8.6% below where it was prior to the pandemic at the end of 2019, however. This is around twice as large as the cumulative drop in GDP in other G7 countries.

UK, Quarter 1 (January to March 2019) to Quarter 3 (July to Sept 2020)



Source: Office for National Statistics, Organisation for Economic Co-Operation and Development

The shock to the economy has had a different impact on different sectors. Those most reliant on face-to-face interactions, such as hospitality, transport and entertainment, saw the biggest falls in activity. Those largely able to continue to operate while adhering to social distancing rules, such as financial services, energy and agriculture, have seen a relatively more benign hit. Key Berkshire sectors such as life sciences, ICT and tech-focused business services are generally more resilient to the crisis and are more likely to grow.

The second lockdown, followed by a new, stricter tier system, including Tier 4 for London and much of the South East, including Berkshire, is certain to have dented activity in November and after. Before the announcement of Tier 4, the OBR had forecast a fall in output three-fifths that seen during the first lockdown, but that now seems unlikely. With early predictions suggesting that Tier 4 will continue for the first couple of months of 2021, perhaps even up until Easter, the effects on the economy will be profound.

THE ECONOMIC SHOCK TO BERKSHIRE

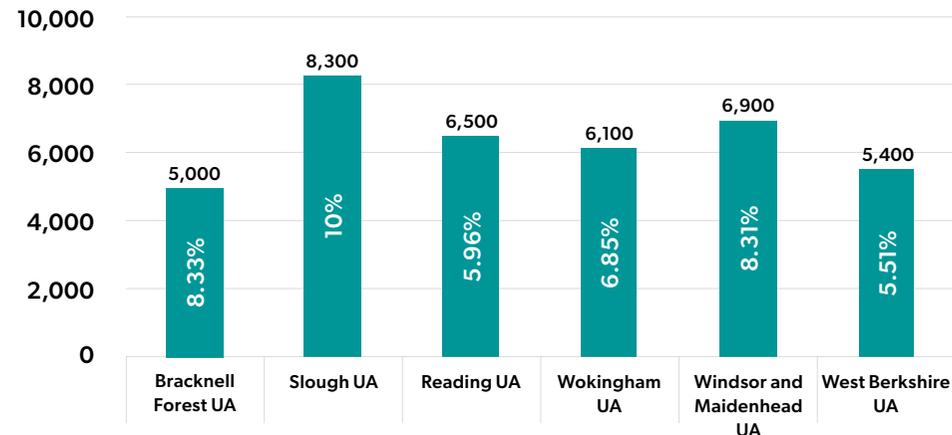
Coronavirus Job Retention Scheme

The main support for employees who have not been able to work due to COVID-19 has been the Coronavirus Job Retention Scheme (CJRS), sometimes known as the furlough scheme. This was established to cover the first period of lockdown, with businesses able to apply for a grant to cover 80 per cent of their wages. The scheme was modified and extended, first until December 2020 and then, when it became clear that further restrictions on economic activity would be necessary, until Spring 2021. Employees could still receive

80 per cent of their salaries for hours not worked. Employers are asked to cover National Insurance and employer pension contributions for hours not worked. For an average claim, according to HM Treasury, this amounts to five per cent of total employment costs, or £70 per employee per month.

As we have seen, those not able to continue their work due to social distancing rules are the most vulnerable among the workforce and it is those who are most likely to have furloughed.

Number and percentage of jobs furloughed in Berkshire (September 2020) by Local Authority



The graph on the previous page shows that Slough had the highest number of furloughed employees on 30 September 2020, the latest figures available at the time of going to print. Slough had 8,300 workers furloughed, making up ten per cent of its total workforce. Bracknell Forest, the Local Authority with the lowest actual number of furloughed employees – 5,000 – had more than eight per cent of its workforce on furlough. Berkshire as a whole had a total of 38,200 workers furloughed. In fact, Berkshire has a lower-than-average number of furloughed workers, compared to the rest of the UK, because of its relative strength in sectors of industry that can be continued by workers from home.

Self Employed Income Support Scheme

The Self Employed Income Support Scheme (SEISS) sits alongside the CJRS and is targeted, as the name suggests, at the self-employed and those in partnerships, supporting them through the pandemic. The SEISS is a one-off lump sum.

Like the CJRS, the SEISS has been amended during its various phases. The first SEISS grant was calculated at 80 per cent of the average of three months of trading profits, up to a maximum of £7,500. The second grant was 70 per cent, up to a maximum of £6,570. The third grant, covering November 2020 to January 2021, reintroduced the 80 per cent level, again up to a maximum of £7,500.

As we can see from the graph, over £100m was claimed by self employed people in Berkshire during SEISS 1 and over £85m was claimed during SEISS 2. Businesses in Slough have claimed the most, closely followed by those in West Berkshire, the more rural part of the county with its higher level of SMEs.

Total value of claims made for SEISS 1 and 2 (November 2020) by Local Authority



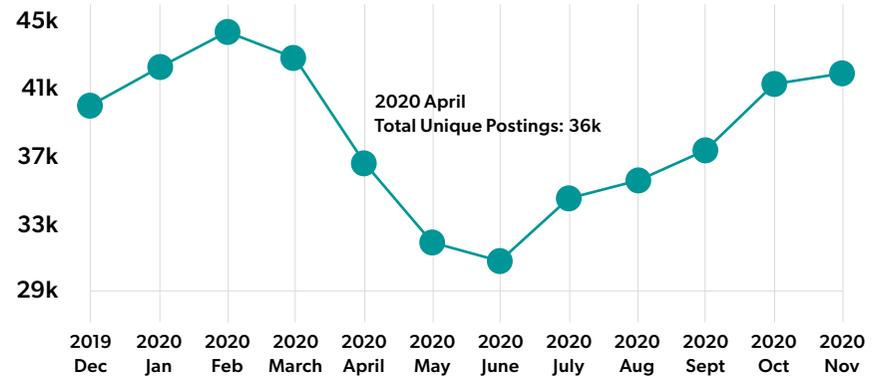
Job Postings

Job postings are a proxy of economic activity. This means we would expect postings to have fallen during the first lockdown, risen as the lockdown ended, and then fallen again as further restrictions – in the case of Berkshire, the second lockdown – were introduced.

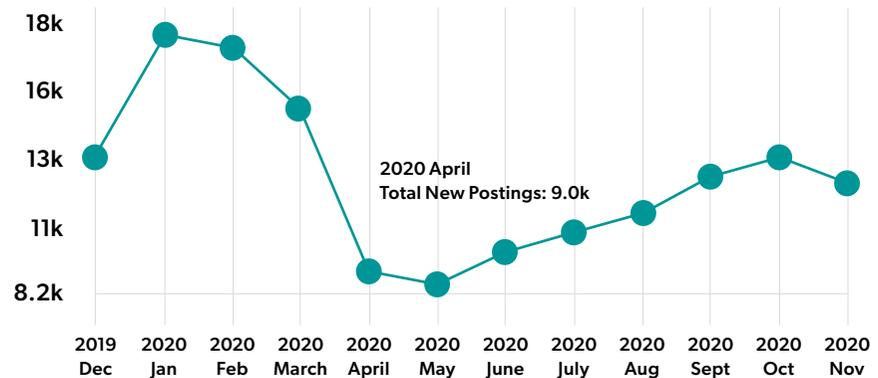
Unique job postings refers to jobs that are active, whenever they were posted. As we can see from the graph on the right, unique job postings for Berkshire fell by about 15,000 between February 2020, just before the pandemic hit, and June 2020, the height of the first lockdown. Job postings then rose steadily until October, beginning to tail off into November.

New job postings includes jobs which have only been posted within their specific time frame. We can see in the graph that the fall in new postings as the pandemic took hold was even more sharp than that among unique job postings. We can also see another tail off among new job postings as the second lockdown was introduced in England.

Unique Job Postings



New Job Postings



Source: EMSI

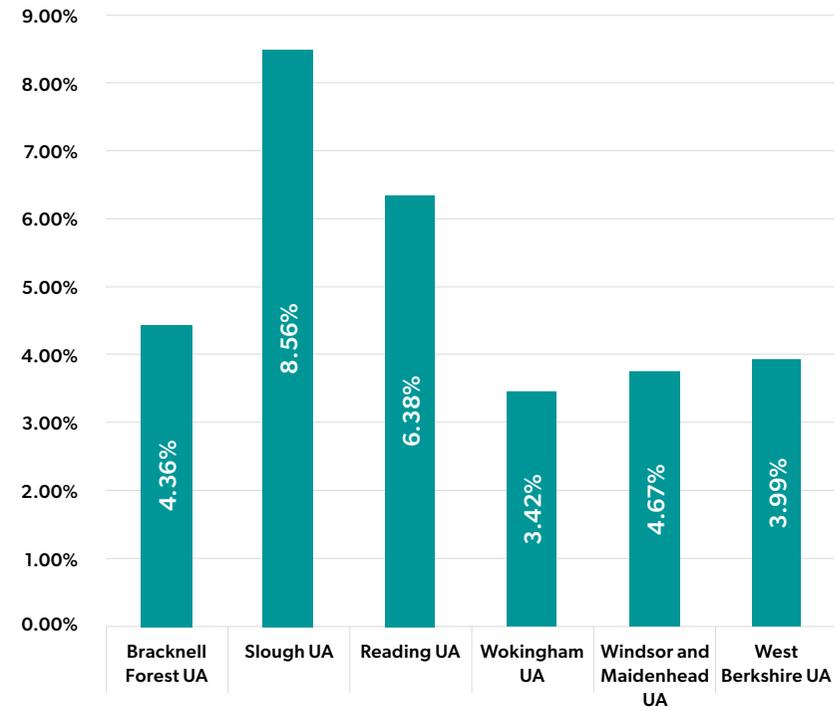
Claimant Count

Official claimant count figures for November 2020, compared with those from one year ago, tell the story of unemployment in Thames Valley Berkshire in the age of COVID-19:

Local Authority	Claimant Count (Nov 2020) (not seasonally adjusted)	Change Year
Bracknell Forest	3,455	2,315
Reading	6,870	3,945
Slough	8,125	5,565
West Berkshire	3,840	2,435
Windsor & Maidenhead	4,305	3,070
Thames Valley Berkshire	30,175	19,820

Across Thames Valley Berkshire, claimant unemployment has increased by 50%, rising from just below 20,000 in November 2019 to just above 30,000 in November 2020. Slough had 8.56% of its working age population claimant unemployed in November 2020, up from 2.7% in November 2019. (Source: ONS)

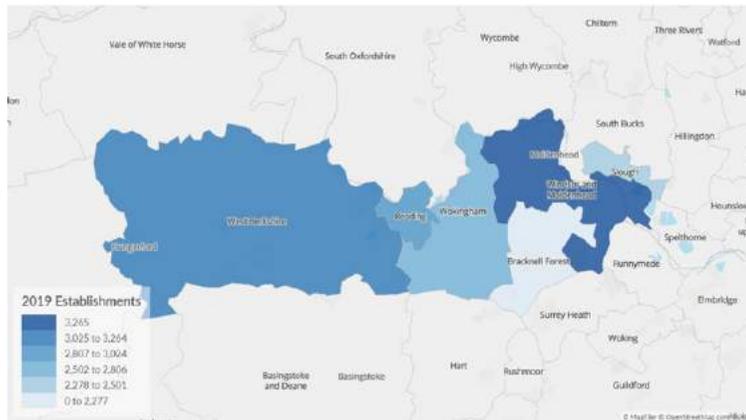
Percentage of jobs furloughed in Berkshire (September 2020) by Local Authority



Source: ONS

Berkshire's hourglass economy

We have high skilled, well paid jobs in professional, scientific and technical activities, as well as in ICT. We also have insecure, poorly paid jobs in accommodation and food, wholesale and retail trade, and administration and support services, alongside precarious jobs in arts, entertainment and recreation, one of the sectors that has suffered most during the pandemic. This can be seen in the maps below.



The map above shows more than 15,000 companies, providing more than 186,000 jobs, in the four precarious sectors listed above in 2019. The average wage among these jobs was £26,504. Windsor and Maidenhead had the largest proliferation of these companies.



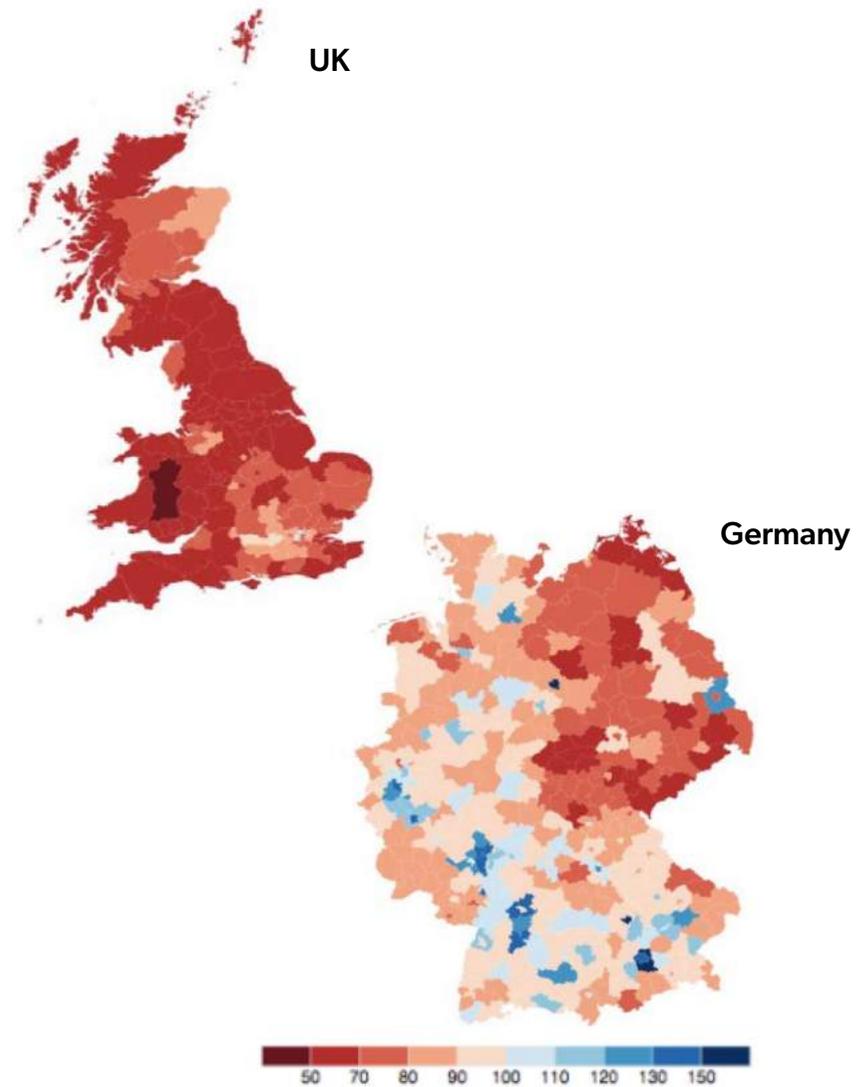
This second map shows 18,000 establishments, providing 124,000 high skilled, well paid jobs, in professional, scientific and technical, and ICT activities across Berkshire in 2019. Average pay in these jobs stood at £47,321. Wokingham has the most of these jobs of any Local Authority across Berkshire.

The Productivity Gap

Page 14 highlights that around 180,000 workers are based in four sectors of low productivity: retail and wholesale trade; administration and support services; tourism, hospitality and food services; and entertainment and recreation.

This is despite the fact that Berkshire is one of the most productive sub regions in the UK, partly thanks to its ability to attract foreign owned companies. The graph to the right demonstrates how Berkshire matches Germany's average productivity. The sub-region is one of the very few places in the UK which achieves this.

[Notes: GVA per hour at NUTS3 level in 2014, with Germany's overall productivity set to 100 (index). Source: UK data from ONS Regional and Subregional Productivity release (Jan 2017), German data from the federal states national accounts (VGRdL). Reproduced in 'Industry in Britain: An Atlas', Berkick, Davies and Valero, Centre for Economic Performance, London School of Economics, Special Paper No. 34, September 2017]



Reading and Slough High Streets Recovery Tracker

The retail sector has particularly suffered during the pandemic. While online retail has held steady, the traditional high street has been hit hard. High streets are at the centre of our communities. A shopping trip may be accompanied by lunch, coffee or a trip to a bar, meaning that hospitality venues have struggled alongside shops. Berkshire has gone into lockdown along with the rest of England and – outside of lockdown – was at first in Tier 2 (with Slough in Tier 3). In December 2020, the whole of Berkshire went into Tier 3, then into Tier 4.

The Centre for Cities’ high streets recovery tracker tool monitors how high streets in the UK’s largest cities and towns are returning to their previous levels of activity. The graphs on the right show how activity in both Reading and Slough town centres was at its lowest between April and July 2020, with activity climbing steadily from July until November, and beginning to tail off again as the second lockdown came into effect. With all of Berkshire in Tier 4 from the week before Christmas 2020, and expected to stay there for some time, we can expect these figures to worsen in the early part of 2021.

Reading

Overall recovery and spend index

This index looks at everyone who was in the city centre at any time of the day, compared to a pre-lockdown baseline of 100. The spend index looks at relevant offline sales made in the city centre at any time of the day, compared to a pre-lockdown baseline of 100.



Slough

Overall recovery and spend index

This index looks at everyone who was in the city centre at any time of the day, compared to a pre-lockdown baseline of 100. The spend index looks at relevant offline sales made in the city centre at any time of the day, compared to a pre-lockdown baseline of 100.



Socio-Economic Deprivation

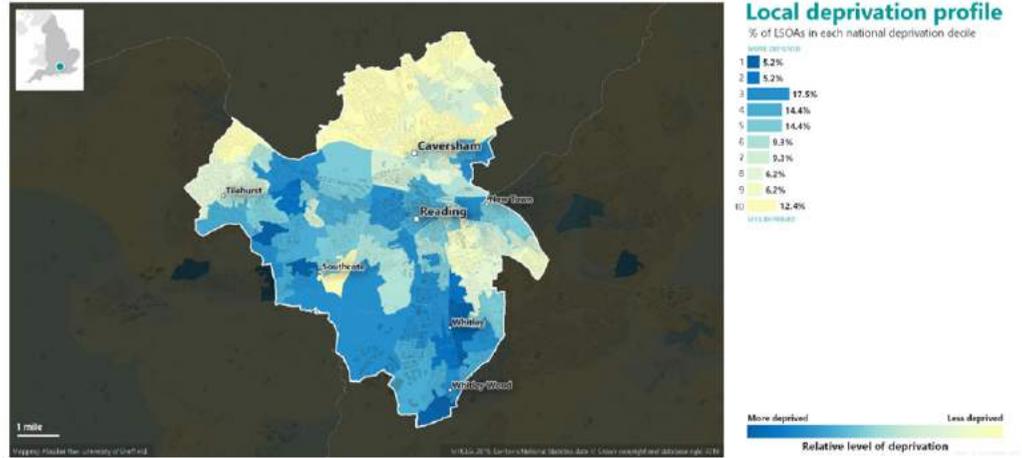
On page 44, we highlighted claimant unemployment across Berkshire. It is important to challenge the assumption that levelling up is not necessary in all regions of the UK; in reality, within comparatively wealthy regions and counties can be found some very poor communities.

Reading ranks 144 and Slough 172 out of a total of 317 Local Authority areas in England, in terms of deprivation. Reading has five of the most deprived areas in Berkshire, all of which fall within the 10% most deprived areas of the country.

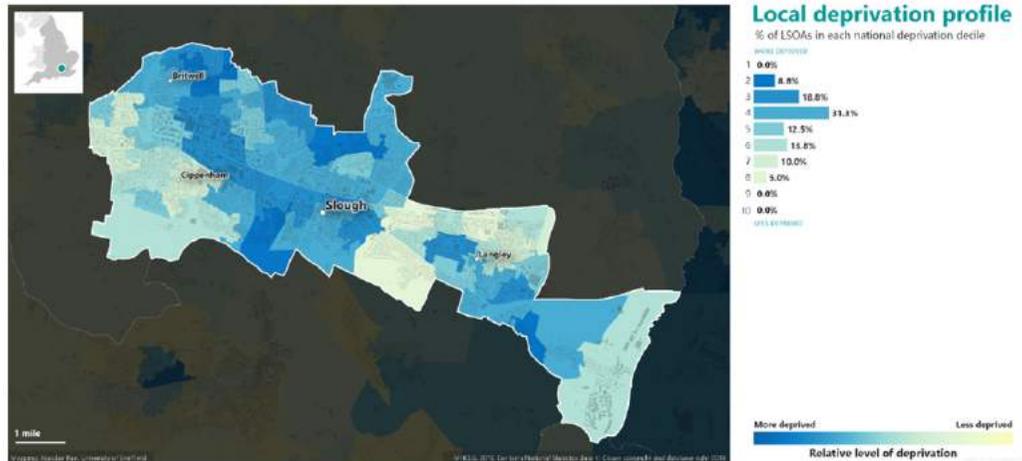
This is highlighted in the maps to the right, which show Indices of Deprivation 2019 data for Reading and Slough. As we can see, deprivation in Reading is to be found in most of the southern part of the borough. In Slough, more than fifty per cent of the borough can be identified as deprived.

Source: Ministry of Housing, Communities and Local Government. The colours on the map indicate the deprivation decile for each Lower Layer Super Output Area (LSOA) for England as a whole, and the coloured bars indicate the proportion of LSOAs in each national deprivation decile. The most deprived areas (decile 1) are shown in blue.

Reading



Slough



Businesses in Thames Valley Berkshire accessing government grants and loans

Berkshire's Local Authorities had distributed £128m in grants to 9,400 enterprises by 1 September 2020 – around 21% of Berkshire's 2020 registered enterprises.

LA Grant Distribution: 01 Sept 2020	Number of enterprises LA identified as in scope	Number of grant payments made	Value of payments made
Bracknell	781	768	£10.01m
Reading	2,089	1,957	£27.1m
RBWM	1,911	1,863	£26.8m
Slough	1,340	1,240	£17.5m
West Berks	2,141	2,141	£27.6m
Wokingham	1,721	1,436	£18.9m
Thames Valley Berkshire	9,982	9,405	£128.0m

Source: Berkshire COVID-19 Business Insights Survey

In addition to the grants highlighted on the previous page, 938 Berkshire-based enterprises had also accessed Coronavirus Business Interruption Loan Scheme (CBILS) finances by 4 October 2020, amounting to £244m. More than 18,100 organisations (40% of the 2020 registered total) had secured a bounce-back loan, with the aggregate value of £570m.

Constituency 04 Oct 2020	CBILS: Number of loans offered	CBILS: Value of loans offered	Bounce-back: Number of loans offered	Bounce-back: Value of loans offered	Total: number of loans offered	Total: value of loans offered
Bracknell	84	£18,897,623	1,613	£45,787,923	1,697	£64,685,546
Maidenhead	155	£40,370,121	2,200	£70,072,224	2,355	£110,442,345
Newbury	149	£42,129,259	1,958	£61,445,289	2,107	£103,574,548
Reading East	108	£35,852,014	1,949	£63,150,346	2,057	£99,002,360
Reading West	73	£21,582,025	1,732	£51,191,200	1,805	£72,773,225
Slough	124	£28,041,006	4,077	£133,626,656	4,201	£161,667,662
Windsor	154	£33,840,183	2,614	£85,866,737	2,768	£119,706,920
Wokingham	91	£23,412,497	1,972	£58,935,994	2,063	£82,348,491
TVB Total	938	£244,124,727	18,115	£570,076,368	19,053	£814,201,096
National Total	56,491	£13,928,241,981	1,268,981	£38,330,294,758	1,325,472	£52,258,536,634

Source: Berkshire COVID-19 Business Insights Survey

Heathrow Airport

Heathrow is the UK's major hub airport. 80.1m passengers either departed from or arrived at Heathrow in 2018, an average of 220,000 passengers per day. 84 airlines served 203 destinations, the most popular being New York.

Heathrow is a major employer and is very important for the economies of Ealing, Hillingdon, Hounslow, Slough and Spelthorne. 75,780 people from those five boroughs worked at Heathrow in 2018. As Slough is in Berkshire, it is particularly relevant to this report. 4,914 Slough residents were employed at Heathrow Airport in 2018. The Heathrow Academy, which supports local residents into work at the airport, trained 100 people from Slough, placing 47 of them into work, in that year.

The *Economic Impact of Reduced Activity at Heathrow* report was produced by Oxford Economics for the Heathrow Community Engagement Board and published in September 2020. This report focused on the local economies of Ealing, Hillingdon, Hounslow, Spelthorne, Slough and South Buckinghamshire. It assessed what might happen as the airport and the airline sectors recover from the worst effects of the pandemic and adjust to new ways of working. The report was written before the South East of England went into Tier 4 and many countries banned travellers from the UK, following discovery of a new strain of COVID-19.

Oxford Economics estimated that Heathrow directly supported 88,900 workplace-based jobs across the study area in 2019, of which 76,000 were located at the airport itself. When taking account of the supply chain (indirect) and consumer spending (induced) effects, Oxford Economics estimated that Heathrow supported 133,600 jobs across the study area in total—equivalent to around one in six jobs within the local workforce.

This report forecast that:

- Workplace-based employment reliant on Heathrow will fall by 21,300 jobs in 2020. Job losses will be concentrated in the transportation & storage sector. The Coronavirus Job Retention Scheme has so far helped mitigate against mass unemployment, however.
- Workplace-based employment reliant on Heathrow will see 37,000 fewer jobs in 2021 than in 2019, or a loss of £4.0 billion GVA contribution to GDP across the five boroughs (in 2016 prices). This will result in a loss of 16,000 resident jobs across the five boroughs in 2021.



21,300

fall in number of workplace-based jobs reliant on Heathrow in 2020



37,000

fall in workplace-based jobs reliant on Heathrow in 2021 compared to 2019



£4BILLION

Loss of GVA contribution to GDP across the five boroughs in 2021

SECTORS AT RISK IN BERKSHIRE 1/3

MANUFACTURING

- **28,000 people** work in manufacturing in Berkshire – with 11,000 in West Berkshire alone and 2,487,000 across the whole of Great Britain (ONS, 2020)
- **Half of all UK manufacturing firms** have made **redundancies**. A further **20%** plan to make more redundancies in the next six months (Make UK, October 2020)
- **37%** of manufacturers think it will take **more than a year** to return to normal trading conditions (Make UK, October 2020)

CONSTRUCTION

- **21,000 people** work in construction in Berkshire – 2,164,000 across the whole of Great Britain (ONS, 2020)
- The level of construction output in August 2020 was **10.8% below** the February 2020 level (ONS, 2020)
- Construction output **grew by 18.5%** in the three months to August 2020 compared with the previous three-month period, but this followed **10 consecutive periods of decline** (ONS, 2020)

ADMINISTRATION & SUPPORT

- **More than 51,000 people** in Berkshire work in admin and support services – including 10,000 in Wokingham and 10,000 in West Berkshire and 2,752,000 across the whole of Great Britain (ONS, 2020)
- **More than 600,000** admin and support workers – **27%** of the total – were **furloughed** as at 31 October 2020 (HMRC, 2020)

SECTORS AT RISK IN BERKSHIRE 2/3

NON-FOOD RETAIL & WHOLESALE

- **More than 45,000 people** work in non-motor vehicle retail in Berkshire – with **12,500** of them working in Reading (EMSI, 2021). The offline retail sector has struggled during the pandemic. At least **39,000 jobs** had been lost in retail as of 3 December. Redundancy announcements include 7,000 at Marks and Spencer (August), 4,000 at Debenhams (August) and 4,000 at Boots (July) - Sky News, 2020
- The pre-pandemic trend of on-line shopping has strengthened in 2020; a record total of **31.4% of shopping** was done on line in November 2020 (ONS, 2020), a trend that will have profound implications for the high street
- In November, retail sales volume **decreased by 3.8%** (vs October figures) as a result of COVID-19. Despite this, overall sales remain above their pre-pandemic levels (ONS, 2020)

HOSPITALITY & TOURISM

- The hospitality and tourism sector in Berkshire employed **35,842 people** in 2020 – an **increase of 0.8%** on the previous year (EMSI, 2021)
- In June, 'Pathways to Recovery', a report by the All Party Parliamentary Group on Hospitality and Tourism, found that **just 11%** of hospitality businesses had been **able to operate** normally during the first lockdown and international tourist arrivals were likely to be **down 59%** for the year
- Kate Nicholls, CEO of UK Hospitality, told the BBC (December 2020) that **30,000** hospitality businesses – most of them SMEs and one-third of the total – **could be lost** by the end of 2020
- According to Sky News in December, at least **38,653** hospitality jobs had been lost during the pandemic

SECTORS AT RISK IN BERKSHIRE 3/3

ARTS, ENTERTAINMENT & RECREATION

- **12,000** people work in arts, entertainment and recreation in Berkshire. **4,500** of them – **more than one third** – work in Windsor and Maidenhead and 925,000 across the whole of Great Britain (ONS, 2020)
- Between 19 Nov and 1 Dec, **24%** of arts, entertainment and recreation venues had **temporarily closed or paused** trading (ONS, 2020)
- **52%** of eligible employments in arts, entertainment and recreation were on **furlough** on 31 July 2020 – a figure that had **fallen to 24%** as at 31 October (HMRC, 2020)

AVIATION

- Aviation has an estimated value of **£28 billion** to the UK economy, **employing 230,000** workers at over **40 commercial airports** (House of Commons Transport Committee, June 2020).
- **76,000 people** work in over **400 business** across Heathrow Airport. Many of these people live in Slough, in Berkshire (Heathrow local recovery plan, 2020).
- There were **5,800 passenger flights** in April 2020 compared to **201,000 a year earlier: a reduction of 97%**. The impact is several times more severe than the aftermath of the global financial crisis in 2008, when passenger flights **reduced by around 67,000 to 134,000** per month (House of Commons Transport Committee, June 2020).
- The UK aviation industry has been hit harder than any European country by the pandemic with IATA calculating that the “coronavirus crisis will **cost 780,000 British jobs** and **cost £46bn** in lost GDP” (International Air Transport Association, 2020).

Contact us

Thames Valley Berkshire LEP
100 Longwater Avenue, Green Park,
Reading, Berkshire RG2 6GP

info@thamesvalleyberkshire.co.uk
thamesvalleyberkshire.co.uk

Connect with us



Thames Valley
Berkshire Local
Enterprise Partnership



@TVBLEP

