

# Road to recovery – a framework for supporting UK cities and large towns

11.00 – 12.00 Thursday 4<sup>th</sup> June 2020

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**#CfCrecovery**

**@CentreforCities**



# How to support the recovery up & down the country

Paul Swinney





# Two principles



# Principle 1: Support businesses → workers

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## Reason

1. Cash flow/debt problems as no income coming in

2. Longer term fall in demand



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## Response

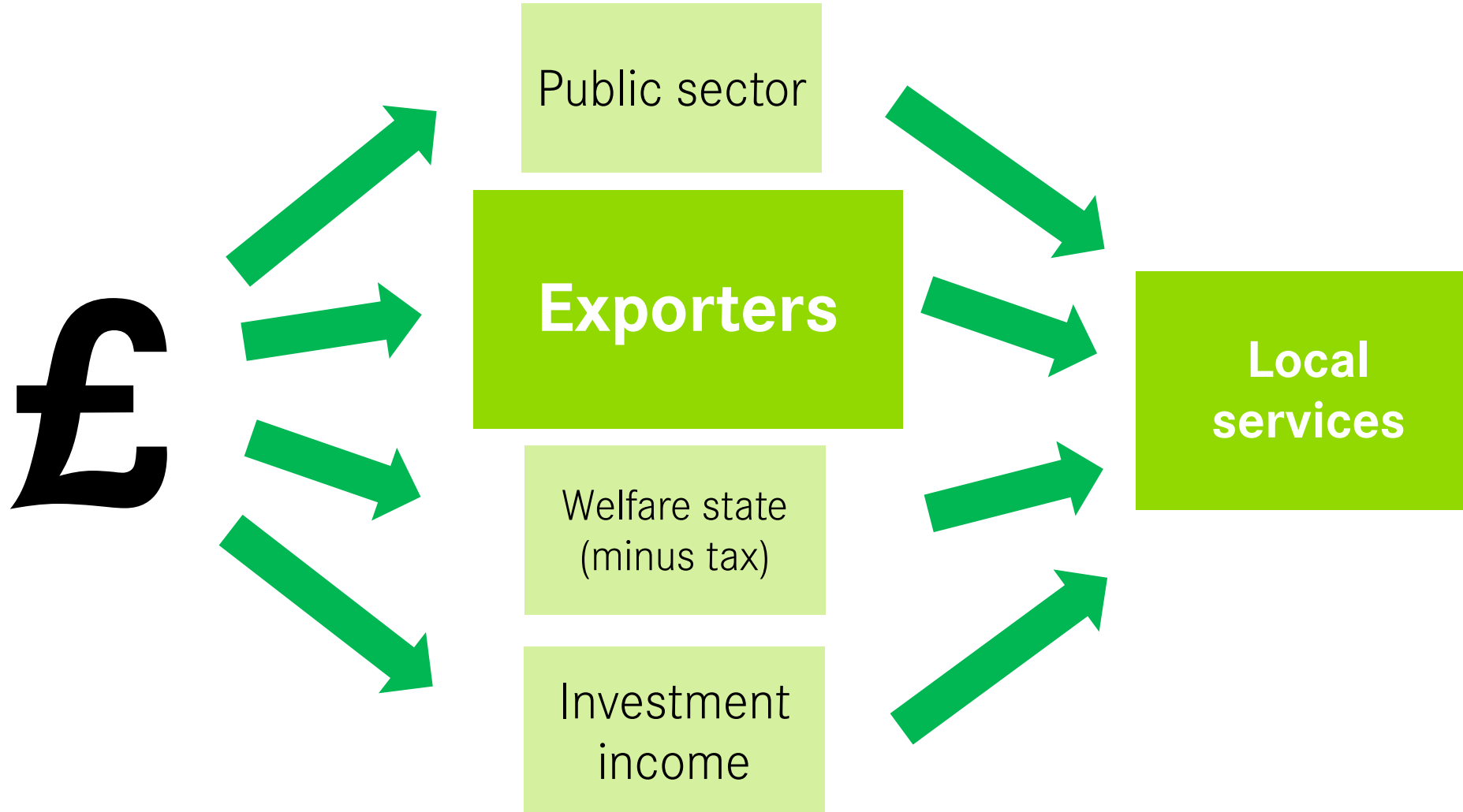
1. Support the business - Short term support through JRS, loans, equity holdings?

2. Support the worker - Help a worker transition, with skills support

# Principle 2: Different sectors play different roles

Outside world

Local economy





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# Three phases



# Phase I: Current position

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News story

## Chancellor extends Self-Employment Support Scheme and confirms furlough next steps

The government's Self-Employment Income Support Scheme will be extended, giving more security to individuals whose livelihoods are adversely affected by coronavirus in the coming months, the Chancellor announced today (29 May 2020).

Published 29 May 2020  
From: [HM Treasury](#)

Guidance

## Apply for a coronavirus Bounce Back Loan

The Bounce Back Loan Scheme (BBLs) enables smaller businesses to access finance more quickly during the coronavirus outbreak.

Published 27 April 2020  
Last updated 4 May 2020 — [see all updates](#)  
From: [Department for Business, Energy & Industrial Strategy](#)





## Phase 2: Vary approach by sector

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**Exporters:** No change – safety net in place

**Local services:** switch to supporting demand



# Support for local services boosts demand

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Demand

**Temporary VAT cut**



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Unemployment reduction

**Transitioning of JRS to skills support where worker  
laid off**



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## Unemployment reduction

Transitioning of JRS to skills support where worker laid off

## Costs

Help needed to deal with debt (rent) overhang?

# Phase 3: Fully switch to supporting worker



## Blair's New Deal for "Workless Classes"

Tony Blair has offered what he called a "new bargain" with Britain to "give hope" to the the country's poorest people.

*Blair: New deal for "workless classes"*

[Blair: Budget to give hope and new chances](#)  
[Help for single parents](#)

on benefit," he said.

The Prime Minister deliberately chose a rundown south London housing estate to deliver his "message of hope" to the "forgotten people" - including 800,000 lone parents. It was his [first major speech outside Parliament](#) since taking office and Mr Blair stressed that it would take time to achieve his vision of a "one nation" society.

In a fundamental reshaping of the welfare system he said he was proposing a "something for something" deal providing jobs or training for 250,000 out-of-work youngsters. He made clear that any young people who did not take up a place on one of the four schemes on offer would face the loss of benefits. "There will be and should be no fifth option of an inactive life



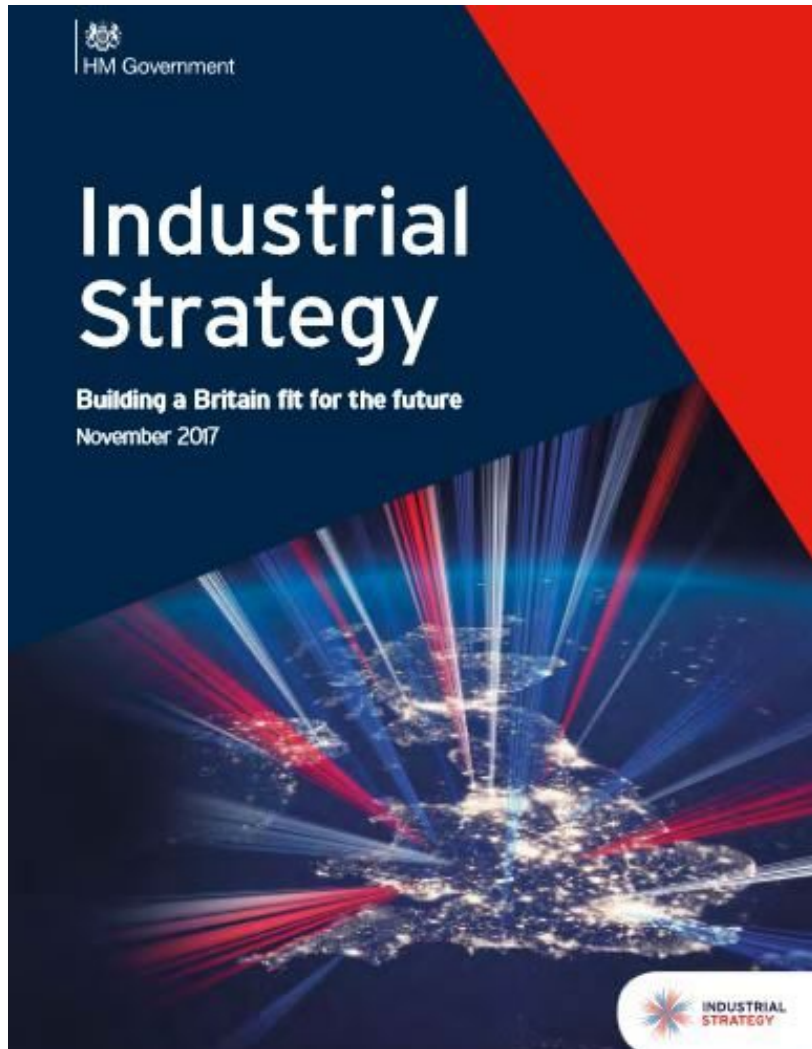


# Summary of the framework

	Phase I	Phase II	Phase III
	<b>Lockdown lifted</b>		
<b>Exporters</b>	Furlough scheme and other short term support		Skills and employment support
<b>Local services</b>	Furlough scheme and other short term support	Business: Temporary demand support	Skills and employment support

Business: Temporary demand support  
Worker: skills and employment support

# Longer term: Attract investment from exporters



## Levelling up

### Featured

#### Why big cities are crucial to 'levelling up'

Paul Swinney and Kathrin Enenkel

The underperformance of big cities is at the heart of the North-South divide. If the Government is to 'level up' the economy then it needs to tackle this major economic problem.

 Report 6 Feb 2020

