

25TH September Arran Recovery Group Notes

Welcome and Introduction: Tom

Welcome to everyone and particular warm welcome to Susan Foster our new High School Head Teacher.

Our Arran Recovery Group priorities were and are:

- 1) Ensure safety through implementation of Government guidelines and ensuring our HSPC was resourced and equipped to manage the health risks for locals and visitors.
- 2) Ensure safe ferry capacity to match Community and Business Demand. The objective being to trade out of current crisis, as much as safely possible.
- 3) Recognising there would be a gap between safe trading, business survival and community wellbeing. Define and work for the support required to mitigate the impacts of Covid-19.

We have made significant progress in the first two priorities, although nothing is taken for granted and we have a fragile balance. The task is to continue to maintain this balance while we apply some resource to define the support required to mitigate the financial and social impacts of the crisis. We will focus a large section of today's discussion and for a few of us, our time over the next couple of weeks on this aspect of recovery.

Health and Social Care: Ruth Betley, Senior Manager, Arran Health and Social Care Services, updated that there were still no positive Covid-19 cases on Arran. Over 300 people tested and over 400 tests carried out.

Flu campaign will be starting with over 2000 people on Arran eligible. This was a significant challenge with social distancing and Covid measures needed. Clinics will be running from village halls and the school this year. Letters have sent out and over 700 appointments made. It is vital that as many people as possible who are eligible get vaccinated.

Preparation for Winter and Covid outbreaks are underway. Given rising numbers of cases in Scotland and a second wave imminent this was urgent critical work. Most challenging aspect is workforce and potential ferry disruptions over autumn and winter months. Contingency plans were now being made and will include additional staffing capacity.

Ruth noted that all Health and Care staff are weary after 6 months of high alert and that such a long energy period was unprecedented in modern times. Staff wellbeing was of paramount importance and a plan to support staff over the winter months was being developed.

The group acknowledges the massive effort that the Health and Social Care Partnership (HSCP) has undergone over the last six months to keep us safe and we offer our heartfelt thanks and support.

Fraser of Allander Report: Tom

The Fraser of Allander Institute is an independent research unit and part of the Department of Economics at the University of Strathclyde. It specialises in researching the Scottish economy. The report, commissioned by North Ayrshire Council on behalf of the Arran Recovery Group, is due for publication on Monday 28th September 2020 and will be available on the Arran Recovery Group website.

Summary:

- 1) When the Arran Recovery Group (ARG) was formed we identified that we required credible baseline economic data to establish the impact of Covid-19 and outline what the recovery plan needed to tackle it. ARG asked for this in our first meeting with NAC and to their great credit, they agreed and commissioned the study.
- 2) What we now have is a set of Island data that provides an economic baseline and an economic value to our Ferry services. This is a first for a sub local authority Island. The methodology can be repeated and update for Arran and can be used by other small Islands to establish their economic baseline. By its nature, it is indicative and based on assumptions and extrapolation, and it is as good as we will get. It is a major breakthrough in Island management.

3) Highlights from the report:

- a) Arran is a unique economy within North Ayrshire and Scotland and needs specific tailored support and not a one size fits all approach.
- b) Tourism accounts for roughly three times NA and Scottish economy. This sector has been disproportionately impacted by Covid-19 restrictions.
- c) Estimated that 30% of all employees on Arran were furloughed.
- d) March 2020 35 people on Arran claiming benefit rising to 170 in May and June. The share of 16 -24 claimants in the population increased by 11.6% compared to 4.6% in NA and 3.9% in Scotland.
- e) Arran Gross Value Add (GVA) is £77m/annum. GVA is approximately Turnover – Running Costs. According to their estimates there was a 33% fall in GVA in the first half of the year with 40% drop April, May June.
- f) An average day Ferry operation brings £170k to Arran. This is a very useful piece of information as we can now put a financial value on the benefit or lack of it for our Ferry Service. That is, to this point CalMac and Scottish Government could only see the cost of the service. Now they can see the benefit.
- g) Capacity constraints mean a large number of businesses on Arran remain reliant upon Government support. Scaling this back will demonstrate the true impact of Covid-19 on unemployment and living standards.
- h) Although Arran is part of North Ayrshire, its economy is different and economic policy to support this Island out of the ongoing crisis must reflect this.

Process to connect Arran Recover Plan to Government Recovery Funds: Alastair/John

Following on from all of the above the Government and North Ayrshire Council (NAC) have a range of support programmes, through a range of agencies, which have been announced or are being announced. Arran needs to ensure that we are in the best possible position to take advantage of these. We have the basis of this in The Arran Recovery Plan and we need to map this to the funding.

Everyone is under extreme pressure to keep heads above water at the moment and we are in danger of missing this opportunity. In many ways the Island Manager would play a lead role in supporting this drive and that will be for the future. In the meantime Alastair will ask for support from the Island Team and CWB team. Suggestion is that we use NAC's inclusive growth diagnostic down to the Arran level to allow us to check our priorities.

Summary Actions:

- 1) Form small sub team to progress over the next two weeks.
- 2) Get help from Island Team, NAC and Highland and Islands Enterprise (HIE) to provide additional support.
- 3) Create a matrix of Funds/Support and Purpose.
- 4) Map these to our Arran Recovery Plan priorities and identify who is working on which fund.
- 5) Identify gaps, opportunities and help required.
- 6) Identify how Arran can use data and digital to Build Back Better.

Arran Recovery Plan update: Jude

The plan calls for another survey in September. It was agreed that the Business Survey should be done first and should be issued within the next 10 days. Alastair/John. This will inform the wider survey.

Jude will work with the team that created the last survey, plus Susan to:

- 1) Outline which questions need repeated and which need replaced based on updated knowledge, today's discussion and input from Bus Survey.
- 2) Obtain some 'expert help' in framing the questions.
- 3) Provision for the Questionnaire to be Digital and Hard Copy.
- 4) Use knowledge from Susan Foster's work within the Survey.
- 5) Create a Draft Survey, for review by our next meeting by 9th October.

There was a second item on the ARP timeline that we did not have a chance to discuss. It was an ARP Refresh. This should help tie in with the previous discussion on the Recovery Funds. That is, we are able to show that all our asks are integrated within our overall plan. Jude will issue a simple format to help pull this together.

Demand/Supply: Bill/Sheila/Cameron

Great job getting a more scientific approach to demand forecasting. However, it is an extremely difficult time as base assumptions keep changing. However, the general picture is that demand is holding up and our October forecast looks like being equal to or greater than last year. Obviously ferry capacity remains constrained and bookable capacity constrains this further.

For demand and supply to remain in Balance in October, Capacity utilization needs to be better than experienced during the summer which was twice the normal rate. This is a tall

order given we are already seeing mechanical failures and weather events. If there is a balance it is a very fragile one.

What is not in doubt is that weekends are booked out 30,40, 50 days ahead for cars although there are still passenger spaces. From the demand side, Covid-19, winter a lack of public and private transport means that people want to bring their cars.

Actions:

- 1) Continue to monitor and report any significant changes in demand as well as capturing losses due to ferry cancellations. VA
- 2) Revisit again the request to Increase bookable capacity to 90/10 to increase certainty for locals and visitors. AFC
- 3) Investigate the discussion that Clonnaig would be partially open over the autumn and winter. Bill
- 4) If the Demand numbers are correct, there is a high probability of the need for additional capacity over the autumn and winter. It is unlikely that summer utilization can be repeated. VA/AFC.

Communication:

Sheila will circulate examples of the vox pop already done. Need volunteers to start the process.

Governance:

Timothy met with Audrey Sutton, North Ayrshire Council Executive Director for Communities, last week and discussions were positive. Next will be a meeting to discuss next steps. A few of us will get together to help put the final touches to the pictures and probably add some words.

Summary/Conclusions:

- 1) No new COVID outbreaks. 6 months on the front line of the crisis with 6 months to go places a great strain on our HSPC Team, for which we offer our heartfelt thanks and support. We wish we could offer more.
- 2) Demand for accommodation is holding up which will strain the current demand/supply balance in October and the Autumn. Weekends already booked up with demand exceeding supply. Need to revisit 80/20 split. Look at additional Autumn/Winter capacity.
- 3) Fraser of Allander report reinforces the need to find the support required to mitigate the worst impacts of the crisis. Work will intensify in this area.

Thanks again to everyone for their active support.

Regards

Tom

26/09/2020