

	<h2>Housing &amp; Growth Committee</h2> <h3>6th July 2020</h3>
<p style="text-align: center;"><b>Title</b></p>	<p><b>COVID-19: Update on support to business</b></p>
<p style="text-align: center;"><b>Report of</b></p>	<p>Chairman of Housing and Growth Committee</p>
<p style="text-align: center;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Urgent</b></p>	<p>Yes</p>
<p style="text-align: center;"><b>Key</b></p>	<p>Yes</p>
<p style="text-align: center;"><b>Enclosures</b></p>	<p>None</p>
<p style="text-align: center;"><b>Officer Contact Details</b></p>	<p>Jamie Robinson, Head of Business, Employment and Skills jamie.robinson@barnet.gov.uk</p>

## Summary

Coronavirus has had widespread impacts on Barnet's economy. In order to respond to the impacts of COVID-19, the council has mobilised resources across virtually all service areas. The purpose of this paper is to update Committee on the support provided to Barnet's businesses during the COVID-19 pandemic.

## Officers Recommendations

1. That the Committee note the report.

### 1. WHY THIS REPORT IS NEEDED

- 1.1 Coronavirus, or COVID-19, is widely recognised as being the single biggest issue facing the country since the Second World War. There have been over 300,000 confirmed cases of the virus and more than 40,000 deaths. The lockdown imposed as a result of the pandemic, while necessary to protect health, has had widespread individual, social and economic impacts.
- 1.2 It will be some time before we can fully evaluate the economic impact, but the UK economy is currently in a deep recession, and this year GDP is likely to post its largest annual fall since the early 1920s. Preliminary estimates from the ONS report that UK GDP fell by 2% in Q1 2020. This was almost entirely due to a near 6% monthly decline in March, caused by the measures implemented to limit the spread of coronavirus.
- 1.3 Barnet has around 23,000 registered businesses employing 132,000 people. The borough's economy is heavily dominated by small and, in particular, micro-businesses with 94% having less than nine employees. Around one-quarter of Barnet's workers are self-employed.
- 1.4 Early analysis has been undertaken on behalf of West London Alliance boroughs looking at the economic impact of COVID-19. This shows that Barnet has relatively low exposure to the at-risk manufacturing, hospitality and transport sectors, good broadband connectivity, and a workforce that is likely to adapt well to working from home. These factors are relative advantages for businesses in Barnet.
- 1.5 However, the borough's high levels of self-employment, and the concentration of micro- and small businesses in the professional services, construction and retail sectors may make Barnet more vulnerable to the impacts of COVID-19. Additionally, because of the large numbers of Barnet residents who normally commute to other parts of London for work, job losses elsewhere will impact the borough.
- 1.6 In order to respond to the impacts of COVID-19, the council has mobilised resources across virtually all service areas (see Urgency Committee of 27 April 2020 for further detail). This paper specifically addresses the borough's response to date in support of businesses.
- 1.7 Overall, there has been a major response that has seen close and rapid working between services including, but not limited to, Growth and Corporate Services, Finance, Revenues and Benefits, Communications, Environment and Regulatory Services.
- 1.8 In the immediate aftermath of lockdown, officers were focused on **signposting businesses to available support**. A dedicated section was established on the council's website and has been regularly updated to provide up-to-the-minute information and guidance for employers and business owners. This has received almost 20,000 unique page views since lockdown began. Information included updates on available grant and loan schemes from central government, updates on relevant regulatory changes (for example, restaurants being granted blanket permission to convert to deliveries) and referrals to key partner organisations, such as the Federation of Small Businesses and West London Business.

- 1.9 We have also shared information with businesses throughout lockdown via our regular Business News Bulletin and the Town Centres Forum, a network of Town Teams and business groups across Barnet.
- 1.10 Council officers took the step of **limiting regulatory enforcement** to health and safety issues to ensure that businesses were not penalised as they sought to develop new ways of trading during lockdown. The council also agreed to **defer income** from businesses, for example for license renewal fees and commercial waste collection.
- 1.11 Additional measures to support businesses in the borough included the **fast payment of invoices** to ensure that Barnet businesses and SMEs were able to sustain any income from the council.
- 1.12 The council was also able to offer a three-month **rent-free period to tenants** of LBB-owned commercial space, upon request. To date, tenants have successfully applied for £270,000 worth of rent relief.
- 1.13 One of the biggest areas of support for businesses has been **central government grants**. A number of these are being administered by local authorities:
- Small Business Grant Fund
  - Retail, Hospitality and Leisure Grant
  - Discretionary Business Support Grant
- 1.14 Approximately £68M has been awarded to Barnet businesses in grant funding, of which more than 80% has already been paid out.
- 1.15 In recent weeks, in anticipation of the easing of lockdown measures, officers have been working with businesses to prepare for the **re-opening of high streets**. A letter was sent to businesses across all town centres with useful guidance on how to re-open safely. This included important public health messages to help protect staff, information on managing social distancing and conducting risk assessments.
- 1.16 Regulatory Services officers have been located on the ground in town centres to provide face-to-face advice. A team of 14 officers will be supported by 20 volunteer Town Centre Advisors. These preparations will continue as we move closer to the full re-opening of all businesses.
- 1.17 As noted in the recent report to Policy & Resources Committee, recovery efforts are well underway in Barnet. Central to the borough's **Recovery Framework** is a focus on helping local businesses to bounce back from Coronavirus.
- 1.18 Immediate priorities for recovery include: supporting town centre businesses by opening up the public realm, managing space between different travel modes, queues and pavement trading; helping to re-start construction on development sites; stepping up employment, welfare support, and skills programmes; maintaining regular communication with businesses and networks; and facilitating B2B support programmes. The council will also continue to work with partners to gather data and intelligence on the health of the economy and local high streets and to better understand the differential impacts on economic sectors in order to identify a range of support measures.

- 1.19 Over the longer-term, considerations include: continuing to building and strengthen the council's relationships with businesses and business groups; understanding how we can help address skills shortages; delivering new workspace to meet the needs of recovering businesses; developing our thinking on the future role(s) of high streets given the changes in retail and that more people will be working from, or closer to, home; understanding long-term impacts on development of housing, commercial space and infrastructure, land use, and the economy, and supporting the emergence of new businesses and sectors including the low-carbon economy.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The report provides an update on the support provided to Barnet's business during the Covid-19 pandemic.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The council could opt not to support businesses throughout the COVID-19 emergency. This would, however, see the failure of many more Barnet companies, leading to deeper social and economic impacts within the borough. It would also likely have a negative impact on council revenues in the long-term.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Following Committee, officers will continue with work in support of economic recovery as part of the council-wide Recovery Framework.
- 4.2 Any individual decisions on actions to support business recovery will be taken by Housing & Growth Committee, the Chairman and Senior Officer in line with the relevant scheme of delegation.

## **5. IMPLICATIONS OF DECISION**

### **Corporate Priorities and Performance**

- 5.1 The council's response to COVID-19 and its impacts on businesses directly support objectives in the Corporate Plan 2024, particularly "Supporting local businesses to thrive", as well as objectives set out in the adopted Growth Strategy. More broadly, the council's Recovery Framework will help to shape the borough's new Corporate Plan.

### **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.1 Officers will continue to ensure the costs of COVID-19, including those specifically relating to business support, are forecast on a robust basis. We will also continue to proactively engage with the Ministry of Housing, Communities and Local Government and will keep Councillors abreast of the emerging financial picture.

- 5.2 In order to regain the momentum in being a high performing organisation, financial stability must be achieved through the recovery planning process. This includes minimising the call on reserves and setting a balanced budget from 2021/22 onwards. This budget must deliver the required strategy in relation to reserves required to withstand future economic shocks.
- 5.3 Where there are financial implications or decisions associated with recovery activities, these will be addressed on a case-by-case basis. The delivery of recovery actions in support of business will be undertaken within the existing capacity and resources of the council.

### **Social Value**

- 5.4 The council must take into account the requirements of the Public Services (Social Value) Act 2012 to try to maximise the social and local economic value it derives from its procurement spend. Social value is a core part of the Recovery Framework and will be maximised throughout.

### **Legal and Constitutional References**

- 5.5 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.
- 5.6 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.
- 5.7 The council’s Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Housing and Growth Committee

(1) To be responsible for:

- Housing matters including housing strategy, homelessness, social housing and housing grants, commissioning of environmental health functions for private sector housing;
- Regeneration strategy and oversee major regeneration schemes, asset management, employment strategy, business support and engagement;
- To receive reports on relevant performance information and risk on the services under the remit of the Committee.

### **Risk Management**

- 5.8 The council has an established approach to risk management, which is set out in the Risk

Management Framework. Strategic and operational risks are being reviewed in light of our response to COVID-19 and priorities for recovery and the new Corporate Plan. Managing risk will be continue to be an essential part of programme management and will be used to inform key decisions in relation to business support.

## **Equalities and Diversity**

- 5.9 The Equalities and Diversity Act, 2010 outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act, 2010;
  - Advance equality of opportunity between people of different groups; and
  - Foster good relations between people from different groups.
- 5.10 Relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.
- 5.11 The council's business support activities have intended to benefit all businesses located within the borough, including those run by and serving the needs of people with protected characteristics.
- 5.12 Going forward, where individual decisions are required in relation to recovery, these will be considered on a case-by-case basis to ensure no group is disadvantaged or left behind. As required, officers will undertake Equalities Impact Assessments (EQIA) and review them in order to fully appraise the impacts associated with any proposed course of action.

## **Corporate Parenting**

- 5.13 In line with the Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in all decision-making. These will be considered as appropriate.

## **Consultation and Engagement**

- 5.14 Business support activities have not been developed in isolation and officers have worked closely with partners at the Federation of Small Businesses, North London Chamber of Commerce and Enterprise and Town Teams, as well as through dialogue directly with businesses. Such consultation is critical to ensuring that our business support activities are focused on the needs of end users.
- 5.15 External stakeholders will be critical to future recovery efforts and we continue to work with these partners as well as others to develop a collective approach.
- 5.16 Council officers have also worked closely with colleagues at the West London Alliance, which is coordinating a number of recovery activities focused on economic recovery. Workstreams include Town Centres, Housing and Infrastructure, Employment and Skills, Growth Sectors, Microbusinesses and the Self-Employed and Low Carbon Economy.

## **Insight**

- 5.17 There is an opportunity in the recovery phase to significantly improve the way in which we use data, insight and analysis to drive decision making and service delivery.
- 5.18 Officers are currently in the process of establishing a cross-service insight approach that will enable this to happen. At present we are mapping council-wide insight requirements and questions of each service in order to structure further insight and data analysis.

## **6. BACKGROUND PAPERS**

- 6.1 Urgency Committee, 27 April 2020: Approval of Emergency Decisions and Delegation to Chief Officers  
<https://barnet.moderngov.co.uk/documents/s58641/Urgency%20Committee%20-%20Emergency%20Decisions%20Final.pdf>
- 6.2 Policy and Resources Committee, 17 June 2020: Covid-19 Recovery Planning  
<https://barnet.moderngov.co.uk/documents/s58985/Covid-19%20Recovery%20Planning.pdf>
- 6.3 Housing and Growth Committee, 27 January 2020: Growth Strategy  
<https://barnet.moderngov.co.uk/documents/s57407/Growth%20Strategy.pdf>