

# Policy & Resources (Recovery) Sub-Committee

Date: 29 May 2020

<u>Time:</u> **1.30pm** 

Venue Virtual Meeting - Skype

**Note:** in response to current Government Regulations this meeting is being held as a virtual meeting for councillors and accessible via Skype. Public speaking and engagement opportunities will be made available.

The meeting will also be webcast live to the internet.

<u>Members:</u> **Councillors:** Platts (Chair), Mac Cafferty (Opposition Spokesperson), Gibson, Miller and Yates

<u>Contact:</u> Mark Wall Head of Democratic Services 01273 291006 mark.wall@brighton-hove.gov.uk

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(a) **Declarations of Substitutes:** Where councillors are unable to attend a meeting, a substitute Member from the same political group may attend, speak and vote in their place for that meeting.

#### (b) **Declarations of Interest:**

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

- (c) **Exclusion of Press and Public:** To consider whether, in view of the nature of the business to be transacted or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.
  - Note: Any item appearing in Part Two of the agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the press and public. A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls and on-line in the Constitution at part 7.1.

#### 2 CHAIR'S COMMUNICATIONS

#### 3 PUBLIC INVOLVEMENT

To consider the following matters raised by members of the public:

(a) **Petitions:** To receive any petitions presented by members of the public;

- (b) **Written Questions:** To receive any questions submitted by the due date of 12 noon on the 22 May 2020;
- (c) **Deputations:** To receive any deputations submitted by the due date of 12 noon on the 22 May 2020.

#### 4 MEMBER INVOLVEMENT

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) Written Questions: to consider any written questions;
- (c) Letters: to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

#### 5 COVID-19 CITY RECOVERY PROGRAMME UPDATE 5 - 16

Tel: 01273 293756

17 - 28

Report of the Executive Director for Economy, Environment & Culture.

Contact Officer: Nick Hibberd Ward Affected: All Wards

#### 6 COVID-19: SUPPORT FOR BUSINESSES

Report of the Executive Director for Economy, Environment & Culture.

Contact Officer: Max Woodford Ward Affected: All Wards

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Date of Publication - Date Not Specified

# POLICY & RESOURCES RECOVERY Agenda Item 5 SUB-COMMITTEE

Brighton & Hove City Council

Subject:	Covid-19 City Recovery Programme – Progress Update	
Date of Meeting:	29th May 2020	
Report of:	Executive Director Economy, Environment & Culture	
Contact Officer: Name:	Nick Hibberd Tel: 01273 292468	
Email:	nick.hibberd@brighton-hove.gov.uk	
Ward(s) affected:	All	

#### FOR GENERAL RELEASE

#### 1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report outlines how the City Council and the city is responding locally following the publication of 'Our Plan to Rebuild' The UK Government's Covid-19 recovery strategy.
- 1.2 The report also provides a progress update on the development of the City's Recovery Programme as agreed by Policy & Resources Committee on 30<sup>th</sup> April 2020.
- 1.3 It should be noted that this report provides an update on progress up until 19<sup>th</sup> May 2020. The response to the public health crisis is fast moving so some aspects of this report may have been superseded by events by the time of the sub-committee meeting on the 28<sup>th</sup> May 2020.

#### 2. **RECOMMENDATIONS:**

2.1 That the Committee notes the localised response to a phased recovery and the progress updates on the city's recovery programme.

#### 3. CONTEXT/ BACKGROUND INFORMATION

3.1 On 30 April, the Policy & Resources Committee agreed to establish the Covid-19 City Recovery Programme to help prepare and steer the council and our city through the recovery phase of the pandemic. The programme will require a coordinated effort over the next 18 months.

#### 'Our Plan to Rebuild' – The UK Goverments Covid-19 Recovery Strategy

3.2 The Government's Covid-19 recovery strategy 'Our Plan to Rebuild' sets out a plan to rebuild the UK for a world with COVID-19. The aim of the government's recovery plan is to 'return life to as close to normal as possible, for an many people as possible, as fast as possible... in a way that avoids a new epidemic, minimises lives lost and maximises, health, economic and social outcomes'. The plan recognises this is unlikely to be a quick return to 'normality' and that inevitably, parts of this plan will adapt as more is learnt about the virus.

- 3.3 The Government's recovery strategy follows the phase 1 'Coronavirus Action Plan' that was released on 03 March. This plan focused upon contain, delay, and mitigate any outbreak, and use research to inform policy development. The Coronavirus action plan was the first phase of the Government's response. On 7 March those with symptoms were asked to self-isolate for 7 days. On 16 March, the Government introduced shielding for the most vulnerable and called on the British public to cease non-essential contact and travel. On 18 March, the Government announced the closure of schools. On 20 March entertainment, hospitality and indoor leisure venues were closed. And on 23 March the Government introduced the Stay at Home guidance.
- 3.4 The launch of the government's Recovery Plan on the 11<sup>th</sup> May signalled the start of the next phase in which the government are advising the public of the following:

Stay alert. We can all help control the virus if we all stay alert. This means that you must:

- Stay at home as much as possible
- Work from home if you can
- Limit contact with other people
- Keep your distance if you go out (2 metres apart where possible)
- Wash your hands regularly

Do not leave home if you or anyone in your household has symptoms

3.5 The Government will aim to steadily redesign the current social distancing measures with new, smarter measures that reflect the level of risk at that point in time, and carefully wind down economic support schemes while people are eased back into work. As the UK exits phase one of the Government's response, where the Government has sought to contain, delay, research and mitigate, it will move through two further phases.

#### A localised approach to a phased recovery

- 3.6 The Council is responding locally to support the city through the next phase of the response to the public health crisis. The pandemic has had a major direct impact on our residents including ill health, loss of life, bereavement and the isolation experienced by people who are 'shielding' because they are clinically extremely vulnerable. The events have set an unprecedented challenge for the city's businesses and communities. Council staff, key workers and the partners across the public, voluntary & community and private sectors have pulled together and worked incredibly hard to respond effectively to the crisis, and the wider region to support the city's recovery following the Covid-19 outbreak.
- 3.7 The immediate priority for the City Council is to do our best to restart lives and the local economy safely. The Council wants to be able to properly protect our residents and the people who work in Brighton & Hove from a further outbreak of Covid-19, and we want to help ensure that when shops and business in the city reopen, they stay open and flourish. We will also need to provide continued support to vulnerable people, including those 'shielding' who need help.

- 3.8 Through the newly formed Policy & Resources (Recovery) Sub-Committee, the aim will be to develop a Recovery Programme which will seek to build a solid foundation for the city, so that Brighton & Hove has the best opportunity to emerge as a safer and healthier city.
- 3.9 The city recovery programme aims to enable the council, its residents and businesses to be in the best possible position to minimise losses and make best use of opportunities that emerge. This will require a co-ordinated programme over the next 18 months.

#### Governance

3.10 To ensure effective governance and decision making, a five-member Policy & Resources (Recovery) Sub-Committee has been established. The subcommittee will co-ordinate the economic recovery within the city in collaboration with businesses, residents and partner organisations. It will also oversee the coordination of the recovery effort with local, regional and national bodies, including co-ordinating a lobbying strategy where appropriate.

#### Scenario planning - from Response to recovery

- 3.11 The pandemic forces the City to think beyond typical emergency management structures. There is unlikely to be a smooth, linear transition to full-scale recovery, instead, a rebound from recovery to response phase is expected for a certain period until treatment and/or vaccination is place. This means that the city will need to be working on recovery and response concurrently, and that transitioning from pandemic response to recovery is likely to happen in a spiral fashion, with the possibility of a second or third wave of a pandemic if there is no vaccine, and the risk of infection increases, each new wave pushing the risk reduction cycle from the recovery back to response phase.
- 3.12 As a result, some working groups (such as those overseeing Personal Protective Equipment supply and distribution or community food hub provision) will still be focusing on the response to the public health crisis and the Council will continue to have a key public health role in the prevention and control of further outbreaks. Other groups (such as events and economy) are now able to start considering the recovery. The report focuses on updating the sub-committee on the work that has begun on recovery. Future reports will focus upon areas such as community recovery, as the transition from response to recovery phase progresses.
- 3.13 To support the recovery planning process, four parallel scenario planning exercises will be undertaken across the council and city, in order to plan the transition from emergency response to the Covid pandemic, through to recovery. These exercises will be structured as follows:
  - *Citywide*: Being undertaken with the city's thematic partnerships.
  - Existing response phase working groups or 'cells': Being undertaken with the cells formed to respond to the pandemic. Planning will take into account whether the cell's work will end and return to 'business as usual' for services following the response phase or whether it will transition into a recovery workstream.
  - New workstreams: Being undertaken with workstreams that are being created specifically to manage the pandemic recovery phase.

- Directorate level workstreams: Being undertaken with each Directorate Management Team to help it plan its service delivery in light of the pandemic, taking into account the budget, and need to produce revised Directorate Plans and Service Plans.
- 3.14 Various criteria will be applied to each planning process to take into account the national backdrop, assumptions taking into account the likely spiral nature of the exit from lockdown, environmental factors specific to the workstream under review, and consideration of what will return to (a new) normal following the pandemic and what opportunities exist to do some things differently. Planning will be to short, medium and longer term timescales, resulting in a set of plans with performance indictors to demonstrate outcomes have been achieved. The planning exercise will run through May and June but as the national picture is still unfolding, it will need to be an iterative process with plans reviewed throughout the year.

#### Events & Economy

- 3.15 The impact of the Covd-19 public health crisis on people's jobs and livelihoods has been severe: economic activity has been brought to a stop across large swathes of the City's economy. The Government has outlined a significant package of support for businesses but cannot protect every job and every business.
- 3.16 Workers in those sectors most affected, including hospitality and retail, are more likely to be low paid, younger and female. Younger households are also likely to be disproportionately hit in the longer term, as evidence suggests that, following recessions, lost future earnings potential is greater for young people. The longer the virus affects the economy, the greater the risks of long-term scarring and permanently lower economic activity, with business failures, persistently higher unemployment and lower earnings.
- 3.17 Events, and the cultural industries which support them, are part of the fabric of the city and draw millions of people into the city each year. They will therefore be critical to the recovery and long term reputation of the city. The Events and Cultural Industries sectors have been badly affected by the Covid-19 crisis because they rely heavily on ticket sales generated between April and October.
- 3.18 A separate report on this committee's agenda sets out the programme of business support work being undertaken by the Economy and Events working group, which has been set up to respond the Covid-19 Crisis. This includes responding to and delivering the government support programme. The report also proposes a package of discretionary business support grants to help businesses through this difficult time.

#### Working with Greater Brighton and Coast to Capital LEP

3.19 On 21<sup>st</sup> April 2020, the Greater Brighton Economic Board agreed to develop an economic recovery plan for the Greater Brighton city region. The plan will build upon the strategic priorities agreed by the Greater Brighton Economic Board, with a focus on identifying the investment plan for infrastructure projects that will support economic recovery. The draft plan will be presented to the Economic Board in June 2020.

3.20 Officers are also supporting Coast to Capital LEP with the development of the Local Industrial Strategy which will become economic recovery plan for the wider Coast to Capital regional area.

#### Transport Network Management

- 3.21 As the city begins to see more people going back to work, there is need for residents to carry on cycling and incorporating active travel into their commute. With public transport capacity reduced and a government message to avoid using public transport wherever possible, the city could experience significant congestion unless an increased range of alternative sustainable options, including cycling, is facilitated.
- 3.22 As a result of these changes to how people are traveling and using public space, towns and cities in the UK and around the world are making or proposing radical changes to their highway networks to accommodate active travel. Re-allocating road space for active travel will not only help the city respond to the next phase of the pandemic, but will also promote healthy and active living to help the city become more resilient for the future
- 3.23 On 9th May 2020, government issued statutory guidance: Traffic Management Act 2004: network management in response to COVID-19. The guidance refers to a once in a generation opportunity to deliver a lasting transformative change in how we make short journeys in our towns and cities
- 3.24 The Council has been quick to respond to the change in travel patterns across Brighton & Hove, and City Transport has taken some immediate steps to ensure the continued delivery of vital services, support vulnerable people and keep the city moving. A Policy & Resources (Urgency) Sub-Committee on 14<sup>th</sup> May 2020 agreed a series of measures to improve cycling, tackle congested pavements and supporting businesses. Typical road-space reallocation measures include installing 'pop-up' cycle lanes, and widening footways along lengths of road, particularly outside shops and transport hubs where more space is needed to allow people to queue and physical distance. An interim Covid-19 Response Local Cycling & Walking Infrastructure Plan is also being developed and we be presented to June Environment, Transport & Sustainability Committee.

#### Safer Public Spaces

- 3.25 As the country begins to move into the next phase of the pandemic and restrictions on movement are eased, there is a continued emphasis on physical distancing and infection prevention and control. This means that pedestrians will need more space and, over time, restaurants and cafes may also need more space to be able offer a service outside their premises.
- 3.26 Public Health England (PHE) has advised maintaining 2 metres (6ft) distance from others (outside of your immediate household) to reduce the risk of transmission of coronavirus. Where social distancing is not possible, owners and operators as well as the general public, are advised to do everything they can to reasonably reduce the risk.

- 3.27 Government has issued 'Coranavirus (Covid-19) Safe Public Spaces Urban Centres and Green Spaces' providing guidance on identifying the key design issues and potential temporary interventions related to social distancing in our urban centres and green spaces. This will be particularly important in focal zones, which are those areas with the densest development and where high levels of footfall are expected. Common issues include managing high footfall and queues around shops and busy high streets.
- 3.28 Officers have begun to consider applying the guidance across our urban, green and seafront spaces so that they can be assessed and adapted as necessary to operate safely in line with social distancing measures. Some examples of the potential interventions that could support social distancing include:
  - Footway widening to accommodate distancing between pedestrians, including the use of temporary barriers in the carriageway; changes to parking bays, loading bays and cycle lanes.
  - Reduce unnecessary obstacles, for example planters, and add markings/ tape on seating to maintain social distancing.
  - Signing and communications to remind pedestrians of distance requirements. This could be through spray markings and signage at entrances and movement intersections.
  - One-way movement of pedestrians to maintain 2m (6ft) distancing.
  - Signing to encourage pedestrians to wait and allow others to pass at entry ways or along footpaths.
  - Defined areas to indicate where pedestrians should stand when queuing using spray markings or temporary barriers.
  - Management of multiple queues for different businesses through clear signing and the use of marshals as appropriate.
  - "Do not join the queue" signs provided at popular destinations, when capacity reached.
- 3.29 When implementing temporary interventions to facilitate social distancing in the city's public spaces, the impacts of measures on people with disabilities and other groups needs to be kept under consideration and may call for a balanced approach.

#### Housing & Homelessness

- 3.30 Homeless people are at increased risk of morbidity and mortality from Covid-19 for a number of reasons, including prevalence of long term health conditions and living environments that reduce the ability to socially distance or self-isolate. Work is commencing under the Housing & Homelessness Recovery Programme Sub-Group to develop plans to tackle homelessness and rough sleeping in the city with the aim of ensuring that those who are homeless are in safe accommodation.
- 3.31 In March 2020, the Minister for Homelessness wrote to local authorities requiring action to protect health and stop wider transmission, particularly for rough sleepers and those living in settings where it is difficult to socially distance or self-isolate. The Government required housing, social care, public health and NHS partners to work together to deliver action including:

- a) stop homeless people from congregating in facilities and encampments where there is a higher risk of transmission
- b) urgently procuring accommodation for people on the streets
- c) triage people into a Care and Protect model informed by NHS England and Public Health England guidance, including separate accommodation for those with symptoms of COVID19; those with pre-existing conditions but without symptoms; and lower risk without the above.
- Ensure food, clinical and other support is provided.
- Provision of leadership for the Care and Protect Model was identified as a priority for the NHS.

In response to this government direction to provide accommodation for all rough sleepers, a variety of hotel accommodation was procured.

- 3.32 The Policy & Resources (Urgency) Sub-Committee on 14<sup>th</sup> May 2020 agreed the next steps for moving rough sleepers to the next phase of accommodation so that people are not at risk of returning to the street when restrictions are lifted.
- 3.33 The Housing & Homelessness Recovery Programme Sub-Group will develop the overall longer-term exit strategy in preparation for when restrictions are lifted and MHCLG may cease funding additional accommodation and associated support costs for all rough sleepers. There is agreement to explore how to avoid returning people to rough sleep and how to work with people now they are accommodated to have a longer-term option.

#### Community Recovery

3.34 The work of the recovery programme will need to focus upon how the city supports communities to recover from the public health crisis. There is a likelihood that there will be a need to respond to higher levels of some physical and mental health needs as well as unemployment and issues of financial exclusion and/or food poverty. In the next period the working groups that are currently focusing on the emergency response phase (such as those support vulnerable people and food distribution) will be undertaking the recovery scenario planning exercises to plan the transition from emergency response to recovery. Future reports will focus upon areas such as community recovery, as the transition from response to recovery phase progresses.

#### **Internal Council Recovery**

3.35 The internal element of the programme will also involve each directorate considering the timing and phasing of re-opening services that have been closed and reduced in line with government restrictions and guidance during the outbreak. Each directorate will also review their 2020/21 directorate plans so that milestones and priorities reflect the impact of the Cobid-19 outbreak

#### Human Resources and Workforce - Ways of Working

3.36 During the response phase of lockdown over the last two months, the working arrangements for staff across all services have changed in line with the restrictions in place, including significant numbers of staff who are working from home. For the next phase, the Workforce recovery sub-group has begun planning how we use our physical office and operational buildings with the aim of

ensuring the council's work places remain as safe as possible as we respond to continuing changes to the restrictions in place. This strategic planning will include how we address the health, safety and wellbeing needs of all our staff both when working at home or physically attending our buildings.

- 3.37 The Council will follow the government guidance for employers on getting services back up and running and workplaces operating safely. The practical steps outlined in the government guidance that the council will follow are as follows:
  - 1. Work from home, if you can
  - 2. Carry out a COVID-19 risk assessment, in consultation with workers or trade unions
  - 3. Maintain 2 metres social distancing, wherever possible
  - 4. Where people cannot be 2 metres apart, manage transmission risk
  - 5. Reinforcing cleaning processes

As a result those staff who can work from home will continue to do so for the immediate future. Discussions with Trade Union colleagues are underway corporately to manage any changes to the working arrangements that are currently in place, and to ensure we are taking a strategic approach to how we use the physical space available. In support of this corporate consultation, directorate consultation meetings will be established to address service specific issues.

#### **Finance**

3.38 The Council is experiencing significant financial impacts as a result of the Covid19 outbreak. The government has announced funding support for local authorities to mitigate the financial impact. However, if the funding does not match all of the additional costs and income losses experienced by the council it could impact upon financial resilience in the medium term. The Recovery Programme will include work to recover the financial resilience of the council.

#### Information Technology & Digital

In responding to the crisis and to ensure safe working, the council has already 3.39 facilitated a huge shift for many of our staff to work remotely and from home. This has involved accelerating the software capacity for on-line meetings and provision of additional hardware lap top devices. This has been supported with advice and on-line training and ensuring that existing Citrix licences are being fully utilised alongside an expansion in direct access devices. Following legislation, local democratic decision-making has also been facilitated to move on line with virtual council and committee meetings now firmly established. It is evident that this way of working will be in place for many months to come and that it may also normalise new working cultures which bring with it opportunities and challenges. To ensure future service resilience and to make the most of the increased dependence on digital working, a digital strategy is being prepared with the goal of setting out a route map for strengthening digitally enabled services and information management in a Covid 19 and post-Covid 19 world. This will be reported to the Committee in the Autumn.

#### Monitoring and Evaluation of the Recovery Programme

3.40 Developing a data ecosystem and suite of indicators is critical to ensure a stable transition from the response to the recovery phase and to evaluate the delivery of the recovery programme. The Public Health Team and the Policy & Partnership have begun to develop a monitoring framework, which will be report to a future meeting of the Recovery Sub-Committee.

#### 4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The consequences of the public health crisis force us to think outside of the box, or in this case, outside the typical emergency management cycle. Whilst the four four phases to reduce the impact of a natural hazard or emergency (preparedness, response, recovery, and mitigation) are principally linear, the response and recovery phases for a pandemic are essentially non-linear.

#### 5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 There are a range of stakeholders and partners who will need to be fully engaged in the City recovery programme. Whilst Brighton & Hove City Council will have democratic oversight and decision making, the governance of the programme is designed to ensure that Brighton & Hove Connected partners from the public and private sectors, which includes stakeholders from across the city, are able to contribute. The city council has a key role to play in the overall co-ordination and oversight of the programme, whilst not always delivering every element.
- 5.2 During the Covid 19 crisis the Brighton & Hove Economic Partnership has been commissioned to provide fortnightly reporting on business issues across Brighton & Hove, including sector focused reports giving an overview of the issues and actions of the local business community. They will lead on business consultation throughout the lockdown and into the recovery phase drawing from a range of local organisations such as language schools, developers, co working spaces, charities, finance, retail, leisure, pharmaceuticals, education and others. The reports, virtual meetings, flash surveys and dedicated web portal that they have created will help to inform the city's recovery plan, assist in lobbying for support from regional and national government; and, facilitate collaborative working between the partners, the BHEP and the city council.
- 5.3 Since March 2020 officers have engaged extensively with organisations operating in the Events and Cultural Industries sector as well as with various groups representing these sectors. Officers have also engaged with other funding bodies such as Arts Council England and the Local Enterprise Partnership. In recent weeks, officers have been part of online discussions and meetings with hundreds of people working in the sector and living in the city. Individual conversations have taken place with almost every key cultural organisation that contributes to making Brighton and Hove the leading place for the events and cultural industries in the UK.
- 5.4 Internally, the council will use the established weekly Trade Union meetings to consult on the recovery programme, and specifically the impacts on our council staff. Working together we will establish the frameworks, processes and policies

that will guide decision making for service managers and ensure our staff are enabled to work safely and effectively as restrictions on us change.

#### 6. CONCLUSION

6.1 The report provide the Recovery Sub-Committee with a progress update on the City Council and the city is responding locally following the publication of 'Our Plan to Rebuild' The UK Government's Covid-19 recovery strategy, and provides also provides a progress update on the development of the City's Recovery Programme as agreed by Policy & Resources Committee on 30<sup>th</sup> April 2020.

#### 7. FINANCIAL & OTHER IMPLICATIONS:

#### Financial Implications:

7.1 There are no direct financial implications arising from the recommendation of this report. Regular reporting on the financial impact on the council to members has shown the significant increase in costs and reductions in income as a result of the lockdown and how this may be for a potentially prolonged period affecting the council's financial resilience. The recovery programme will therefore be important in supporting the council's longer term financial resilience.

Finance Officer Consulted: James Hengeveld Date: 18/05/20

#### Legal Implications:

7.2 The proposals in this report align with the obligations of the Council pursuant to the Coronavirus Act, associated Regulations, National Guidance and Directions. There are no immediate legal implications arising from the recommendation in the report to note the proposals for recovery.

Lawyer Consulted: Elizabeth Culbert

Date: 180520

#### Equalities Implications:

7.3 The actions and initiatives delivered as part of the recovery programme plan will be subject to an Equalities Impact Assessment as appropriate. The public sector equality duty also applies. An aspect of the work on the recovery programme will look at issues of community cohesion, protecting the most vulnerable, enhancing equalities and building on the good will generated among people of different backgrounds during the crisis.

#### Sustainability Implications:

- 7.4 The coronavirus crisis has, for many people heightened our collective awareness of nature's many benefits—from the tranquillity of the outdoors to clean air and water, natural resources, disease suppression, and the capacity to help slow climate change and protect us from its impacts.
- 7.5 Cities across the UK and beyond are focusing upon putting greater equality and climate resilience at the heart of their recovery plans. The includes the need to

take steps to ensure ensure that the city's economic recovery is aligned with climate and Sustainable Development Goals

7.6 The implementation of intiatives to reallocate road and public space to allow people to move around the city safely in a world where physical distancing will be the norm for the foreseeable future – also helps to prevent a drastic increase in air pollution.

#### **Brexit Implications:**

7.7 The government has indicated that they are not minded to ask for an extension of the 31st December 2020 deadline for full implementation of Brexit. There is therefore a risk that we may be moving into the final phase with no trade and people movement agreements in place. This will accentuate the challenge posed by the Coronavirus. The Recovery programme, as part of the economic modelling and impact on businesses on the city, will consider Brexit implications.

#### Any Other Significant Implications:

#### Crime & Disorder Implications:

7.8 The programme involves working with the police and out Communities Team to look and respond to crime and community safety implications

#### Risk and Opportunity Management Implications:

7.9 The current risk register will be updated with focus on the recovery and inform the development of the programme.

#### Public Health Implications:

7.10 The Covid-19 pandemic will have a significant impact on the health and wellbeing of residents. This will include the direct effects of the virus (ill health, loss of life and bereavement), indirect health impacts, including mental ill health, and from deferred access to healthcare during the lockdown, and in the longer term the impact from wider determinants of health including income and employment. The pandemic has the potential to significantly increase health inequalities in our communities. Therefore, the goals of our Health and Wellbeing Strategy continue highly relevant throughout the recovery phase. There is also an ongoing need for a direct public health response to protect residents and visitors from further outbreaks. Public health approach will therefore be central to limiting the risk of new infections while creating an environment that supports the recovery of our communities and opening up businesses and the local economy.

#### Corporate / Citywide Implications:

7.11 The City Recovery Programme aims responding locally to support the city through the next phases of the response to the public health crisis. The pandemic has had a major direct impact on our residents including ill health, loss of life, bereavement and the isolation experienced by people who are 'shielding' because they are clinically extremely vulnerable. The events have set an unprecedented challenge for the city's businesses and communities.

#### **SUPPORTING DOCUMENTATION**

# Appendices: None

Background Documents None

## POLICY & RESOURCES (RECOVERY) SUB-COMMITTEE

## Agenda Item 6

Brighton & Hove City Council

Subject:	Covid-19: Support for Business	
Date of Meeting:	29 May 2020	
Report of:	Executive Director Economy, Environment & Culture	
Contact Officer: Name:	Cheryl Finella Tel: 01273 291095	
Email:	cheryl.finella@brighton-hove.gov.uk	
Ward(s) affected:	All	

#### FOR GENERAL RELEASE

#### 1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report sets out the programme of business support work being undertaken by the Economy and Events Cell, which has been set up to respond the Covid-19 Crisis. This includes responding to and delivering the government support programme. The report also proposes a package of support measures from the city council to help businesses through this difficult time.
- 1.2 This report also outlines a framework and a rationale for determining eligibility for a fund of discretionary grants. Recognising that businesses have been facing difficulty for some time, this proposal aims to offer grants to businesses that have not been able to access other support and is intended to help protect and retain many of the companies that are essential to the city's economic recovery from the pandemic. The scheme is intended to enable speedy decision-making while also ensuring probity and appropriate diligence for public funds..

#### 2. **RECOMMENDATIONS:**

- 2.1 That members note the work being undertaken to deliver business rates relief and business grants to local businesses.
- 2.2 Agree the rationale and process for administering the discretionary grants for business, and delegate the agreement of the detail of the application and assessment process to the Executive Director Economy, Environment and Culture, and acting Chief Finance Officer
- 2.3 Delegate final approval to make grant awards to the Executive Director Economy, Environment and Culture, in consultation with a professional panel to include representatives of business groups who helped to prepare the Economic Strategy,
- 2.4 Agree to underwrite income to the Brilliant Brighton Business Improvement District (BID) for 2020/2021, up to a maximum of £350,000.
- 2.5 Agree to waive the business membership fees for Visit Brighton for 2020/2021 for six months to a maximum cost of £100,000.

2.6 Allocate £15,000 from the 2020/2021 Economic Development Budget to cover the operating costs of the Brighton and Hove Economic Partnership.

#### 3. CONTEXT/ BACKGROUND INFORMATION

3.1 The Government has set out a package of support measures with the aim of supporting businesses through the period of the public health crisis. The city council has been responding to and delivering the government support programme.

#### **Expanded Retail Relief**

3.2 This relief effectively provides a 'payment holiday' for 20/21 for most businesses in the retail/hospitality sector. There are qualifying criteria which limits the award to premises where there is public access and effectively excluded office-based services, warehouses and supply chain organisations. As at 19 May 2020 the Council had awarded £70.0m in relief to 2776 businesses.

#### **Business Grants**

- 3.3 The business grants scheme provides single payment awards for business eligible for the expanded retail relief and/or small business rate relief subject to further verification criteria. The council's initial estimate was that there were a potential 5536 businesses that may benefit from this scheme to an estimated value of £73.4m. As at 19 May 2020 4426 payments have been made to the financial value of £60.8m representing 82.8% of the target figure.
- 3.4 The first payments to businesses started on 3<sup>rd</sup> April and 8<sup>th</sup> of April mainly to businesses that paid their rates through direct debit. This was followed by payments to businesses where enough details were held by the council on the businesses to ensure that payment went to the correct recipient. A communications plan was developed to raise awareness of the grant from the start of the programme, including updates and information to business partners across the city and targeting mailings. Businesses were than able to register their details via the council's MyAccount portal so that their application could be verified prior to payment. Small businesses have been able to claim 100% business rate relief for the last three years. As a result, many businesses which have changed hands or closed down have not updated their records with the council. Payments to businesses where information is not up-to-date have necessitated further checks to verify claims.
- 3.5 Work continues to contact businesses that may be eligible. Within that work it is evident that the original estimate will eventually be revised. Some businesses on the original list are no longer operational, ineligible for technical reasons or have moved premises. Some premises which were believed to have been occupied are now empty. Reviewing how the scheme has been interpreted nationally, has helped in identifying new business areas that can be included. Officers are also being contacted by new businesses that they were previously unaware of, notifying us of their premises occupation.

#### **Proposed Discretionary Grant Scheme**

- 3.6 This proposal is aimed at supporting businesses that were not able to access the main grant fund and those that will be key to the economic recovery of the city. This is in line with the council corporate plan and the city economic strategy.
- 3.7 On 2 May the government announced a 5% uplift in the allocated small business grants fund to be used by local authorities as a discretionary fund in support of businesses who fall outside of the current eligibility criteria.
- 3.8 This extension to the discretionary fund is for businesses that are not eligible for the government fund. Local authorities have been given licence to make payments to other businesses based on local economic need. The guidance suggests that local authorities prioritise the following businesses; businesses with ongoing fixed property costs, businesses in shared spaces, regular market traders, small charity properties that would meet the criteria for Small Business Rates Relief; and, bed and breakfasts that pay council tax rather than business rates. However, the guidance makes clear that the final decision rests with the local authority and should be based on their economic priorities.
- 3.9 The only exceptions to this discretion are:
  - that businesses must have been in operation on the 11<sup>th</sup> March 2020;
  - must not be insolvent or in administration
  - must not have received a Covid 19 business support grant; and,
  - must not have been in financial difficulty before December 2019
- 3.10 The government has set out three levels of grants payments to business; £25,000, £10,000 and amounts under £10,000, (local authorities have discretion to make payments of values under £10,000 but cannot change the larger grants of £25,000 or £10,000). Businesses will be assessed through an application process to determine which level of funding they will receive.
- 3.11 The allocation of funds to local authorities is based on 5% of their forecast business grant expenditure as at 4 May 2020 (using a grant under section 31 of the Local Government Act 2003). The payment forecast for the business grants in Brighton & Hove is £73.5 million, so 5% is equivalent to £3.68million. If more is paid out than the estimate given on 4 May then the 5% will be based on the larger figure. However if less is paid out than the estimate given at 4 May 5% will not be reduced.

#### Beneficiaries of the fund

- 3.12 Government guidance requires local authorities to set out and publish the application process for the fund and base the selection criteria on local priorities. The city council's economic priorities have been set out with its corporate plan and economic strategy and have therefore been used to determine local priorities for the fund.
- 3.13 Brighton & Hove has a diverse economy with the visitor economy accounting for around 18,000 jobs (13% of all jobs), 16,000 retail jobs (11% of all jobs); and growing levels of employment in culture and creative, digital and IT (4,500 and 7,000 jobs respectively). There are a significant number of small and micro-

businesses and the city has the highest business start-up rate in the UK after London with a relatively high level of business churn (the number of business starts vis the number of business closures). These sectors, along with education, have been described as core sectors within the city Economic Strategy. Alongside the core sectors this fund will also prioritise businesses that make a significant contribution to the city economy, including charities and not-for-profit organisations.

- 3.14 The Events and Cultural Industries sectors have been badly affected by the Covid-19 crisis because they rely heavily on ticket sales generated between April and October each year. These sectors draw millions of people into the city, contributing significantly to the visitor economy and to retail. Without the Events and Cultural Industries sectors, Brighton and Hove will lose much of what makes the city unique, and their viability is currently at risk. At this time, 95% of the city's 2020 outdoor events calendar has been cancelled.
- 3.15 Based on this assessment it is proposed that the Brighton & Hove discretionary fund will prioritise the following businesses:

3.16 In line with the government guidance and the council's corporate plan and economic strategy priorities the following businesses will not be eligible for the fund:

<ul> <li>Businesses that have already received a Covid 19 business support grant</li> <li>National/ International chains</li> <li>Businesses with over 50</li> </ul>	<ul> <li>Businesses that have been declared insolvent</li> <li>Businesses that ceased trading before the 11 March 2020</li> <li>Businesses in financial difficulty</li> </ul>
employees	before December 2019
Short term residential and holiday	• Businesses with no fixed costs (e.g.
Lets (e.g. Air BnB's)	rates, rent, mortgage)

3.17 The process of selection will start with an eligibility check based on the table above to ensure that only those eligible to apply go forward to complete a full

online application form.

- 3.18 The process will start with marketing and publicity to businesses and support organisations, notifying them of a set window when applications will be invited. This approach is considered preferable to a first come first served approach which will not necessarily target support to the most appropriate businesses.
- 3.19 Applications will be via the MyAccount online portal which is already set up to capture business information. Subject to member approval eligible applications will be assessed against the following assessment criteria, which support the goals of the Economic Strategy and the Corporate Plan.

#### Assessment Criteria

- Local economic importance no of jobs saved, delivering essential services, businesses with a record of supporting city resilience during the Covid 19 crisis, community/ social value, importance to a local area
- Supporting the city's economic success through wage levels, generation of employment, levels of export (a marker of business resilience), able to demonstrate business innovation (creating new products or services)
- **Supporting key sectors/sub-sectors** the role the business plays in local networks such as providing services or as a link in a chain that creates or delivers products or services, integral to the delivery of city strategies such as skills training delivery
- Commitment to a carbon neutral city what actions has the business taken to reduce carbon emissions, (for example; reuse / recycling of materials, waste management, use of sustainable transport for staff / products)
- **Impact** loss of the business leading to additional costs to the city, e.g. avoiding the need to recommission a service or procure the service from other suppliers
- Levels of future Investment evidence of investment during the last 12 months in upgrades to premises, new equipment, staff training and apprenticeships, new modes of operation such as investment in digitisation or other forms of diversification.
- **Purpose** Able to explain what they are using the money for, evidence that they have coherent plans for the future of the business and evidence that the business has a viable future
- 3.20 Subject to member agreement, once the application deadline has passed, officers within the Economic Development team and the Culture, Events and Tourism team will undertake a first sift, assessing and scoring applications against the above assessment criteria, consulting with officers from other teams where necessary.
- 3.21 Following this an assessment panel comprising senior officers from City Development & Regeneration, Events & Culture, Business Rates and Finance along with three external consultees from Brighton & Hove Chamber of Commerce, The Brighton & Hove Economic Partnership, and the Federation of Small Business will review the scored applications, consider the balance of awards to ensure that allocations reflect the agreed priorities and make the final decisions on grant applications. To avoid bias external partners will be required

to declare any conflicts of interest to the panel. The external partners all helped in the preparation of the city's Economic Strategy, so understand the city's economic priorities.

- 3.22 Throughout the process there will be regular internal and external communications to ensure that businesses, members and MP's are kept abreast of the various stages and how the work is progressing. Progress reports will also be presented to the Policy & Resources (Recovery) Sub Committee. The government has stated that it will be monitoring local authorities regularly to track the progress of payments and has indicated that they expect payments to start from early June. However, they have also stipulated that local authorities must implement an application process which necessitates a longer process. So there will be a balance to be struck between speed and how precisely the grants are targeted.
- 3.23 The proposed timetable for Brighton & Hove if the recommendations in this report are: Publicity and marketing to promote the fund will be organised via the Communications team and through local networks which will include the dates when the portal will be open
- 3.24 This report seeks a delegation to the Executive Director Economy, Environment and Culture to prepare the detail of the application and assessment process and make grant awards based on the advice of the panel mentioned at 3.21. If additional funding becomes available, then the businesses that scored highly against each fund, but could not be supported because of budget limitations, may be offered some financial support from the fund.

#### **Business Improvement District**

- 3.25 Encouraging a strong local economy is not just the responsibility of the city council. As well as individual businesses and residents being stakeholders, a number of business umbrella groups exist to promote the economy. These include the Brilliant Brighton Business Improvement District (BID), Visit Brighton and the Brighton & Hove Economic Partnership (BHEP).
- 3.26 Brilliant Brighton BID comprises 517 businesses each paying an additional levy towards activities that enhance the city centre and drive footfall to the area. Established since 2006 the BID is now its third, five-year term. The latest of which started in 2016. The BID pays for Christmas Lights, dressing the city for summer, marketing and publicity; and four City Ambassadors whose role is to provide additional security for traders, help direct shoppers, and signpost vulnerable people to local support services.
- 3.27 In 2019 the BID ambassadors returned stolen goods worth over £42,000 to retailers. They spend a large amount of time working with the street community including signposting them to local support services. They also deal with anti-social behaviour and medical issues. Along with the main funded activities the BID uses its collective muscle to negotiate discounts for its members, including, waste management, professional services, NCP discounts, promotional activity and training.

- 3.28 On 18 March the government introduced a business rate holiday for retail, hospitality and leisure businesses for the 2020 to 2021 tax year. While this was a welcome move by retailers it has presented a challenge to the UK BID network as the levy is collected alongside the business rates. The concern expressed by British BID's was that collection of the levy will be harder now that businesses have been given a twelve-month payment holiday on their rates.
- 3.29 In response to these concerns on the 1<sup>st</sup> May the government announced a £6.1million support fund for BIDs with each BID area getting the equivalent of 5% to cover their operating costs for three months. For Brilliant Brighton this equates to £17,500 (enough to cover the costs of the BID's two staff for one quarter). This calculation is based on 5% of the £350,000 operating costs for Brilliant Brighton BID.
- 3.30 Brilliant Brighton BID pays Brighton & Hove City Council to collect the levy on its behalf. This is done on a monthly basis and the funds are then transferred to the Brilliant Brighton account on a monthly basis. Of the 517 levy payers in the BID area only 25 of them were open during the lockdown; it is likely that many will remain closed until the later stages of the government's programme to restart the economy due to the challenges of implementing effective social distancing measures within constrained spaces.
- 3.31 The latest guidance from government is that local authorities should consider front-loading local BID's to enable them to meet their commitments to business. This practice is already in operation in many BID areas. Front loading will mean providing the levy to the BID in advance of payments being received by the council and therefore providing cashflow support. From July 2020 it is proposed to make 4 quarterly payments totalling £350,000 with the council being reimbursed through the levy collected from business being retained by the council. This approach will involve risk to the council of bad debt, due to the fluctuating economy. However, it is important to note that if a levy payer's businesses folds the requirement to pay the levy then falls to the landlord. It is expected therefore that the levy collection rate should remain high although the time it takes for the payments to come in may be longer.
- 3.32 The Brilliant Brighton Bid will be a key partner with the city council in planning how we deliver a Covid-secure city centre retail and leisure environment during the recovery phase. They will continue to play a key role in promoting the retail sector and improving the retail environment. This helps Brighton to retain its competitive advantage as a regional shopping centre.

#### **Visit Brighton**

3.32 Visit Brighton is the official destination management organisation for Brighton & Hove and part of city council. It promotes the city regionally, nationally and internationally to leisure and business visitors. Visit Brighton comprises 530 tourism business partners, each of whom pays a partnership fee, which is determined by their business type, size and footfall. Where applicable, partners pay commissions on any conference business placed in their venue / premises. These fees and charges in total account for 53% of Visit Brighton's operating budget.

- 3.33 From April 2019 to March 2020, Visit Brighton generated £1.8m of positive press coverage for Brighton & Hove in regional, national and international media. Nearly two million people consulted visitbrighton.com for city information, whilst 100,000 viewed social media platforms run by VisitBrighton. Last year the VisitBrighton conference bureau confirmed 56 conferences and events which generated economic benefit of £40m for the city.
- 3.34 Visit Brighton works collaboratively with regional and national tourism organisations, including Gatwick Gateway, Tourism South East, Visit England and Visit Britain to ensure that the interests of our tourism sector are represented and thus reflected in activity and policy.
- 3.35 Given the loss of tourism revenues in the city, to support the work of VisitBrighton over the course of 2020/21 it is proposed that £100,000 is allocated to their budget, which represents waiving six months of partnership fees, plus an allowance to cover the partners who will not be able to pay fees in October 2020. The business partnership year runs from 1<sup>st</sup> April to 31<sup>st</sup> March; businesses signed partnership renewal forms in Feb/March (before lockdown) and were due to be invoiced on 1<sup>st</sup> April. Invoicing has been temporarily put on hold.
- 3.36 The waiver of fees would demonstrate the commitment the city council has to the resilience and recovery of the tourism sector, which currently supports 21,448 actual jobs, 15.7% of all employment in Brighton & Hove.

#### **Brighton & Hove Economic Partnership (BHEP)**

- 3.37 The Brighton & Hove Economic Partnership is a group of over 50 individuals from the private, public and voluntary sector who work together in support of the local economy. It works with the city council to produce the economic strategy, with the Local Enterprise Partnership on their Strategic Economic Plan and Local Industrial Strategy; sits as a business partner on the Greater Brighton Economic Partnership and facilitates local debate and engagement on a range of national and local economic issues such as housing, transport, connectivity, jobs and skills.
- 3.38 During the Covid 19 crisis the BHEP has been commissioned to provide fortnightly reporting on business issues across Brighton & Hove, including sector focused reports giving an overview of the issues and actions of the local business community. They will lead on business consultation throughout the lockdown and into the recovery phase drawing from a range of local organisations such as language schools, developers, co working spaces, charities, finance, retail, leisure, pharmaceuticals, education and others. The reports, virtual meetings, flash surveys and dedicated web portal that they have created will help to inform the city's recovery plan, assist in lobbying for support from regional and national government; and, facilitate collaborative working between the partners, the BHEP and the city council.
- 3.39 BHEP does not charge for membership. Initially set up by the South East Regional Development Agency the Economic Partnership had to seek alternative sources of funding when the RDA's were disbanded. In recent years BHEP has been funded through the income that it generates from the booking of on-street promotions. Following the government's lockdown all on-street promotions

ceased along with future bookings. Bookings are unlikely to commence until the lockdown is lifted. This has meant a complete loss of income for the partnership and the loss of funding to pay for their only member of staff.

3.40 In order to support the work of BHEP it is proposed that £15,000 be allocated from the 2020/2021 Economic Development Budget to cover the operating costs of the BHEP and help to mitigate the loss of income from on-street promotions. This will ensure they are able to continue being a strong partner in the city's economy during the recovery phase.

#### 4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 There are around 13,500 businesses in the city, approximately 5,500 are eligible for the current government business support programme. That leaves the majority without access to grant funding. The proposal within this report aims to provide further support through the discretionary grant fund to struggling businesses and aid the process of recovery. Demand for this new discretionary fund will be high and it will not be possible to help all of the businesses in need. It is vital therefore that a fair and transparent process for assessing and prioritising funding requests is implemented. The only alternative would be to distribute the grants in a quicker but less fair and less targeted way, such as 'first come first served.' But this would not meet the economic needs of the city.
- 4.2 The city council could also opt to not support key organisations within the city. However, initiatives like the BID, Visit Brighton and BHEP are important to the city's economy, and will be a key part of the recovery as we move into the next stage of the pandemic.
- 4.3 If the city council does not underwrite the contributions to the BID, then it is possible the BID will cease to be a viable operation. The most obvious and immediate impact of this would be that the ambassador service would have to be laid off, and retailers in the city centre would not benefit from the security and stock protection part of their role, in a time where there may be a more challenging economic and societal situation. At Christmas, the main part of the city centre would not have any Christmas lights, which would be a huge economic and political issue, potentially resulting in the city council having to pick up that cost but without the pre-existing contracts in place.

#### **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 One of the main work streams of the Economy and Events Cell has been publicising to businesses how they can operate in these challenging circumstances, and how they can access various support packages being proposed.
- 5.2 The work being done by BHEP referenced above will feed information into the city council's resilience planning over the coming weeks, with regular meetings to discuss the ongoing needs of business through that group.

#### 6. CONCLUSION

- 6.1 Brighton & Hove has the highest business start-up rate outside of London; it has many small and micro businesses and a dynamic visitor economy. The government recovery plan suggests that many areas of the local economy will be among the last to re-open. This will have an ongoing impact on jobs, business resilience and the ability of the city to recover.
- 6.2 Members are asked to agree the package of measures proposed in this report which will help to mitigate the negative impact of the Covid 19 lockdown and aid the process of local economic recovery.

#### 7. FINANCIAL & OTHER IMPLICATIONS:

#### **Financial Implications:**

- 7.1 The discretionary grants fund is based on 5% of the estimated value of the Business Grants to be paid locally. This equates to £3.680m and is fully funded from government grant already received. However, the level of funding could fluctuate depending on the final business grants paid. At present £60m grants have been paid and therefore the lowest discretionary fund level would be £3m. The proposed allocation process will ensure the council is able to manage within the allocated funding.
- 7.2 The council currently collects the Business Improvement Districts' levy and passes over income received each month. The proposal to fund the annual levy in advance each quarter for the year to July 2021 will provide the BID with cashflow during a period when the majority of businesses are closed. The cashflow support will be paid quarterly from July totalling £0.350m over a year and will be offset by the council retaining the levy payments from businesses within the BID. There is a risk of bad debt from business failure however the collection rate of levy payments in the past has been extremely high. The impact on loss of investment income is insignificant.
- 7.3 VisitBrighton is funded by over 50% from partnership fees from local tourism businesses. The proposed fee holiday of 6 months is estimated to lose £0.100m in income from businesses that are some of the hardest hit with the lockdown. This loss has been anticipated in estimated income loss projections to government. This loss of income will be reflected in Targeted Budget Management (TBM) reports to Policy and Resources Committee.
- 7.4 The allocation of £0.015m to the Brighton & Hove Economic Partnership will be funded from existing budgets.

Finance Officer Consulted: Name James Hengeveld Date: 18/05/20

Legal Implications:

7.5 The provision of funding to businesses might be regarded as state aid. However, the European Commission has now approved the UK government's support scheme which allows payments of up to €800,000 to a company to address its urgent liquidity needs. These proposals are therefore considered to be state aid compliant.

Lawyer Consulted: Alice Rowland

Date: 18/5/20

#### Equalities Implications:

7.6 The measures set out in this report will safeguard employment, local businesses and the economy. The discretionary fund will help to ensure that there is a fair and transparent decision-making process in the allocation of funds to business.

Sustainability Implications:

7.7 This report seeks to build local business resilience and a sustainable local economy.

Brexit Implications:

7.8 None

Any Other Significant Implications:

7.9 None

Crime & Disorder Implications:

7.10 The Brilliant Brighton BID employs four City Ambassadors to help with theft and anti-social behaviour. Supporting the BID will ensure that these services are able to continue.

Risk and Opportunity Management Implications:

7.11 The proposed process for the allocation of the discretionary fund will reduce risk to the council. By adopting the portal as the route to the fund the council will be able to implement the necessary safeguards and evidence for audit.

Public Health Implications:

7.12 None

Corporate / Citywide Implications:

7.13 This proposal is in line with the council's Corporate Plan to support the local economy and the Economic Development Strategy which aims to support economic growth.

#### SUPPORTING DOCUMENTATION

#### Appendices:

1. None

### **Background Documents**

1. None