



COMMON COUNCIL

10 Questions

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ITEM X(i)
Question from Anne Fairweather to the Chair of the Policy & Resources
Committee
Court of Common Council, Thursday 21st May 2020

Our financial and professional services firms have continued to work from home during the pandemic and have maintained a good continuity of service for clients and customers.

Given the indefinite nature of this viral outbreak, the fact that most firms are considering a 25-30% occupancy rate for their offices, the limitations regarding social distancing in lifts which may mean higher floors are out of reach, and the impossibility of returning to packed commuter tube and overground trains, what assessment has been made of:

- *the impact to the City of London Corporation's budget?*
- *The impact on smaller businesses which service office workers?*
- *Changes needed to our city environment to support social distancing?*

Given our streets will remain much quieter until there is a vaccine or effective treatment for COVID19 what positive steps are we taking to ensure that the city is still seen as a great place to come to, for example through our arts programme or playing to our strengths as the historic heart of the capital?

My Lord Mayor.

I thank the Honourable Member for notice of this important question.

Financial Impact on City's Budget

Covid-19 has had a significant impact on the Corporation's finances. The overall net cost is being tracked, reported and discussed at the Finance Committee, most recently at its meeting on Tuesday.

The current estimated net monthly deficit is around £5m, down from earlier estimates of £7m a month, as numbers have been firmed up and some additional cost savings identified.

However, the numbers remain subject to a high degree of uncertainty and they do not include the impact of rental decisions for our tenants. But they could point to an annualised deficit of the order of £60m-70m, with around two-thirds of that impact falling on City Fund.

Lost income has been the primary driver, with significant losses for the Barbican and the Guildhall School of Music and Drama, for example.

The informal meeting of Resource Allocation Sub Committee in early July will receive an update on both the in-year budget position and Medium-Term Financial Plan, leading on to a re-budgeting exercise in early autumn. In the meantime, it is vital that every effort is made to contain costs and minimise loss of income.

Impact on SMEs

The Member has also asked about the impact on small and medium sized businesses.

This crisis has yet again highlighted how important SMEs are to the City, and how important it is that we connect with them.

Members will be well aware of the companies in their wards, but we must work with all these companies as closely as we do with the financial and professional services sector that we represent. And in my view one issue, which this crisis has thrown up – is the need to take a more strategic overview of our work with City SMEs, and I have asked for that to be put in train.

As I believe we have a separate question specifically on this, I will leave the detail there, other than to say that the City Corporation is doing what it can to help mitigate the impact on SMEs; but unfortunately, the scale of this problem is such that there are serious limits to the extent that we can relieve this.

but can assure the Court that the City Corporation is playing its part in relieving the impact on SMEs.

- While 99% of City businesses are SMEs, nearly 60% of City employment is in large firms – with distinct patterns across sectors.
- Financial services jobs are particularly highly concentrated in large firms (70%), while the largest numbers of small City firms (<50 employees) are in Professional Services (7K) and Business Support Services (4K) – together over half of small City firms.
- Firms that directly support office workers are fewer in number - City Planning estimates around 1,150 retail units, 300 restaurant and café units, 247 drinking establishments, 57 hot food takeaways.
- While the majority of these units are small firms, an estimated two thirds of City jobs in retail, accommodation and food are in large businesses.
- In addition, there are around 150 businesses offering personal services such as hairdressing, health and beauty. Here employment is much more concentrated in very small firms – estimated to be approaching 90%.

From this information on the composition of the firms in the Square Mile, I think you can make some general assumptions:

- The overwhelming majority of firms of all sizes in the City have been able to work remotely during the lockdown;
- This trend is likely to continue, as firms have been pleased with how they have been able to conduct business remotely, but also because they want to be sure public transport is safe and office accommodation can be adapted to enable social distancing;
- Firms have indicated to us they will be adopting a very gradual return to work and may not have more than 40 – 50 % of their workforces in the office even some months down the line;
- So for SMEs in financial and professional services in the City, we anticipate they will continue to operate much as they have during lockdown;

- However for retailers and hospitality, the situation is much tougher, especially those reliant on high footfall – as footfall is likely to remain low for some time;
- The Corporation has been providing support for those SMEs eligible for rate relief and grants – Chamberlain's have the details

Changes that will need to be made to the City's environment

And it will be necessary to provide more space for walking and cycling in order to enable social distancing on the City's streets and support the safe return of employees to the workplace.

Our plan for this was approved by the Planning and Transportation Committee on 12 May and will also be considered by the Resource Allocation Sub Committee on 27 May prior to final approval by the Policy and Resources Committee.

Proposed on-street measures include:

- Timed closures to motor vehicles (24/7 or 7am – 7pm, where necessary allowing limited access to premises for essential vehicles)
- Reallocation of carriageway to space for walking, queueing and cycling and providing priority for buses
- Closing streets to through traffic or other changes in operation (e.g. switching to one-way)

We will also deliver a range of measures to support businesses, manage travel demand and encourage travel on foot, by cycle and on public transport.

Taking advantage of quieter streets to enhance culture mile/cultural and historic aspects

The current restrictions actually provide a great opportunity for our cultural organisations in the City – including Culture Mile, Barbican, Guildhall Art Gallery, Tower Bridge and the Museum of London – to focus on serving our local communities and our neighbours, in different ways. Those who live here, and those who can walk or bike to the square mile and enjoy our superb architecture and open spaces.

Visitor Development has launched a digital platform which celebrates City culture and is working with London Festival of Architecture and London Open House amongst others to showcase our buildings and streetscape, while Culture Mile will be linking with its partners to make a safe outdoor offer. At the same time, the City Corporation's attractions and venues are working together to welcome people into their spaces as soon as it is possible to do so.

My Lord Mayor.

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ITEM X(ii)
Question from Mark Wheatley to the Chair of the Policy & Resources
Committee
Court of Common Council, Thursday 21st May 2020

Could the Chair of Policy and Resources please detail the Corporation's work to support SMEs, particularly:

Liaison with Central Government and our Stakeholders among lending businesses on various support schemes offered to SMEs (such as CBILs) and our work to address concerns identified about them, particularly 'loopholes'?

and

Direct Corporation support for local SMEs, for example with Rates and Rental relief?

My Lord Mayor.

I thank the Honourable Member for notice of this important question.

Again, there is a lot of information I can say on this topic, but rather than giving a full answer here, I have asked for this to be published at democracy.cityoflondon.gov.uk and to be circulated by email to Members.

What I will say now, however, is that I can confirm that we are liaising constantly with both Central Government and business stakeholders to ensure that SMEs are getting more support during this time.

For example, we have asked the Government to widen the number of businesses that qualify for rate relief and grants, including dentists, physiotherapists and barristers. We also want the rate relief thresholds reviewed, as they currently disadvantage SMEs in central London.

In addition, we have supposed pan-London lobbying efforts with the Mayor of London, London Councils and the various representative business groups to make sure the needs and priorities of SMEs are heard in Whitehall.

Don't forget, too, the power of individual elected Members lobbying in your individual capacity for you constituents, writing to MPs, ministers and so on. I know many Members have been doing that already.

However good our lobbying, though, the support will never be enough. Businesses will fail, and the economy will be scarred ... as the Chancellor of the Exchequer already said.

Following the Government announcements on Small Business Grant Fund and Retail, Hospitality and Leisure Grant Funds, the City Corporation have now directly paid out £14.5 million of the original £14.7M allocation – that is, 98.6%.

We have made 847 grant payments out of the original estimate of 900 or 94%. And we are continuing to process all grant payments within 48 hours of receipt of bank details.

We have also been supporting SMEs in other ways too, including:-

Through the fantastic work of the City Business Library, we have been able to provide:

- free online business advice
- Remote access to business information and market research data
- Free Covid 19 industry impact reports
- Promotion of “Pay it Forward” crowdfunding scheme
- Working with the Samuel Wilson Loans Trust, which makes loans to young people to establish or develop a business. CBL team handling all enquiries and then the team in Finance will be handling submissions. Creating updated marketing materials for the scheme so that it can be shared with CBL business network.
- Working with Corporate Strategy to bring together all the work that CoLC does for SMEs with some clear narrative and then 3-4 commitments that CoL will be making over the next 2-3 years. This is very early stages but this might help members see that we are offering a wide range of support for SME’s already and we want to highlight some key commitments. This will also link to the London Council’s Pledge for Businesses that CoLC has signed.

The City Property Advisory Team (CPAT) have supported SMEs by:

- Property options for occupiers
- Infrastructure (digital, utilities, broadband, etc) issues
- OneCity Social media platform - One City have been supporting occupiers across the City by promoting their new online offerings to our 40K followers. This includes online fitness offers, food delivery services, online classes and more.
- BIDs / Business partnerships: Promotion through the Privilege Card; Marketing of specific sectors and supporting small businesses; Access to the labour market and support in recruitment if needed; Building consumer confidence and attracting visitors to come back into the City;

The Planning and Transportation Committee have agreed to measures to prepare for the City for the Return to Work – accommodating social distancing and transport within the City.

The Innovation & Growth Department have:

- Online advice and signposting to information

- Participation in pan-London business forums to highlight issues relevant to SMEs
- Organised briefings for business groups and London Councils by UKFinance on loan schemes
- Weekly call with constituency MP to highlight issues for businesses
- Virtual Engagement Programme – larger firms, but who use services provided by SMEs
- FinTech engagement and support – signposting to online support
- Liaison with TfL on business engagement in the City
- Supporting TCUK's recapitalisation programme – Policy Chair on Steering Group

The Heart of the City have:

- Proving online support and advice for SMEs during the crisis. Information and good practice on virtual meetings and management; mental health and wellbeing support; and good practice for implementing the furlough scheme.

The Cultural and Visitor Development teams have:

- Online advice and signposting of support and information sources specific to the tourism and cultural sectors [here](#)
- [Visit the City from Home](#): digital campaign (across email and social media platforms – website launches 18 May) to promote City Corporation and City partner content to audiences London and nationwide; amplification of content through London and national platform.
- Hosting of webinar focussing on legal issues faced by cultural and tourism organisations during the crisis (12 May) for City stakeholders (first in a series)
- Data Insights and Tourism Recovery Support - report commissioned from Carmel Dennis, RJS Associates and Scattered Clouds for City tourism stakeholders to aid destination recovery (due end May)
- Working with London Culture Forum, hosting of webinar focussing on digital content creation and promotion for London Boroughs and their stakeholders – due 27-29 May
- City Hotels, Attractions and Retail Network (CHARN) sub-group under development to promote intelligence sharing, consistent social distancing / hygiene factors at opening and (potentially) joint procurement (PPE etc) to drive economies of scale

We will work hard for our SMEs.

But sadly, we can only share – not shoulder – the burden.

We will work to sustain them where we can during this period. We have to accept that some won't survive. But we must work hard for a vibrant City for the future.

My Lord Mayor.

