

Committee(s): Policy and Resources Committee – For information	Date(s): 09/07/2020
Subject: Support for SMEs in response to Covid 19	Public
Report of: Covid 19 Business Engagement Group	For Information
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Summary

In response to the coronavirus crisis, work has taken place across the City Corporation to support businesses and SMEs in the Square Mile.

Initially this work was reacting to the immediate impact of the crisis and the provision of rate and rental relief for eligible businesses.

Increasingly, the work is focused on the short to medium term economic recovery of those SMEs most adversely affected by the crisis.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. As part of the City of London Corporation's response to the coronavirus (Covid 19) crisis, support and assistance has been provided to the business community within the Square Mile, especially small and medium sized businesses (SMEs).
2. SMEs represent approximately 23,610 firms, or 99% of businesses, in the Square Mile. They employ an estimated 40% of the City's 522,000 workforce. Micro firms (<10 employees) are by far the most numerous firms (almost 20,000), but the larger SMEs provide more employment - almost 4 out of 5 jobs in SMEs.
3. The majority of workers in these businesses work in financial and professional services, but other SME sectors represented in the City include retail, hospitality, visitor attractions, cultural and creative industries.
4. Support for SMEs is provided by many departments and is a good example of cross-Corporation collaboration. Some of the support provided has been direct financial aid, other support includes promotion of SME businesses, signposting to advice and third-party support, business start-up advice and free access to business information and market research data.
5. This report updates Members on Corporation activity to support SMEs during the crisis. The next section provides an overview of this work.

Current Position

6. We have been engaging with both central Government and London government to make sure the voice of SMEs is heard. The formula for the Government's Discretionary Grant Fund meant that the Corporation will only be able to make approximately 80 grant of £10,000 to SMEs, when there are over 7,000 serviced offices in the Square Mile. We also want the rate relief thresholds reviewed, as they currently disadvantage SMEs in central London. We have asked the Government to review the scope of the discretionary funding to allow us to support more SMEs writing to the Minister for London, the Local Government Minister and the Economic Secretary to the Treasury. Unfortunately, the responses we have received do not suggest that the government will increase the grant or widen the rate relief thresholds. received from the Economic Secretary was not a positive one.
7. In addition, we have supported 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 prioritised in Whitehall.
8. Following the Government announcements on Small Business Grant Fund and Retail, Hospitality and Leisure Grant Funds, the Chamberlain's department has directly paid out £15.7M of the original £14.7M allocation – that is, 107%.
9. We have made 977 grant payments out of the original estimate of 900 grants. We found that a significant number of small businesses have applied and qualified for Small Business Rate Relief since the crisis began. This has meant that they have also subsequently qualified for the Small Business Grant. We are continuing to process all grant payments within 48 hours of receipt of bank details.
10. For eligible businesses in our property portfolio, we have offered rent breaks and to a limited number, 'rent holidays'.
11. The City Business Library (CBL), has provided:
 - a. Free online business advice, including remote access to business information and market research data through the CBL subscription membership offer.
 - b. Bespoke market research offered to SMEs who need support understanding the changes to their industry as a result of Covid19.
 - c. Providing business data to a wide range of government departments to support the Covid-19 paramedic i.e. Company data sourced for London Boroughs in partnership London Councils, company data provided for Innovation & Growth for their research reports and company data provided to colleagues in the Department of International Trade to support their customers;
 - d. Free Covid-19 industry impact reports;
 - e. Launched a range of webinars to support businesses at all stages pivot their business models with a focus on driving equality;
 - f. 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 liaising with colleagues in Chamberlain's. Creating updated marketing materials for the scheme so that it can be shared with CBL business network.

12. The City Property Advisory Team (CPAT) has supported SMEs by:
 - a. Providing property options for occupiers;
 - b. Conducted survey work to understand the business response to the pandemic - predominantly with larger firms, but who use services provided by SMEs to understand how they are approaching the recovery;
 - c. Liaising with infrastructure providers (digital, utilities, broadband, etc);
 - d. OneCity Social media platform - One City has been supporting occupiers across the City by promoting their new online offerings to their 40,000 followers. This includes online fitness, food delivery services, online classes and more.
 - e. Business Improvement Districts / Business partnerships: Conducted a Virtual Engagement Programme with key businesses including those in the retail and hospitality sector. Promotion of services through the Privilege Card, marketing of specific sectors and small businesses; support recruitment if needed. Reinstatement of Street Ambassador service from July to engage with businesses to provide support and guidance, and provide intelligence on what is happening in the Cheapside, Eastern Cluster and Aldgate areas.
13. The Innovation & Growth Department has:
 - a. Provided online advice and signposting to information through Corporation website;
 - b. Participated in pan-London business forums to highlight issues relevant to SMEs in the City;
 - c. Organised briefings for business groups and London Councils by UKFinance on Covid 19 business loan schemes;
 - d. Weekly call with our constituency MP to highlight issues for businesses;
 - e. Conducted a Virtual Engagement Programme, predominantly with larger firms, but who use services provided by SMEs to understand how they are approaching the recovery;
 - f. FinTech engagement and support – signposting to online support;
 - g. Liaison with Transport for London on business engagement in the City;
 - h. Supporting TheCityUK's recapitalisation programme, which is addressing how SMEs will access finance post-crisis.
14. The Heart of the City has:
 - a. Provided 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.
15. The Cultural and Visitor Development and Culture Mile teams have:
 - a. Delivered online advice and signposting of support and information sources specific to the tourism, cultural and creative industry sectors.
 - b. Launched [Our City Together](#): a digital campaign (across email and social media platforms) to promote City Corporation and City partner content to audiences in London and nationwide;

- c. Commissioned City restaurants to produce digital cooking workshops and local artists for Our City Together, as well as profiling local businesses through Culture Mile's Radio Local broadcasts and digital photography exhibition 'Hidden City';
- d. Hosted a series of webinars for tourism and culture sector businesses in the City including one on travel law, Culture Mile has delivered a webinar on pivoting and repositioning business with local business leaders;
- e. Surveyed sector businesses and delivered data insights and tourism recovery support within a new Recovery Plan for the destination; as well as conducting Culture Mile research, commissioned by NESTA, into how creative districts can support the growth of cultural and creative industries;
- f. Convened an external attractions group to promote intelligence sharing, consistent social distancing / hygiene factors at opening and (potentially) joint procurement (PPE etc) to drive economies of scale;
- g. Surveyed cultural providers and identified any for referral to the GLA led Culture at Risk Register;
- h. Delivered one to one engagement with SMEs within the Culture Mile Network to understand impact of COVID-19 and support needs and contributed to London and national databanks and information sharing (includes ALVA, L&P and GLA);
- i. Delivered weekly update mailings to City Hotels, Attractions and Retail Network (CHARN), City Culture Network and Culture Mile businesses with guidance, opportunities and information;
- j. Culture Mile is also exploring establishing a Taskforce with the Lord Mayor bringing together senior leaders from across culture and commerce to address the future of the creative sector for mutual benefit.

16. Markets and Consumer Protection has:

- a. We are the principle regulator for food and health & safety in catering establishments and have provided support to businesses re-opening and undertaking new activities;
- b. Developed website to help provide COVID-19 support and signposting;
- c. Sent a letter of support and guidance on takeaway premises jointly with City of London Police, including media promotion;
- d. Licensed premises support service offered and used to enable recovery, including outside activities and developing policies relating to the new Pavement Licences;
- e. Street markets supported by communications with traders, allowing markets to recommence safely;
- f. Financial support for businesses including fees 'holiday' where legislation allows, the suspension of licenses but with missing months added to the end of the licence etc.

17. Attention is increasingly focused on how to assist SMEs with the longer-term economic recovery and the return to work in the City of London. This includes the work of the Department of the Built Environment to prepare public spaces in the City for increased pedestrianisation and cycle use, and the work of the licencing team to advise hospitality businesses of any changes to how they can operate.

18. The Business Engagement group has been reconstituted, so that all relevant parts of the Corporation are represented to ensure our work in support of business is properly coordinated and targeted. This work will develop over the coming weeks as we obtain a clearer picture of the economic impact of the crisis. The group plans to survey those business most at risk to the economic downturn and explore options to promote office workers to use City based retail, hospitality and cultural institutions. A key risk that has already been identified is low numbers of office workers returning to the City will have a significant impact on the customer base for retailers and hospitality.
19. The key areas of activity to support SMEs in the City will be via communications, to promote those businesses to consumers, and to engage with policy makers at a London and national level, to ensure they understand the needs of businesses in the City. In line with efforts to promote consumer confidence and restart the capital's economy, the Corporation is supporting London & Partners 'Because I am a Londoner' campaign. This is being led by an Alliance of more than 100 major London businesses and supported by the Mayor of London, London Councils and Transport for London. The Media Team is also proactively issuing news releases on the reopening of retail, hospitality and cultural institutions across the Square Mile.
20. The Corporation's work to support SMEs is normally coordinated by the City Business Library, and this group supplements that role and is focused on the medium-term response to the crisis. CBL is planning to reimagine the service to be a focused enterprise and research centre to support a wider network of business start-ups and SMEs across the City, London and the UK. Work is already underway to scope out the future vision for CBL and more detailed information will become available over the next few months.

Corporate & Strategic Implications

21. This work is a key element of delivering our Corporate Plan objective to support a thriving economy.

Implications

22. The precise impact of the crisis on SMEs in the City is unknown, and the support required is likely to evolve over time. The Business Engagement Group will update its plans accordingly and work with the rest of the Corporation to provide appropriate support.

Conclusion

23. This report updates Members on the support being provided across the Corporation to SMEs in the City in response to the coronavirus crisis. This work will evolve over the summer as a clearer picture emerges of the impact on different parts of the SME community. We will update Members as the work progresses.

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