

## **London Borough of Hammersmith & Fulham**

**Report to: THE ECONOMY, HOUSING AND THE ARTS POLICY AND  
ACCOUNTABILITY COMMITTEE**

**Date: 14/10/2020**

**Subject: PROGRESS REPORT ON SUPPORT FOR LOCAL BUSINESSES  
DURING COVID-19 PANDEMIC**

**Report of: Karen Galey (AD, Economy)**

**Responsible Director: Tony Clements (Strategic Director Economy)**

### **1. Summary**

- 1.1. This report details the measures taken by the council's business support team to mitigate the impact of Covid-19 on the borough's small business community during the ongoing pandemic. The report details the work currently being implemented by the service to support businesses from the initial response into the recovery phase.

### **2. The impact of Covid-19 on the local economy**

- 2.1. To date, 24,000 residents have been furloughed and a further 10,490 are now claiming out of work benefits which is double the pre-Covid figure of 4,600. Workplace employment figures have contracted by 3% with a loss of 5000 jobs.

The baseline scenario estimates suggest that the H&F economy will contract 7% in 2020 with a strong return to growth in 2021. The downside scenario sees a larger contraction in 2020 of nearly 13% with growth subdued to just over 3% in 2021. Workspace employment estimates are a fall of 4% in 2020 with the rate reaching 6.1% in 2021.

- 2.2. Despite these headline figures, H&F inherent economic strengths make the economy more resilient than many of our neighbours. The borough ranks particularly well regarding connectivity due to good broadband speeds and has a solid level of home working supporting business continuity. The presence of high growth sectors and lower levels of manufacturing, transport and self-employment also places H&F in a stronger position to weather the crisis. This is reinforced by growth in the information and communications sectors due to the switch to digital platforms and home working.
- 2.3. However, there are areas of the H&F economy that are vulnerable to the ongoing pandemic:

- Over 90% of the borough’s business are micro businesses who are far more likely to be exposed to the effects of the crisis than larger businesses.
- The severely impacted wholesale and retail sector make up the largest employment sector accounting for 18% of total employment.
- The presence of many large office spaces which are currently empty due to home working are having a knock-on effect to the wider retail and hospitality industry.
- The arts, entertainment and recreation sector which is very well-represented in the borough has been badly damaged by the crisis.
- The economic hardship caused by the pandemic, coupled with the borough’s pockets of deprivation are of concern as evidence suggests that poorer communities are at far greater risk than wealthier ones.

2.4. Overall, the borough’s highly qualified workforce dominated by managerial and professional occupations coupled with a higher than average capacity for homeworking has meant that despite the unavoidable hit to growth, the H&F economy has remained broadly resilient to the ongoing pandemic. However, there are areas of vulnerability such as an overexposed hospitality and retail sector and large number of micro businesses and these areas will need addressing as the economy begins to bounce back.

## Recommendations

1. For the Committee to note and comment on the report.

**Wards Affected:** All

## H&F Priorities

Please state how the subject of the report relates to our priorities – delete those priorities which are not appropriate

Our Priorities	Summary of how this report aligns to the H&F Priorities
<ul style="list-style-type: none"> <li>• Building shared prosperity</li> </ul>	<p>Ongoing provision of the council’s range of business support services using on-line platforms as well as the dissemination of vital information to businesses using all the council’s comms platforms.</p> <p>Weekly business engagement meetings with important stakeholders across the borough in order to shape immediate policies that directly impact on the local area.</p> <p>Implementation of the Our Space is Your Space initiative supporting hospitality businesses to increase their outdoor footprint and trading opportunities.</p>

	252 businesses financially supported with grants of up to £10k through the Discretionary Grant Scheme.
<ul style="list-style-type: none"> <li>• Doing things with residents, not to them</li> </ul>	The council's Business Network has proved an important tool in consulting directly with local businesses in order to shape our plans.
<ul style="list-style-type: none"> <li>• Being ruthlessly financially efficient</li> </ul>	<p>Working with our external partners such as Hammersmith and Fulham BIDs we have shared the costs of safer shopping initiatives to build consumer confidence.</p> <p>The Discretionary Grant was delivered using a financial formula to ensure that sustainable businesses most in need of a grant would benefit.</p>
<ul style="list-style-type: none"> <li>• Taking pride in H&amp;F</li> </ul>	<p>The "Shop Local, Shop Safe" campaign was launched with the key messages of safety and sustainability.</p> <p>Shop safe: boosting consumer confidence that businesses were open and following Covid safe guidelines and to avoid public transport and to walk or cycle to shop.</p> <p>Shop local: support your local businesses, invest in your economy.</p>

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**Background Papers Used in Preparing This Report**

None.

**3. Team structure and resources during the pandemic**

- 3.1. The council's business support team is made up of 4 full time officers: Business and Enterprise Manager, Business Engagement Officer and two Economic Development Officers- one for enterprise and one for high streets and town centres. The team is responsible for delivering a service including

business and enterprise advice and support, stakeholder engagement, extended markets and other place making initiatives.

- 3.2. Like with other departments across the council, the Government enforced national lockdown earlier this year brought around a fundamental shift in the way the team operates, with much of the team's services moving online and with staff members working from home. Despite this the service has managed to stay largely resilient throughout this period with much of the team's work continuing in a virtual capacity.
- 3.3. Due to the fast-moving nature of events since March, there has been a pressing need for a rapid response when dealing with business enquires and innovative thinking to keep the local economy moving during the pandemic. Therefore, the council have taken a more business focused approach by finding cross-departmental solutions as conditions and levels of restrictions on businesses have changed. This has included setting up a Town Centre Recovery Group which brings together officers from across business facing departments within the council in order to streamline decision making and pool resources and expertise. This has led to successful outcomes such as the Our Space is Your Space initiative which outlined in further detail later in this report.

#### **4. Addressing the crisis response phase- steps taken**

- 4.1. On March 16, 2020, the Government imposed a nationwide lockdown forcing the closure of all but a select number of essential businesses such as supermarkets and pharmacies. Those businesses permitted to trade had to apply a range of strict safety measures.

The council's first response was to implement at pace an extensive communications plan to inform and provide safety guidance to businesses along with sharing national, regional and local support available to them. For those forced to close, an economic stimulus package was put in place to support businesses through the initial lockdown period. This included a three-month rent holiday for H&F commercial tenants and market traders.

- 4.2. A webpage on the LBHF website was created to act as a central landing page to help simplify messaging and content. This was supported by distribution of the borough business newsletter and business social media across a range of platforms. The council wrote to all business associations, large landlords and shared workspaces to request their support in cascading information to their members and tenants as well as asking how we might be able to support them directly.
- 4.3. The H&F Business Support Desk and helpline became an important tool for businesses advice and support. The team have responded to 2653 Covid related phone calls and emails since lock down.
- 4.4. To support food-based business operating a takeaway service or to encourage other static food businesses to increase their offer through a

delivery service an **H&F Food Guide** was produced distributed and promoted across all council digital media along with the distribution of hard copies to residents.

- 4.5. In North End Road market stewards were employed to enforce social distancing, whilst PPE and hand sanitiser were delivered to the traders. This supported essential traders in the market to stay operational during the lockdown.
- 4.6. The H&F Business Network began to meet on a weekly basis with relevant professional speakers including public health, environmental health, financial institutions, lawyers and TFL to provide important updates on new guidance and support. This information would be disseminated by the stakeholders for wider distribution to their own networks.

The Business Network is a borough wide stakeholder engagement group consisting of representatives from the borough Business Improvement Districts, business associations, shopping centres, higher education and other interested business representatives. The group is administrated by members of the Hammersmith and Fulham Business Support team and chaired by the Borough Business Champion, Cllr Guy Vincent. The group has worked collaboratively throughout the pandemic to deliver outcomes that will support and facilitate the economic recovery, business retention and town centre /high street resilience.

- 4.7. Business support services including the H&F Enterprise Club and 1-2-1 Business Advice clinics continued as planned, with meetings moved to online platforms. The Enterprise Club is a free service to residents and businesses in H&F offering training and seminars across a wide range of topics including accountancy, marketing and social media and provides the opportunity to meet and network with fellow local entrepreneurs and receive advice and guidance from experienced business owners.

The councils free 1-2-1 business advice clinics offer guidance and support on everything from starting a business to marketing strategies and more. The clinics are usually held five times a month and are only available to residents and borough-based businesses. Since lock down 169 individuals have attended on-line enterprise clubs and 125 businesses attended a 1-2-1 advice clinic.

## 5. Re-opening of the economy safely

- 5.1. The Business Network continues to meet on a fortnightly basis and has produced a range of initiatives aimed at supporting business through the recovery This has included:
  - **“Shop Local, Shop Safe”** promoting local safe shopping with the campaign complimenting steps already in place such as social distancing posters and pavement widening. The campaign has produced and distributed a range of

online and offline marketing collateral to promote the scheme including localised branded high street posters, window stickers, lamppost banners and digital signage. An accompanying video produced by H&F Circles celebrates how buying locally benefits the community.

- **“Our Space is Your Space”** allowing hospitality businesses to apply for a temporary 3-month licence to extend their business floorspace outside using public highways and space. This was delivered through a cross departmental project which brought together officers from highways, licensing, planning, environmental health, parks, parking and led by economic development. Weekly meetings and short application process meant straight forward inquiries were dealt with in days. To date there have been 77 applications and more complex initiatives have included the suspension of parking bays to create outdoor seating areas.
- The council made a commitment to support any business having a dispute with their landlord over rent by writing to them to encourage flexibility. Furthermore, an agreement was struck with **Woodford’s Solicitors** in Fulham to provide free informal legal advice to any business looking for support in relation to their rights as tenants.
- Similarly, an agreement was struck with **Metro Bank Hammersmith** who offered to provide free informal advice to any business looking to access one of the Government coronavirus loan schemes namely the Coronavirus Business Interruption Loan scheme and the Bounce Back Loan Scheme.
- In partnership with Upstream, the business mentorship programme. **H&F Patch** launched to give local residents and businesses the chance to use their skills and experience to mentor local businesses struggling due to the COVID-19 crisis. The innovative business support service matches mentors with businesses which need financial, legal and digital marketing guidance. The UK’s leading digital venture builder, Blenheim Chalcot, based in Hammersmith Broadway, is one of the first local businesses to have joined the initiative, and will be offering legal guidance.
- The popular street **food market at Lyric Square** reopened on a scaled back basis in order to maintain social distancing. Currently running with a reduced number of 11 traders on Thursday’s and Friday’s it has more recently increased to operating a further day on a Wednesday on a temporary basis to allow all traders an opportunity to trade once a week.
- Steps are being taken to safeguard festive activities during the **Christmas period** in our town centre’s and high streets. A range of proposals are currently being explored including digitalising events such as carol singing by utilising technology like big screens in public spaces, allowing pop-up markets in specific high streets away from main shopping destinations and widening our charitable activities. The Shop Local Shop Safe campaign messaging will put an emphasis on doing Christmas shopping earlier than usual in order to maintain safe numbers of people using shopping destinations at any one time

and avoiding a rush as Christmas Day approaches. The branding for the campaign will also be updated to give it a festive feel.

- 4.2. The team were directly responsible for administering the Government's Discretionary Grant launched in order to provide a financial injection to those businesses that had been ineligible for the previous two grant schemes (The Retail, Hospitality and Leisure Grant, Small Business Grant.) Due to the finite amount received from the Government and the huge oversubscription of applications the team pulled resources and expertise from other departments including the finance and fraud and designed a scoring system in order to ensure those businesses most in need received a grant. In all the council received £2.4m and issued a total of 252 grants of up to £10k to businesses.

The council is currently waiting for further information from the Government on the new Business Grants and Job Support Scheme and will seek to get grants out as quickly as possible to struggling hospitality businesses.

## 6. Future workings- futureproofing the borough

- 6.1. The team have started to look ahead at workstreams that will help the borough tackle the challenges/opportunities caused by the pandemic. These include:

- **Upgrading the borough's broadband infrastructure.** The likely outcome of the pandemic is that continued home working will become the new normal even when the country comes out of the current crisis. Therefore, the council has partnered with a company called G-Networks in order to identify and upgrade all weak spots across the borough. So far, the project has seen work completed in Avonmore and Brook Green ward with proposals to extend borough wide.

The council are also part of **Fibre West** in partnership with the West London Alliance, Greater London Authority and Transport for London. The project aims to transform the sub-region into a global leader in 5G technology by building state of the art connectivity infrastructure across the 7 West London boroughs.

- **Digital Training.** The COVID-19 pandemic has brought into sharp focus the importance of having a visible online offer, with those businesses with a strong online presence performing far more strongly than those without. With the threat of a second lockdown a very real one, the council will be providing a **course of digital marketing** training sessions to equip businesses with the relevant knowledge to integrate business recovery planning with online marketing.
- **High Streets Recovery Group** Building on the cross-departmental approach taken when forming the "Our Space is Your Space" initiative the council has formed a **High Street Recovery Group** led by Economic Development in order to continue building a joined-up strategy platform to help create safe

and sustainable high streets ready to face the inevitable changes to the way we use our town centre's due to the pandemic.

- **Reopening High Streets Safely Fund.** The council has received funding from the **European Regional Development Fund (ERDF)**. The funds will help build upon the work already completed so far to create safer town centre's including widening pavements and footpaths and information and signage to promote safer shopping. The team are currently looking at acquiring the services of a footfall counting business to help us identify the current trends in terms of footfall traffic and demographics in our 3 main town centres along with employment of High Street Ambassadors to engage with businesses on a daily basis to ensure businesses have introduced and are following all Covid19 recommended guidelines to keep their staff and customers safe.
- **Local Supplier Support Project** to facilitate local SMEs' to access new business opportunities through major local developments, section 106 Employment and Skills obligations and key council contracts to maximise local social and economic value.
- **An Increased Business Support Offer.** This will include an employment project supporting and encouraging residents to establish their own micro enterprises or into self-employment. The project will also be geared to enhancing opportunities for disadvantaged individuals and supporting people with complex needs into secure self-employment.

### List of Appendices:

**All exempt information must be placed in an exempt appendix. As much information as possible must be in the open report, exempt appendices should therefore contain as little information as possible.**

### *Appendix 1*

#### **Economic Overview of Hammersmith and Fulham**

Hammersmith and Fulham is an inner London borough situated the centre-west. Bordered by six London boroughs (Brent, Ealing, Hounslow, Kensington and Chelsea, Richmond, Wandsworth) and covering just 1,640 hectares, it is the 3<sup>rd</sup> smallest local authority in London. Despite this, the borough's population of 187,600 makes it the 6<sup>th</sup> most densely populated borough in England with this projected to rise to 198,000 by 2027, an increase of 6%. Females (51%) make up slightly more of the resident population than males (49%) meaning the borough has a young, diverse and mobile population with fewer people near the retirement age and has a corresponding lower level of younger children.

Over 40% of residents were born outside of the UK with the northern part of the borough being the most ethnically diverse and with the greatest number of young



people. In all the Hammersmith and Fulham has the 7<sup>th</sup> largest population of short-term migrants in the UK (9% of population) making it one of the most polarised local authorities in the country. 80% of residents are economically active, with a healthy average household income of £50,260pa, and high educational attainment with 63% of the population educated to degree level. However, the borough does still retain pockets of deprivation, ranking as the 112<sup>th</sup> most deprived local authority in England with 1 in 4 residents living in poverty.

In terms of economic performance, Hammersmith and Fulham has the 5<sup>th</sup> most competitive economy in the UK and ranks in the upper quartile on economic resilience. The borough has 12,755 VAT / PAYE registered businesses, employing over 129,000 people (+20% since 2011) and over 6,000 self-employed sole traders & VAT-exempt enterprises. 97% of businesses are classes as small (<50 employees) and nine out of ten businesses are classed as micro enterprises (<10 employees.) The local economy is predominantly service led with key sectors being in Professional, Scientific and Technical services (27%), Wholesale and Retail (18%,) Information and Communication (15%,) Business Administration and Support (10%) and Accommodation and Food Services (7%). A high proportion of the businesses in these sectors tend to correlate with economic strength and growth, namely knowledge-based businesses in entertainment and creatives industries, tourism and life sciences. Major employers in H&F include: L'Oreal, BBC, Metropolitan Police, Imperial Healthcare, Omni Facilities Management, Walt Disney, Advanced Childcare Services - 3 football clubs in H&F employ more than 2,000 people. The borough also ranks 20<sup>th</sup> nationally for business density.

Notwithstanding the borough's inherent strengths, Hammersmith and Fulham does still have some areas of economic fragility. Business survival rates are low in comparison to London and England averages, with a low level of adaptive businesses i.e. businesses that can react to negative market changes. Indeed, the borough has a relatively low proportion of businesses in sectors considered to be resilient to economic shocks. H&F also has one of the lowest proportions of employees who work in the low carbon sector, identified as one of the fastest growing industrial sectors and levels of self-employment for women are almost half that of men and almost half the rate, they were 5 years ago.

Hammersmith and Fulham also make up part of the West London Alliance public sector partnership alongside the West London local authorities of Barnet, Brent, Ealing, Harrow, Hillingdon and Hounslow. The partnership delivers initiatives in the sub-region, working across borough boundaries and focussing on the priority areas of: economy and skills, employment support, mobility and transport, housing, health and care, and digital.

### **Industrial Strategy – background (four themes)**

The Council's Industrial Strategy was launched in July 2017 with the aim of making the Borough "the best place in Europe to do business" and ensuring that all residents and businesses benefit from economic growth within the Borough.

The Industrial Strategy is underpinned by four key themes:

West Tech, which aims to establish an innovation district around White City, focusing on an Innovation and Growth Partnership between the Council and Imperial College

Encouraging Enterprise, which aims to deliver more affordable workspace, drive superfast broadband and take an 'economic and social value' approach to procurement to create new opportunities for local firms and jobs and training for residents

A Great Place in London, which is aimed at improving town centres, promoting and developing the Borough's Arts, Culture and Leisure scene; taking steps to improve the reputation of Hammersmith & Fulham internationally; and building 10,000 new homes

People – Economic Growth for All, which aims to ensure that all residents share in the Borough's economic prosperity by leveraging relationships with anchor institutions, improving local supply chains and developing tailored apprenticeship and employment and training and business start-up support packages.

**H&F Shop Local Shop Safe Video** <https://www.hfcircles.co.uk/post/shop-local-to-help-out>



**Shop Local Shop Safe logo**

