

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** The Economy, Housing, and the Arts Policy and Accountability Committee

**Date:** 20 July 2021

**Subject: Update on the current and future provision of support for local businesses during and beyond the Covid-19 pandemic**

**Report of:** Karen Galey, Assistant Director for the Economy

**Responsible Director:** Joanne Woodward, Interim Strategic Director for the Economy

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### Summary

This report serves to update the Committee on the range of activity that the council's Business and Enterprise Team has undertaken to assist local businesses through further Covid-19 restrictions since the last update to this Committee in November 2020. This report also outlines the scope of planned business support initiatives until the end of March 2022.

### Recommendations

That the Committee both note and comment on the report.

**Wards Affected:** All

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### H&F Priorities

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

H&F Priorities	How this report aligns to the H&F Priorities
Building shared prosperity	Business support activity throughout the pandemic has centred around supporting the borough's businesses that have struggled against restrictions. Through a range of support grants, digital initiatives, and supply chain support, the council has sought to ensure that smaller businesses within the borough are as well-equipped as possible to meet the current and future challenges of the pandemic.
Doing things with residents, not to them	The borough's active Business Network has continued to meet biweekly, so as to ensure that

	local businesses have a strong voice in the council's proposals, such as those outlined in this report, to support businesses and promote growth.
Being ruthlessly financially efficient	The council has carried out extensive due diligence in examining all businesses and companies to whom grants and support have been awarded, ensuring that fraudulent applications are discarded, and all successful businesses are viable. The processes in place have ensured that only viable businesses with significant losses have received maximum grant payments.
Taking pride in H&F	A number of current and future initiatives to support businesses are centred around both the improvement of the public realm, and the continued safety of the borough as far as the pandemic is concerned.

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**Background Papers Used in Preparing This Report**

- i. Progress Report on Support for Local Businesses during Covid-19 Pandemic – Presented to this Committee in November 2020  
 Available at:  
<http://democracy.lbhf.gov.uk/documents/s114922/PAC%20Report%20Business%2010%20Nov%202020%20002.pdf>

**1. The local economic context in Hammersmith and Fulham**

- 1.1. Since the last update to this Committee, businesses across the borough have had to endure a second, and indeed a third, national lockdown. Though various restrictions have been gradually softening since April 2021, businesses still continue to face certain significant barriers to trade.
- 1.2. Although the high proportion of residents in managerial roles and highly skilled occupations, along with the subsequent prevalence of home-working patterns in the borough, have hardened the local economy to some of the adverse impacts of the pandemic, certain characteristics of the local economy have, however, made it vulnerable to certain Covid-related detriments. These characteristics, outlined below, are ones particularly prone to damage from the pandemic, and therefore ones which

have informed business support activity, and to which initiatives have paid particular attention:

- Around 1 in 5 jobs in the borough are within the retail/wholesale sector, one which has been significantly damaged nationwide. This impact could be lasting; over 40% of UK consumers expect to shop more online in the coming 2 years for items they would have previously bought in-store.
- Over 90% of businesses in the borough are micro-businesses, considerably more vulnerable to the effects of the pandemic than larger counterparts.
- Relative to the borough's size, its Arts, Entertainment, and Hospitality sectors are over-represented. The number of businesses involved in the night-time economy in the borough is 15% above the West London average. Nationally, economic output in this sector is down by 90%, a recent GLA study found the borough to be third overall across London, in terms of the proportion of employees at risk within the sector. The
- Prior to the pandemic, the borough was one of nine across London with a net inflow of workers; the extent to which demand for office space might remain low, and the severity of the subsequent effects on retail and hospitality businesses, remains blurred.

1.3. Whilst due consideration has been given to these sectors and characteristics of the borough which are susceptible to the pandemic and associated restrictions, initiatives undertaken by the Business and Enterprise Team have also been driven by the priorities set out in the Industrial Strategy, ensuring that the borough facilitates innovation, entrepreneurship, inclusive growth, and a thriving arts and cultural scene.

## **2. Overview of business support activity since November 2020**

2.1. In line with the majority of the organisation, the Business and Enterprise Team has continued to work remotely over this period. The team has slightly expanded, on a temporary basis, owing to the recruitment of four agency staff members to support the prompt distribution of the Additional Restrictions Grants (ARG). An overview of this grant distribution process, as well as the other business support initiatives delivered by the Business and Enterprise Team, is detailed below:

2.2. **Distribution of the ARG** – Since November 2020, various rounds of the ARG have been opened to applications, ensuring that all eligible businesses have had the chance to apply for financial support. Over 400 businesses have received a grant from an entire fund of £5.3m. A series of priority sectors and business were identified in light of the borough's Industrial Strategy, and also some of the borough's vulnerabilities, including:

- Retail, hospitality, events, and arts businesses, along with their suppliers which were not required to close but nevertheless severely impacted by restrictions. Just under a quarter of all payments were received by these businesses.
- Home-based microbusinesses with significant fixed costs
- Businesses outside of the business rates system, which were effectively unable to trade, such as market traders
- Growth sector businesses within the tech, life-science, and wider STEAM sectors
- Self-employed individuals in receipt of the self-employment income support scheme (SEISS), who had received no other significant financial support

2.3. **Our Space is Your Space** – The Our Space is Your Space initiative was re-introduced following the easing of the third national lockdown in order to increase the outdoor space available to businesses for trading. A total of 150 businesses have now benefitted from new or increased outdoor trading space. For businesses who had not been able to increase their floor space on the public highways, parking bays have been adapted to provide temporary outdoor seating areas. The extensive marketing of this initiative recognises both the high risk to hospitality employees and businesses in the borough, as well as the growing importance of vibrant high streets.

2.4. **High Street Ambassadors** – Over the Christmas period, 10 High Street Ambassadors were recruited. The ambassadors worked within the borough's town centres, encouraging social distancing, mask-wearing, and engaging with businesses to ensure rules were both clear and followed, ensuring that consumers were able to shop both confidently and safely.

2.5. **Shop Local, Shop Safe** – The Shop Local, Shop Safe campaign was refreshed in December 2020 with a focus on the Christmas period. The campaign, with seasonal branding, principally focused on encouraging consumers to shop in smaller, local shops across the borough's various town centres. The campaign also promoted safer habits such as shopping in advance of Christmas to avoid busier periods.

In the spring, a welcome back campaign was launched which included localised branding for every high street. This initiative was marketed heavily ahead of the easing of restrictions.

2.6. **Broadband improvement initiatives** – In light of the borough's relatively significant number of home-workers and the likelihood of said patterns of working being sustained, the council has continued its partnership with G-Net to identify and upgrade weak spots across the borough in terms of broadband. An £100m investment, with further investment in 1250 staff, mostly local, will ensure that all spots of poor coverage in the borough are addressed and improved by the end of 2024. This investment will both facilitate better home-working for residents, as well as serving to

continually improve the borough's infrastructure for investment by tech and creative businesses.

- 2.7. **Arts Council England's Cultural Recovery Fund** – Various of the borough's arts and cultural institutions have been supported in obtaining funding from the Art Council England's Cultural Recovery Fund. The Lyric Theatre, the Bush Theatre, the Irish Cultural Centre, and Bush Hall have benefitted from over £750k worth of funding, which has been vital in re-establishing the cultural industries as a key growth sector of the borough, and ensuring that sectors key to the delivery of the council's Industrial Strategy have benefitted from recovery support.
- 2.8. **Start-up business senior school** – 8.7% of 50+ residents in the borough are on work-related benefits, higher than the London average. This figure roughly doubled between February 2020 and February 2021. The start-up senior school ran between January 2021 and March 2021, inviting recently unemployed residents over the age of 50 to gain valuable insights into the process of starting a business, using peer support and facilitated discussions to build confidence. 81 residents were engaged in this programme, and a further 22 coaching sessions were provided to residents who had actually started their own business. These businesses range from walking tours of the local area, to an IT systems change agency. In light of the success of the initial programme, another course will run in September 2021. This initiative complements the ongoing work within Employment & Skills; within a recent DWP scheme launched in February 2021, 35% of all residents supported were above the age of 50.
- 2.9. **Digital skills** – Around 150 businesses recently took part in two digital crash courses. These sessions are a precursor to a more extensive package of digital skills support for businesses, in light of the accelerating importance of digital presence driven by the pandemic.
- 2.10. **H&F Enterprise Club** – The Enterprise Club has continued in a virtual capacity. Here, residents and businesses in the borough can receive advice on issues spanning marketing to accountancy from a series of experienced business advisors. The Enterprise Club continues to reflect the council's commitment to help businesses not only start-up, but also to continually improve and grow.
- 2.11. **1-2-1 business advice clinics** – The council has continued to deliver free 1-2-1 business advice clinics since November, led by experienced business advisors. These sessions cover everything from the first steps in starting a business to marketing strategies. Sessions are bookable via Eventbrite and are generally sold out within a couple of hours of having been made public.
- 2.12. **Affordable Workspace** – The Business and Enterprise Team continues to seek opportunities to deliver affordable workspace for local businesses. Existing partner Romulus has agreed to offer six local businesses per year the opportunity to access desk space and wider facilities at a rate of £5 per

day. It is hoped this scheme will be expanded in coming months according to the loosening of government restrictions around working from home, allowing the borough's home-workers, businesses, and town centres to be a prime example of innovative new working and living styles. The council is also seeking to build partnerships with other flexible workspace providers over the coming months.

- 2.13. **Local Supplier Project** – The Local Supplier initiative seeks to engage with local SMEs, both within the council and beyond. The project's overarching aim is to support businesses in becoming tender-ready to win commercial contracts in the construction sector from the many development opportunities in the borough, reflecting the council's commitment to supporting local firms
- 2.14. **Business Network** – The Business Network is a borough wide stakeholder engagement group consisting of representatives from the borough's Business Improvement Districts, business associations, shopping centres, higher education, FSB, The Chamber and other interested business representatives and professionals. The group of more than 50 representatives is chaired by the Borough Business Champion, Cllr Guy Vincent and meets via Zoom every two weeks. The group has worked collaboratively throughout the pandemic to deliver outcomes that will support and facilitate economic recovery, business retention and town centre/high street resilience. Proposed business recovery projects are now discussed and reviewed by the group as part of the decision-making process.
- 2.15. **Business Desk** – The business support desk and helpline are important tools for businesses. Across both emails and calls, the Business and Enterprise Team currently handles over a hundred enquiries per week from businesses through these channels.
- 2.16. **Osome** – In partnership with Osome, an accounting firm, the council has begun to hold free webinars for local businesses, on topics ranging from E-commerce and online marketplaces, to growth forecasting. These webinars have been delivered by Osome at no cost to the council.
- 2.17. **Communications** – As has been the case throughout the pandemic, the council website, along with business-specific social media pages and a targeted business connects newsletter have allowed the Business and Enterprise Team to disseminate a range of information to businesses, ranging from advice and clarity on local restrictions to support available at a local, regional, and national level.
- 2.18. **Further Grants and Business Rates Relief** – In addition to the ARG scheme, the business rates team have issued over £46m to over 3000 businesses since October 2020. This financial support was in the form of grants such as the Restart Grant and the Local Restrictions Support Grant. These further payments bring the total amount issued by the business rates team since the onset of the pandemic to £93m. Furthermore, full

100% Business Rates Retail Relief was also awarded to nearly 2800 businesses in 2020/21 for a total of £134m and this full relief has carried forwarded for the first 3 months of 2021/22. However, from the 1<sup>st</sup> July 2021, this relief reduces to 66% and the relevant businesses will be required to pay 34% of the charge for the remainder of the year. Re-billing for these Business Rates is currently ongoing.

### **3. Future recovery-focussed support for local businesses**

- 3.1. As a result of having been able to distribute the whole ARG fund of £5.3m to businesses in the form of support grants between November 2020 and July 2021, the council has been able to access an additional £2.2m of business support funding, to be used by the end of March 2022. Further to this, the council has also received £167,000 from the ERDF Welcome Back Fund (WBF), to finance activity which promotes a both safe and prosperous reopening of the economy. The form this support will take over the coming months is detailed below:
- 3.2. **A £1.2m Recovery Fund** – 40% of applications to the initial ARG fund were from Arts, Entertainment, and Hospitality businesses. As a result of certain eligibility criteria, however, these businesses accounted for just under 25% of businesses paid. There is, therefore, strong evidence to suggest that many businesses in the borough from this over-represented sector still require support. This recovery fund will target businesses who have received support other than the ARG, or indeed no support, and offer them a lifeline. Priority will be given to businesses from struggling sectors such as hospitality and in the tourism industry. At least 200k will be ringfenced for arts businesses, as an area that forms part of the borough's bustling creative sector and is a key strand of the council's Industrial Strategy.
- 3.3. **High street and town centre strategy development** – To an albeit unknown future extent, high streets and town centres have transformed drastically due to the effects of the pandemic. Through a combination of footfall data, empty shops data, commissioned town centre plans and place-based marketing initiatives and training, the council intends for each high street and town centre in the borough to have its own tailored plan. This plan would set out short and long-term projects to contribute towards a wider strategy, reimagining said high street to prove resilient and prosper in the post-pandemic world. The council will soon embark on a partnership with the Wandsworth Bridge Road Association to carry out a similar piece of work via a successful bid to the GLA's High Street Challenge.
- 3.4. **GLA High Streets Data Service** – The council has subscribed to the GLA's new High Streets Data Service. The service will enrich the data collected around high streets, allowing access to information such as spending patterns, footfall, and visitor numbers. This partnership and data will inform wider high street strategy development as referred to in paragraph 3.3, as well as supporting high street recovery and facilitating better knowledge-sharing across London boroughs.

- 3.5. **E-Commerce platform** – The continuing rise of online shopping, particularly large e-commerce platforms such as Amazon coupled with the changing nature of the high street brought about by the pandemic are going to require intervention. Therefore, it is vital that we invest in services that allow our independent retailers to compete with these online giants. In H&F we are proposing to invest in an online e-commerce and local delivery platform that will create a “virtual high street” allowing residents to keep spend in the local economy even when online. This platform will enable residents to purchase multiple commodities from multiple businesses via one transaction which will be delivered on the same day. Orders will then be collected and taken to a distribution hub in the borough to be consolidated prior to delivery. All deliveries will be carried out by green transport, supporting the council’s wider climate change ambitions.
- 3.6. **Digital training package** – This initiative will seek to procure specialist digital marketing training, along with website development services for small businesses within the borough, to either develop or build on an existing online presence.
- 3.7. **Public realm improvements** – A high street arts project aimed at installing artwork and vinyl dressing on the facades of empty units as well as pavement widening in Brackenbury Village are proposed as possible improvement projects. Adding to the vibrancy, attractiveness, and space of the borough’s high streets is an important element of future-proofing town centres which will need to be visitor friendly destinations, should the borough’s town centres fail to maintain its net inflow of workers. Commissioned artwork from local artists would also allow the council to support a sector that is vitally important to its wider aims.
- 3.8. **Free membership to the Federation of Small Businesses** – The pandemic has only served to reinforce the importance of continued focus on business resilience. The council is seeking to bulk-buy subsidised subscriptions to the FSB for its businesses which would give them access to a wealth of tools, knowledge, and advice, ranging from business banking to legal advice, that would ultimately serve to bolster the resilience of the local economy and allow local businesses to remain up to date on the latest events, opportunities, and innovations.
- 3.9. **Fit-to-bid supply chain support** – Allowing local businesses to access the fit-to-bid programme resources and workshops will better prepare local businesses for the submission of successful bids to council contracts by facilitating bid-writing workshops and access to live tenders.
- 3.10. **Support for Arts and Cultural Institutions** – Building on some of the existing support that has been provided to these institutions, officers have also ensured that grant funding possibilities are widely circulated through its arts networks, and that support has been offered in the development of applications to these funds, such as Civic Futures, Community-Led Recovery Programme, and Make London.



- 3.11. **Business Portal** – The Business and Enterprise Team is in the process of commissioning and building a Business Portal for local businesses. Through a Customer relationship management (CRM) system, businesses will be able to book events, access information, and contact the council in a swifter and easier fashion than previously. This portal will also serve to promote the borough as an ideal location to do business within London.