

CORPORATE FINANCE AND PERFORMANCE SCRUTINY PANEL	DATE 16 September 2021
TITLE Cabinet Member for Business and Economic Growth – Portfolio Update	ITEM NO 5
CHIEF OFFICER Director Regeneration Enterprise & Skills	CABINET MEMBER Business and Economic Growth
DECISION CLASSIFICATION Non-Key	

1. **Decision required**

This report makes the following recommendations to the decision-maker:

- 1.1. To note the update on the Business and Economic Growth portfolio.

2. **Links to the Royal Greenwich high level objectives**

- 2.1. This report relates to the Council's agreed high-level objectives as follows:

- 2.2. Economic Prosperity for All: support more people into work, support business start-ups, lift residents out of poverty, give all residents opportunities to prosper. The relevant portfolio priorities under this theme are to:

- support business growth in the borough including start-ups to help to diversify employment opportunities
- work to ensure all businesses in the borough pay a fair wage and offer good working conditions
- support more people into work including apprenticeships, by supplying good quality employment opportunities and support to improve their skills
- create the conditions that make Greenwich attractive to companies that offer high value jobs improve the town centres improved transport infrastructures and services of relevance to the smart cities work.

- A Great Place To Be: improve the town centres; provide equality of access for all, reduce social isolation, improve cultural offer and showcase local talent.
- A Healthier Greenwich: support for those experiencing mental health issues, address food poverty and poor nutrition, reduce obesity and childhood obesity levels
- A Safer Greenwich: foster cohesive communities and counter radicalism

3. Purpose of Report and Executive Summary

- 3.1. The Cabinet Member's portfolio falls principally under the Corporate Plan's theme of 'Economic Prosperity for All', which sets out Royal Greenwich's ambition to develop a Borough where every individual and business can prosper. The delivery of this portfolio is highly reliant on securing and managing external funding to deliver employment, skills and business activities. In addition, a key element is working corporately and with partners, stakeholders and employers to ensure training, skills and apprenticeship provision supports the local economy. This report provides an update on Business and Economic growth Portfolio taking account the impact of the COVID 19 pandemic.

4. Introduction and Background

Economic Impact

- 4.1. The economic impact of Covid-19 has been rapid and unprecedented. In respect to the economy, the focus of the work has been on supporting business survival during the various lockdown periods, when large parts of the economy were forced to close or businesses saw their trading income fall drastically as a result of restrictions around social distancing and household mixing.
- 4.2. The immediate priorities were getting grant support out to businesses to help with cashflow and help to protect and safeguard as many jobs in the borough as possible.
- 4.3. The council has performed strongly in this area. Since November 2020 circa 3,615 grants have been paid out to businesses totalling £8.9M. Section 6 sets this out in more detail.

- 4.4. **Rising unemployment, fewer in employment:**
- 4.5. The latest unemployment claimant count for Greenwich is 7.4% (14,495) as of July 2021. This is up from 2.8% (5,540) in July 2019 but slightly down from the July 2020 figure of 7.9% (15,405). Greenwich has a slightly higher claimant count rate than London (7.3%) and nationally (5.5%) for same period. The latest employment rate figure for Greenwich was 80.7% up to December 2020 slighter higher than London (80.1%) in same period.
- 4.6. **Increasing numbers of UC and JSA claimants aged 16 -24 years:** In July, Greenwich had a higher number of 16 -24 yr. olds claiming than the London average for the same period. The London average is 8.9% as of July 2021 and Greenwich is 1.8% higher than London average at 10.7%. The Greenwich figures have been higher than London average by at least 1.5% since April 2020, the start of the Covid restrictions. This is compared to 4.0% (955) in Greenwich and 3.3% for London.
- 4.7. Government support through the furlough scheme has helped to hold down unemployment but support is being wound down and due to cease at the end of September.
- 4.8. **People furloughed on Coronavirus Job Retention Scheme (CJRS):** As of July 31st, 2021, 11,800 out of 127,300 eligible employments were furloughed, a 9% take up. Furlough numbers are down from 15,200 in September 2020 (11% take up) and significantly lower than a peak of 41,700 in August 2020. In Greenwich, accommodation and food sectors were hardest hit, affecting over 26% of all furloughed employees in the borough. This is followed by Arts and Entertainment at 9%. The Job Retention Scheme is due to end on 30 September 2021.
- 4.9. The council launched a new integrated offer in November 2020, to provide early access to residents who had either lost their job or were at risk of being made redundant as a result of the COVID-19.

4.10. The offer provides a single point of access to employment, housing and welfare advice services. Since the scheme was launched in October 2020, over 440 residents have registered for support. The Council has relaunched the offer to signpost those being impacted by the final closure of the furlough scheme at the end in September 2021. In summary:

- 365 residents have required employment support,
- 42 have been prioritised for Welfare Rights Support and
- 37 for Housing Inclusion support.

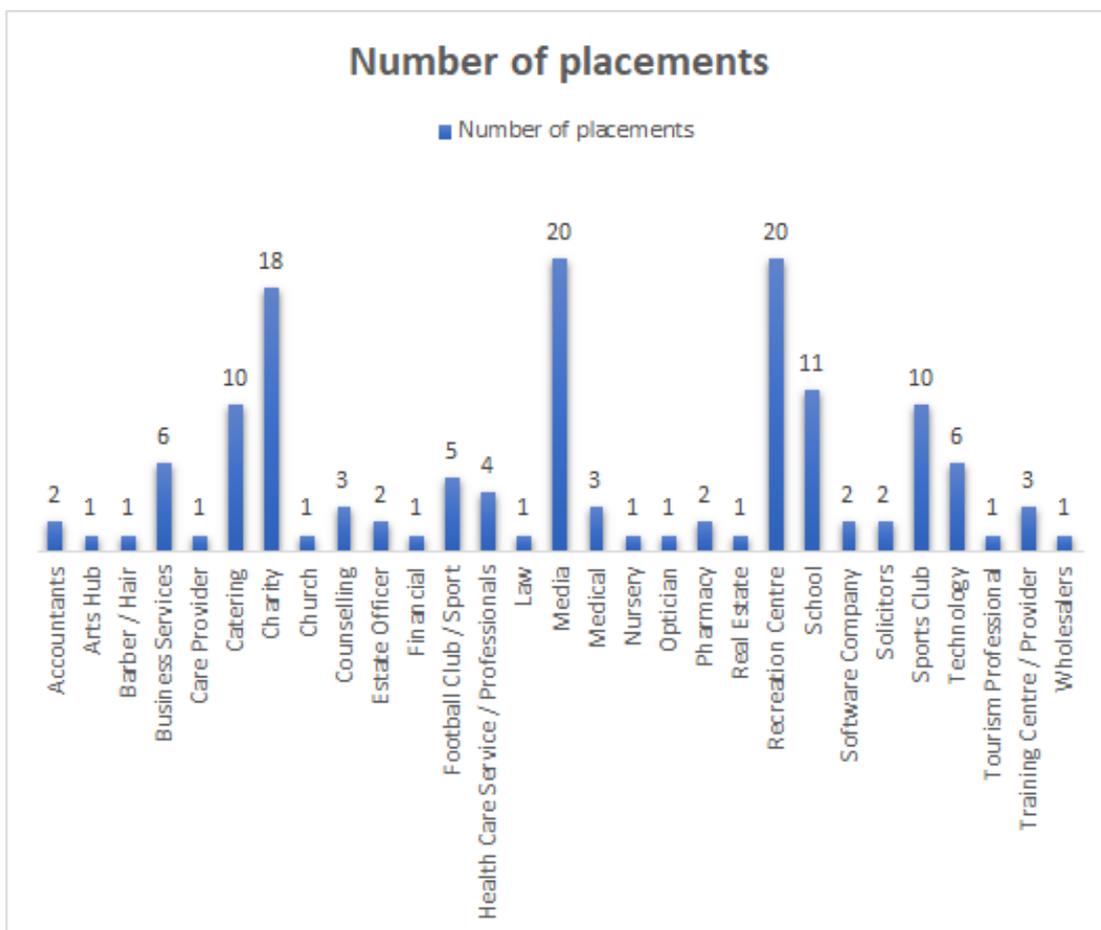
Job Recovery and Kickstart

4.11. The council acts as an intermediary gateway organisation for the Government national £2bn Kickstart scheme.

4.12 The Kickstart Scheme provides funding to employers to create jobs for 16 to 24-year olds on Universal Credit, who are at risk of long-term unemployment. The Funding covers 100% of the National Minimum Wage or National Living depending on the age of the participant) for 25 hours per week for a total of 6 months. Associated employer's national insurance contributions and minimum automatic enrolment pension contributions are covered by the scheme.

4.13 To date, the council has worked with 41 employers to secure funding for 140 work placements. To date 51 of these have been filled and the remainder are being progressed to go live in September 2021. The scheme is due to end in December 2021.

4.14 The graph below shows the Work placements by sector.



4.15 The council has secured a contract to deliver the Government’s new Restart Programme. This programme is funded by Department for Work and Pensions (DWP) and forms part of the national ‘Plan for Jobs’. It aims to provide intensive and tailored support to people unemployed for 12 months or more, to find work.

4.16 GLLaB is contracted to deliver 50% of the contract in the borough, alongside the prime contractor, Maximus Peoples Services. The total contract value is £6.8m. This is largely a performance by results programme which aims to support just under 5,000 unemployed residents into work over 56 months and therefore funding will be dependent on moving people into sustained employment.

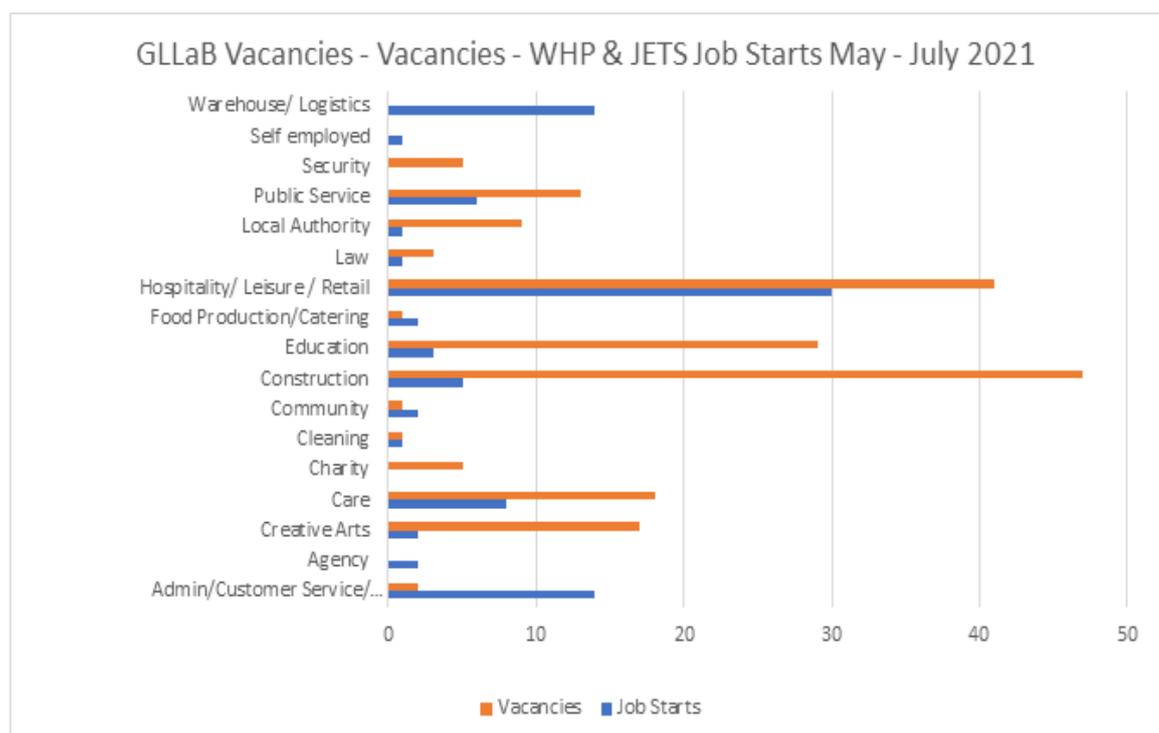
4.17 The scheme went live in July 2021, but initial referral numbers have been below indicative numbers set out by the DWP but have started to pick up in August 2021. To date there have been 16 people referred and

started on the programme. GLLaB has supported the first resident into work.

4.18 In addition to this, GLLaB continue to deliver two targeted programmes, as part of the devolved Local London Partnership as a sub-contractor to Maximus:

- (i) **Work and Health Programme (WHP)**, an important provision to ensure people with health conditions and disabilities are not left behind. Since March 2018, 334 people been supported to find work, of which 137 (41%) have achieved the required earning threshold of £3,707 over a 6-month period.
- (ii) **Job Entry Targeted Support (JETS) scheme**, which was launched in November 2020, as part of the DWP response to support people who have lost their jobs due to the pandemic. Despite high volumes of ineligible referrals, 80% of the 109 people that started work achieved the sustainment earnings threshold of £1000 within a 2-month period.

4.19 The graph below shows the available vacancies by sector compared to sectors customers secured work in, with increasing vacancies in the hospitality / leisure / retail and construction sectors.



- 4.20 **Greenwich Access to Apprenticeships Fund:** Despite challenges posed by Covid-19, we remain committed to supporting employers to create apprenticeships through the ‘Greenwich Access to apprenticeship Fund’ scheme. The scheme allows us to transfer 25% of the council’s unspent levy to non-levy paying businesses, to 100% of apprenticeship learning costs.
- 4.21 Following a successful virtual launch in November 2020, which 60 employers attended, the council went on to identify 26 new apprenticeship opportunities with local SMEs and in the council supply chain. This included standards in Historic Environment Advice Assistant, Digital Marketing, Business Administration and Professional Accounting.
- 4.22 Despite some employers delaying recruitment due to the ongoing uncertainty, the initiative has led to 16 people securing apprenticeships to date.
- 4.23 Further funding for phase 2 has been secured from the council’s unspent levy fund to create additional placements over the next 12 months. So far four additional starts have been secured in the following standards:
- Level 2 Recruitment Coordinator with Famous Recruitment
 - Level 3 Training Assistant with SV Academy
 - Level 3 Finance Assistant with SV Academy
 - Level 3 Letting Admin with Good Neighbours Estate

5. Economic Development Strategy (EDS)

- 5.1. Work is underway to refresh and update the draft strategy and in particular to reflect the very different economic conditions as a result of the pandemic as well as set out priorities and actions that create opportunities for people, businesses, places and communities to grow in an inclusive and sustainable way. This is an emerging piece of work and will include a clear focus on Greening the Greenwich Economy, with actions to deliver on the council’s Carbon Neutral plan and Community Wealth building agenda. The refresh strategy will also consider how the strategy should align the local economic recovery priorities with those set out by the nine recovery missions developed by the Mayor’s London Recovery Board which include:

- **A Green New Deal** - Tackle the climate and ecological emergencies and improve air quality by doubling the size of London's green economy by 2030 to accelerate job creation for all.
- **A Robust Safety Net** - By 2025, every Londoner is able to access the support they need to prevent financial hardship.
- **High Streets for All** - Deliver enhanced public spaces and exciting new uses for underused high street buildings in every Borough by 2025, working with London's diverse communities.
- **Helping Londoners into Good Work** - Support Londoners into good jobs with a focus on sectors key to London's recovery. • **Mental Health and Wellbeing** - By 2025 London will have a quarter of a million wellbeing ambassadors, supporting Londoners where they live, work and play.

6. **Covid-19 Support to Businesses and Grants**

- 6.1. The administration of the COVID-19 Business grant schemes falls across two portfolio areas, generally split between schemes for business rated premises and discretionary funding, largely for businesses who do not pay business rates.
- 6.2. The primary purpose of all schemes is to support businesses that are required to close as part of the government's restrictions or businesses that can remain open, but trade has been significantly impacted by the Coronavirus pandemic.
- 6.3. Business Rated Schemes:
- Local Restrictions Support Grant (Closed)
 - Local Restrictions Support Grant (Addendum)
 - Local Restrictions Support Grant (Sector)
 - Christmas Support
- 6.4. Discretionary Grant Schemes Restart Scheme
- Local Restrictions Support Grant (Open)
 - Additional Restrictions Grant (ARG)
 - ARG Top Up
 - Hospitality Recovery Grant Scheme
 - Sector Recovery Grant Scheme

6.5. The table below provides a breakdown of grants.

Name of Grant	Applications received	No of Grants Paid	Grants Paid (£)	Budget	Total Budget	Balance
Local Restrictions Support Grant (Open)	0	522	591,255	731,815	731,815	140,560
Additional Restrictions Grants (ARG)	1,605	2,213	3,828,942		5,758,840	-9,432
Additional Restrictions Grants (ARG) Top Up payment	0	605	2,557,804		2,557,804	
Hospitality Recovery Grant (HRG)	402	258	1,012,000			
Sector Recovery Grant (SRG)	20	13	925,000			
ARG Business Support (ARGBS)		4	2,330			
Totals	2,027	3,615	8,917,331	731,815	9,048,459	131,128

6.6. **The Local Restrictions Support Grant (Open)** - This scheme covers businesses severely impacted rather than closed when the council was placed into Tier 2 restrictions, up to the date national lockdown commenced. (17th October 2020 to 4th November 2020). The Council received a total of £731,815 over two instalments in respect of this scheme, based on the Government estimation of the number of eligible businesses in the borough.

6.7. The eligibility criteria set by government were as follows:

- Grants of up to £934 per 28-day period for businesses occupying premises with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions.
- Grants of up to £1,400 per 28-day period for businesses occupying premises with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions.

- Grants of up to £2,100 per 28-day period for businesses occupying premises with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions.
- 6.8. In April 2021 the government introduced a deadline of 30th June 2020 by which the grants funding had to be spent across a number of the schemes: In total, 522 grants were paid out totalling £591,255.00. The £140,560 unallocated funding will be returned to the government. This was due to the over estimation of the number of the eligible businesses and a nationally reported issue.
- 6.9. **The Additional Restriction Grant ARG:** The Additional Restrictions Grants (ARG) scheme which was launched by central government on the 31st of October 2020.
- 6.10. Funding has been given to local authorities to help businesses outside the business rates system, which have been effectively forced to close. The fund also supports businesses which, while not legally forced to closed, are nonetheless severely impacted by the restrictions put in place to control the spread of Covid-19. For example, businesses which supply the retail, hospitality, and leisure sectors and businesses in the events sector.
- 6.11. In addition to taking applications from businesses that had been adversely impacted by government restrictions, the council has devised schemes to support those sectors that were most adversely impacted.
- 6.12. The ARG budget is £5,758,840 and this has been split against three main headings which are as follows:
- **Hospitality Recovery Grant (HRG)** - supports businesses operating within the hospitality sector that have been significantly affected by the national lockdown and Local Tier 2/3/4 restrictions. The grant is intended to help meet existing fixed costs such as rent and business rates as well as any costs associated with the safe reopening of the business. This is supplemented by the Restart grants which businesses were eligible to receive from April 2021. The council secured £10.7m in Restart Funding to support hospitality and retail businesses.

- The **Sector Recovery Grant (SRG)** scheme provides grants of up to £75,000 to businesses providing support to other businesses or groups representing key sectors or areas in the Royal Borough of Greenwich economy.
- **ARG Business Support.** This relates to general business support that benefits more than one business e.g. Street Eats, the council's pop-ups which provide further outside seating areas for customers of participating venues in the vicinity to support local pubs, restaurants and cafés as they start to reopen by maximising outdoor space throughout the summer.

6.13. All the above grants to support business in the hospitality scheme and ongoing support to businesses in greatest need, resulted in the full £8.9M allocation being spent by June 2021. A total of 3,093 business in relation to ARG the split can be found in the table above.

6.14. The table above shows the number of grants that have been paid against each of the items specified above. In order to access additional ARG funding of £1.8m the council had to demonstrate that all the ARG allocation had been spent – hence the overspend of £9,432.

7. **Business Support**

7.1. The council has secured a range of funding to deliver business support programmes targeted at start-ups, businesses trading for more than a year and businesses seeking to grow and secure new markets. In summary:

7.2. **Pavement Licences** - through the Business and planning Act 2020 introduced a temporary fast-track process for businesses to obtain permission, in the form of a “pavement licence”, and waived the cost of pavement licenses to September 2021 - so that as many hospitality businesses can re-open as possible. To date 51 applications have been made and 31 Licences have been issued.

7.3. **The E-Business programme** was introduced in 2014 and has run for two phases, both funded by the council and contracted to South East Enterprise to deliver, with a third phase commencing in September managed by Local London and funded by Strategic Investment Pot (SIP). Both phases 1 & 2 set out to support existing businesses to improve

their knowledge, skills and application of digital businesses tools. Phase 1 successfully met all the objectives set and was completed in 2017.

- 7.4. Phase 2 started in January 2018 and was extended to May 2021, for five months, to cover the gap in service provision before Phase 3 commenced. All the Phase 2 targets were exceeded; 619 business supported, 155% of target; 1089 personal training days delivered, 128% of target; and 1068 consultancy days provided. Both the extension of Phase 2 and the new Phase 3 is funded from Local London Strategic Investment Pot (SIP).
- 7.5. **The Local London E-Business Support Programme:** the new £5m E-Business Support Programme will help more than 4,500 SMEs in the Local London area, to set up or develop their e-commerce potential, will launch shortly. The 3-year programme is based on the Greenwich E-Business Phase 1 and 2 schemes. South East Enterprise won the tender to deliver the Greenwich and Bexley programmes.
- 7.6. **Fit to Supply** - The borough is a partner in the European Regional Development Fund (ERDF) funded project 'Building Legacies' (BL). The Programme launched in April 2017 and will run to December 2021. Over Building Legacies – Phase 1 and Building Legacies – Phase 2 overall cumulative total for contract wins is £1.52 m and incorporates the £900k contract wins secured in Building Legacies Phase 1 and £622k achieved during Building Legacies Phase 2, for Greenwich.

Supplier Engagement	Programme Target (June 2021)	Actual (June 2021)
Value of tenders won	£2.5 mil	£3.5 mil
Business supported (12 hours)	50 57 (total contract target)	53

- 7.7. Buyers formally engaged to-date: Lovells, Wilmott Dixon, Barratt London, Thames Tideway, IKEA, L&Q, University of Greenwich, Vallectric and Mace.
- 7.8. **GLA Business Employment Hub based in Woolwich Library.** Local businesses can also receive online and face to face support through a number of businesses support programmes delivered through the GLA's London Business Hub. The service is currently focussed on

helping London businesses through the challenges of the COVID-19 pandemic. Specialist business advisors also provide advice on how to make best use of current UK government Business Support and run a number of workshops/ Webinars on supporting businesses.

- 7.9. **Best of Greenwich Awards 2021** – The 4th annual Best of Royal Greenwich Business Awards has been launched. This is being delivered in in association with U+I and supported by the South East London Chamber of Commerce. The aims of the Awards this year is to celebrates and recognise what businesses have achieved over the last 18 months despite the challenges of the pandemic. It also recognises how businesses have adapted and innovated to sustain their business.
- 7.10. All the award categories are open to businesses of all sizes and sectors that are located within the borough. The Awards are free to enter and provide an opportunity for micro and small businesses as well as larger organisations that help drive the local economy to shine a spotlight on their successes and achievements. The award categories seek to showcase businesses from all sectors and industries including retail, hospitality, creative and service industries, tourism and manufacturing. Businesses may nominate themselves for one or more of the individual award categories

Submissions for @ 03/09/21			
Award	Completed	In progress	Grand total
Food and Hospitality Award	17	17	34
Greener Greenwich Award	7	9	16
Health and Wellbeing Award	14	9	23
Workforce Development Award	7	7	14
Made in Greenwich Award	25	19	44
Young Entrepreneur Award	6	5	11
Tourism and Culture (Visitor Recovery) Award	9	3	12
High Street Retailer Award	17	13	30
Innovation Award	12	10	22
Grand total	114	92	206

8. Town Centres

- 8.1. Town centre footfall continues to increase across our town centres with the latest footfall summaries below:
 - 8.2. **Eltham Town Centre:** at August 2021 footfall was 252,364, this was up 2.1% on previous month (July) and an increase of 12.7 % on August 2020.
 - 8.3. **Greenwich Town Centre:** at August 2021 footfall was 662,242, an increase of 10.4% on the previous month and 25.2% on August 2020.
 - 8.4. **Woolwich Town Centre:** at August 2021 footfall was 279,359, this is down – 6% compared to July 2021, which was also down on the previous month. However, footfall was up by 28% compared to August 2020.
 - 8.5. The year on year monthly figures indicate that for July 2021 on average footfall rose by 38.4.% in London and 31.7% in the UK.
 - 8.6. **High Streets for All:** The council submitted an Expression of Interest (EOI) on 17th May 2021 for Greenwich Town Centre. The aim to support recovery of the high street which had been impacted by international tourism and where many of the attraction had reported 90% reduction in visitor numbers.
 - 8.7. The key themes include to reactivate the day and develop an evening economy through themed food and craft night markets and cultural activation linked to retail and other offers.
 - 8.8. The Council has been awarded £20,000 from the GLA to develop the final bid which will include local engagement, capacity building, and co-design of high street/town centre strategy by 18th October 2021.
- High Streets Opening Safely / Welcome Back Fund**
- 8.9. The Welcome Back Fund aims to allow local authorities to put in place additional measures to create and promote a safe environment for local trade and tourism, particularly in high streets, as businesses fully reopen. The fund can also be used by local authorities to:

- Boost the look and feel of their high streets
- Run publicity campaigns and prepare to hold events
- Install and refresh signage and floor markings to encourage social distancing and safety.
- Improve green spaces on high streets and town centres

8.10. **Shop Local** - Greenwich One Card. The Council, in partnership with Greenwich Leisure Limited (GLL), has an existing business discount card, which has over 40,000 leisure members; 118,500 library members; and nearly 200 offers from local businesses for people who live or work in the borough. We are now building on this work and plan to rebrand and relaunch the Greenwich One Card, with a formal launch in Autumn 2021.

8.11. The Shop Local campaign is in response to retailers facing the ongoing challenge of potentially big shifts in consumer buying and spending habits and to encourage residents to shop local to help small / independent businesses and to protect jobs.

8.12. **New visitor website:** Work is underway with Visit Greenwich to develop a Visitor-facing website for local people, which seeks to combine Shop Local with Enjoy Local. The new website will be a mobile friendly site designed to support a hyper local experience based on where people are with information on offers nearby e.g. what to do, where to eat, where to visit – to encourage greater dwell time and spend.

9. **Available Options**

9.1. Not applicable. The report is for noting only.

10. **Preferred Option**

10.1. Not applicable.

11. **Reasons for Recommendations**

11.1. Not applicable. The report is for noting only.

12. Consultation Results

12.1. Not applicable

13. Conclusion

13.1. Good progress has been made in delivery of this portfolio and in securing funding to support the delivery of future phases in the recovery and building resilience in the local economy and supporting residents who have lost their jobs into new employment.

14. Cross-Cutting Issues and Implications

Issue	Implications	Sign-off
Legal including Human Rights Act	The purpose of this report is for the Scrutiny Panel to note the update on the Business and Economic Growth portfolio. It is for noting and discussion only and therefore there are no legal implications arising from the report	Davidaire Horsford, Assistant Head of Legal Services 8/9/2021
Finance and other resources	The report provides an update on the Business and Economic Growth portfolio. This includes highlighting the economic impact of COVID-19. This included the priority of getting grant support out to businesses to help with cash flow and help to protect and safeguard as many jobs in the borough as possible. Since November 2020 circa 3,615 grants have been paid out to businesses totalling £8.9M. Section 6 sets this out in more detail. The grant funding has been met via various grants streams from Central Government and as such there are no additional financial	Michael Bates Assistant Director of Corporate Finance, 7 September 2021

	implications for the council arising from this report.	
Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.	Michelle Rankin Assistant Director Employment & Skills 20/08/2021
Climate change	This paper includes an update on current Business Support Programmes, the E-Business Programme Phase 1,2 and 3 and Building Legacies Programme has provided support to business to produce sustainability action plans required for successful tenders for new business. This supports Greenwich Carbon Neutral Plan agreed by Cabinet on 18 November 2020 to conduct a programme of business support for SMEs to reduce carbon emissions.	Michelle Rankin Assistant Director Employment & Skills 20/08/2021

15. **Background Papers**

None

Report Author: Michelle Rankin, AD Business, Employment & Skills

Tel No: 020 8921 3906

Email: michelle.rankin@royalgreenwich.gov.uk

Reporting to: Pippa Hack, Director Regeneration Enterprise and Skills

Tel No: 020 8921 5519

Email: pippa.hack@royalgreenwich.gov.uk