



## **Mayor and Cabinet**

### **Report Title: Covid-19 Recovery: Business Rates, Business & Resident Support.**

**Date:** 13 May 2020

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Director of Strategy and Communications,  
Director of Revenue and Benefits,  
Director of Law,  
Director of Regeneration and Inclusive Growth  
Head of Economy and Partnerships (Karen Fiagbe)

This report seeks agreement from the Mayor and Cabinet on a package of positive steps that the Council can take to help support businesses and residents through the initial three months of the Coronavirus (Covid 19) crisis.

This report also sets out several initial actions taken and proposed and suggests further options for the Council to help support businesses and residents through the initial three months of the Covid-19 crisis for the Mayor and Cabinet to consider.

## 1. Summary

- 1.1 This report seeks agreement from the Mayor and Cabinet on a package of positive steps that the Council can take to help support businesses and residents through the initial three months of the Coronavirus (Covid-19) crisis.
- 1.2 This report also sets out several initial actions taken and proposed and suggests further options for the Council to help support businesses and residents through the initial three months of the Covid-19 crisis for the Mayor and Cabinet to consider.

## 2. Recommendations

- 2.1. Mayor and Cabinet agrees to the broad package of support to business and residents set out in this paper together with the specific recommendations indicated below:
  - 2.1.1 Across all areas of income collection for the next three months note the Council's general approach and endorse the following:
    - a. Generate invoices based on existing agreements and charges unless specifically waived;
    - b. Hold the sending of any reminders for payments due on bills raised; with communications emphasising payment flexibility for business those struggling to pay and not referencing enforcement action;
    - c. Invite all customers, businesses or residents, to contact the Council early to discuss any financial difficulties they may be facing as a result of Covid 19; and
    - d. Offer flexibility to vary payment schedules to waive charges for up to three months and reset future payments to recover the monies due thereafter.
    - e. Delegate authority to the Executive Director for Housing, Regeneration and Environment in consultation with the Acting Chief Finance Officer to scope the recommended options, implement processes and eligible accessibility criteria.
  - 2.2. To authorise the Executive Director for Housing, Regeneration and Environment in consultation with the Acting Chief Finance Officer to introduce temporary top-up to emergency loans to support families with unexpected Covid-19 bereavement costs, to bridge the circa 7 week delay in obtaining the £1,000 DWP 'funeral expenses payment'; this is subject to the outcome of the current all Borough's representation to DWP to reduce delays in processing applications.
  - 2.3 To agree that the Executive Director for Housing, Regeneration and Environment in consultation with the Acting Chief Finance Officer be authorised to implement the following proposals as part of a comprehensive package of support to help protect Lewisham business and jobs:
    - 2.3.1 **For Council commercial tenants** - if requested by the tenant and having checked on a case by case basis that they have availed themselves of other available government support, to:
      - a. At least defer all commercial rents due up to a 3-month period - essentially terms would be agreed to recover the rent over a longer period.

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- b. Allow flexibility for officers to discount or forego commercial rents due for small and medium-sized enterprises (SMEs with fewer than 250 employees, and a turnover of less than £50 million) who have not received business rates relief or grants, voluntary groups and charities – initially - up to a 3-month period,
- c. Consider in June on whether to defer or forego rent for a further quarter for businesses that - still remain vulnerable to imminent closure.

At an estimated cost to the Council from loss of income of up to £800k.

- 2.3.2 **For commercial waste customers** - where appropriate for those not trading (e.g. excluding supermarkets), agree an initial three-month free-period on annual waste collection charges from the 1 April 2020; and if requested, defer payments for 3-months for SMEs who are still trading (e.g. shops) at an expected cost to the Council from loss of income of up to £500k.
- 2.3.3. **For Licenced premises** - provide leniency on when the statutory premises licencing fee is paid, not to suspend premises for non-payment of license fees, not to chase on non-payment – but continue to invoice premises for their annual fees as normal. Council will provide a 3 month grace period after the Covid-19 lockdown regulations cease before chasing payments and suspending premises.
- 2.3.4 **For Commercial tenants paying service charges** - If requested, defer charges due from Forest Hill Business Centre and Bow Arts Trust for up to a 3-month period, with consideration in June for a further quarter deferral - essentially terms would be agreed to recover the full service charge over a later or longer period.
- 2.3.5 **For Market Traders** - endorse the agreed blanket approach to cease all fees and charges to support Lewisham Markets & Traders without charge penalty or loss of pitch for the first quarter at an expected cost to the Council from loss of income from all markets across Lewisham of £225k.
- 2.3.6 **For Business parking** - endorse the four month blanket reduction on annual business parking permits from the 1 April 2020 at an expected cost to the Council from loss of income of £130k.
- 2.3.7 **For Shop Forecourt licences** - cease all fees and charges to support Lewisham business owners without charge, penalty, or loss of shop forecourt licence for the first quarter at an expected cost to the Council from loss of income from all licensed shops of £35k.
- 2.4. To agree to establish a ‘Lewisham backs Business’ Task Force, comprising lead Members, representatives from the local business community, industry, and officers to develop and coordinate a whole Council response to supporting business and jobs recovery quickly and inclusively from the disruption of Covid 19.

### 3. Policy Context

- 3.1. *Corporate Strategy* - This report supports the delivery of the Council’s corporate

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priorities, as set out in the Council's Corporate Strategy, in particular the "building an inclusive local economy" priority.

- 3.2. 'People, prosperity, place', Lewisham's Regeneration Strategy 2008-2020, sets out the Council's aspiration for a vibrant, dynamic Lewisham.
- 3.3. 'Lewisham's Business Growth Strategy 2013-2023' aims to determine Lewisham's unique characteristics and strengths, identify opportunities for business growth, and set out the activities that will bring this into reality; embedding Lewisham as an integral part of a dynamic world city and global economic powerhouse.
- 3.4. The specific and immediate policy context for this paper is the Covid-19 pandemic and the lockdown, which has led to a significant impact on the economy and our local business base. This has led to a fundamental shift in patterns of human and business activity. The normal cycle of economic activity in Lewisham has ceased, with many local businesses facing closure and many thousands of jobs imperilled.

#### **4. Background**

- 4.1. On 23 March 2020 the government stepped up measures to prevent the spread of Covid-19 and save lives. To reduce social contact, the government ordered all businesses and venues to close, these included the following industries – food and drink, retail, accommodation, non-residential institutions (e.g. churches), assembly and leisure, outdoor recreational. The main elements of the 'lockdown' for business and residents are:-
  - There are exceptions - market stalls, shops and supermarkets which offer essential retail, such as grocery and food; that may stay open.
  - Takeaway and delivery services may remain open and operational in line with government social distancing guidance. Online retail is still open and encouraged and postal and delivery service will run as normal.
  - Employers who have people in their offices or onsite should ensure that employees are able to follow Public Health England guidelines including, where possible, maintaining a 2 metre distance from others, and washing their hands with soap and water often.
  - Parks will remain open but only for individuals and households to exercise once a day. Communal spaces within parks such as playgrounds and football pitches will be closed.
  - To see all the list of businesses and venues that are closed and the exceptions, please see the table below in appendix 1.
- 4.2. There has been a 'whole-Council' response to supporting local businesses through this unprecedented crisis – with those teams most directly seeking to help support businesses through the Covid 19 crisis are the Revenues and Benefits service for Business Rates and Council Tax and the Economy and Partnerships team for wider business information, advice and support.
- 4.3. It is already clear that the impact of Covid 19 on Lewisham's economic base will be profound. Lewisham has around 5,000 SME's which will be particularly exposed to the obvious disruption to the cycle of 'normal' human and economic activity; as they fall within sectors that are significantly impacted by the lockdown and measures of social distancing as a response to Covid 19.

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- 4.4. Government have provided a range of measures to help towards financial support for employees, businesses and self-employed that can be found here <https://www.gov.uk/coronavirus>. These measures have emerged overtime, key measures for businesses and jobs are:
- Coronavirus Job Retention Scheme – Claim for staff wages
  - Coronavirus Business Interruption Business Loan Scheme – SMEs can access loans, overdraft, invoice financing and asset finance through the banks, backed (initially by 80%) guarantee by Government
  - Coronavirus Bounce Back Loan Scheme – SMEs can access loans that is backed 100% guarantee by Government
  - Business Rates Relief – Business rates holiday for retail, leisure, hospitality and nurseries
  - Business Support Grant for small businesses already obtaining small business rates relief
  - Self-employment Income Support Scheme – Grants for self-employed
  - Statutory Sick Pay Relief package - A refund for Statutory Sick Pay costs SMEs incur because of Coronavirus
  - VAT and Income Tax payment deferral
- 4.5. In addition to the core package of support from Central Government, the officer team has looked to establish what other support could be offered by the Council. This paper therefore sets out immediate and practical steps to broaden the package of local support. In doing so, reference had been made to similar support being offered across Boroughs. Broadly speaking, there will be two main areas of support going forward - for Business directly impacted and for Residents who are unemployed or face reduction in income.

## **5. Wider Context & Current Position**

- 5.1. The initial estimate of the impact of the government's Covid 19 lockdown on the Council's finances totals over £25m. This assumes it lasts for three months and recognises increased costs, but also the loss of significant income streams. How much of this actually arises will only emerge as the crisis response continues and pending the Government clarifying how long the restrictions will be in force and how much is left to fall on our reserves or for which the Council may be compensated by government. To date government have provided the Council with £18.0m for social care and other costs.

The financial risks to the Council arise from changes including:

- Additional costs for the Covid response for critical services (e.g. social care, bereavement, and waste services) and support to businesses and residents;
- Lost Council Tax and Business Rate income from lower collection than assumed in the budget due to hardship;
- Lost commercial income and enforcement costs from hugely reduced day to day activities for businesses and residents across the Borough;
- Lost or delayed implementation of cuts agreed for the financial year 2020/21, a significant proportion in Adult Social Care, while the Council focus is on running critical services;
- Delayed or reshaped capital investment plans better focused on supporting recovery in the Borough lead to some costs incurred to date being written off; and

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- Investments made in supporting services and partners (e.g. businesses) to facilitate a fuller and swifter recovery when it comes.
- 5.2. Some areas of activity may go the other way, for example the Council may save on concessionary fares with reduced / restricted travel for three months.
- 5.3. The above is a first estimate totalling over £25m of risk for the Council. The full impact will only emerge as the crisis response continues and pending the government clarifying how long the restrictions will be in force and how much is left to fall on our reserves or for which the Council may be compensated.
- 5.4. **Business Rates** - The Council has 6,300 registered businesses in the Borough and is forecasting to collect £68m (net collectable) in business rates for 2020/21. In response to Covid 19 the government has made a number of announcements to support businesses. Two of these are for the Council to implement. They are relief for those in the retail, hospitality, nurseries, and leisure industries and small business grants for those with lower rateable values.
- 5.4.1. **Relief** - The Council has identified those businesses in the Borough who have been granted full business rates relief for the 2020/21 year. This impacts some 970 businesses. The business rate bills for all these companies will be nil in 2020/21 and have been adjusted accordingly and re-issued to all businesses.
- 5.4.2. **Small Business Grants** - The Council has identified the 3,656 businesses eligible, according to their rateable value (RV), for a grant of either £10k (RV less than £15k) or £25k (RV between £15k and £51k). Payment of these grants is estimated to cost up to £47m which the Council has now received from the government. This is money to be paid to each business to support their continued viability during the period of Covid 19 disruption. It is not a loan and does not need to be repaid.
- a. The Council sent letters to all these businesses on Friday 3 April 2020 by first class post; and followed this up with e-mails and text messages where contact details are known; and posting the same advice on the website and e-newsletter for how to contact the Council to receive the grant. Communications for Councillors and industry partners such as Federation of Small Businesses and South East Chamber of Commerce to share the information was also prepared and encouraged.
  - b. The letters required all businesses to provide / confirm certain information to help the Council verify the payments go to the right recipients. This includes the nature of the business, business rate account number, address, VAT registration number and full bank account details. Once this information is received to the designated e-mail address, the grant awards will be added to the business rate accounts and refunded by BACs transfer to reach the business account within 3 to 5 working days. A Council direct telephone line – 020 8314 6150 – is also available. In addition, any business can contact the Economy & Partnership team directly for further help, support and advice on [economy&partnerships@lewisham.gov.uk](mailto:economy&partnerships@lewisham.gov.uk)
  - c. At the time of writing this paper, the Business Rates team have processed over 2,419 applications and awarded £31 million in grant relief. This is because the Council has put in place an application process consistent with the government guidance and are undertaking some pre-checks before paying by BACS, with the fraud testing as a post-check.

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## 5.5. Other Business Support Available

5.5.1 In addition to the above, the Mayor of London, industry and trade associations are providing a range of information, advice, guidance and financial support (where possible), e.g. £2.3m Culture at Risk Business Support Fund recently launched by Mayor of London.

5.5.2. As well as the Council's work on business rates, the website also directs businesses to these additional avenues for support with links to the relevant pages. This will continue to be maintained and used as a key resource in coming months.

5.6. **Support to Residents** – The Council currently has some 130,000 council tax accounts and expects to collect, after discretions, £120m from residents in 2020/21. The Council Tax rates for 2020/21 were set by the Council in the budget at their February meeting. In response to Covid-19 the government announced additional hardship money for Councils. Lewisham received £3.2m.

5.7. Officers are proposing to make these funds available to individual Council Tax payers through two routes – 1) grants aligned to the Council Tax Reduction Scheme (CTRS), and 2) emergency support for residents.

## 5.8. Grants aligned to CTRS

5.8.1. The first is via a s13a grant of an additional £150 per working age claimant in receipt of a discount under CTRS. The Council's CTRS scheme currently covers 22,000 customers, split broadly 7,000 pensioners and 15,000 of working age. The Council operates a means tested CTRS to support those least able to pay. The current scheme is based on all working-age households being liable for the first 25% of their council tax and any award being made up to a maximum of the remaining 75%. Elderly residents may still qualify for support up to 100% of their council tax liability.

5.8.2. Officers have updated communications (website etc.) and written directly to all those claimants who are earning / self-employed to advise them to either claim universal credit or, if already receiving an award, to ensure they report changes in their income to us to amend their awards straight away. From this the Council is anticipating potentially a further 3,000 working age claims under the CTRS. It is estimated this will put up to £3m of pressure on Council Tax collection for 2020/21 and these cases would also be eligible for the additional £150 payment.

5.8.3 The Council is scheduled to make these awards in 2020.

## Emergency support for residents

5.8.4. The Council also runs a local support scheme designed to ensure that, in a crisis or an emergency, those residents who are most at risk and least financially able to help themselves receive access to the support they need. Depending on their circumstances, they may be eligible for a loan and/or a grant.

a. An [emergency loan](#) is intended to provide immediate, short-term financial support for people who need money urgently because of expenses they have incurred as a result of a crisis situation, disaster or other emergency. The loan has to be repaid.

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- b. A [support grant](#) is designed to provide short-term support for people looking to stay in or return to their community. The grant does not have to be repaid.
  - c. The [Starting Work Award \(SWA\)](#) is designed to assist our residents in returning to full time work. This loan has to be repaid.
- 5.8.5. The Council intends to use the balance of £3.2m hardship funding received from the government estimated to be £700k to supplement Lewisham’s current local support scheme administered by Lambeth and respond to resident’s requests for emergency financial support.
- 5.8.6 It is proposed to focus on an option of providing grants, i.e. providing a temporary scheme to fund emergency grant help to Lewisham residents who are financially affected by Covid-19.for example:
- a. on a zero hours’ contract, or have lost their job, and are now without work;
  - b. made unemployed, applied for Universal Credit and haven’t received first payment; and
  - c. Income has fallen but your benefits haven’t yet changed.
- 5.9 Job Centre Plus has made us aware that they have seen an increase in Lewisham claimants for Universal Credit.
- 5.10 In addition, as further reassurance Lewisham is responding appropriately, a comparison with the approach being taken in other Boroughs has noted the following common steps being taken. Lewisham is doing all of these as noted below.
- a. Residents are also invited to apply for CTRS where we are notified that have claimed universal credit.
  - b. Bolstering Council tax – this is the additional £150 for every claimant consistent with government guidance being rolled out as soon as the system provider enables this.
  - c. All recovery action suspended – this is the default position we have taken on all 20/21 bills although we still plan to send reminders.
  - d. Considering amending payment schedules – no reduction is being offered as the Council is expected to collect this revenue but being flexible on when payments are made.
  - e. Clearer communications to those who may be struggling – Through the website and e-newsletter.

## 6. Proposed and Further Support Options

- 6.1 We will continue to develop wider package of support to complement and fill-in the gaps of the Government measures. There will be two main areas of support going forward - for Residents who may be unemployed or face reduction in income, displaced by major economic disruption; and for Business directly impacted.
- 6.2 **Resident Support** - In addition to the above, the Council is proposing to agree in principal to an option that may introduce a temporary top-up to emergency loans to support families with unexpected Covid 19 bereavement costs, to bridge the circa 7 week delay in obtaining the £1,000 DWP ‘funeral expenses payment’; this is subject to the outcome of a collective all Borough’s representation to DWP to reduce delays in processing applications.

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6.3 **Business Support** - A number of proposed and further options are outlined for business support. Some have already been implemented; some are proposed for early agreement to make an immediate impact; the remainder are options that are to be considered, explored and recommended if approved by the proposed 'Lewisham backs business task group'.

6.4 **Implemented options** - Blanket support measures, where appropriate, to avoid penalising those that may be considered "essential" exceptions to the government lock down.

6.4.1. **Markets** - Endorse the agreed approach to cease all fees and charges for the first quarter to support Lewisham Market & Traders without charge penalty or loss of pitch for the first quarter at an expected cost to the Council from loss of income from all markets across Lewisham of £225k.

6.4.2 **Shop Forecourt Licensing** - Endorse the proposal to cease all fees and charges to support Lewisham Business Owners without charge, penalty, or loss of shop forecourt licence for the first quarter at an expected cost to the Council from loss of income from all licensed Shops of £35k.

6.4.3. **Business Parking Permit** - Endorse the four month reduction on annual business parking permits from the 1 April 2020 at an expected cost to the Council from loss of income of £130k.

6.4.4 **Premises Licensing** – Premises licensing fees are statutory and must be taken in order to validate the licence. Boroughs do not have the legal powers to suspend or vary fees. The requirement to pay an annual fee for a premises licence is set out in primary legislation and the Home Office has made no direction on relaxing this requirement. Fees charged by boroughs are set at a national level. The Council is, taking the approach of leniency and not suspending premises for non-payment or license fees as required by law. Nor are we currently chasing on non-payment, however, we will continue to invoice premises for their annual fees as normal. The Council will provide a 3 month grace period after the covid-19 regulations cease before chasing payments and suspending premises. All fees should be collected by end of March 2021 as usual.

6.5 **Proposed additional support**

#### **Council Commercial Tenants**

6.5.1 Rents - The Council is landlord to around 270 Commercial tenants at a host of properties across the Borough and these potentially support around 1,200 jobs. These tenancies also support around £3m of commercial rental income each year, which could be imperilled by business failure. Our priority is to support local businesses and protect jobs in this difficult time. However, from a council

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revenue perspective, it is also prudent to show flexibility for our tenants. It is already proving difficult to find commercial tenants and it is right to take proactive steps which safeguard our both our tenants and avoid a situation of vacant units producing no income, plus additional costs to the Council of security, business rates etc. This should, therefore, be considered both an effort to support local businesses and an investment to protect future revenue-base in the medium and long term.

- In addition to the Council's core commercial estate, the Council has a significant interest in Catford Regeneration Partnership Limited (CRPL) portfolio, which is another 40 commercial properties and annual rent roll of £1m and - while this can be dealt with separately – similar or possibly greater strategic and economic arguments apply.
- Several large commercial landlords (TfL, Network Rail, and The Arch Company) have already moved to offer their tenants a rent-free or deferral period of three months. The Council has already received a number of approaches for its tenants/businesses.
- Following review and having regard to all the above it is proposed that we move to offer as Council Landlord:
  - a. at least a deferral of all commercial rents due up to a 3-month period - essentially terms would be agreed to recover the rent over a longer period.
  - b. flexibility for officers to forego commercial rents due for small and medium-sized enterprises (SMEs with fewer than 250 employees, and a turnover of less than £50 million) who have not received business rates relief or grants, charities and for voluntary groups up to a 3-month period.
  - c. Consider in June whether to defer or forego rent for a further quarter for businesses that still remain vulnerable to imminent closure.

**6.5.2 Service Charges** - Service charges are the actual costs incurred by the Council as Landlord (e.g. insurances, shared infrastructure and security), however, there aren't many places where the Council run a service charge on the commercial properties – except for Catford Shopping Centre (which is CRPL), Lewisham Old Town Hall and Forest Hill Business Centre.

- A large proportion of the service charge for the Town Hall is paid by Lewisham Homes. The Town Hall also contains Dek Catford, our affordable workspace provision on the fourth floor that is run by Bow Arts Trust with 36 spaces, supporting 50 creative businesses and 83 jobs. Forest Hill Business Centre pays circa £2k per quarter towards the service charge. Bow Arts Trust pays £23k per quarter towards the service charge.
- In order to have broadly similar policies that may be agreed under CRPL (already received approaches from its tenants/businesses); it is proposed that we consider an option to at least defer service charges due from Forest Hill Business Centre and Bow Arts Trust for up to a 3-month period, with consideration in June

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for a further quarter deferral - essentially terms would be agreed to recover the full service charge over a later or longer period.

### **Council Commercial Waste Collection**

6.5.3 Some commercial nurseries are still open for key workers etc., although with a much reduced capacity. There are also a few other businesses still open – supermarkets, convenience stores, takeaways etc. although these are few in number.

- **The Council receives around circa £1.7m annually for commercial waste disposal.** The Council continues to provide a full commercial waste collection service to all our customers. However, we know that many businesses have been forced to close or are no longer operating as a result of coronavirus so volumes are reduced.
- **We have already put on hold letters to businesses expected to go for the start of the new financial year regarding increases in their commercial waste fees.**
- In order to support our business community, we propose to suspend commercial waste agreements until businesses are able to operate again; noting there will be limited commercial waste at this time. This will mean:
  - a. **Foregoing the commercial waste charges** for 3 months for businesses that fall under the list of businesses that the government has announced must remain closed, or they have closed otherwise due social distancing for Coronavirus.
  - b. If requested, defer payments for 3-months for SMEs who are still trading (e.g. shops) at an expected cost to the Council from loss of income of up to £500k.

6.6 **Further options** - There are some businesses who are either ineligible for the government support schemes, e.g. businesses with properties with rateable values above £51k p.a. or those who became self-employed in less than one trading year and therefore unknown to HMRC.

6.6.1 There are other businesses who may be eligible for government assistance but are finding it very difficult to access or is taking a while to access the support, e.g. processing the loan scheme with banks who may be making it more difficult to access the scheme.

6.6.2 We are assessing the situation on an ongoing basis and identifying sectors or businesses who may have fallen through the gaps in the current government measures – further support may be required as issues and impacts emerge.

### **6.7 Non-Financial Assistance –**

- 6.7.1 In order to provide immediate information, advice and guidance to businesses, the Council has already put in place:
- a. Mayor's Open Letter to Businesses

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- b. Council COVID-19 Website Hub (business support) and e-newsletter <https://lewisham.gov.uk/myserVICES/coronavirus-covid-19/business-support>
- c. Business surveys
- d. Business Rates hotline and enquiry form. Boost Business Rates Team Officers dedicated to administering the Government council tax measures
- e. Dedicated contact – Incident Contact Centre with FAQs and manned Economy & Partnership Inbox.
- f. Economy & Partnership team – core officers dedicated to COVID-19 business recovery efforts.

#### **6.7.2 Establish a Lewisham backs Business Task Group -**

It is suggested that a **Task Group of lead** Members, representatives from local businesses, key local partners and officers is established to develop and coordinate a whole-Council response to supporting business recovery quickly, inclusively and sustainably from the disruption of Covid-19. Indicative terms of reference are suggested:

- To help make representation to lobby Government for additional measures to alleviate financial hardship and support appropriate industry campaigns
- Working with partners in industry and cross-borough to survey business views and gather intelligence on broader impacts
- Develop business, employment and skills programmes to kick start the recovery.
- Review the paused Inclusive Growth & Innovation Strategy - commissioned with PRD and CLES; to re-position the strategy development within the Council's broader recovery plans, in due course.

## **7. Legal Implications**

- 7.1 Under section 1 of the Localism Act 2011, the Council has a general power of competence to do anything which an individual may do unless it is expressly prohibited.
- 7.2 The Coronavirus Act 2020 ("the 2020 Act") came into force 31<sup>st</sup> March 2020. Section 82(1) of the 2020 Act provides protection for businesses from forfeiture of commercial leases by landlords. "A right of re-entry or forfeiture, under a relevant business tenancy, for non-payment of rent may not be enforced, by action or otherwise, during the relevant period by landlords." Section 82(12) of the 2020 Act confirms that the "relevant period" means "the period...[initially between 31<sup>st</sup> March 2020 and...ending with 30 June 2020 or such later date as may be specified...] by the UK government in regulations made by statutory instrument (and that power may be exercised on more than one occasion so as to further extend the period);".
- 7.3 On 3<sup>rd</sup> April 2020, (last updated 27<sup>th</sup> April 2020,) the UK government published a full range of business support measures to be made available to UK businesses, together with a number of relevant specific Guidance documents, under the heading 'Coronavirus financial support for your business'. The link to all these documents is: <https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19>

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- 7.4 Paragraphs 5.4 and 5.5 of this report details local proposals to help registered businesses in the Borough. This approach is supported and reinforced expressly through Coronavirus related government guidance first published 18<sup>th</sup> March 2020. It covers business rates “holidays”, business support grant funds, and support for small and medium size businesses as well as for large businesses too,
- 7.5 Paragraphs 5.6 – 6.4 (inc.) of this report sets out local proposals to help the Council’s residents. This approach is supported and reinforced expressly through Coronavirus related government guidance published 24<sup>th</sup> March 2020. The ‘Council tax: Covid-19 hardship fund 2020 to 2021 – guidance. (Guidance to billing authorities on using their allocation from the hardship fund to deliver financial support, including reduced council tax bills, to economically vulnerable residents in their area.)’. The link to this Guidance is to be found at: <https://www.gov.uk/government/publications/council-tax-cover-19-hardship-fund-2020-to-2021-guidance>
- 7.6 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.7 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 7.8. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above.
- 7.9 The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 7.10 The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally

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required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

- 7.11 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
- [The essential guide to the public sector equality duty](#)
  - [Meeting the equality duty in policy and decision-making](#)
  - [Engagement and the equality duty: A guide for public authorities](#)
  - [Objectives and the equality duty. A guide for public authorities](#)
  - [Equality Information and the Equality Duty: A Guide for Public Authorities](#)
- 7.12 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

## 8. Financial Implications

- 8.1 As set out in the report the Council estimates the financial risk to the Council per quarter due to the impact of restrictions as part of the Covid response in the region of £25m from additional costs and lost income. To date the Government had provided £18.0m of grants to the Council towards this risk along with some cash flow support measures. This is in addition to the targeted grants to businesses and residents for the Council to administer.
- 8.2 The specific proposals in the report go beyond business as usual and therefore add to the general financial impacts noted above. The exact impact will only be known on conclusion of discussions with those in hardship – businesses and residents. The costings are therefore presented as ‘up to’, representing the reasonable worst case financial impact expected from adopting these measures.
- 8.3 Per quarter the financial impact amounts up to £2.4m broken down as follows:
- Businesses - £1.9m
- Council rents discounted or forgone - £800k
  - Waste charges discounted or forgone - £500k
  - Licencing charged deferred – £100k

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- Service charges discounted or forgone - £100k
- Market trading income - £225k
- Parking permit income - £130k
- Forecourt income - £35k

Residents - £0.5m

- Additional hardship funding - £500k

8.4 The Council will seek to claim this financial impact from the government as part of the costs of maintaining services and the sustainability and employment prospects for the Borough.

8.5 However, if the government support is not made available these costs will fall to the Council's reserves. This is because, while the actions consistent with the services agreed in the budget, the scale of their impact is over and above the budgets set for the year. At the present time, noting the estimated full cost per quarter to the Council including these measures of the Covid response and the government's financial support to date as set out above, the s151 officer confirms the Council has sufficient reserves to support the recommendations in this report for the first quarter. Any extension of the duration beyond this will be brought back as part of further financial updates for M&C consideration.

## 9. Crime and Disorder Implications

9.1 There are no direct crime and disorder implications arising from this report.

9.2 Section 17 of the Crime and Disorder Act 1998 places a duty on partners to do all they can to reasonably prevent crime and disorder in their area. The level of crime and its impact is influenced by the decisions and activities taken in the day-to-day of local bodies and organisations. The responsible authorities are required to provide a range of services in their community from policing, fire protection, planning, consumer and environmental protection, transport and highways. They each have a key statutory role in providing these services and, in carrying out their core activities, can significantly contribute to reducing crime and improving the quality of life in their area.

## 10. Environmental Implications

10.1 There are no immediate environmental implications arising from this report.

## 11. Equalities Implications

11.1 The Council's Comprehensive Equality Scheme (CES) for 2016-20 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.

11.2 The Council equality objectives through the CES include:

- **tackle** victimisation, discrimination and harassment
- **improve** access to services
- **close** the gap in outcomes for all residents
- **increase** mutual understanding and respect within and between communities
- **increase** citizen participation and engagement

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- 11.3 The strategy addresses the Council's equality objectives as it includes measures to improve access to services for our most vulnerable residents particularly through the implementation of the Local Services Support Framework. The core aim of the strategy is to provide a framework for DWP/the Council and other partners to work to reduce the number of residents on the JSA register, this supports our equality objectives as increased number of residents will participating in work related activity.

## **12. Background Papers**

- 12.1 There are no background papers other than the appendices

## **13. Further Information**

- 13.1 If you would like further information on this report please contact Karen Fiagbe, Head of Economy and Partnerships, on 020 314 8632 or Paul Moore, Interim Director of Regeneration and Inclusive Growth on 07798783183.

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## Appendix One

On 23 March the government stepped up measures to prevent the spread of coronavirus and save lives. All businesses and venues outlined in the table below must now close.

Takeaway and delivery services may remain open and operational in line with guidance below. Online retail is still open and encouraged and postal and delivery service will run as normal.

Employers who have people in their offices or onsite should ensure that employees are able to follow [Public Health England guidelines](#) including, where possible, maintaining a 2 metre distance from others, and washing their hands with soap and water often, for at least 20 seconds (or using hand sanitiser gel if soap and water is not available).

Parks will remain open but only for individuals and households to exercise once a day. Communal spaces within parks such as playgrounds and football pitches will be closed. See further [government guidance on access to green spaces](#).

### 1. Businesses and venues that must remain closed

To reduce social contact, the government has ordered the following businesses and venues to close:

Food and drink	Exceptions
Restaurants and public houses, wine bars or other food and drink establishments including within hotels and members' clubs	Food delivery and takeaway can remain operational and can be a new activity supported by the new permitted development right. This covers the provision of hot or cold food that has been prepared for consumers for collection or delivery to be consumed, reheated or cooked by consumers off the premises.
Cafés and canteens	Food delivery and takeaway can remain operational (and as above). Cafés and canteens at hospitals, police and fire services' places of work, care homes or schools; prison and military canteens; services providing food or drink to the homeless. Where there are no practical alternatives, other workplace canteens can remain open to provide food for their staff and/or provide a space for breaks. However, where possible, staff should be encouraged to bring their own food, and distributors should move to takeaway. Measures should be taken to minimise the number of people in the canteen / break space at any one given time, for example by using a rota.

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Retail	Exceptions
Hairdressers, barbers, beauty and nail salons, including piercing and tattoo parlours	
All retail with notable exceptions	<ul style="list-style-type: none"> <li>• Supermarkets and other food shops</li> <li>• Medical services (such as dental surgeries, opticians and audiology clinics, physiotherapy clinics, chiropody and podiatry clinics, and other professional vocational medical services)</li> <li>• Pharmacies and chemists, including non-dispensing pharmacies</li> <li>• Petrol stations</li> <li>• Bicycle shops</li> <li>• Hardware shops and equipment, plant and tool hire</li> <li>• Veterinary surgeries and pet shops</li> <li>• Agricultural supplies shops</li> <li>• Corner shops and newsagents</li> <li>• Off-licences and licenced shops selling alcohol, including those within breweries</li> <li>• Laundrettes and dry cleaners</li> <li>• Post offices</li> <li>• Vehicle rental services</li> <li>• Car garages and MOT services</li> <li>• Car parks</li> <li>• High street banks, building societies, short-term loan providers, credit unions and cash points</li> <li>• Storage and distribution facilities, including delivery drop off points where they are on the premises of any of the above businesses</li> <li>• Public toilets</li> <li>• Shopping centres may stay open but only units of the types listed above may trade</li> </ul>

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<b>Retail</b>	<b>Exceptions</b>
Outdoor and indoor markets	Market stalls which offer essential retail, such as grocery and food.
Auction houses	
<b>Accommodation</b>	<b>Exceptions</b>
Hotels, hostels, B&Bs, holiday rentals, campsites and boarding houses for commercial use	<p>Where people live in these as interim abodes whilst their primary residence is unavailable, or they live in them in permanently they may continue to do so.</p> <p><a href="#">Critical workers</a> and non-UK residents who are unable to travel to their country of residence during this period can continue to stay in hotels or similar where required.</p> <p>People who are unable to move into a new home due to the current restrictions can also stay at hotels.</p> <p>Where hotels, hostels, and B&amp;Bs are providing rooms to support homeless and other vulnerable people such as those who cannot safely stay in their home, through arrangements with local authorities and other public bodies, they may remain open.</p> <p>Those attending a funeral will be able to use hotels when returning home would be impractical.</p> <p>Hotels are allowed to host blood donation sessions.</p>
Caravan parks/sites for commercial uses	Where people live permanently in caravan parks or are staying in caravan parks as interim abodes where their primary residence is not available, they may continue to do so.
<b>Non-residential institutions</b>	<b>Exceptions</b>
Libraries	Digital library services and those where orders are taken electronically, by telephone or by post (for example no-contact Home Library Services) may continue.
Community centres, youth centres and similar	<p>For the purpose of hosting essential voluntary or public services, such as food banks, homeless services, and blood donation sessions.</p> <p>Public venues that host blood donation sessions can continue to open temporarily for these services only. A distance of two metres should be</p>

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<b>Non-residential institutions</b>	<b>Exceptions</b>
	maintained as per Public Health England guidelines.
Places of worship	<p>Funerals in places of worship and crematoria, where the congregation are members of the deceased's household or close family. In a case where no members of the deceased's household or family members are attending, friends can attend. A distance of two metres should be maintained between every household group, as per Public Health England guidelines.</p> <p>A minister of religion or worship leader may leave their home to travel to their place of worship. A place of worship may broadcast an act of worship, whether over the internet or otherwise.</p> <p>For the purpose of hosting essential voluntary or public service, such as food banks, homeless services, and blood donation sessions.</p>
<b>Assembly and leisure</b>	<b>Exceptions</b>
Museums and galleries	
Nightclubs	
Cinemas, theatres and concert halls	Small group performances for the purposes of live streaming could be permissible where Public Health England guidelines are observed and no audience members attend the venue.
Bingo halls, casinos and betting shops	
Spas and massage parlours	
Skating rinks	
Fitness studios, gyms, swimming pools or other indoor leisure centres	Any suitable assembly or leisure premises may open for blood donation sessions.
Arcades, bowling alleys, soft play centres and similar	
Funfairs	

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<b>Outdoor recreation</b>	<b>Exceptions</b>
Playgrounds, sports courts and pitches, and outdoor gyms or similar	

These businesses and venues must close as they involve prolonged close social contact, which increases the chance of infection spreading.

Providers of funeral services such as funeral directors and funeral homes may remain open, subject to Public Health England guidelines as mentioned in the table above.

<b>Term</b>	<b>Definition</b>

## **1. Report author and contact**

- 1.1. Paul Moore – Interim Director for Regeneration
- 1.2. Paul Moore – paul.moore@lewisham.gov.uk

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