



UPDATE ON CAMBRIDGE CITY COUNCIL SUPPORT FOR BUSINESS AND NEXT STEPS FOR RECOVERY 2021-22

Non-Key

TO: EXECUTIVE COUNCILLOR FOR FINANCE AND RESOURCES

REPORT BY: FIONA BRYANT, STRATEGIC DIRECTOR

COMMITTEE: STRATEGY AND RESOURCES SCRUTINY COMMITTEE 5 JULY 2021

WARDS AFFECTED: ALL

1.0 Executive Summary

1.1 This report is submitted to the committee following a motion to full Council in February 2021

1.2 The amended motion approved agreed the following:

- to bring a report to the July meeting of Strategy & Resources Scrutiny Committee on the ongoing work that the council has taken to respond to the needs of the City.

2.0 Recommendations

The Executive Councillor is asked to:

- Note the update on progress across the programme and next steps

3.0. Executive Summary

3.1 Summary of key activity over the year

3.1.1 The Council has led in its role of enabling, convening and facilitating over the year across a wide range of activity including:

- Working closely with local health and community partners to help management of the local virus strategic action planning, including local track and trace and vaccination centres
- Working with PHE and other partners to support business and organisations e.g. construction to carry out regular lateral flow testing for the workplace environment
- Supporting and advising community based mutual aid groups, who have worked with communities to help those isolating and most vulnerable.
- Working with communities and local business to support the establishment of food hubs, distributing over 110 tonnes of food to 36000 hub customers and delivering 15000 meals
- Provision of marshal support to advise public and businesses around reopening safely

- Working with partners and business networks to establish the Member led Greater Cambridge Business Support team, within the Economic Recovery subgroup chaired by the Combined Authority to develop the Local Economic Recovery strategy and the underpinning Greater Cambridge economic action plan. The action plan is attached at Appendix A to provide further detail on activity during the year.

- Implementation of direct business support in the form of over 11000 payments to business:
 - Over £52m in grant funding
 - £54m in business rates relief
 - Negotiating rent deferral and repayment plans with commercial tenants
 - Provision of rent free periods, and pitch discounts for market and street traders
 - Discounted parking for public and essential business

- Utilisation of funds won to develop a package of measures to help welcome visitors back and reopening the city centre

- Continued work with partners on transport access schemes such as GCP's City Access Schemes and the development of an emerging integrated parking strategy
- Continued leadership for housing investment programme for over 900 new homes, of which 526 are new council owned and rented homes, on city sites
- Working with partners such as GCP and Combined Authority, and other partners to help inform key skills programme support including Kickstart,
- Leading emerging strategic work on cultural and creative needs assessment to identify key opportunities for driving cultural recovery and development

Appendix A provides further detail to this summary. It contains the Greater Cambridge current action plan which includes more detailed actions underway or completed to support the Cambridgeshire and Peterborough Local Economic Recovery Strategy .

3.2 Background and Context

3.2.1 In the City, there are clear signs that the pandemic has had far reaching effects, and not only in the retail sectors. The sectors with highest employment levels in the City, being Education, Accommodation and Hospitality, and the wider visitor economy, have all seen significant impacts.

3.2.2 At the current time, there is reason to be cautiously optimistic about signs of recovery, although it is still very early days, and the public health concerns and restrictions not yet fully lifted, with some residual uncertainty (owing mainly to concerns about the impact on rising numbers of variant coronavirus) about when they might be lifted. Businesses remain focussed on reopening and re trading, with the full impacts unlikely to be understood until later in 2021 or 2022.

3.2.3 Economic data from April 2021 outlines the following:

- Comparing average daily footfall in April 2021 against March 2021 shows a 70% increase in overall footfall, this highlights the impact of restrictions easing, with non-essential retail and outdoor hospitality being allowed to re-open from the 12th of April. Over recent weekends, footfall has recovered to pre-covid levels.
- However, public confidence has a residual impact, alongside the remaining restrictions in place has continued to impact on retail, with retail footfall in April still at only about 76% of pre-covid levels
- Claimant counts in the City in March 2021 showed a little change from February 2021, with a 1.1% decrease in Cambridge. In Cambridge there are around 3500 claimants aged 16-64 (4%), which is around a 1.4% increase on the traditionally low levels in the city. In the last few months, there have been increases in the percentage of this number between 18-24 years old , and decreases in those 25-50 years.
- Take up of Claims for the Self Employed Income Scheme have been lower in Greater Cambridge, at c56% take up rate, than the national average of 68%
- In the City there was a 14% take up rate of the Job Retention Scheme, lower than the average comparative Authority.
- The number of redundancies within Cambridgeshire totalled around 4200 between June 2020 and March 2021 . However, the number of vacancies advertised in April 2021 was also 19% up on the same time last year, offering some hope for those whose skills are a match to a new opportunity.

3.3 The Retail Sector

3.3.1 The motion to the full Council meeting focused primarily on the city centre and retail sector. The retail sector has seen significant changes over the last few years, (outlined in the Portas Review 2011) and the impact of these has been exacerbated by the pandemic leading to key businesses falling into administration, including national names such as Debenhams etc. Some such as Topshop have been taken over by companies with a higher level of digital/online presence or have themselves sold off retail premises but are continuing to trade only online.

3.3.2 Once restrictions are lifted, there are those who live locally, and may choose to, initially at least, flock back to the high street to simply get out and about again, and the same applies, in principle at least, to potential domestic travellers.

However, there are other reasons to believe that retail habits have now changed and consolidated for the longer term, as outline in Deloitte's Retail Insights 2021 report:

- Data from Deloitte's Global Consumer Tracker shows that close to 30% of consumers shop for food online in the UK. Similarly in non-food, with stores shut, consumers have quickly adapted to shopping online.
- Another factor behind this growth is concern about the safety of shopping in store - fewer than half of UK consumers state that they would feel safe shopping in a store now. This may change in the longer term, but it seems unlikely.
- Moreover, the lines between home and office have blurred, with the home becoming an office, a classroom and a gym. Consumption patterns have changed with more calories consumed in the home and growth in spending on furniture, garden products and home gym equipment. As part of a broader focus on health and wellness, we have also seen growth of flexitarian diets, in particular vegan foods.
- And finally, consumers have shopped more locally, feeling safer not to travel and choosing to support local businesses and producers.

3.3.3 Whilst the latest footfall figures from the city show encouraging signs of recovery, and it is likely that, as confidence returns, local customers will increase, but the longer term changes in retail habits will require retailers to further adapt for renewal. The changes will need to incorporate consideration of the following aspects:

- A higher customer commitment to "net zero retail" across operations, products, and supply chains
- A compelling digital offer
- A more thoughtful customer experience
- A possible focus on re-localisation, health and wellness

3.3.4 The impact of the pandemic and the periods of lockdown has continued to lead to the focus of businesses remaining on the very early stages of reopening and rebuilding trade at this point, however, rather than on longer term recovery, so further evidence and work is required over the latter half of 2021 (depending on restrictions levels being lifted) and 2022, as life adapts to a new normal.

4.0 Governance, Strategy and Evidence

4.1 Governance and Strategy

4.1.1 An early decision in March 2020 was to ensure a collaborative approach to supporting businesses. The Leaders of the Council and South Cambs District Council agreed to establish a joint business support group, led by cross-party Members. A supporting officer group, incorporating officers from the City, SCDC and the Greater Cambridge Partnership was also established. Since last year, the member group have met monthly and the officer group fortnightly, to consider the evidence available, and plan actions required to meet local economic need.

4.1.2 The group have also organized public meetings for businesses to raise key questions and concerns, to engage with local Members of Parliament, and to discuss wider issues such as Brexit.

4.1.3 The Strategic Director was appointed to represent the City Council on the Combined Authority chaired Economic Recovery Sub Group. This group included local authority partners, business and University representatives. The group developed the The Local Economic Recovery Strategy (LERS), which is now in its third version. This version was approved by the Combined Authority's Business Board in May 2021.

4.1.4 The group also worked with the Combined Authority to target priority funding last year and to establish principles for the development of its new Growth Works services, which target inward investment, skills, business start up and development.

4.1.5 **City Access-** Further work has been underway in delivery of GCP's City Access Strategy, which underpins the creation of a welcoming environment for people (reducing the hazards of vehicle movements, removing air pollution etc.) as well as making it easier for people to move to and around the city e.g. Histon Road improvements. Work also includes an integrated parking strategy for the city, which is in flight.

4.1.6 **Cultural Strategy** -The creative industries in the Greater Cambridge region are strong, employing at least 14,915 people in the area, mostly in micro businesses of less than 5 employees. The wider Cambridgeshire area is expected to be in the top 10 locations nationally for new creative industries jobs between 2015 and 2030. The economic importance of the creative industries in Greater Cambridge means it is vital to plan effectively for the provision of workspace to enable businesses to startup, grow and establish themselves in the region for the long term.

4.1.7 Previous studies have been undertaken to understand the needs of creative industries businesses in Greater Cambridge, with a particular focus on supply and demand of workspace. This includes the Audit and Needs Analysis of the 'Arts Infrastructure in the City of Cambridge' (Business of Culture, 2013), and most recently, the 'Supply and Demand of Creative Workspace Industry' by Simon Poulter

Consultants which was undertaken in Autumn 2019 and reported in March 2020. These studies found that despite the strength of the creative industries in Greater Cambridge, businesses face real difficulties in accessing affordable workspace to meet their needs.

4.1.8 The latest study currently being completed in this arena is the ' Greater Cambridge Creative Business and Cultural Production Workspace: Specifications and Practical Requirement', which builds on the pre-Covid studies to understand changes to the supply, demand and needs of creative businesses in the Greater Cambridge region as a result of the ongoing Covid-19 pandemic. It also provides additional analysis of the different types of space and specification required by creative businesses, and presents a series of space typologies and case studies to guide the planning of future creative industry workspaces through local planning processes. The next steps will be to incorporate that work appropriately within future activity.

4.2 Evidence Base

4.2.1 In order to provide a more local economic evidence base, the Director initially commissioned specific economic analysis to support the joint City and South Cambs Business Support Team, and also worked with partners to establish a database of City businesses.

4.2.2 Officers also worked closely with South Cambridge District Council, Greater Cambridge Partnership (GCP), Cambridge University Centre for Business Research and Cambridgeshire County Council's Insight team, alongside key business networks, to aggregate different internal and public data sets. We also received additional support from GCP and business networks to translate data into insights that would inform a weekly, then monthly dashboard to understand the evolving situation across Greater Cambridge, as well as the impact of various local and national interventions to support businesses, jobs and the economy.

4.2.3 The dashboard includes detailed insights on the city regions' labour market (unemployment, claimants by age and ward location, vacancies by sectors, planned redundancies, etc.); consumer behaviour, footfall, spending, travel patterns; uptake of government grants and loans; comparisons with statistical neighbours. Some of the latest figures are represented in section 3 above.

4.2.4 The Council made interactive data insights, analysis and metadata on the social, economic impacts and public health impacts of the pandemic available to businesses on the Council's website.

4.2.5 The City Council has recently been referenced in the LGA's Local Authority Economic Recovery Playbook (launched March-2021) as a good-practice example of how to combine complex partnerships with data-led delivery.

5. Business Support

5.1 Using a multi-service team working alongside their normal responsibilities with BEIS and business network partners, the team has delivered multi-million pound grant and wider support to businesses over the year. Progress achieved includes:

- A total of over £52m grant funding (and over 11000 grant payments) to business rated businesses requested to close during lockdown periods and to non-rated businesses either requested to close or able to remain open but suffering major impact.
- Using evidenced-based data to target the additional grant funds to local sectors most in need
- Working in partnership with public and business networks to deliver greater benefits and outcomes to the business sector in the City.
- Constantly reviewing and amending grant policies to ensure those key sectors and businesses in need were included using economic and other data (within grant parameters).
- Initiating automated online application processes to link across systems, sharing practice with South Cambs and Hunts DC where practical.
- Combining the use of a simplified application process with appropriate-level audit and fraud checks to ensure a fast-track request to cash banked for the grant process. Where applications were already received, accurate information and a quick confirmation process have ensured subsequent grant phases are paid out to eligible business owners without repeat application.
- Developed an in-house review process in collaboration with the Revenues and Benefits team and the Corporate Web team, which dealt quickly and efficiently with appeals. Of the 34 requests for review over the year, all but 5 reviews were upheld, and all customers received full feedback within five days.
- Providing clear communications on grant funds including publishing amended policies for grant phases, detailed guidance and information on the Council's business web pages, a dedicated email address for queries and concerns, promotion of wider funding, advice webinars, business related meetings, and publication of economic data.

5.2 The commercial team also developed a programme for working with commercial tenants to understand their individual issues and develop bespoke deferred rent plans and programmes with them, whilst balancing the Council's own financial risks.

5.3 The Business Grants team have received a large number of compliments from grant customers and have subsequently been nominated for two national awards.

6.0 Improving the Business /Customer Experience

6.1 The Council has implemented a number of support actions over the year to improve the customer experience and support businesses in the town centre, alongside some more specific projects supported by grant funding, for example:

6.2 Reopening High Streets Safely Fund (RHSSF)

A revenue grant programme administered through the EU and MHCLG, with the City Council in receipt of just over £110,000 for the period 2020/ 21. Good progress has been made on this element, with funds available utilised towards providing support to businesses to re-open safely, and shoppers and visitors return safely, following lockdown. The work is informed by a task and finish working group that has been meeting regularly with key stakeholders since April 2020, guiding and co-ordinating activities. Support to reopen safely, including signage and advice, has been given to wider neighbourhoods including, including Mill Road, Arbury Court, Mitcham's Corner and Cherry Hinton High Street. In these areas we have worked with County Highways colleagues to provide suitable advisory safety signing to businesses and shoppers. The work overlaps with the County/ GCP's 'active travel' Covid support programme, which has included narrowing and closure of some streets, including Mill Road.

6.3 Cambridge Visitor Welcome 2021 project.

The City Council received £710,000 from the Combined Authority for this project. The grant for these from the Cambridgeshire and Peterborough Combined Authority Growth Fund to the council and other city centre partners, will be used to provide more outdoor lighting, new digital wayfinding, a mobile visitor welcome unit and other amenities.

Additionally, the Council has also used the funding to improve access to outside seating areas for businesses, and has recently installed new table benches at various locations around the city centre. The new seating is part of moves by the council and partner organisations to help encourage people back into the city centre as lockdown restrictions are eased, and provide much needed additional seating for people eating, drinking or resting.

6.4 The New Destination Management Organisation (DMO) and Visitor Offer

6.4.1 The Council together with Cambridge BID, Fitzwilliam Museum (Enterprises) Ltd and King's College, Cambridge, have established a destination management organisation (DMO) for Cambridge city, titled 'Visit Cambridge'. The key objective of the DMO is:

- To develop and manage the delivery of a destination management plan for the city, based on sustainable development principles
- To support the recovery and sustainable development of the city's tourism sector
- To market and promote the city and represent the city's tourism sector locally, regionally, nationally and internationally
- To establish and manage the mobile visitor unit referred to above.

6.5 Capital Programme

6.5.1 There are also a number of major capital projects/programmes located in or around the city centre which are currently in implementation. These include, for example, the Market Square project, park Street Car park project, work on the Corn Exchange (using grant funding secured from Government), planned work on the

Junction (currently under review), alongside other projects future accommodation plans for the Council.

7.0 Resources

7.1 The budget for a full time Economic Development Manager (EDM) post was agreed at Full Council at the end of February 2021

7.2 An interim appointment was made in early April, tasked with supporting the Director to establish the recruitment package for the EDM post and to develop the recovery plan for the City, in alignment with the LERS, and Greater Cambridge Economic action plans.

7.3 Following discussions with the Exec Cllr, interim officer, business networks and Local Authority partners, the EDM post was advertised in May 2021. Interviews are due in June 2021.

7.4 The EDM, once appointed, will continue to work with colleagues, business networks, and Local Authority and public sector partners, including the joint Greater Cambridge Business Support team and the Combined Authority, to ensure a collaborative approach to recovery and longer term renewal.

8.0 Next Steps

8.1 Whilst the focus for the past year has very much been on supporting businesses through the lockdown periods, the next stage will take a more proactive strategic approach. Future actions include:

- Ongoing implementation of support for covid-safe access, movement and visitor management
- Appointment of the City's Economic Development Manager (out to advert)
- Establishing the City's longer term recovery strategy and plan, in alignment with Greater Cambridge Partners, and underpinning the LERS
- Drawing together the major capital programme projects located within the City and neighbourhood retail areas (including the Market Sq), reviewing or continuing implementation under a developing Future City Vision, encompassing principles of making Space for People, and providing a positive Planning framework within the emerging Local Plan to support a sustainable place approach.
- Using the opportunity afforded by the partnership work and the emerging transformation programme to further engage with communities around future partnerships, place-based delivery and integrated services in key areas.
- Finalising cultural and creative space priorities for the City, and establishing Council objectives within these for referral in the City vision
- Finalising restart grant phases, and developing programmes for wider support with partners to encourage start-ups, business resilience, social enterprises and inward investment into the City, to encourage skills and employment development for those most impacted by the pandemic.

- Working with the Combined Authority and Greater Cambridge partnership to ensure appropriate Growth Works and wider skills support is drawn down for businesses and individuals in the City
- Continuing to work with Commercial tenants to support tenants and reduce the likelihood of voids

9.0 Implications

(a) Financial

Main financial funding details provided in other sections

(b) Staffing Implications

The work will be supported by officers, using external support, consultancy and programme management where required. Individual projects will have presented business cases for resources and funding

(c) Equality and Poverty Implications

None for this report

(d) Environmental Implications

(e) Procurement Implications

(f) Community Safety Implications

The relevant implications are being considered as part of the overall programme

(g) Consultation and communication considerations

Communications included:

Fortnightly meetings with Combined Authority, other partner Local Authorities in Cambs and Peterborough and the business networks.

Communicating with local businesses

- A monthly business newsletter.
- Regular updating of website pages with information for businesses including all grant policies and summary guidance.
- Publishing economic data for business on the Council's website.
- Promoting grants summary and guidance through partner business network websites and Combined Authority sites.
- Press and social media coverage for grants and wider business support.
- Organisation of business events, online, with MPs and business networks to respond to business concerns.
- Presentations given through partner events such as Chambers of Commerce.
- Online support events (e.g. business and mental health webinars)

(h) Appendices

Appendix A – LERS GC Action plan

(i) Inspection of papers

To inspect the background papers or if you have a query on the report please contact Fiona Bryant, Strategic Director, Cambridge City Council
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