

# Agenda Item 18.

<b>TITLE</b>	<b>Covid-19 Response Update – Business &amp; Economy, Emergency Housing Provision and Operational Housing</b>
<b>FOR CONSIDERATION BY</b>	Community and Corporate Overview and Scrutiny Committee on 27 July 2020
<b>WARD</b>	None specific
<b>LEAD OFFICERS</b>	Nigel Bailey - Assistant Director Housing & Place Commissioning

## **OUTCOME / BENEFITS TO THE COMMUNITY**

The report highlights some of the work underway to support local businesses during the current pandemic and into recovery. It also provides information on actions taken to maintain the council's operational housing service and meet the emergency accommodation needs of those more vulnerable members of our community.

## **RECOMMENDATION**

That the Committee consider the report

## **SUMMARY OF REPORT**

Part A of the report provides a summary of the council's approach to supporting the economy and local businesses during the current pandemic and as move towards re-opening and recovery.

It summarises work carried out to date to engage with local businesses to understand the immediate and potential future impact of Covid-19, the support and advice provided included grants to businesses, the start of a conversation around how we can build on any positives to support the Borough's climate emergency agenda and our focus on supporting the safe re-opening of our town and village centres.

Whilst the majority of our work to date has been reactive we are now developing a longer term recovery plan for the Borough's economy and businesses which will be informed by our improved links to businesses and business organisations and supported by the new Wokingham Business Taskforce

Part B of the report provides a summary of our approach and actions to date during the pandemic relating to emergency housing provision, rough sleepers and more widely across our operational housing services.

In both areas this represents a snapshot of the current position as work in both areas is on-going and in particular with our businesses where the full impact of the pandemic has, in many cases, yet to be felt.

## **PART A – BUSINESS & ECONOMY**

During the pandemic and as we move towards the recovery phase we have been working closely with a range of organisations and individual businesses to understand their needs and provide advice and support where possible.

As part of the Council's overall recovery work we have set up a specific workstream to cover Business & Economy and a summary of that workstream is set out on the diagram below.

### **BUSINESS & ECONOMY RENEWAL WORKSTREAM**

To understand how Covid-19 has impacted on local businesses and key sectors of Wokingham's economy. To work with other partners and agencies to ensure local businesses have the best possible support and advice they need during the pandemic and subsequent recovery. To implement active and practical measures where appropriate. To encourage and support businesses to build on any positives relating to changes in working practices that may contribute to the climate emergency agenda.

#### **BUSINESS INTELLIGENCE:**

Understanding the impact of the pandemic on our local businesses, what their key concerns are and what support, if any, they are aware of and have taken advantage of. Understanding confidence levels of local businesses in their future recovery and identifying where any additional support or advice may need to be targeted.

#### **ADVICE & SUPPORT:**

Ensuring local businesses feel supported by Wokingham Borough Council and that we create a positive business-friendly environment for recovery. Working with partners and neighbouring authorities to promote and provide a comprehensive range of information, guidance, support and advice both for general use and tailored to individual business.

#### **BUSINESS GRANTS:**

Promoting and targeting any available business grants administered through the Council to eligible local businesses. Ensuring the application, assessment and payment processes are as simple, fair and efficient as possible.

#### **BUILD ON THE POSITIVES:**

Understanding how the working practices of our local businesses may have changed and identifying where we can help them build on those potential positive changes to support the climate emergency agenda.

#### **ACTIVE & PRACTICAL MEASURES:**

Identifying any affordable and practical measures we could take to support renewal. Using any available funding to implement those measures delivering best value for money.

#### **RE-OPEN OUR TOWN & VILLAGE CENTRES:**

Working with partners and local businesses to support the safe re-opening of the retail & hospitality sectors with focus on Wokingham town centre, Woodley and Twyford.

**COMMUNICATION:** Supporting all strands of the renewal workstream

### **1. Business Intelligence, advice and support**

In order to support our businesses effectively we recognised it was crucial to understand their concerns and issues and develop more effective links and partnerships at all levels. We have been working closely with the Thames Valley Berkshire Local Economic Partnership (LEP) as well as economic development colleagues in our neighbouring Berkshire authorities.

As well as information being produced at a national and regional level we have carried out our own Business Health Check survey which, whilst response was relatively low, has provided some useful business intelligence and helped us provide additional advice and support to over 80 local businesses.

#### **National Context**

With much of the national information there is a time lag however some key recent findings include;

- The latest HM Treasury average of independent forecasts (June) suggest that there will be a 9.2% economic contraction in 2020 followed by 6.5% growth in 2021.
- The monthly average of forecasts also predicts that the ILO (International Labour Organisation) defined unemployment rate will reach 7.9% in 2020, reducing to 6.6% in 2021.
- As at 28 June in the UK, there had been 9.3 million employments furloughed made by 1.1 million employers, with a total value of claims of 25.5 billion
- The Bank of England's latest survey of chief financial officers from small, medium-sized and large companies found that on average, they expect an 11% decrease in employment by the end of 2020, up from 10% a month ago.
- In the June Decision Maker Panel survey, businesses expected their sales in 2020 Q2 to be 38% lower than they would otherwise have been because of Covid-19, employment to be 8% lower and investment to be 38% lower.
- The latest ONS Coronavirus Business Impact Survey (01-14 June) reported that 80% of responding businesses had been trading for more than the last two weeks
- The same survey reported that 6% had started trading again within the last two weeks after a pause in trading.
- And that of businesses who were continuing to trade, 6% of the workforce had returned from furlough in the last two weeks, while 2% had returned from remote working to the normal workplace.
- Those sectors showing market capitalisation gains include Pharmaceuticals, Cloud computing, E-Commerce, Communications, On-line gaming & IT
- Those sectors showing losses include:
  - Where social distancing makes biggest impact: airlines, brewers, casinos, catering companies, theme parks
  - Heavy industrials hit by lower demand, worker safety, and supply chain disruption: manufacturers from car makers to chemicals groups
  - Energy companies: excess supply is the problem – oil
  - Banks, life insurers, asset managers: profits are sensitive to interest rates (which have plummeted) and market capitalisation of banks has declined

The Office of National Statistics (ONS) are surveying business across the UK in 'waves', each covering approximately 3 weeks of the Coronavirus Lockdown impact on Businesses. The last, Wave 6 was published on 18<sup>th</sup> June. Response numbers have been increasing up until the recent survey where numbers have plateaued. Key findings include:

- Unlike the Wokingham Business Healthcheck Survey respondents, there was a relatively low level of response from retail, hospitality and entertainment sectors. Highest responses were from the professional, science & tech, health care & social work and transportation & storage sectors.
- 30.6% of all respondents stated that they have increased or started use of online services to help communication with customers. This figure is 38% in Wokingham Borough where 45% have also increased use of social media.
- 81.4% of businesses have applied to the Job Retention Scheme. This was 68% in Wokingham Borough possibly showing higher resilience than the national average.
- 17.5% of businesses had applied for a business grant through a devolved government in the ONS survey. 58% of businesses had applied to the Small Business Grant and 28% for the larger retail, hospitality and leisure grant in Wokingham Borough.
- 16.9% of businesses told ONS they had applied for a government-backed loan, this figure was 26% for the bounce back loan for Wokingham Borough businesses.

## Regional Context

The Thames Valley Berkshire Local Enterprise Partnership (TVB LEP) latest briefing on recovery (week beginning 7<sup>th</sup> July) includes the following findings for Berkshire:

- Lower rate of furloughing than nationally
- Total of 107,500 employments furloughed in Berkshire – representing 18.0% of workforce jobs (Lower than the UK average of 24.3% of furloughed employments as % of workforce jobs)
- Total of 32,500 claims from the Self Employment Income Support Scheme – representing 69% of eligible claims with average value of £3,200 per claim.
- Claimant Unemployment rate remains below UK average but significantly higher increase in claimant numbers with a total of 29,375 claimants in April 2020 in Berkshire. That represents a 5.1% claimant unemployment rate (UK=6.4%)
- Claimant unemployed has increased by 166% since March 2020, when there were 11,055 claimants
- 9% of Berkshire-based enterprises have already actioned or plan to action a restructure (TVB COVID insights survey)

TVB LEP have identified areas of impact based on sectors in the local area. Impacts for the top three sectors who responded to the WBC survey are below.

Hotels, leisure, entertainment and tourism (17%) – Most at risk locally

- Hospitality and tourism has seen a sharp decline in trade since January. There were 500,000 redundancies in the last week and seasonal hires of 500,000 cancelled. 70% drop in booking at the national level.
- Entertainment, Art & Leisure has also seen a sharp decline in demand with the shutdown of venues and businesses. Nationally, there has been a complete loss of revenue for physical venues and disruption of new productions and services.

Retail (14%) – Some risk locally

- Demand for non-food retail is suppressed and the sector has experienced severe supply chain disruption. The workforce is at high risk of infection.
- Nationally, recession has further depressed demand and cash flow issues have caused problems with salaries and leases.

Business services/consultancy (10%) – Low risk locally

- Demand has been limited and affected by lockdown.
- Services have adapted well to home working and business continuity is high
- Nationally there has been a decline in some areas of business but new work/continuity in legal and finance.

## Local Context

The TVB LEP June briefing also highlighted some key facts about Wokingham Borough:

- Estimates suggest that Covid-19 will cause a higher fall in Wokingham's economic output (GVA) compared to the national average
- Wokingham's GVA has been projected to decline by 41% in Q2 2020, higher than UK rate of 35% decline and 79 highest (out of 382) local authority (Centre for Progressive Policy, modelled on sector GVA from OBR)
- Wokingham's claimant rate remains below the UK average, but claimant unemployment has grown at a significantly higher rate with 3,525 claimants in

May 2020, a claimant rate of 3.4% (UK=6.4%) and an increase from 1,140 in March 2020

- 11,000 employees working in Wokingham Borough (12.7% of total) are in industries hardest hit by shutdown (16.9% nationally)
- Residents in Wokingham are slightly more able to work from home compared to nationally due to the occupational mix of residents' jobs with 27,200, or 32.3 % of working Wokingham residents capable of working from home (based on ONS analysis for UK)
- This reflects a higher share of residents in managers, directors and senior officials, professional and associate professional occupations and a lower share of residents working in skilled trades, caring leisure and other services occupations, sales and customer service occupations
- Much lower rate of furloughing in Wokingham compared to the UK average with 17,920 furloughed jobs up to 31 May 2020 (Equivalent of 17.7% of workforce jobs and lower than UK average (24.3%))

TVB LEP have also recently commissioned their own Business Insights Survey across Berkshire which will include some Wokingham-specific information however the results of that are not as yet available.

### Wokingham Business Health Check Survey

In June 2020 the Council sent out a Covid-19 Business Survey to understand how businesses are operating and adapting in the face of the Coronavirus pandemic and the likely long-lasting changes they will face. The survey helped to find out how businesses had been affected and captured current thoughts on how businesses intend to approach the recovery phase of the pandemic.

Around 2,000 surveys were sent out and responses are still coming back however as at 16<sup>th</sup> July we had received 159 responses with the majority coming from the retail, hospitality and business services/consultancy sectors.

Included in the survey were links to additional guidance, advice and support on the council's own website, the Business Growth Hub and Public Protection Partnership's website. As well as providing the latest guidance and support tools both the Business Growth Hub and PPP have been able to offer 1:1 bespoke support and advice – with the Growth Hub recruiting additional staff to meet demand.

Analysis of the results is still underway however some key findings of those businesses who responded include:

- 50-60% were concerned about the economy and their own businesses in both the short and long term
- 72% of businesses had furloughed staff and 54% had their hours reduced.
- 59% had staff working from home although over 50% felt home working was not practical for their business
- 54% had seen a reduction in the number of customers.
- Around 47% were concerned about great isolation issues for their employees and over 30% were concerned about potential impact on mental health
- 68% had taken advantage of the Government's coronavirus job retention scheme, 58% of small business grant funding and 35% of the HMRC time to pay scheme

- 30% felt confident that their businesses could return to pre-pandemic levels in the short term, 65% in the medium term (2-5 years) and 71% in the longer term (+5 years)
- 75% had imposed spending restrictions and were reviewing all non-essential expenditure to try and mitigate risk
- Where businesses identified any positive impact 48% highlighted a lower carbon footprint, 41% less time commuting to work/meetings and 38% fewer travel expenses
- When asked about what lasting changes they expected to make as a result of the pandemic 45% highlighted an increased use of social media, 38% a great on-line presence and 36% an increase in home working

As mentioned previously where a business provided their contact details we have followed up with an individual discussion – to date with around 84 businesses.

Those discussions have been wide ranging covering key areas of concern (mainly furloughed staff, loss of trade/no trade and loss of income) and whether financial support available was sufficient (with many referred to the business grants scheme).

29 businesses to date have asked for more advice on safe re-opening and health & safety issues, 31 have asked for access to local business networks, 30 for signposting to free business advice organisations such as the Business Growth Hub and the Business Bank and 25 for advice and resources to support the mental health wellbeing of their staff.

The final question asked '*Whilst the Council cannot provide financial assistance, are there any other ways which you think the Council could offer support going forward for businesses at a local level?*' The vast majority say no and that they were thankful for WBC contacting them. However a number detailed concerns with business rates and the cost implications with them on their businesses.

We are also continuing to get e-mail requests for advice and support through our economic development inbox

### Wokingham Business Taskforce

The recently formed Wokingham Business Group has been refocused to concentrate on helping support local businesses through the recovery period. Several new members from the business community have been identified through our survey and other partnership work and the first meeting is being held on 23<sup>rd</sup> July.

The Taskforce consists of representatives from individual businesses, business groups and associations, support and advisory groups, the Council's Chief executive and other senior staff and the Lead Member for Economic Development. It will be chaired by a member of the business community and we hope will help improve the flow of information with our businesses as well as help shape and monitor our longer term economic recovery plans.

## **2. Business Grants**

The Council has also administered a number of government grant schemes including the **Small Business Grant Fund** - a £10,000 Small Business Grant for small businesses in receipt of small business rate relief or rural rate relief with an rateable value of £15,000 or

less and the **Retail, Leisure and Hospitality Businesses Grant Fund** - for businesses in the retail, leisure and hospitality sector with a rateable value above £15,000 and below £51,000 who were eligible for a grant of up to £25,000. A grant for £10,000 was available for qualifying retail, leisure and hospitality businesses with rateable value of up to £15,000.

**To date across both these Funds we have paid out £18,190,000 to 1387 local businesses – 81.7% of our allocated funding.**

In addition we have also been able to offer **Discretionary Business Grants** targeted at those small businesses with high fixed property-related costs that were not eligible for the Small Business or Retail, Leisure and Hospitality Grants. The grants are primarily and predominantly aimed at small and micro businesses, businesses with relatively high ongoing fixed property-related costs, businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis and businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.

**To date we have paid out £1,061,500 to 190 local businesses (from an allocation of £1.1m)**

### **3. Re-opening Town & Village Centres – retail and hospitality**

In recent weeks one key area of focus has been on the safe re-opening of the retail and hospitality industries and our town and village centres.

To support that work we have set up 3 very successful partnerships with local business and town and parish representatives in Wokingham town centre, Woodley and Twyford. Each has its own action plan but with linked communications using the '*Stay Safe, Shop Local, Shop Twyford*' (or Woodley or Wokingham) strapline.

As the situation, advice and guidance continues to change at a rapid pace it has not been possible to always carry out the level of consultation or involvement we would normally do prior to introducing any changes. We recognise that not all measures introduced have been popular with everyone and are continuing to listen to concerns raised and make changes where possible, balancing the desire to get back to normal with the continuing health and safety risks.

Actions to date include:

- Development of individual local action plans
- Comprehensive communications plan covering Borough-wide messages and any specific to the 3 centres – social media, press and hard copies
- Social distancing signage and markers
- Monitoring system to monitor footfall and traffic flows (in Wokingham town centre)
- Support packs available for all retail outlets across the Borough with links to guidance plus options for posters, social distancing markers etc
- Reallocation of road space to enable social distancing (Wokingham Town Centre) – with on-going review and amendments.
- Review with CLASP (Care, Listening and Supporting Partnership) of the social distancing measures introduced to Wokingham town centre to identify areas for improvement

- Hospitality survey to identify which pubs, cafes and restaurants were intending to open and what support they needed
- Webinar for hospitality businesses led by Council, PPP and Police
- 1:1 advice and support (including visits) on safe re-opening for both retail and hospitality businesses
- Guidance on temporary structures if required to enable safe re-opening
- Option and advice to extend seating onto pavements etc
- Re-opening of town centre toilets
- Social Distance Ambassadors in Wokingham town centre and Woodley during first week of re-opening
- Increased PPP and Police presence for hospitality reopening – monitoring and providing advice and support

We hope to cover the costs of all communication material and the materials needed for the reallocation of road space through funding under the Re-opening the High Streets Fund and from the Department of Transport Emergency Active Travel Fund.

## **PART B – HOUSING**

### **1. Emergency Housing Provision**

In response to the Covid-19 pandemic we set up an Emergency Accommodation Group working across all Directorates to define and quantify any immediate and/or potential emergency accommodation needs as a result of Covid-19 and then source suitable provision.

The Group considered potential needs for additional accommodation for homeless households and rough sleepers, displaced homeless young people, early release prisoners, victims of domestic abuse, repatriation of overseas citizens, emergency housing provision for children in care, short term dementia/nursing home provision, hospital discharges and accommodation for additional care workers.

Fortunately in many cases the additional need did not materialise and/or it could be met within existing provision. However working our Registered Provider (RP) partners and our own housing companies we leased 13 additional properties, meeting the needs of 9 homeless households and 7 care workers along with a property held by our Children's Services in case of emergency. We also reached an agreement with a local hotel to provide emergency overnight accommodation and that was used on a small number of occasions.

### **2. Rough Sleepers**

One area of particular focus has been addressing the housing needs of our rough sleeper cohort – in line with the Ministry of Housing, Communities and Local Government's (MHCLG) 'Everyone In' policy. To date we have provided emergency accommodation for around thirty-five rough sleepers of which about half have at least some support needs.

We are in the process of developing personal housing plans for each rough sleeper, which for some will include priority for an offer of permanent accommodation. This is a

step up in our approach to tackling rough sleeping in the borough, matching Government's national agenda and the priorities we set out in our Homelessness and Rough Sleeping Strategy 2020-2024.

We have also commissioned Two Saints to deliver a new Housing First in-reach and outreach support service for rough sleepers in the borough using funding secured for 2020/21 through our successful bid to MHCLG's Rough Sleeping Initiative. This new service will commence from July 2020. We are also currently in discussions with our RP partners and the local voluntary sector to develop joint working opportunities.

Moving forward, we have had initial discussions with MHCLG about the recently announced additional capital and revenue funding. A detailed prospectus is due to be released by MHCLG by the end of July and we will be co-producing our bid over the coming weeks.

### **3. Operational Housing**

Colleagues across our housing and localities services and our housing companies have worked hard to continue to provide vital services and support to our tenants and leaseholders during the pandemic – either in person in the community or remotely.

As well as ensuring all our tenants and leaseholders were aware of any changes in service we also highlighted and provided contact information on what support was available to help with both welfare issues and if they were experiencing financial difficulties.

In addition at the start of lockdown we contacted every one of our sheltered housing and Fosters residents to understand their particular situation and needs. Where possible we moved them on to our 'I'm OK' system which enables us to carry out a remote daily check on the resident so minimising face to face contact. Where the 'I'm OK' system was not suitable for residents we have continued to make daily contact with them as well as maintaining a daily presence across all schemes.

We also contacted 850 of our general needs residents who are over 65 and carried out individual assessments to identify any who required regular welfare checks. For those who did we have continued to contact them once a week to ensure they are ok or if they need any extra support.

Urgent and emergency repairs continued to be carried out during the height of the pandemic however our repairs service is now moving back towards full delivery again. We recognise there will be a backlog of routine repairs that may take some time to clear. We have continued to carry out all necessary compliance and health and safety checks and have maintained 100% performance on gas servicing. Major works or improvements were halted, with some postponed works unlikely to be completed this financial year. We are, however, still aiming for all stock to meet the Decent Homes Standard by December 2020.

The total number of homeless presentations has increased during this time, with the most significant increase seen in those presenting without children. In Q1 2019/20, we received 33 single homeless applications. During the same period in 2020/21, this figure increased to 59. We are also anticipating an increase in presentations once the suspension of evictions is ended on 23<sup>rd</sup> August.

Our lettings team have now returned to full service, following the lifting of lockdown restrictions. There have been incidents of anti-social behaviour during this time, most notably at Broadway House, where staff have been working under difficult circumstances to manage occurrences as they arise. Thames Valley Policy have obtained three closure orders.

Rental income figures are showing minimal impact currently, although we expect to see that change as the Government reduces support for employers. As of 30<sup>th</sup> June 2020 HRA rents were up 0.20% against target (101.09% on 2019/20) with the team continuing to offer support and advice to customers.

Our tenant involvement work has also continued, with meetings now taking place virtually.

## **FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Not Applicable	Not Applicable	Not Applicable
Next Financial Year (Year 2)	Not Applicable	Not Applicable	Not Applicable
Following Financial Year (Year 3)	Not Applicable	Not Applicable	Not Applicable

### **Other financial information relevant to the Recommendation/Decision**

None relevant

### **Cross-Council Implications**

No decision

### **Public Sector Equality Duty**

Due regard has been given to WBC's duties under the Equality Act

### **Reasons for considering the report in Part 2**

Not applicable

### **List of Background Papers**

None

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