

- Present:** Councillor Jane Loffhagen (*in the Chair*)
- Councillors:** Naomi Tweddle, Bill Bilton, Sue Burke, Liz Bushell, Gary Hewson, Helena Mair, Hilton Spratt, Edmund Strengiel and Bill Mara
- Apologies for Absence:** Councillor Jackie Kirk and Councillor Lucinda Preston

26. Confirmation of Minutes - 16 December 2020

RESOLVED that the minutes of the meeting held on 16 December 2020 be confirmed.

27. Declarations of Interest

Councillor Sue Burke wished it recording that she was employed by Lincolnshire County Council.

28. Scrutiny Review - Impact on Businesses and Employment during the Covid-19 Pandemic

Jane Loffhagen, Chair of the Community Leadership Scrutiny Committee, opened the meeting and provided the Committee with a brief introduction of the topic for review which was the impact on businesses during the Covid-19 pandemic.

She explained that the purpose of the review was to understand the impact of the Covid-19 pandemic and how it had affected businesses, whilst also identifying support already being provided and whether there were any gaps of which the City of Lincoln Council could provide further support. Not only would the review look at businesses, it would also look at how the pandemic had affected individuals from the perspective of jobs and employment.

Councillor Loffhagen welcomed Justin Brown, Assistant Director for Growth at Lincolnshire County Council, who had been invited to provide information on the local economy.

29. Justin Brown - Assistant Director for Growth (Lincolnshire County Council)

Justin Brown, Assistant Director for Growth at Lincolnshire County Council and Chairman of the Lincolnshire Resilience Forum's Business and Economic Working Group provided a brief overview of the role of the Group. It was noted that the Group had been established in March 2020 and comprised membership from all local authorities in Lincolnshire, the University of Lincoln, the Federation of Colleges, the Chamber of Commerce, the Federation of Small Businesses, the Department for Work and Pensions and a range of other organisations.

Mr Brown provided an overview in relation to what had happened in response to and during the Covid-19 pandemic, the current situation and the longer term economic recovery plan. The following points were noted:

- funding had been made available by the Government as part of the first lockdown in the form of grants to small businesses. It was apparent that the

team at the City of Lincoln Council ensured that grants were paid quickly and succinctly to those eligible businesses in the city and represented a very good piece of work. There was also good alignment between boundaries and effective partnership working with other local authorities in paying grants to businesses;

- 260 businesses had sought specific business advice, with a key component materialising being the wellbeing of business leaders. A wellbeing service had therefore been established for Greater Lincolnshire to provide advice and support in this respect;
- in terms of the workforce, the furlough scheme had made a significant difference to job security. However, should that scheme end in April 2021 there was a concern in respect of mass-redundancies and whether the public sector was prepared and organised as much as it should be to cope with and react to this significant challenge;
- weekly meetings with Government officials took place which had proved to be extremely important as that intelligence could be communicated to Government in order that it was able to adapt to the way in which things were occurring locally;
- current data reflected that unemployment was rising in the Lincoln area and the end of the furlough scheme, currently scheduled for the end of April 2021, was increasingly worrying in terms of the impact it would have on these statistics. Fewer vacancies were available with employers seeking experience, which created a challenge especially for young people;
- there had been a reduction in business investment as businesses had used their cash reserves to keep their businesses alive. They had struggled and suffered throughout each lockdown, but when this third lockdown was lifted a concern was that businesses would not have enough money to buy necessary stock to meet consumer demand;
- rapid digitisation had occurred in response to the Covid-19 pandemic with lots of IT requirements having changed as a result. Lots of businesses were small and were not supported by professional IT teams in the same way that larger businesses and the public sector were, for example, which added further pressures and challenges to them;
- certain locations in the county were struggling, particularly those where tourism and hospitality were prevalent. Lincoln, as a key tourist location in particular, was one of those areas significantly impacted as a result of restrictions associated with that sector;
- the Greater Lincolnshire Local Enterprise Partnership, which included County Council and District Council representation, had been working on an economic recovery plan for the area. This plan would cover the next three to five years and sought Government investment, focussing on those sectors and industries that were strongest in the area;
- the recovery plan, as well as seeking Government investment, would also require a commitment from local government and the business community to realign their resources in keeping with the objectives of the plan;
- more needed to be done to encourage the Government to provide finance in order that bids made to stimulate the economy were successful.

Mr Brown welcomed any comments or questions from members of the Committee.

Question: In terms of a potential extension to the current lockdown, what would the impact be on the city centre given recent closures to major retailers in the city already? Would this have a knock-on effect on small businesses, particularly due to the significant reduction in people going into the city centre?

Response: The country was already in a recession prior to the commencement of the Covid-19 outbreak and introduction of the first lockdown, with a decline in the high street nationally having already had an impact on the economy. In terms of the Greater Lincolnshire area, taking into account the significant improvement works to the Cornhill Quarter and the attractive nature of the high street, Lincoln did have an advantage in comparison to other areas. Consideration was currently being given to an anticipated change in the way in which businesses operated, especially office workers and self-employed people who had been able to work from home. The introduction of drop-in centres or touch-down spots in the city for people to utilise on a flexible basis as opposed to designated office space in the city centre could attract people into the city and create footfall on the high street in a different way. In terms of retail, there were different pockets of concentrated retailers with the high street forming one of them. It would be important to ensure that in protecting the heart of Lincoln's retail offer this did not accidentally impact retailers in other parts of the city.

Question: Was any support in place for small businesses in terms of preparation for after the pandemic from the perspective of future-proofing their business?

Response: The Business Growth Hub had been operational for a number of years and had traditionally focussed on providing advice to businesses on how they could grow. Lincoln's hub had been one of the most used in the county, with over 800 businesses accessing the hub per year. However, it was acknowledged that this was only scratching the surface when compared to the 18,000 businesses who were VAT registered in Lincoln. In April and May there was a notable spike in enquiries relating to Covid-19 but since then there had been very few solely in respect of the pandemic with enquiries again being more focussed on growth and opportunities. The hub did offer lots of business continuity planning advice and there was evidence that lots of business leaders were having to plan and deal with different eventualities simultaneously, with the Covid-19 pandemic and the implications of Brexit being two good examples. In this respect, a lack of demand recently in the services offered by the business hub could be as a result of business leaders simply being fatigued following the significant challenges faced with over the previous ten months.

Question: Would people locally use the end of the furlough scheme to downsize and rationalise their business?

Response: There was no evidence to suggest that this was specifically the case but the end of April was concerning in respect of the furlough scheme and the impact this may have on businesses. This also coincided with the end of the tax year, together with an early Easter which, with restrictions in place on some key sectors and businesses, could result in another key month of business taken away from them. All of these aspects created risks and the reality was they it could inevitably result in business closures, as had already been the case in some circumstances across the country.

Comment: In terms of a focus on private sector economic recovery, the public sector had a key role to play so there should be a more strategic and partnership approach locally, accompanied by an economic stimulus from the Government.

Response: Better partnership working between all agencies was essential, with the Department for Work and Pensions and local government being an example of organisations that could perhaps work better together than they currently did. Economic recovery would rely on a joint private and public sector response. The ethos of the Greater Lincolnshire Local Enterprise Partnership represented that joint partnership approach between the two sectors and this was not the case elsewhere

in the country where other Local Enterprise Partnerships were dominated by either the private sector or public sector in some cases. It was very well balanced on the Greater Lincolnshire Local Enterprise Partnership which was one of the reasons why it had received the fifth highest amount of Government funding in the country.

Comment: It would be important to know and understand who owned land in Lincoln in order that the public sector and private sector could work with them collaboratively to ensure that proposed development was in keeping with economic growth objectives for the city.

Response: This was an important part of the private sector and public sector joint response to economic recovery. It would be necessary for a balanced approach from both sectors, working together on creative approaches that were viable and right for the location from an economic growth perspective. The City Council's Major Developments Team would know and deal with those landowners on a regular basis. It was emphasised, however, that progress in relation to such schemes and working with landowners would be a slow process with no short term outcomes. These would be long term projects and managing expectations in that respect would be important.

Question: Lots of people had been entrepreneurial throughout the pandemic and started their own businesses. What support was available to them?

Response: Quite a lot of support was available to those people who were self-employed or were looking to start their own business. One of the challenges, however, was that the people providing that support were older, towards the end of their careers, whereas a lot of young people starting their own businesses did things differently in keeping with technology and techniques now available to them. It was therefore recognised that business support needed to be tailored to people in the right way, which was not necessarily currently the case.

Question: Did the Lincolnshire Resilience Forum's Business and Economic Working Group include representation from the Lincoln Business Improvement Group?

Response: The Lincoln Business Improvement Group was initially invited to join the Working Group but, in response to the pandemic, it was too busy to devote resources to the Group. Representatives from the Business Improvement Group had now joined the Working Group and Mr Brown looked forward to working with them.

Question: Were businesses prepared for the end of the furlough scheme?

Response: Mr Brown did not think that businesses were waiting for the end of the furlough scheme before making posts redundant, he was of the view that they were trying their hardest to keep their businesses going. One of the key problems, should lockdown be lifted, was businesses being able to cope with demand as lots of businesses had used capital and cash reserves to simply make up for the loss of revenue. It would be necessary for businesses to, very quickly, re-stock and scale back up in order that they could trade but it was questionable as to whether they had the cash reserves available to do that to ensure that they were operational in the same way as they were prior to the pandemic. Coping with demand and expectations from consumers would therefore be a challenge. More flexibility in terms of borrowing may be a helpful solution to assist businesses in coping with this.

Question: Could the City Council do anything differently or better to support businesses or individuals?

Response: Unemployment was a significant issue in the city and the matching of people losing their jobs to employment opportunities that existed elsewhere in Lincoln would be a useful exercise. Further work on ensuring that people were prepared for interviews and encouraged to attend would also be beneficial. An example was given of an owner of a hotel who routinely had 30 applications for a position, with eight shortlisted for interview and only one person following through with the interview. In the longer term, a key issue would be helping people gain meaningful experience, which employers were looking for, and providing any opportunities to facilitate this.

Question: People were struggling across the country with their mental health. Taking into account the earlier reference to the wellbeing of business leaders, was there anything the City Council could do to support this, or was support already in place?

Response: A helpline in conjunction with the Chamber of Commerce and Federation of Small Businesses had been established with a range of members across Lincolnshire who had volunteered to provide support. Volunteers, of which there were approximately 6,000 across the county, included businesses and charities in the personnel, health and wellbeing sectors. The County Council had provided funding in order to keep this service running for twelve months. The City Council may have contacts with businesses or charities in these key sectors who could be encouraged to participate in the service.

Question: How were banks helping to support businesses throughout the pandemic but also as part of recovery?

Response: Mr Brown did not have any up to date information available to share with the Committee at this meeting, but agreed to circulate this in response to the question to members in due course.

Comment: Industries such as manufacturing and construction could provide significant opportunities to create jobs and boost the local economy. The Government should do more to support and fast track things like infrastructure schemes, for example, to facilitate this. The economy was not solely reliant on shops and retail.

Response: The economy was much wider than the high street and retail, with manufacturing in particular being significant in Lincolnshire and the surrounding area which had a big influence on the local economy. In terms of procurement, the more money that could be spent on local businesses and local projects, the more that money would stay in the local area. Construction and manufacturing were really important and the issue was how aggressive organisations could be in terms of procuring locally in keeping with their respective procurement policies.

The Chair thanked Mr Brown for his contributions and highlighted the following aspects the City Council could consider taking further:

- the provision of further support to the work already taking place in respect of the wellbeing of business leaders;
- the potential provision of work experience to assist people gaining meaningful experience, especially young people;
- the provision of further support and advice for people seeking to start their own businesses.

30. Work Programme 2020/2021

The Chair invited members of the Community Leadership Scrutiny Committee to consider its work programme.

It was suggested, in the context of the current Scrutiny Review on the impact on individuals during the Covid-19 pandemic, that the City of Lincoln Council's staff could potentially be used as a case study to understand how people were coping and had adapted to working from home. This could lead to a further piece of work as to how remote working had impacted people across the city during the pandemic.

The work programme was noted.