

COVID Response Support to businesses

Full Council 2nd Dec 2020



Overview

- Economic Outlook
- Business Impacts
- Critical Support
- Opening up safely
- Business Response Group and Business Recovery Plan
- Reflections

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Economic Outlook

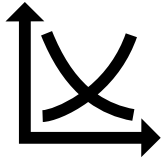
OBRs three scenarios

	Virus scenarios		
	Upside	Central	Downside
Public health assumptions			
Lockdown ends	2 December	2 December	2 December
Test, trace and isolate	Effective	Partly effective	Ineffective
Public health restrictions: lockdown to vaccine ¹	Medium-low	High-medium	Very high ²
Vaccines widely available	From Spring 2021	From mid-2021	Ineffective
Economic effects (per cent, unless otherwise stated)			
Real GDP growth in 2020	-10.6	-11.3	-12.0
Return to pre-virus peak (2019Q4)	2021Q4	2022Q4	2024Q4
Peak unemployment rate	5.1	7.5	11.0
Long-term GDP scarring	0.0	3.0	6.0
Fiscal effects (per cent)			
Public sector net borrowing in 2020-21	16.7	19.0	21.7
Public sector net borrowing in 2025-26	1.7	3.9	6.1
Public sector net debt in 2025-26	90.5	104.7	123.1
Budget 2020 fiscal targets			
Current budget balance in 2023-24	Met	Not Met	Not Met
Net investment below 3 per cent of GDP	Met	Met	Not Met
Debt interest to revenue ratio below 6 per cent	Met	Met	Met

¹ Low, medium and high are broadly equivalent to October 2020 tiers 1, 2 and 3 in England. Very high is between October 2020 tier 3 and November 2020 lockdown in England.

² Restrictions to ease to low by end of 2021.

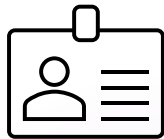
Business Impacts



Reducing demand and sales



Cashflow is critical

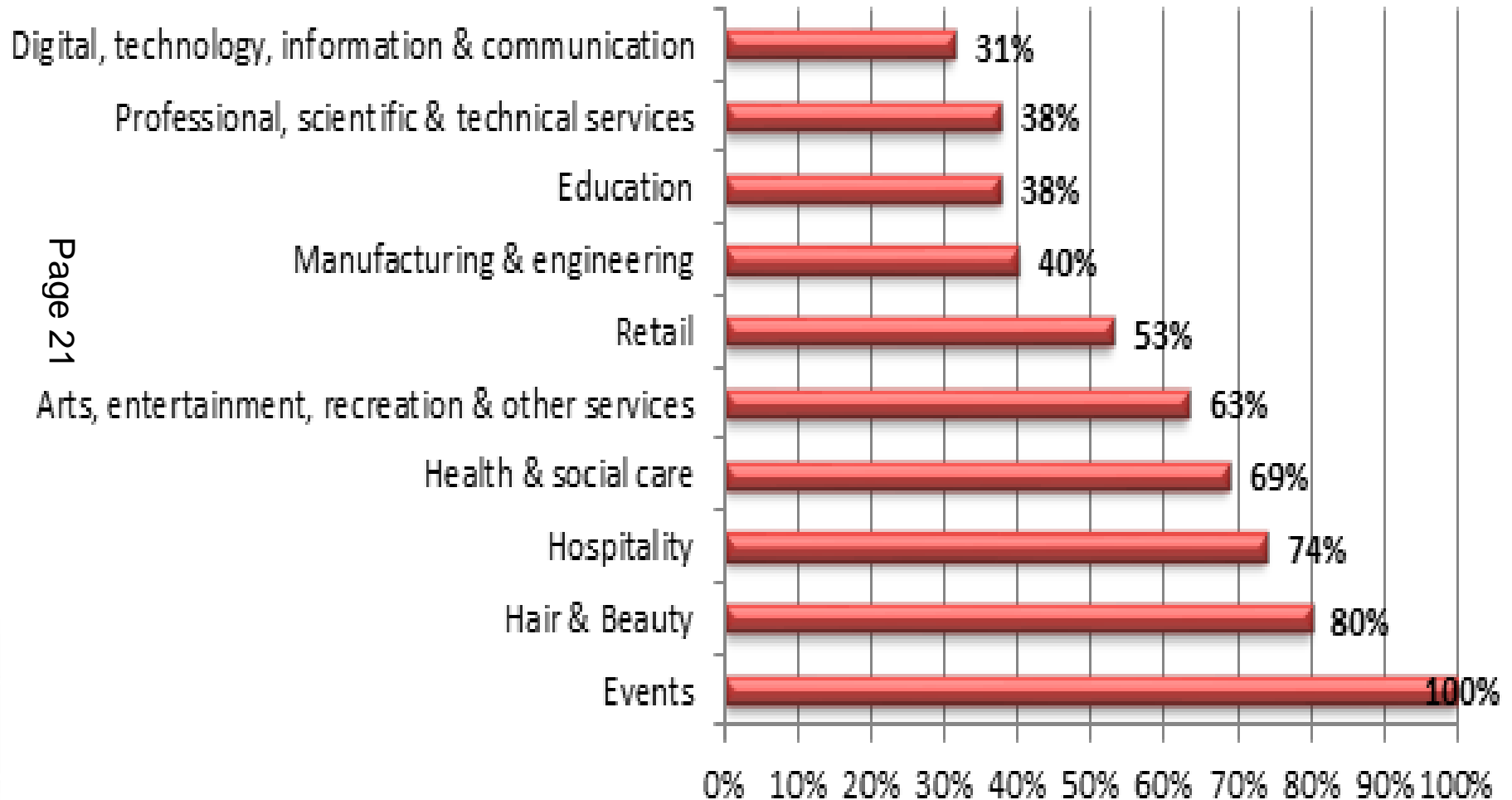


Staff – working from home, social distancing, absence, furlough and redundancy



Putting in place COVID secure measures for staff and customers

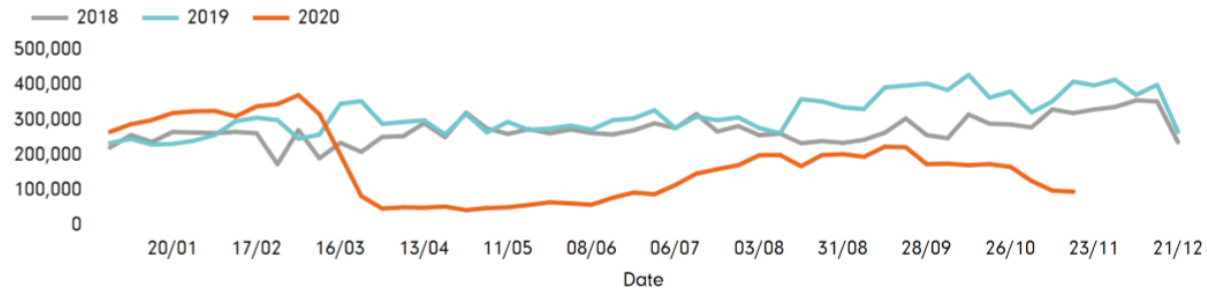
Proportion of businesses by sector operating at critical Sales and Bookings levels



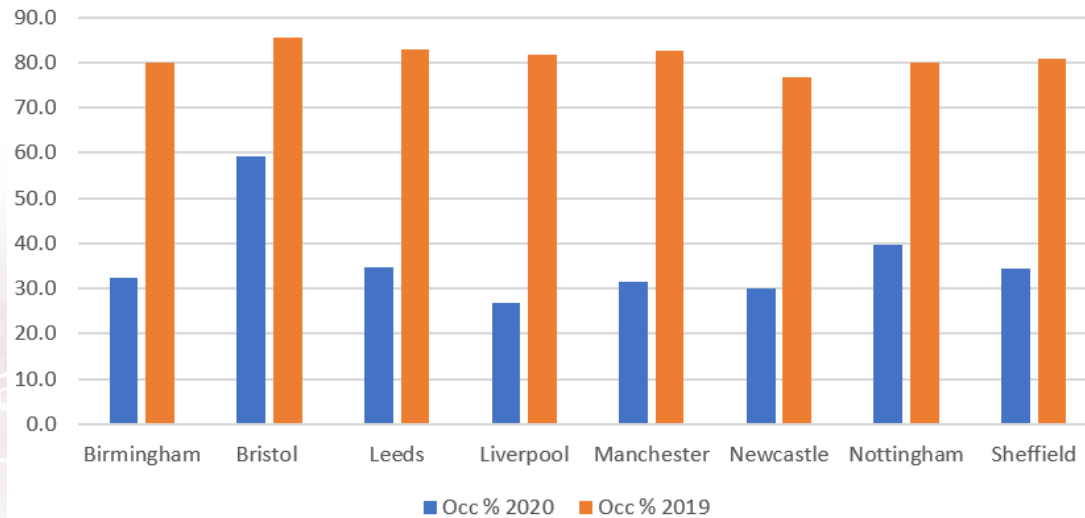
Consumer Confidence / Demand is crucial to recovery

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Footfall by week



Hotel Occupancy Rates October 2020



Critical Support - Business Sheffield

SCC has provided support to thousands of businesses of all sizes and types, from large employers to small high street shops through Business Sheffield and working with colleagues in Business Rates, Environmental Protection and Licensing

- 6,500+ telephone calls
- 1,000+ email enquiries
- 3,500+ appointments with specialist Business Advisor on the same day
- Supporting businesses to access the government grant schemes,
 - supporting businesses struggling or turned down for Business Interruption and Bounce Back Loans
 - survival and cashflow support
 - helping businesses to remain open and be COVID secure
 - often distressing phone calls from businesses desperate for support
- 80+ virtual Business Sheffield workshops delivered by advisors or industry experts to help businesses survive the pandemic

Critical Support – larger businesses

- Weekly Information updates
- 1 to 1s to provide support and stay updated with how our businesses are fairing
- Tailored Redundancy Support Package
- Support to mitigate supply chain impacts
- Virtual ‘Managing and Averting Redundancies’ events
- Referring SMEs to wider support e.g. productivity support

Critical Support - Grants

First Lockdown – almost 9000 grants of £10,000 - £25,000

- 8,244 Business Rates grants worth £98million
- 660 Discretionary grants worth £5.5million

Current Schemes - grants of between £500 - £3,000 in complex national and SY schemes

SCC implemented a single application process to prevent businesses having to make multiple applications for different grants.

- Closure grant – Rate Payers
- Closure grant – Non rate payers
- Open grant - Hospitality, accommodation, and leisure businesses affected in Tier 2 /3
- Hospitality, accommodation, and leisure supply chain grant

Critical Support – Hospitality, Accommodation and Leisure

- Weekly bulletins to Hospitality contacts including updates from trade associations, Visit Britain, nationally relevant training webinars etc
- Hosted hospitality specific webinars and Q&A sessions (subjects such as Tier regulations, reopening guidance, national accreditation schemes etc)
- Presentation to monthly hoteliers meeting (open Q & A)
- Bi-weekly 'Large meetings venues' forum and monthly 'Drop in' session for venues, hotels, smaller hospitality and suppliers.
- Reopening Hospitality Guidance document and Tier Q&As produced and distributed each time regulations have changed.
- 1 to 1 calls to top 60 hospitality, meetings and events venues to push grants and offer bespoke support.

Opening up safely

- Information Officers working in 16 Sheffield district centres. Helping businesses be COVID secure, providing pivotal advice on their viability and survival.
- 2,000 business visits across the city centre to offer advice on COVID Security
- Urban Adaptations – reallocating highway, pavement cafes, commercial outdoor seating
- Providing COVID secure materials
- Led by example by ensuring the highest standards of COVID secure at both indoor markets. The Moor Market has just won the 'Outstanding Contribution Award in the City Centre Retail Awards 2020'

Business Response Group Members

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Chamber of Commerce	Sheffield Property Association	Sheffield Digital	Cutlers Company
Culture Consortium	Unight Sheffield	University of Sheffield and Sheffield Hallam University	City Growth Board



Business Recovery Plan – 6 priorities

RELIEF

Short-term actions to keep business solvent and trading during severe restrictions on economic activity.

RECOVERY

Help to for businesses and communities to adjust and adapt.

RENEWAL

Address structural weaknesses in the economy and a more sustainable, fair economy emerges.

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Stimulate demand in the local economy

Opening our city and district centres safely and securely

Helping to stimulate the conditions to encourage more start-ups in the city

Developing our skills base as a city to help communities get back to work

Stimulating investment in culture to help rebuild confidence and visitor numbers

Working with business leaders on a longer-term economic strategy for Sheffield

Key issues.. It's not enough

- Uncertainty and impact on demand in T2/T3
- Loss of Christmas trade – 40% of annual sales
- Scarring effect in reduced consumer confidence
- Adapting to the new normal
- Debt laden businesses moving into recovery
- The current support (grant values) are just not enough

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- Oh and BREXIT 1st January

Alexis Krachai

Sheffield Chamber of Commerce
Co Chair of Sheffield Business Response Group

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Thank you for listening

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Questions?

