

BIRMINGHAM CITY COUNCIL

ECONOMY AND SKILLS O&S COMMITTEE

1600 hours on 24th February 2021, Online Meeting – Actions

Present:

Councillor Lou Robson (Chair)

Councillors Zaheer Khan, Chaman Lal, Simon Morrall and Julien Pritchard.

Also, Present:

Cllr Brigid Jones, Deputy Leader

Cllr Jayne Francis, Cabinet Member for Education, Skills & Culture

Dr Moulah Miah, President (Midlands Region) UKBCCI (UK Bangladesh Catalyst of Commerce and Industry) & Managing Director, The Landing Stage Limited Broad Street, Birmingham

Shelu Miah, President of BCA (Bangladeshi Caterers Association), West Midlands Region

Jez Collins, Birmingham Music Archive

Dr Patrycja Rozbicka, Aston University - Birmingham Live Music Project (BLMP)

Craig Hamilton, Birmingham City University – Birmingham Live Music Project (BLMP)

Erica Love, Director, Culture Central

Caroline Miller, Birmingham Royal Ballet (BRB)

Maria Dunn, Head of Development Policy

Lloyd Broad, Head of European Affairs

Ceri Saunders, Acting Group O&S Manager

Baseema Begum, Scrutiny Officer

1. NOTICE OF RECORDING/WEBCAST

The Chair advised those present that the meeting would be webcast for live and subsequent broadcast via the Council's Internet site and that Members of the press/public may record and take photographs except where there are confidential or exempt items.

2. APOLOGIES

Councillors Nicky Brennan and Maureen Cornish.

Councillor Julien Pritchard submitted an apology for lateness.

The Chair added that she had received an apology from Lisa Meyer, Capsule Events for not being able to attend due to personal circumstances.

3. DECLARATIONS OF INTERESTS

Cllr Lal declared that his wife's business had received a business support grant from government.

Cllr Morrall stated that he used to work in the hospitality industry and currently as a web developer he has some clients in this sector.

4. ACTION NOTES

This item was postponed and was taken before the work programme discussion.

The action notes of the meetings held on the 27th January and 3rd February were agreed.

5. THE EFFECT OF COVID 19 ON BIRMINGHAM'S NIGHT-TIME ECONOMY, HOSPITALITY, CULTURE AND LEISURE SECTORS

(See item No.5)

The Chair, Cllr Lou Robson welcomed attendees and explained purpose of the session was to look at the city's response and recovery plans from Covid-19 with a particular focus on the hospitality, culture and leisure sectors that have been disproportionately affected.

The work of the Council in supporting businesses was talked through by the Deputy Leader, Cllr Brigid Jones. Maria Dunn, Head of Development Policy shared a presentation giving an update on the Economic Recovery Strategy due to be presented to Cabinet in March. The following points were then made: -

- Cllr Jones has been in dialogue with the business community throughout the pandemic on behalf of the Council including taking part in meetings with Business Improvement Districts (BIDs) and the Chamber of Commerce and lobbying government on the issues raised to ensure that the correct support is received.
- During the time that the city was under Tier 2 restrictions the Deputy Leader spoke to people in the city centre about the issues for their businesses especially those in the night-time economy who were particularly affected so that the Council could use this to lobby government for additional support and resources.
- Those in the night-time economy highlighted to Cllr Jones the: -

- Impact of chaotic decision making on this sector. Hospitality and other entertainment venues rely on fresh produce and drinks that can't be switched on and off quickly as a supply chain.
- Short notice given meaning that huge amounts of stock was wasted as it couldn't be sold and resulted in lost cash.
- That decision making needed to be made based on necessity and that it was equally important that businesses were given some time to adapt to the new restrictions being announced to be able to implement them effectively without causing financial hardship.
- Financial support given lagged behind the announcement on restrictions. For example, when the city was placed in Tiers 2 & 3 there was no support to cover the restrictions and closures at the time. Support was announced afterwards, and this led to many business owners facing a lot of anxiety and problems with future planning and cash flow issues. Businesses highlighted that announcements on restrictions and financial support should have happened simultaneously.
- Introduction of Tier 2 meant that there could be no mixing of different households and venues in the city centre described a number of effects. One venue reported 75% loss of earnings for a given week; social distancing regulations meant that another venue's seating capacity was reduced from 30 to 12. Another business stated that 70 staff hours were cut as staff were on flexible hour contracts. In addition, a city centre bar reported that it took only £40 on a weeknight as most people were no longer able to visit it under Tier 2.
- 10pm curfew brought in resulted in a loss of up to 45% of income for bars as many venues cater for different parts of the economy including not only those visiting for leisure but also office and shift workers for example and this had an added impact.
- Offering of table service in bars meant that it was more labour intensive.
- Southside BID confirmed that nearly 3000 jobs had been lost by Christmas in the area and if Tier 3 restrictions were brought in then it was estimated that a further 1500 jobs would be lost. This would be on top of performers and freelancers who work in the area and have been overlooked because often they do not have contracts and have not been entitled to the furlough scheme but have lost jobs.
- Eco system of the night-time economy is seasonal such as Christmas and festivals during the year and the impact that this has on the viability of businesses as they generate income at different times of the year.
- The added impact of lockdown on the cultural sector has had a knock-on effect on hospitality venues and transport providers (less people travelling and eating out and those supplying food outlets consequently being impacted).

Cllr Jones confirmed that the Council had supported businesses in the following: -

- Processing of grants to eligible businesses. 18,000 applications received and 15,000 businesses have received funding.

- The challenge that the Council has faced in administration of grants has been that every application has had to be checked again under changes to restrictions such as the tier system to see if the business qualifies for support.
- Nearly 100 members of staff have been working on the processing of grants. Any delays encountered by businesses has been due to late notification of support from government.
- 15,000 businesses qualifying for support and a complicated grant system with 8 different streams open has meant that businesses need to be assessed against each and paid out if they qualify.
- Worked with businesses in BID areas with the introduction of physical measures such as closing roads and allowing footpaths to be used for outdoor seating. A cross disciplinary working group is working on this for the future lifting of restrictions to support businesses.

During discussion with members the following points were made: -

- The importance of local centres was highlighted by this Committee as part of its submission to the Draft Economic Strategy consultation held last year in response to how the city supports business recovery from the pandemic.
- The key role of the Council in relation to businesses in the night-time economy that sits outside of covid but has a notable impact including decisions made on licensing, planning developments and issues such as the Clean Air Zone.
- In relation to UBER and taxi drivers the Council will be looking at what it can do from a licensing point of view to provide support. A portion of grant funding has been made available to taxi drivers that live in the city. Work is underway with neighbouring authorities to ensure that people don't miss out if they operate in a neighbouring area. An agreed position will be shared across the region.

Representatives of the hospitality, culture and leisure sectors then shared their views and made the following key points: -

- Impact of roadworks on some hospitality businesses in the city centre has had an added effect as this has meant less footfall and less frontage space on top of issues relating to the pandemic.
- Due to being situated in the city centre restaurants and food outlets have not been able to operate as a viable takeaway service as others in the sector have been able to do so. The usual customer base is now working from home and this is an added layer to the recovery process.
- Extra support for businesses is crucial to help with rent arrears and to aid cash and help businesses stay afloat. Business rate relief continuing for the next 12 months is needed.
- Businesses have lobbied local and national government on financial assistance pointing out the frustration and mental impact on business owners with the stop/start in opening and closing. One way to assist business would be the extension of the VAT reduction scheme for at least the next 6 months to ease the pressure that businesses have faced within being closed and a loss of revenue due to reduced sales with a restriction on opening.

- In relation to the possibility of introducing rapid flow tests in theatres and clubs it would be helpful to add restaurants to this so that they are ready to open giving confidence to customers and staff that the premises are covid-secure. Financial assistance or discretionary grants to support the sector to be covid-secure would help ease the financial burden on businesses and would be welcome.
- Many businesses have taken on bounce-back loans and paying this back in the current situation from next year will prove to be burdensome. The introduction of a profit related scheme to pay such loans back would be welcomed if introduced and would help and support businesses to get back on their feet long term.
- Recent research from Oxford Economics suggests that approximately 51,000 jobs have been lost within the creative and cultural sector due to covid in the West Midlands.
- A real concern for the city is that there is no clear understanding of what the night-time economy is. There is no strategy or policy to nurture the sector and no central resource that organisations can go to for help and support. Covid-19 has only highlighted this.
- The night-time economy generates an average of £66bn per year to the UK economy and supports 1.3m jobs which accounts for 10% of GDP. That equates to 8% of UK businesses and 1/3 of town centre turnover is generated in the evenings and a key economic driver.
- The understanding of the night-time economy can seem too narrow and the focus falls on safety issues that although very important do not cover the wide range of workers and issues that fall within it. Therefore, it tends to focus on regulation and prevention rather than a nurturing role and acknowledgement of how nuanced and complex it is. The role of the Birmingham Community Safety Partnership in relation to this was highlighted.
- Also, with the city bringing on board many new developments and events such as the Commonwealth Games this will only increase, and this is the ideal opportunity to bring together a wide range of organisations across many different spheres under the umbrella of one organisation. This can be the lead voice for the night-time economy and take up the issues that affect so many of the businesses and individuals within it acting as a mediator or advocate including on issues in relation to regulation and law.
- Looking at examples of other cities to see what Birmingham can learn from in terms of appointing a Night Mayor or Officer that can help and support this. Other cities that have implemented such a role have seen exponential growth.
- Complexity of Brexit and covid on night-time economy and research done with venues, individuals and businesses shows a need for a night-time economy impact assessment to be carried out. This should be linked into city planning and taking on board other strategies and policies that affect the city.
- The cultural and heritage sectors have been severely affected predominately as they feature many freelancers and independent businesses. These sectors have been hit with a high number of redundancies which has had a knock-on effect on the local economy (for example local hospitality, transport and the respective supply chains). With venues and businesses closed such as libraries

and museums there is an expectation that once lockdown is lifted a lot of hard work will be required to get places reopen and for the public to have confidence to visit as the survival of all those in these sectors rests on audience attendance.

- Organisations such as the Birmingham Royal Ballet have put in much effort to provide an online offer with some success. The challenge for such venues is the next 12 months and support is required to try and assist with this including looking at options to hold outdoor performances. This would help boost public confidence and ensure that venues and performers have some certainty in relation to planning and programming for events well in advance.
- Many cultural SMEs need support to survive and have received financial aid from national organisations such as the Arts Council however more is needed. The Council has approved £400,000 annual commission funding to help. Additional support will also be provided via supplier relief system.
- A sum of £2.9m annual revenue grant for support to large organisations including bringing forward regular quarterly payments as required to help with cash flow has been actioned to give some certainty to the sector.
- Caroline Miller, BRB explained that during the first lockdown they were heavily reliant on the government's furlough scheme to keep on board all performers and support staff. A production was put on during summer outside of lockdown and it proved that it can be done safely with artists and staff taking the necessary precautions to be able to do so. However, it was highlighted that swapping to streaming of an event when the city was put under Tier 3 restrictions in December cost £100,000 and this was only possible due to a private donor. In addition, the expectation is that the performance sector will be one of the last areas to recover.
- Research undertaken by Culture Central into the sector recently shows that organisations have been severely impacted: -
 - 54 organisations contributed to the research including museums, galleries, festivals including those with up to 10 employees and those with 25-50 members of staff.
 - 40% of these organisations have generated less than 25% of their normal income in this financial year. Another 22% have seen less than 50% of their income.
 - A £32.5m loss has been suffered by 29 organisations who shared their income data across the region, and this does not include the bigger organisations.
 - 86% have benefitted from the furlough scheme and stated that this was very valuable and needed to be maintained up to reopening and through recovery.
 - 40% of those organisations furloughed between 76 and 100% of their staff and another 45% furloughed between 30 and 75% of staff so sector capacity has been reduced.
 - Cultural recovery funds made available have proved a lifeline resulting in only 15% of redundancies being made. 55% have utilised the grant scheme and 34% the rate relief.

- Freelance workers have been significantly affected with 70% of organisations reporting that contracts have been cancelled. This includes suppliers as well as performers, artists etc.
- 40% of freelancers have reported between 75 and 100% of their income has been cancelled in comparison to last year. Another 20% have only received half of what they were expecting for the year.
- Nearly 50% have little or no savings and only 60% are eligible for the self-employed government help scheme when asked.
- 40% of freelancers reported that they have had to find work outside of the sector.
- Public confidence and safety were a key find of the survey and communication is being co-ordinated with the Council.
- Planning is a key issue for the sector as things can't be switched on and off such as rehearsals, permission to hold activities and events etc.
- Insurance is also a risk for those looking to re-open a venue in relation to economic viability once social distancing is taken into account.
- However there has been much online activity, collaborations and research into new digital models has also taken place. The West Midlands Culture Response Unit was set up to ensure visibility, viability and recovery of the sector.
- A West Midlands Night-Time Economy Board is being set up and sector led, and Culture Central are hoping to engage and work with it.
- Culture Central are also working with a number of partners to aid the recovery and identify risk including the West Midlands Combined Authority, Birmingham Commonwealth Games 2022 partners, Birmingham City Council and the Greater Birmingham Solihull LEP to undertake an audience engagement strategy in line with Birmingham 2022 cultural programme, cultural infrastructure and structure mapping and economic impact of the sector.
- It was noted that arts and culture support health and wellbeing and are key to economic growth and recovery. It would be helpful to the sector for the Council to show its support through being flexible on charges, licensing and permissions for outdoor and cultural events and the planning permission required for use of buildings and open spaces.

Members then made the following points: -

- Cllr Jones will take away all the issues raised for her attention and requested attendees to email her further details for consideration in terms of what the Council can do to support businesses and lobby government.
- Cllr Morrall supported the request from business rates relief for businesses that are struggling and suggested that more help was needed to help businesses recover post covid.
- A roadmap has been shared of the reopening of businesses however what are the consequences if this is delayed?
- Comments noted on getting more people into the city centre to support the night-time and cultural economy however is it possible for some of these events to be moved into the different districts and suburbs of the city and utilising the local centres of those areas.

- Concerns noted on the cost element (making it prohibitive for most) of moving live events online and that it wasn't always easy to do so.
- Council sees its role to regulate and there is a lack of understanding of the night-time economy. It was also highlighted that a night-time economy exists in every part of the city with a great deal of economic activity going on.

RESOLVED: -

1. Additional background reports provided by Jez Collins and the link to the BRB performance to be added to the CMIS website.
2. Issues raised by contributors shared with Cllrs Jones and Francis and the Committee can follow these up at a future update.
3. Further updates in this area to include input from BIDs and to pick up economic issues in the run up to the Commonwealth Games

6. WORK PROGRAMME

(See item No.6)

The Chair, Cllr Robson highlighted the discussion on the East Birmingham Inclusive Growth strategy due to be discussed at the next meeting following the consultation period ending.

Other key areas noted for future discussion included: -

- Impact of covid-19 on the night-time economy to re-assess and pick up issues prior to the Commonwealth Games.
- Community wealth building (specifically looking at work that is happening in Preston).
- Property services updates to be scheduled every 6 months.
- Skills updates from Cllr Francis to be programmed regularly.

RESOLVED: -

1. Members noted future items for discussion.

7. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS (IF ANY)

None.

8. OTHER URGENT BUSINESS

Councillor Robson announced that this was her last meeting as Chair and thanked members and officers for all their hard work. In return Members acknowledged her dedication and thanked her for all the hard work that she had done in leading the Committee.

9. AUTHORITY TO CHAIRMAN AND OFFICERS

Agreed.

RESOLVED: -

That in an urgent situation between meetings the Chair, jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

The meeting ended at 18:17 hours.