



**Author/Lead Officer of Report:** *Edward Highfield, Director, City Growth*

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**Report of:** Lorraine Manley Executive Director of Place

**Report to:** Julie Dore Leader of the Council

**Date of Decision:** 3<sup>rd</sup> November 2020

**Subject:** Covid 19 Economic Recovery Fund

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Business and Investment		
Which Scrutiny and Policy Development Committee does this relate to? Economic & Environmental Wellbeing		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? xxx		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

## **Executive Summary:**

£2m was allocated in the March 2020 Council Budget for District Centres

Work was underway to scope what this activity might address, focussing on understanding the long term, strategic weaknesses of specific District Centres and the interventions that might help address them. £2m would have funded the analysis and some early intervention, but not all of what would have been required.

The economic and social impacts of Covid 19 mean that more immediate interventions are now required. The Members' Policy Working Group chaired by the Cabinet Member for Business and Investment have identified various interventions that might be pursued to promote consumer confidence and help businesses to survive across the city, but particularly in the city centre and our district centres.

In these discussions, Members signalled a wish to reprioritise a significant proportion of the headline £2m allocation for District centres to fund more immediate Covid 19 economic response measures, whilst still maintaining a strong focus on District Centres themselves.

This report therefore seeks the necessary authority to reprioritise this funding allocation and rapidly commission individual projects.

**Recommendations:**

The Leader is recommended to

- authorise the reallocation of the £2m allocation earmarked for District Centres in the Council's 2020 Budget, to immediate Covid 19 economic recovery measures
- establish the Sheffield Covid 19 Economic Recovery Fund with this reallocated funding
- agree that at least 75% of the funding should be targeted on measures that directly support District Centres
- note that the monies in the Fund will still come from the Corporate Investment Fund (CIF) in accordance with the allocation for District Centres. However, to ensure that any legal restrictions on particular funding sources contained within the CIF are complied with the most appropriate funding source from within CIF will be selected on a project by project basis.
- delegate authority to manage and agree expenditure from the Covid 19 Economic Recovery Fund including by awarding grants, approving procurement strategies and awarding contracts to the Director of City Growth in consultation with the Cabinet Member for Business and Investment, the Director of Financial and Commercial Services and the Sheffield Covid 19 Economic Recovery Fund Steering Group, with any proposed capital schemes being reported to Capital Programme Group. establish a Member led, Sheffield Covid 19 Economic Recovery Fund Steering Group, to be Chaired by the Cabinet Member for Business and Investment, to oversee the use of the fund and advise both Cabinet, on proposed capital projects from the fund, and the Director of City Growth, in the discharging of his delegated authority as described above.

**Background Papers:** N/A

<b>Lead Officer to complete:-</b>		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Tim Hardie</i>
		Legal: <i>Sarah Bennett</i>
		Equalities: <i>Annemarie Johnston</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	<i>Laraine Manley</i>
3	<b>Cabinet Member consulted:</b>	<i>Councillor Mazher Iqbal</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for	

submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
<b>Lead Officer Name:</b> <i>Edward Highfield</i>	<b>Job Title:</b> <i>Director of City Growth</i>
<b>Date: 5<sup>th</sup> October 2020</b>	

## **1. BACKGROUND AND REPORT PURPOSE**

- 1.1 Before the onset of the global Covid 19 pandemic, the Council had allocated £2m in its March 2020 Budget for District Centres, funded from the Council's Corporate Investment Fund. Accordingly, preparatory work was underway to scope what this activity might address, focussing on understanding the long term, strategic weaknesses of specific district and local centres and the interventions that might help address them. £2m would have funded the analysis and some early interventions.
- 1.2 Since that time, it has become clear that the economic and social impacts of Covid 19 mean that more immediate interventions are now required. The economy is in recession and we know that inequality will be widened by the effect of Covid 19. It is vital the communities and businesses are supported in the short term, in order to protect jobs and reduce the worst effects on our society.
- 1.3 The Council has chaired a Business Response Group (BRG), charged with overseeing development of a Covid 19 Economic Recovery Plan. The BRG is made up of representatives from the Chamber of Commerce, Sheffield Property Association, Sheffield Digital, Cutlers Company, the Culture Consortium and both Universities. The group have identified six priority areas and actions required over short, medium and long term time horizons. Whilst a big task of the Economic Recovery Plan is to influence and align with Sheffield City Region resources and future Council plans, without additional resource in the short term, it is unlikely that the immediate actions will be able to be delivered.
- 1.4 The Members' Policy Working Group chaired by the Cabinet Member for Business and Investment have also identified various interventions that might be pursued to promote consumer confidence and help businesses to survive across the city, the city centre and our district centres.
- 1.5 During these discussions, Members signalled a wish to reprioritise the headline £2m allocation for District Centres to fund more immediate Covid 19 economic response measures, whilst still retaining a very clear focus on benefitting District Centres.

## **2. PROPOSAL**

- 2.1 Given the unprecedented need to help communities and businesses through the Covid 19 crisis, it is proposed to reallocate the £2m allocation earmarked for District Centres in the Council's 2020 Budget, to more immediate Covid 19 economic recovery measures and establish the Sheffield Covid 19 Economic Recovery Fund, with at least 75% of funds to be used to directly benefit District Centres.
- 2.2 This will complement the £0.5m ERDF Reopening the High Street Safely Fund. The funding streams will be utilised side by side, seeking to maximise the use of ERDF for eligible activity.
- 2.3 The Sheffield Covid 19 Economic Recovery Fund will be used to commission measures designed to provide immediate relief to businesses and the economy, aligned to Member priorities and the short term actions of the emerging Economic Recovery Plan. For example, the Fund may support projects such as;

- Measures that enhance the use of outdoor public space created by temporary transport measures, such as at Pinstone Street and Kelham Island;
- Bringing empty units back into use for start ups and meanwhile uses that promote enterprise and economic activity in local centres;
- Enhancing delivery of the Make Yourself At Home consumer confidence campaign;
- De-risking outdoor cultural events;
- Increasing capacity to support start ups and businesses who are struggling as a result of Covid 19;
- Ensuring people made redundant as a result of Covid 19 are able to access the support they need to re-find employment and re-train if necessary;
- Shared parklets and outdoor seating for cafes, bars and restaurants to promote footfall and vibrancy;
- Measures that promote people to return to and feel safe in our city and district centres e.g. car parking, handwashing stations;
- Speciality markets and safe events;
- Exploring the role of libraries as hot desking / touchdown facilities for home workers needing access to facilities.

NOTE: this is an illustrative list only at this stage.

2.3 The fund will be overseen by a Member led, Sheffield Covid 19 Economic Recovery Fund Steering Group, Chaired by the Cabinet Member for Business and Investment. The Steering Group will recommend specific projects for support. Ideas will be sought from across the Council and business community. This follows the model used for the highly successful 'Keep Sheffield Working Fund' from 2008/9.

2.4 It is proposed to provide monthly reports on spend and impact of the Sheffield Covid 19 Economic Recovery Fund to the Sheffield Covid 19 Economic Recovery Fund Steering Group.

### **3. CONSULTATION**

3.1 Formal public consultation is not required. Members have shaped this proposal via the Members Policy Working Group. The priorities from the Business Response Group will inform the commissioning of new projects and ideas will be sought from businesses and communities across Sheffield for ideas that will help drive local economic recovery.

### **4. IMPLICATIONS**

#### **4.1 Equality and Health Implications**

4.1.1 Covid 19 and the resultant deep economic recession risks worsening already stark inequalities in our city. The Sheffield Covid 19 Economic Recovery Fund will seek to target measures that promote local economic activity in order to attempt to mitigate some of negative impacts on our communities.

4.1.2 The best thing for the economy of Sheffield is to avoid a second spike of the virus and any local lockdown. It is therefore essential that the Sheffield Covid 19 Economic Recovery Fund only supports activity that is in line with the Council's approach to the Covid 19 pandemic of keeping people safe and does not support activity that is not Covid secure. This will be key criteria for any project that the Fund supports, with representatives from Public Health invited to join the Steering Group that will oversee which projects are supported.

4.1.3 Overall this is a positive project, with no negative equality impacts identified.

#### 4.2 Financial Implications

4.2.1 In order to support the establishment of the Covid 19 Economic Recovery Fund, it is proposed to repurpose the headline allocation of £2m for District Centres made in the March 2020 Council Budget. This report seeks approval for that reallocation.

4.2.2 This report also seeks delegated authority to commission, grant fund, procure and contract for delivery of revenue projects from the new Fund to the Director of City Growth with capital projects subject to the usual capital approvals process.

4.2.3 It is vital that the funds have a significant impact on District Centres, the areas that were the subject of the original budget allocation. It is therefore proposed that at least 75% of the funding should be targeted on measures that directly support District Centres and that this is reported on regularly.

4.2.3 The original headline allocation from the March 2020 was capital. Some of the activity that Members may wish to support from the Covid 19 economic recovery fund may be revenue. It is proposed to establish the Member led Steering Group to develop and oversee the projects to be supported and work with Finance colleagues to agree the final split between capital and revenue and the most effective use of funding streams within the Corporate Investment Fund to give effect to those projects. The Corporate Investment Fund comprises funding from capital and revenue sources. There is a limited sum of revenue funding left such that the maximum available for revenue projects will be managed carefully.

4.2.4 The Council also has access to c£0.5m ERDF Reopening the High Street Safely Fund monies. It is important that this funding is used alongside the proposal to establish the economic recovery fund rather than separate and that we maximise the use of ERDF for eligible activity wherever possible. This will require close liaison between Finance and the City Growth Accountable Body team who will support the Steering Group but both teams are experienced in handling these sorts of funding conditions.

4.2.5 It is proposed to produce a monthly dashboard to report on the commitments and impact of the fund, including the amount spent in District Centres in order to delivery against the original objectives of the funding. This will be reported to the Steering Group in the first instance.

#### 4.3 Commercial Implications

4.3.1 There are no direct commercial implications arising from this report. Any procurement activity associated with the Fund will be conducted in accordance with Council standing orders.

#### 4.4 Legal Implications

4.4.1 The Council is able to undertake this activity by virtue of Section 1 of the Localism Act 2011. This provides Local Authorities with a “general power of competence” and allows them to “do anything that individuals generally may do”.

4.4.2 The procurement of any goods, works or services by the Council will be undertaken in accordance with all relevant provisions of the Council’s Constitution including its Contracts Standing Orders and all applicable Procurement rules (Public Contracts Regulations 2015).

4.4.3 Where activity is undertaken that has direct financial benefit an assessment will take place to determine whether that benefit amounts to state aid and consequently that a state aid exemption must be complied with. It is anticipated that in the majority of cases where there is state aid the business will be eligible to receive de minimis state aid, such eligibility to be demonstrated to the satisfaction of the Council.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 The alternative option is to not reallocate funding to enable short term activity in response to Covid 19 and instead, maintain the original plan of a project to assess the vibrancy of District Centres. This report argues that the unprecedented nature of the Covid 19 pandemic means massive damage is being done to our businesses, communities and district centres that needs more immediate focus.

### **6. REASONS FOR RECOMMENDATIONS**

6.1 The proposal is in order to support Sheffield’s businesses and communities to safely recover from the effects of the Covid 19 pandemic.