

# LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 6 November 2020

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: Not in respect of the report

Appendix 1 is exempt by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Key Decision: No

## REPORT OF THE METRO MAYOR AND DIRECTOR OF COMMERCIAL DEVELOPMENT & INVESTMENT

### SUPPORT FOR THE LIVERPOOL CITY REGION HOSPITALITY, LEISURE AND RETAIL SECTOR

#### 1. PURPOSE OF REPORT

To;

- note an emergency fund, for the Liverpool City Region hospitality, leisure and retail sector shall be established in collaboration with the six constituent Councils.
- that funding for the emergency fund, will be drawn from a combination of the Business Support Grant from Government (£30 Million), as a result of Tier 3 discussions with the Combined Authority, and an additional contribution from City Region sources (£10 Million).

#### 2. RECOMMENDATIONS

The Liverpool City Region Combined Authority are recommended to:

- a) note that following the imposition of The Health Protection (Coronavirus, Local COVID-19 Alert Level) (Very High) (England) Regulations 2020/1105, the Liverpool City Region was placed in Tier 3;
- b) note that as a consequence of the Tier 3 status, the Government has provided £30 million of funding to aid businesses impacted and the Liverpool City Region will provide an additional £10 million;
- c) note that in combination the £40 million fund will form the Liverpool City Region Emergency Aid package for businesses in the hospitality, leisure and retail sector;

- d) note that the funding being administered by each of the constituent councils using the criteria set out in Appendix 1 and will be done so on a phased approach;
- e) note that a report will be brought back in due course to inform members of the take up of the fund and its impact; and
- f) note that the LCR Chief Executive has utilised his emergency powers to authorise the release of up to £20m to be distributed to the constituent Local Authorities and provide delegated authority to the Chief Executive to release a further £10 million to Council in due course either in accordance with the terms of this scheme attached at Appendix 1 or in accordance with a subsequently agreed scheme

### **3. BACKGROUND**

3.1 This report is written in the context of the continuing COVID-19 (coronavirus) pandemic. On 5 October 2020, in anticipation of receipt of Government Funding, the Metro Mayor announced the establishment of an emergency aid package specifically targeted towards the hospitality and leisure sector.

3.2 Since that date, national government has passed emergency secondary legislation in the form of The Health Protection (Coronavirus, Local COVID-19 Alert Level) (Very High) (England) Regulations 2020/1105 on 12 October 2020. The legislation came into effect on 14 October 2020. Whilst these regulations have been subsequently amended the gist of the regulations is to impose restrictions on both;

- gatherings and businesses in the areas specified, where the COVID-19 alert level is assessed as being very high, and on
- gatherings elsewhere by persons living in the specified areas.

The restrictions on businesses in the specified areas consist of limitations on the sale of alcohol for consumption on the premises, the imposition of restricted hours for certain businesses and closure of certain businesses in the specified areas.

The restrictions will cease to have effect in relation to a particular area, 28 days from the date in which the restrictions came into force in that area, unless the Secretary of State directs otherwise. If such a direction is issued, the restrictions will continue in effect for a further 28 days. The need for the restrictions in these Regulations must be reviewed by the Secretary of State every 28 days. The Regulations themselves expire six months after the date on which they are made.

3.3 The businesses impacted directly by the Regulations fall largely in the hospitality and leisure industry. The businesses listed in the Regulations include;

- nightclubs;
- dance halls;
- discotheques;
- any other venue, opens at night, has a dance floor or other space for dancing by members of the public and provides music, whether live or recorded, for dancing;
- sexual entertainment venues;
- hostess bars;
- casinos;
- betting shops and adult gaming centres;

- 3.4 These extraordinary times have led to serious consideration as to what role the Combined Authority can play in the immediate response to this crisis and further consideration continues to be given to the role it can and should play in the future recovery from the crisis in terms of job protection and job creation etc.
- 3.5 The Combined Authority particularly recognises the risk of disruption that the crisis poses to businesses and individuals involved in the hospitality sector within the Liverpool City Region, the wider economy of the Liverpool City Region and its ability to recover from the impacts of the crisis. There are over 50,000 jobs and 4,000 businesses in the hospitality and leisure sector within the Liverpool City Region, contributing £5 billion per annum to the economy. Approximately 200 businesses have already closed since the start of the COVID-19 outbreak in March.
- 3.6 As a direct result of the new Regulations and following negotiations with Government led by the Metro Mayor, additional funding has been made available from the Government amounting to £30 million.
- 3.7 In light of the restrictions cited, the fear is that more business owners will make decisions that will mean that their businesses will significantly reduce and/or cease trading all together. The Fund is to support viable hospitality, leisure and retail businesses so that they can continue trading and it is anticipated that this step will optimise employment retention in the short to medium term.
- 3.8 Constituent Councils have already received applications. Applicants have been able to apply in October. Funding awards to individual business are being made or will be made shortly.
- 3.9 Criteria for the support has been developed including a minimum and maximum level of grant to be awarded, single grant application, prohibition against multiple applications, establishes a minimum number of employees impacted, considers trading activity levels pre and post COVID-19 restrictions, considers size of establishment and prefers businesses previously in receipt of Bounce Back Loans/other grants where possible. Further consideration will be given to the way that chains of establishments/multiple outlets are treated in the scheme. The agreed criteria are attached as Appendix 1 to this report.
- 3.10 Officers have worked closely with business to identify appropriate and effective criteria that enables resources to be directed in areas of utmost risk and where impact on employment is greatest. Officers have also worked with the Local Enterprise Partnership to ensure that business is represented as the scheme progresses.
- 3.11 A phased approach to issuing the grant will be adopted. Parallel funding from other sources will be considered where appropriate such as the Flexible Growth Fund and the Future Innovation Fund.

## **4. RESOURCE IMPLICATIONS**

### **4.1 Financial**

Her Majesty's Government provided an emergency package of financial support for businesses impacted by the initial close-down phase of the pandemic response. This package was provided through Local Authorities. This subsequent package associated with the imposition of the recent Regulations is not quite of the same magnitude but does offer an opportunity for support to be targeted towards the sectors most impacted.

The money received by the Combined Authority from Government will be passported out to Councils under the Scheme described (see Appendix 1). This means that there is currently no direct impact on the existing Combined Authority budget.

### **4.2 Human Resources**

No implications are identified as a result of the contents of this report.

### **4.3 Physical Assets**

No implications are identified as a result of the contents of this report.

### **4.4 Information Technology**

No implications are identified as a result of the contents of this report.

## **5. LEGAL IMPLICATIONS**

### **5.1 State Aid**

The administering and contributing constituent Councils will rely on the Temporary State Aid Framework which is in place between March and 31 December 2020. This allows additional aid to the value of €800,000. Reliance on this temporary framework is not deemed to be necessary for the purposes of this fund at this time. State Aid will be kept under review and reflected in record keeping by each of the constituent Councils.

## **6. EQUALITY AND DIVERSITY IMPLICATIONS**

6.1 These will be considered by the Working Group and each local Council as part of the distribution of any funds.

## **7. COMMUNICATION ISSUES**

7.1 Announcements will be made on official channels to communicate the taking of this decision.

## **8. CONCLUSION**

8.1 The report recognises the national context of the COVID-19 emergency. The report notes the creation of the Emergency Aid Fund for the hospitality, leisure and retail sectors, the sources of funding and the terms of the help available.

METRO MAYOR S ROTHERAM

MARK BOUSFIELD

Director of Commercial Development and Investment

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Appendices:

Heads of Terms for an Emergency Aid Programme for Liverpool City Region's Hospitality, Leisure and Retail Sector (Exempt)