

To:	Warden McQueen and Members of Grey County Council
Committee Date:	May 28, 2020
Subject / Report No:	EDTC-CW-10-20
Title:	COVID-19 Impact on Grey County Businesses #2
Prepared by:	Savanna Myers, Director of Economic Development, Tourism & Culture
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	All
Status:	Recommendation adopted by Committee as presented per Resolution CW99-20; Endorsed by County Council June 11, 2020 per Resolution CC58-20;

Recommendation

1. **That Report EDTC-CW-10-20 regarding COVID-19 Impact on Grey County Businesses be received; and**
2. **That staff be directed to work with the Finance Department to determine options for redirecting portions of the approved 2020 economic development and tourism budgets to recovery efforts for consideration by Council in June.**

Executive Summary

The global pandemic continues to drive uncertainty for Grey County businesses and governments at all levels are listening intently to understand how best to help. Regular communication with business has enabled staff to better inform our provincial and federal agencies about barriers faced. The federal and provincial governments have been quick to amend programs and introduce new funds to capture those in unique situations who have fallen between the cracks.

Grey County continues to work closely with our municipal and community partners and businesses to better understand and take advantage of support programs as well as help business setup or enhance their online presence while remaining compliant with closure restrictions.

Through the Grey County Economic Development & Tourism Working Group, staff are now turning attention to develop a phased recovery plan, which could include allocated funds redirected from the approved 2020 economic development and tourism budgets.

Background and Discussion

The global pandemic continues to drive uncertainty for our communities and economy, here and around the world. The shutdown of non-essential businesses eliminated revenues while fixed costs remained, and reduced purchasing power for workers resulting in an immediate and significant economic shock. Now, the staged re-opening of the economy is expected to take another toll on businesses while new costs are incurred, staff are unable to fully return to work and revenue is slow to grow. For some businesses, the pandemic has meant status quo or boosted their revenues. However, for the overwhelming majority, it has been devastating.

Grey County surveyed the business community March 17 to April 9 and again to April 16 to May 1. Though no businesses reported closing their business permanently through the survey, we are hearing reports of businesses closing permanently in our region.

With survey fatigue, our response rate to the follow-up survey was reduced. The next survey will not be released until we are well into recovery and need to gauge efforts on the recovery side. Further information gathered through survey, support line and working group are shared below to provide a more fulsome picture of business impact and concern.

All-Sector Business Impact – Follow Up Survey Results

In Grey County, there are approximately 10,500 businesses. 70% (7,300) of these businesses are sole-proprietors or home-based business. 218 businesses, across all nine municipalities completed the follow-up survey which took a deeper dive into the current environment.

- 43% (94 businesses) have temporarily shut down
- 40% of businesses say the impact is significant and growing.
- 60% have accessed government support, 40% have not.
 - 55% have accessed CERB, 30% CEBA, 25% wage subsidies

The follow up survey also asked businesses how many employees they had pre-pandemic versus today. On all accounts, layoffs have shrunk the size of business with now 77% of business falling in the 0-4 employee category. This is echoed by the release of the regional unemployment rate on May 8, which grew to 8.1%.

The survey also asked businesses to compare 2019 actuals to 2020 projections. 150 businesses provided a full response to this question, based on their best estimates given the situation today. Combined, an average 42.5% revenue reduction is estimated.

Detail has been added to the [survey results](#) to provide further narrative of business concern.

From provincial and federal governments, businesses are looking for clear guidance moving into recovery and more flexibility in programs, especially as how they relate to sole proprietors, which represent our largest cohort of business in Grey.

From municipal government, businesses are primarily seeking financial aid and property tax assistance, followed by promotion and marketing assistance, information and leadership and a break on municipal charges and utilities. Staff will work with Finance to look at what resources might be available within the 2020 economic development and tourism budgets to direct toward business support (via the CIP and BEC) and broader marketing communications efforts.

Staff Re-Direct

To better support our businesses and the working group, Grey County economic development and tourism staff have been pulled back from redeployment and redirected to create three recovery teams:

- Communications (Rob Hatten + Katrina, Philly, Heather, Olivia)
- Consultations & Training (Courtney Miller + Taylor)
- Economic Recovery (Steve Furness + Bryan, Jacinda, Alison)

The creation of these teams allows for better alignment of in-house expertise and resources as it relates to pandemic recovery planning.

The Business Resource Page continues to be updated on an almost daily basis and the Resiliency Map continues to grow and now includes available WIFI access points for those unable to connect from their home or business. The Business Enterprise Centre hosted a well-attended 'Ask a Professional' series of webinars following an influx of questions through the surveys and support lines. Staff are also working with our tourism and trails partners, Grey Bruce Public Health and enforcement agencies to facilitate information about the open/closed status of outdoor spaces and coordinate messaging to help residents and visitors navigate recommendations.

Staff continue to participate regularly in wider regional planning discussions with RTO7, WOWC and TIAO. Updates to our MP and MPP also continue and have been very well received.

Economic Development & Tourism Working Group - Recovery Planning

The working group has been coordinating efforts since March 17 with regards to Covid-19 related resources and communications. As the next step towards recovery, the working group is now meeting bi-weekly as of April 24.

Our staff, municipalities and partners are reporting several themes emerging from growing consultations with business. Questions around access to support programs and their gaps do continue though inquiries are now turning towards recovery in the wake of recent provincial announcements.

Our assistance is identified as most needed to:

- Collate re-opening guidelines (concern over confusion of multiple guides)
- Facilitate access to PPE for businesses
- Building staff & consumer confidence
- Maintain strong and consistent communications to industry & consumers
- Maintain focused collaboration between all partners and levels of government
- Promote local tourism to our residents when it is safe to do so
- Coordinate municipal inspection protocols to support development
- Develop destination protocols to enhance the safety of place (ie. Downtowns)
- Identify new local training needs and delivery mechanisms (ie. Georgian)

These themes will be added to the toolkit identified in the first business impact report:

- Business Consultations & Mentorship Support
- Community Improvement Program (CIP)
- Vacancy rebate; deferred penalty and interest and payment due dates
- Shovel ready projects
- Marketing

Next Steps

The working group expects to have a draft phase one recovery plan developed for consideration by Council in June.

In the meantime, staff are monitoring provincial guidelines and working closely with Grey Bruce Public Health to ensure consistent [messaging and direction](#) for our businesses with regards to preparing for a safe re-opening of the economy.

The Business Enterprise Centre (BEC) has also been given the opportunity to reallocate Summer Company funds to the Starter Company Plus Program. Recent discussions with the province have also indicated an ability to propose amendments to the granting program in order to better meet the current and future needs of business during and post-pandemic.

Legal and Legislated Requirements

There are no legal or legislated requirements relating to this report.

Financial and Resource Implications

There are no financial or resource implications relating to this report. A report will be prepared for Council's consideration in June to redirect portions of the approved 2020 economic development and tourism budgets.

Relevant Consultation

- Internal – Economic Development and Tourism staff, Director of Corporate Services
- External – Economic Development Working Group

Appendices and Attachments

Survey Results

[All-Sector Follow-Up Business Survey](#)

Resources

[Press Release: Stage One of Business Re-Opening in Grey County](#)

[COVID-19 Resources for Business](#)

[Community & Business Resiliency Map](#)