

BARCELONA AND THE COVID-19 OUTBREAK: LESSONS LEARNED AND OUR WAY FORWARD

Best Practices by the Barcelona City Council to address the Covid-19 outbreak and the city's approach to economic and social recovery.



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1. INTRODUCTION

With the spread of Covid-19, the world is facing a health crisis with an unprecedented social and economic impact. Cities are at the forefront of the fight against the pandemic, given that they are in the first-line of action and in direct contact with the citizens. Barcelona, like many other cities, has been working hard to make the lockdown easier for those who suffer the most; helping the health system to flatten the curve of the contagion, and starting to prepare the city for the socioeconomic crisis in the aftermath of the lockdown.

Since the very start of the pandemic, Barcelona has been in touch with fellow global cities all over the world to exchange practices and lessons learned from the management of the health crisis. Indeed, working through municipal networks is part of the DNA of our city, and is essential in tackling major global challenges such as the one we are dealing with.

As we start preparing for the next phase, this report aims to review these outbreak-related practices that the city of Barcelona has undertaken.

2. LIFE AFTER THE LOCKDOWN: FACING THE ECONOMIC CRISIS

Aware of the major consequences of the lockdown in the economy, the City Council has, during the confinement, prepared several measures to try to reduce the impact of the loss of jobs and earnings of the more vulnerable citizens and firms.

The first measures have already been deployed: including a general relief on the payment of taxes and public prices related to the City Council. Proof of this has been the postponement of the payment of the rent of public housing, and the non-payment of the kindergarten and public sport pavilions during the period of the lockdown. Together with these measures, bars and restaurants have seen the taxes related to the use of public space rebated until after the pandemic, together with a 75% decrease in the terraces tax, until the end of 2020.

It should be noted that all these short term immediate actions are conciliated with the long term vision of the city, envisioning a green and inclusively sustainable future.

The specific economic plan for the long run was the Barcelona Green Deal. This plan is even more important now, after the Covid-19 crisis, and as part of this plan, the Government agreed with the main political parties of the opposition to create an

investment fund with the aim of enhancing the generation of renewable energy by retrofitting buildings and installing photovoltaic panels. This fund, secured with 50 million Euros, will be essential for boosting the economy of Barcelona while transitioning towards a carbon-neutral city.

The Barcelona Deal: a City-wide deal

Finally, but on top of all these measures, Barcelona City Council is aware of the magnitude of the economic crisis and the need to define brave, innovative measures. In doing so, an agreement among all the political parties of the City Council (government and opposition ones), together with the main stakeholders and entities of the city, has been created.

Barcelona's Government has therefore created the "*Pacte per Barcelona*" ("Barcelona Deal"), which gathers more than 200 entities and organisations of the city, who are working together in defining the key measures to overcome the economic crisis over the next year and a half. They are also expected to agree on the budget needed to achieve such goals.

This 'Barcelona Deal' has been structured in 4 thematic working groups:

1. Economic Working Group
2. Urban Model Working Group
3. Social Rights Working Group
4. Cultural and Sports Working Group

Over these thematic groups, there is the Main Working Group of the Barcelona Deal, made up of the major socioeconomic actors of the city. Each thematic working group then passes on the 2–3 most relevant measures to the main working group, and this is in charge of gathering the proposed actions and weighing up their relevance, creating a city-wide plan.

Measures to reduce the economic impact

Barcelona City Council has launched a set of extraordinary economic and fiscal measures to tackle the impact of the COVID-19 virus on the city's economic activity:

- The **tax for terraces has been reduced by 75%**, until the end of 2020. It is estimated that three quarters of the bars will be able to maintain their terraces, and their commercial activity in the street. Public space typically reserved for vehicles, will now be prioritized for terraces, bringing the economic activity to the street.

- An initial **25 million Euros fund** has been created to help the economic sectors of the city. This first fund is the result of an extraordinary mobilization of resources carried out by the Municipal government, which will articulate the aid, subsidies and promotional actions that will be promoted from the City Council and which are the result of the agreement with the economic sectors of the city.

- **300 Euros will be given to each self-employed person** to cover 100% of the minimum contribution base. The *Autòno + Barcelona* programme, created in a time of emergency and to support the economic and productive fabric of the city, aims to reach Barcelona citizens who receive subsidies from the Spanish Government's Extraordinary Benefit RD8/2020. The call, with an endowment of **5 million Euros**, begins on 20th May and will end on 30th September, until the available credit is exhausted.

- **New lines for mediation** and to encourage **agreements on commercial rents** are being opened up, to respond to the reality of tenants and owners of establishments in this crisis situation. The Business Support Office (OAE), in collaboration with the Barcelona Bar Association (ICAB), has been working on a free legal guidance service, from 11th May onwards, to advise on the temporary negotiation of the conditions of the leases of premises and offices, with the aim of reaching viable solutions for landlords and tenants in the face of the complexity of the present moment. This new service will become key for the parties to be able to renegotiate the terms of the contract, which may involve a momentary reduction in rental fees or the establishment of temporary agreements.

- **New support unit to find funding, subsidies and public aid** as a result of Covid-19, which specializes in supporting the self-employed, micro-enterprises and SMEs and cooperatives in raising financial aid from the Covid-19 crisis. This new unit, which started operating on 4th May, is coordinated by the Business Support Office (OAE) of Barcelona Activa, which already has a line of advice to companies to obtain funding.

- An initial package of measures has been approved, emerging from a permanent dialogue with the city's economic and social agents, which will be expanded as the situation evolves:
 - o **Commercial waste tax.** The public price will not be charged to shops, restaurants, the self-employed and companies that cannot open to the public during the state of emergency declared by the Government.
 - o **Tax for terraces.** They will be returned to all establishments affected according to the days that they have not been able to carry out the

activity during the state of emergency. If they have not yet been paid, the proportional part will be reduced.

- **Changes in licenses.** In the second phase, the possibilities that the restaurant establishments will be able to adjust the demand for public space to the real needs will be studied, given the drop in consumption.
 - **Tax on stays in tourist establishments (IETI).** The payment is postponed until September.
- The City Council has a major capacity in terms of procurement and in this sense, a role in the local economy that goes beyond regulation. That's why it has made a great effort to reduce **the time for paying the providers and suppliers to an average of only 20 days**, thus facilitating the cash-flow and stability of the companies that work for the City Council.

Measures to reduce the impact on the family economy

The current crisis is challenging the delivery of essential services, therefore special attention needs to be paid to prevent and minimize negative consequences for families and the impact on their economy. Children and families who are already vulnerable due to socio-economic exclusion may be disproportionately affected by measures taken to control the outbreak, such as school closures and physical distancing measures. For this reason, Barcelona City Council has developed a set of measures to reduce the impact on the family economy:

- The **deadline for the payment of municipal taxes has been extended**, facilities are provided to pay in instalments and individual plans will be made with municipal assessment.
- To resolve doubts and make enquiries in this matter, we have set up the **Tax Office for tax assistance** and advice for citizens and companies
- The **nursery school fees** will not be charged (8,000 users), and the music schools and conservatory neither (2,000 users).
- The **municipal sports centre fees** will not be charged (200,000 users) during the state of emergency.

Measures to reduce the impact on the job market

Registered unemployment figures show a high increase: in Spain there are 302,365 more people registered in comparison with the previous month; in the case of Catalonia, the increase is of 21,833 people. In order to mitigate Covid-19's impact on the job market, the following measures have been put in place:

- The **Labour Rights Defence Points** have been reinforced. The Points will be offered in collaboration with the Trade Unions to attend doubts about labour risks or loss of work.
- The **website** <http://barcelonactiva.cat/covid19> has been created that includes tools and resources from all the administrations **to provide support to companies, SMEs, entities, self-employed and workers.**
- The telephone service 900 533 175 has been activated, **a free-of-charge line for providing guidance** for the citizens and resolving questions about their labour situation.
- **All contracts remain valid for the suppliers and providers of goods and services to the City Council**, adapting the service to the current situation and guaranteeing cash-flow, provided that employment is maintained and that no regulations are agreed. A contingency plan will be requested, in the case of essential services, to ensure the safety of the staff assigned to the tasks of the City Council.
- Barcelona Activa (Local Economic Development Agency for Barcelona City Council.) has **strengthened its online training** and has tripled the number of enrolments.
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Measures tailored to the neighbourhood needs to mitigate the impact of Covid19

First data analysis have shown that the impact of Covid-19 is unequally distributed among the territory, with a correlation existing between the most affected neighbourhoods and the lowest levels of income. In order to alleviate this impact, the following measures have been put in place:

- Barcelona City Council is taking action to mitigate the impact of Covid-19 in the city's **most affected neighbourhoods**, namely: Nou Barris, Sant Andreu, Sant Martí, Horta-Guinardó and Ciutat Vella.
- This Emergency Plan includes **strengthening municipal services** such as cleaning, with a specific disinfection plan around health centres and care homes.
- More than 60 street **mediation professionals** have been mobilized, coordinated with **district teams**, at points previously identified as 'problematic', in order to **detect people in a situation of vulnerability.**
- The presence of the Guàrdia Urbana, the city's local police, in public spaces has also been intensified; vehicles are circulating sending informative messages through speakers about the confinement rules; and 16,000

informative cleaning and protection posters have also been distributed on the main streets, squares, stations and shops.

3. CONCLUSION

It is clear that there isn't a plug-and-play approach for cities to effectively respond to the ongoing and rapidly evolving crisis situation. Therefore, it is up to each city to tailor their response in accordance with their local capacities and needs; paying special attention to their health system, urban infrastructure, population density, economic resources and domestic culture. But Barcelona has taken a path where innovation and public-private partnerships are key to trying to overcome the challenges it faces, and even more so, to guarantee that the city will not stop.