

ECONOMIC DEVELOPMENT COMMITTEE

19 JANUARY 2022

HIGH STREET DIVERSIFICATION FUND

1.0 Purpose of Report

1.1 To provide the Economic Growth Committee with an update on the High Street Diversification Fund for Newark & Sherwood retailers.

2.0 Background Information

2.1 In late September 2020 the Business Manager - Economic Growth received the Economic Recovery/Reopening High Street draft plan from commissioned independent consultants. This plan identified short, medium and long term actions that Newark & Sherwood District Council could undertake to assist the local economy.

2.2 Within the report research had shown that retailers who digitise and professionalise their online capabilities were more resilient throughout the pandemic and would have a new way of trading. Despite this many retailers had not undertaken this, returning solely to in person retailing as lockdown restrictions were lifted. To enhance the resilience of independent retailers across the district to future lockdowns the report suggested that the Council could lead on supporting local independent retailers to adapt and create resilience in the short term. The aim was to enable growth and regeneration when emerging from the pandemic. The project could be delivered through local website designers with the potential to provide employment for businesses within the digital sector.

2.3 Businesses that adapted to trading differently through and beyond lockdown have thrived. In the retail sector research from Royal Mail showed that 47% of SME online retailers also had their own bricks-and-mortar stores (or sold in another retailer's physical store) with 75% using their own dedicated e-commerce site and 58% using online marketplaces such as Amazon.

2.4 The Office for National Statistics (ONS) report for September 2020 suggested that 27.5% of the total retail sales were made online compared with 20.1% reported in February 2020, with that figure reaching a third of sales by 2024. This meant that offering customers a blended approach of a physical store experience to browse, buy and return products alongside e-commerce, mobile commerce and social media channels would continue to meet the needs of the customers in the post pandemic months and years to come. Furthermore, Newark and Sherwood District Council were the first council to create a fund of this nature. Other Local Authorities saw the intended success of the programme during its infancy and sought to replicate similar programmes in their local areas.

3.0 Proposals

3.1 On 21 October 2020 the High Street Diversification Fund was launched to support local independent High Street based retail and hospitality businesses. To qualify for the grant the business had to trade in Newark, Southwell, Ollerton or Edwinstowe and be independently owned. If eligible a small grant of up to £250 per business, to be match funded by 50%, would be provided towards investment in ecommerce to create or enhance a website for the businesses products and services and would close on 4 November 2020 based on a first come first served basis.

The grant could be used for the following:

Table One	
1	Create a new web site
2	Develop an existing web site
3	Create a transactional capability
4	Initiate Search Engine Optimisation (SEO) Site Check-up
5	Integration of social media channels into business web site
6	Purchase training to create DIY site/improve skills /knowledge

3.2 Applications were made online through the NSDC website and were appraised in batches ensuring each business was trading from within the NSDC boundary; were independently owned and had a street presence in either the retail or hospitality sectors. The process to determine eligibility was a relatively simple one and was carried out by the High Street Diversification Panel from within the Economic Growth Team. Our finance team were not required to sit in on these appraisals but once the receipted invoices had been received the Treasury team were notified and monies were distributed through this channel. Table Two below highlights the terms and conditions regarding the grant spend.

Table Two	
1	Payments will be a maximum of £250 to be match funded by the applicant
2	All grant funds must be used solely for E-Commerce purposes
3	The grant will not be paid until receipted(paid) invoices for completed works have been submitted
4	The right to withhold the grant if any false information is supplied deliberately
5	Only 1 grant per business from this fund during the qualifying period
6	The grant does not qualify for retrospective work that has already been completed
7	The Council's decision to award a grant will be final with no right of appeal

Each eligible business was responsible for organising that the project work be undertaken and completed by 31 December 2020. To receive the grant on completion of the project copies of invoices with evidence of payment being made were required to be emailed and verified

3.3 **Round One High Street Diversification Fund**

Round one of the programme was heavily subscribed and warmly welcomed by the independent retail and hospitality businesses with 28 applications made on the launch day. By 4 November, 123 applications had been made. Of these 22.76% or 28 applications were not eligible. Of the 95 who were 19 businesses were from the high street hospitality sector and 76 from the independent retailers. All 95 were contacted to inform them of their success and they were responsible for ensuring their projects were completed by 31 December. Due to the Christmas holiday period an extension was made allowing for paid invoices to be submitted by 31 January 2021. Of the 76 retail businesses eligible 53 or 69.73% submitted match funded invoices and 11 or 57.89% of the independent hospitality businesses submitted their match funded invoices. A grant fund of £16,000 generated £35,596.97 of activity for web development.

3.4 The impact was successful and beneficial to the independent retailers and hospitality businesses but not all submitted invoices for payment as shown in Table 3 below

Table Three			
Town	No of applications	No of payments	Total £ to complete works
Newark	61 applications	44 x £250 (£11,000)	£24,496.47
Southwell	25 applications	16 x £250(£4,000)	£8830.50
Ollerton	2 applications	Nil	Nil
Edwinstowe	7 applications	4 x £250 (£1,000)	£2270.00
	Total Grant Paid	£16,000.00	£35,596.97

3.5 **Round 2 High Street Diversification Fund**

£9000 remained from the initial £25,000 and a second round of funding was implemented to support further independent retail and hospitality businesses who missed the application deadline. 28 new applications were received, 8 of which were not eligible. 13 grants payments were processed of £250 each, totalling £3250.00. This generated £6611.50 of further web development activity.

Table Four			
Town	No of applications	No of payments	Total £ to complete works
Newark	10 applications	8 x £250(£2000)	£4054.50
Southwell	6 applications	2 x £250 (£500)	£1007.00
Ollerton	Nil	Nil	
Edwinstowe	4 applications	3 x £250(£750)	£1550.00
	Total Grant Paid	£3,250.00	£6611.50

3.6 **Social Media Grant funding**

Due to the success of the 2 rounds of High Street Diversification Funds, further grant funding of £25,000 was made available to eligible applicants towards investment in social media advertising during the months of February, March and April 2021. The grant could be used for:

Table Five	
1	Purchase Face Book Adverts
2	Purchase Instagram Adverts

Applications were open from 19 to 28 January 2021 on a first come first served basis.

A grant of £125 (to be match funded) was available on completion of works once invoices had been submitted by 31 May 2021. 74 applications were made, 8 were not eligible. 25 grant payments of £125 totalling £3125 generated £7880.28 of social media advertising.

Table Six			
Town	No of applications	No of payments	Total £ to complete works
Newark	52 applications	20 x £125(£2500)	£6,300.28
Southwell	15	5 x £125(£625)	£1580
Ollerton	2	Nil	
Edwinstowe	5	Nil	
	Total Grant Paid	£3,125	£7880.28

3.7 **Round 3 High Street Diversification Fund**

A decision was made to continue with one final round of the high street diversification grant as demand and interest continued from independent businesses within the high street retail and hospitality sectors wishing to access the offer. Retailers who had taken advantage of the grant had responded with information on increased online trade, business resilience optimised, increased webpage views, searches and adaptation of operation including click and collect and delivery modes. Retailers commented that this approach would support both a town centre presence and online presence as the lockdown effects from the pandemic began to ease.

The final round of the High Street Diversification Grant ran from the beginning of March 2021 and finally closed at the end of June. The final payment was made during the third week of September. 29 applications were made, 1 not eligible and 13 payments of £250 totalling £3250 generated £11,601.36 of web development within Newark & Sherwood.

Town	No of applications	No of payments	Total £ to complete works
Newark	15	9 x £250 (£2250)	£8963.76
Southwell	8	3 x £250 (£750)	£2060.00
Ollerton	4	1 x £250 (£250)	£577.60
Edwinstowe	1	Nil	Nil
	Total Grant Paid	£3250.00	£11,601.36

3.8 **Outcomes**

The High Street Diversification Fund made possible web site improvements that businesses had been thinking about but not had the impetus or money to do so previously. The match funding helped this happen. Some local independent retail and hospitality businesses didn't have any online presence at all, and this enabled them to start that journey. Transactional capability was added to existing web sites. Even those with good web sites used the fund to conduct Search Engine Optimisation (SEO) exercises to improve them.

The Social Media Fund enabled non-essential retail to spend on advertising their businesses whilst their "bricks and mortar sites" were closed during the 2021 lockdown.

Appendix 1 to the report provided comments from the independent retailers on the funding received.

A total of 115 independent high street retailers and hospitality businesses from the 4 towns within Newark and Sherwood received financial support for web site improvements and social media advertising. Of the £25,625 of grant funding received this generated a private sector investment of £36,065.11

3.9 **Additional Restrictions Grant (ARG)**

In late December 2021, the Council utilised the remaining Additional Restrictions Grant (ARG) of £112k to support business in the hospitality sector. This grant was provided directly to local businesses that lost trade and services due to the advised restrictions nationally in the run up to Christmas 2021. Business with a rateable value below £15,000 and identified as within the hospitality sector were provided an additional £1,000.

4.0 Equalities Implications

4.1 There are no equalities implications with the delivery of this activity.

5.0 Digital Implications

5.1 Initially there was a requirement to set up a system within which retailers could apply for the grant through the NSDC website. The functionality was set up and made operational during the life of the project.

6.0 Financial Implications - FIN21-22/7723

6.1 There are no direct financial implications arising from this report. As noted above, the £25,625 made available to businesses through The High Street Diversification and Social Media Fund was funded by the Community Engagement Reserve. Of the £112,000 Additional Restrictions Grant, £100,000 was funded by the ARG allocation, and the remaining £12,000 from the Council's own funds.

7.0 Community Plan – Alignment to Objectives

7.1 The High Street Diversification and Social Media Funds aligned with the vision to deliver inclusive and sustainable economic growth by maximising grant opportunities by supporting 115 businesses with financial help.

8.0 RECOMMENDATION

That Committee note the success of the High Street Diversification Fund

Reason for Recommendation

To provide an update on aspects of projects delivered through the Economic Growth team

Background Papers

Nil

For further information please contact Veronica Dennant on Ext 5260

Matt Lamb
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APPENDIX 1

Comments from Independent Retailers benefitting from the High Street Diversification and Social Media Funds

“Thanks to NSDC’s High Street Diversification Fund I have been able to invest further in my website, improving our online presence to support our store offer” (Lace Boutique, Newark).

“I was very pleased to receive the High Street Diversification Fund and have used it to pay for SEO optimisation – something that I had intended to do myself but never have the time to do running the retail and interior design side of the business. Also it allowed my website designer to spend a couple of hours updating and refreshing some of the existing pages. Thank you NSDC! (Carnill and Company).

“Firstly thank the council – every little helps! Along with others I am pushing SEO’s and making the website as user friendly as possible. Work that wouldn’t have happened until 2021 but it gave me the help we needed to pay for half of it” (Kingsman Interiors).

“We have gone for it – making improvements to transactional capabilities with an additional 50 orders received, both from local and from further afield that would not have happened without the changes. Due to this we are offering new products and work is ongoing with SEO” (Homebake).

“We are now so busy with online orders 7 days a week” (Soak).

“This was a great initiative and anything that can be done to help small independent businesses is a bonus” (Smiths Jewellers).

“We have linked to social media and Google business promotions which has already brought 2000 hits to our website “(Studio Lingerie).

“I used the grant to give my website an update and to add information about my expansion into occasion wear, which I launched 3 weeks before lockdown so this was dreadful timing for me. There were no weddings or racing events during lockdown and as I work on a face to face appointment only basis I can’t say there was a positive effect on sales during this time specifically. I do however think it definitely helped keep interest in my business during lockdown which was very much needed. As a result I have had more people contact me for appointments via the website since lockdown has eased and events are taking place again (The Hat Parlour).

“The grant helped to refresh my website, developing an E-commerce site within my website which enables me to sell online. Adding PayPal as a recognised payment platform and my training to enable me to add items/ delete and process orders. By adding this platform to my business has allowed me to reach out to more customers to sell my items. Thank you.(Janice Rose Lingerie).

“The Grant has been great. Not a huge amount of money but sufficient to nudge me to take action and I am pleased to report the work completed generated revenue. We have a small online

presence and the updates have allowed us to take, and process, Christmas orders. This is a new sales channel for us this year and helped us during the Covid crisis where customers might otherwise have struggled to place orders and might have gone elsewhere. I also employed a local firm so the Grant money continues to benefit local businesses giving you two bites of the cherry so to speak! Thank you.(GH Porter Provisions).