

POLICY & FINANCE COMMITTEE

21 JANUARY 2021

BUSINESS RESILIENCE PROGRAMME

1.0 Purpose of Report

1.1 To outline the delivery of a Business Resilience Programme focused on key sectors identified in the NSDC Economic Growth Strategy 2021-26.

2.0 Background Information

2.1 In late September 2020 the Business Manager - Economic Growth received the Economic Recovery Plan from Hatch Regeneris. This plan identified short, medium and long term actions that Newark & Sherwood District Council could undertake to assist the local economy to recover. Further in November 2020 the Economic Development Committee approved the NSDC Economic Growth Strategy 2021-2026 which identified key industry sectors that should be supported and grown. These sectors included; Manufacturing, Construction, Accommodation, Food, Retail, and Health & Social Care.

Alongside this Strategy development, the Council have been providing a series of grants to support local industry through the pandemic in national and tier level offers. Part of this funding has been provided by Government on a discretionary basis and the Council has the opportunity to utilise this funding to support industry in other local and bespoke ways.

3.0 Proposals

3.1 In discussion with key stakeholders and partners, including the Chamber of Commerce, the Business Club and Retailers the opportunity to use discretionary business funding has identified supporting local industry to become more resilient and enable growth. This can be provided in a number of ways including:

- Specialist Business advice and support from industry experts whom will have a skill set and specialism in the identified sector. This advice and guidance would support the business to adapt, seek new markets, develop a new business plan or marketing plan, modify their ways of working, assist in identifying new market or products, establish new supply chains, or provide brokerage for skills and training.
- Optimising e-commerce solutions, search engine optimisation and implementing modern ways of transaction payment mechanisms within business. This would assist the business to develop new or enhanced online functionalities or presence.
- Mentoring and training programmes with supplier brokering appropriate training and learning packages. The support to develop one on one, bespoke or new training and learning packages with providers could assist the business to adapt.
- Provision of grant funding of £2,000 to each business to grow in a programme enabled and supported by business advice i.e. with the awarded supplier. This would be completed after an appraisal process to ensure that the grant awarded would achieve the desired outcome identified within the business plan.

- 3.2 The split of funding retained for grant provision via the specialist provider would be based on the remaining allocation once a procurement exercise was completed. This model is preferable than providing the specialist provider with an allocation of resource to distribute to the sectors they are engaged in. It therefore gives the flexibility to the council to invest more in one type of industry sector should it be required to do so.
- 3.3 This programme will be complimentary to the existing Retail High Street Diversification Fund created by NSDC in November 2020 which is targeted at independent retailers. The Business Resilience Programme will be focused in two unique ways:
- It will target a wider industry cohort based on the key sectors identified in the Economic Growth Strategy 2021-2026.
 - It will be delivered by the Private Sector and enabled through a procurement exercise to suppliers with specialisms in identified sectors. This should assist in minimizing the reliance on the public sector via solely grant provision and enable long term supported economic growth.
- 3.4 The initial targeted outputs for this programme will be 120 business supported, 100 jobs safeguarded and 50 new jobs created, with the outcomes of business growth, sustainability, increase in commercial sales, increased footfall and increased visitor spend. The identified outputs may be improved upon after a best value procurement exercise and contract management process has been complete. The impact of this programme should be to sustain existing jobs and enable new jobs creating prosperity and increased GVA for Newark & Sherwood.

Government Grants

- 3.5 To date businesses have received £31,998,473 to grant support through all the various different grant schemes. Of this support £1,985,250 relates to the Additional Restrictions Grant for which the Council received an allocation of £2,448,420. This currently leaves a balance of unspent funds on this allocation of £463,170. This is based on the payments from both the first and second rounds of grants distributed through November, December and January.
- 3.6 The terms of the Additional Restrictions Grant state that: *“Local Authorities can use this funding for business support activities. We envisage this will primarily take the form of discretionary grants, but Local Authorities could also use this funding for wider business support activities.”*
- 3.7 The Council was made aware on Tuesday 5th January 2021 that further grants will be made available to businesses to support them over the coming weeks. An announcement of £4.6bn nationally was made, which included £594m of top up to the Additional Restrictions Grant. At the time of writing this report, the Council had not received its allocation of these funds.
- 3.8 In order to support the proposed scheme, there are sufficient resources available within the grant funding to contribute £100,000 towards the delivery of this. This would then need to be supplemented by a contribution from the Councils’ 2021/22 budget. The remaining allocation of the first tranche of Additional Restrictions Grant (£363,170) would then be added to the new allocation during January and distributed to businesses as direct grants.

- 3.9 The Council has benefitted over the last two years from the slippage in the Governments multi-year Comprehensive Spending Review (as a result of Brexit and Covid-19), as the anticipated reform of the Business Rates system has yet to be implemented. As such, allocations of business rates funding have been rolled forward, year on year. As this will allow further funding over the anticipated amount for the 2021/22 financial year, it is proposed that £200,000 be contributed to this scheme in order to push funding back into the business community and support their resilience.
- 3.10 It is proposed that £300,000 is allocated to a series of programmes designed with private sector delivery partners to enable business resilience and growth in the identified sectors.
- 3.11 That Officers are instructed to undertake a procurement exercise to select delivery partners to design a programme of activity for a minimum period of 12 months starting in February 2021.

4.0 Equalities Implications

- 4.1 There are no equality implications for the programme of activity.

5.0 Digital Implications

- 5.1 There are no digital implications for this programme of activity.

6.0 Financial Implications (FIN20-21/7012)

- 6.1 The eligibility of the grant is such that the proposed spend would be deemed as eligible. Based on paragraph 3.6, the Council would propose to top-slice the grant by £100,000 to support this. The remaining amount of grant from the first allocation, would then be added to the allocation from the January tranche and distributed to eligible businesses where appropriate.
- 6.2 The proposed £200,000 Council contribution was included within the Proposed Revenue Budget for the Economic Development Committee that was presented to that Committee on the 13th January 2021, and can be accommodated within the overall budget proposals for 2021/22.

7.0 RECOMMENDATION

That the creation of £300,000 budget be approved, for the delivery of a Newark & Sherwood Business Resilience Programme running through 2021/22, funded through £100,000 use of the Additional Restrictions Grant and a one off contribution from the Council's 2021/22 budget.

Reason for Recommendation

Businesses have endured a difficult year with the pandemic, and whilst survival has been the priority as we move into a national vaccination programme it is important for business and industry are able to adapt and build resilience. This approach will allow our local businesses in the identified key sectors of our economy, to have the necessary support for future economic growth.

Background Papers

Nil.

For further information please contact Neil Cuttall – Business Manager – Economic Growth on Ext 5853.

Matt Lamb
Director – Planning & Growth