

Proposed Decision to be Made by the Leader of the Council on or after 7 August 2020

Economic Recovery - Allocation from the Place Shaping and Capital Investment Feasibility Fund to support “Survive, Sustain and Grow”

Portfolio Holder	Leader of the Council
Date of decision	August 2020
	Signed

1.0 Decision

1.1 That the Leader of the Council approves the allocation of £295k from the Place Shaping and Capital Investment Feasibility Fund to support the new “Survive, Sustain and Grow” business support programme.

2.0 Reasons for Decision

2.1 Cabinet, as part of a wider paper on the proposed approach to economic recovery for Warwickshire County Council, approved a set of short-term support measures to support businesses and the economy in the immediate recovery foundation stage subject to the availability of funding. Cabinet also approved a proposal to increase by £2.5m the funding allocation of the “Place Shaping and Capital Investment Feasibility Fund” to a total of £7.5m, enabling this fund to support up to £4m of proposed economic recovery work.

2.2 Corporate Board, after reviewing the independent evaluation of the business case, agreed to recommend the allocation of funding to the “Survive, Sustain and Grow” business support programme to Cabinet for approval. This is in accordance with the approved governance arrangements for the Investment Funds which requires Members’ approval of any allocation over £100,000. The next Cabinet meeting is not until 10th September 2020. A decision is, therefore, required of the Leader in order to allow the

prompt launch and implementation of the programme.

3.0 Background information

3.1 Key Issues

3.2 Small businesses are faced with a new reality as Covid-19 has created a shock with unprecedented economic impact. Past downturns have not prepared businesses for this type and scale of economic emergency.

3.3 The Government is making significant financial interventions. However, with nearly every sector affected, the amount of potential change to think through can be daunting for a small business, and given the scale of change, financial support alone is not sufficient to help businesses survive.

3.4 There are a number of business support programmes available in Warwickshire and the wider sub-region including those commissioned by the Council. These are invaluable in “normal” times and have supported thousands of businesses to grow and scale up over the years. However, these programmes are also unlikely to be sufficient for many small businesses. Moreover, they have not been designed to support sectors among those most affected by the Covid-19 crisis including retail, tourism, hospitality & leisure.

3.5 The project will establish and deliver a new intensive business survival programme with a focus on those sectors most affected by the crisis (retail, tourism, hospitality & leisure and manufacturing). The “Survive, Sustain and Grow” programme will provide bespoke, one-to-one, in-depth advice, mentoring and support to small businesses affected by Covid-19. The programme will be complemented by financial assistance (the subject of a separate business case to the Capital Investment Fund).

3.6 It will be delivered by specialist and industry-specific consultants to be appointed by the Council. The Council will work with the CWLEP Growth Hub and a range of other partners to promote the programme and to engage businesses in need of the support. Overall, the new programme is expected to support 200 small businesses to develop and implement business recovery plans; help 97 small businesses to access Covid-19 recovery grants; safeguard at least 500 jobs and create 25 new jobs.

3.7 Options and Proposal

3.8 A detailed options analysis was part of the business case. A number of alternative options were considered including most notably:

3.9 Option 1: Do nothing – The Council could do nothing and rely on the quick injection of cash into businesses provided by the Government support schemes to-date. However, there is little new support to assist with the recovery phase and new programmes which have been announced so far are limited in scope. Moreover, current growth-orientated business support programmes (including those commissioned by the Council) will not meet the needs of small businesses most affected by Covid-19 and they have not been designed for retail, tourism, hospitality & leisure businesses.

3.10 Option 2: Internal delivery – The Council could deliver the programme using internal staff. However, the Council is unlikely to be able to attract the specialist staff needed to deliver a programme of this nature. The timescales for recruitment will also exceed those for the procurement of external specialists.

3.11 Option 3: Delivery of a new programme designed to meet the specific needs of small businesses most affected by Covid-19 and to fill identified gaps in the business support landscape whilst complementing current Government support – Specialist (industry-specific) consultants will work with small business owners on a bespoke, one-to-one basis to provide in-depth advice, mentoring and support. The programme will also be complemented by new Covid-19 recovery grants (the subject of a separate business case to the Capital Investment Fund).

3.12 Option 3 is recommended. This is considered to be an appropriate response to the issues identified and it addresses gaps in the current sub-regional business support landscape whilst complementing current Government support.

3.13 The need for a bigger programme with an increased amount of funding was considered. However, it was agreed that the level of funding was appropriate at this stage and that the agreed governance arrangements for the Investment Funds provide the opportunity to extend the programme or to widen its scope (e.g. to appoint industry-specific consultants for other sectors) if there is strong demand. There will be regular reviews of the need and demand for the support with a formal review in early 2021.

3.14 Timescales

3.15 The programme is currently being piloted with the tenants of the Council's business centres. It will be rolled out in August (subject to this Portfolio Holder Decision) and be fully implemented from the second half of September onwards on award of all contracts. It will run until March 2021 with a possible extension subject to the need and demand.

4.0 Financial implications

4.1 The programme requires a contribution of £295k from the Place Shaping and Capital Investment Feasibility Fund. Corporate Board has considered its fit with the organisation's strategic objectives and the Council Plan as well as the general financial viability as part of the independent evaluation of the full business case.

4.2 There will be regular reviews of the programme and any request for additional funding will be considered via the agreed governance arrangements for the Investment Funds.

5.0 Environmental implications

None

Report Author	Matthew Epps matthewepps@warwickshire.gov.uk
Assistant Director	Dave Ayton-Hill
Lead Director	Strategic Director for Communities
Lead Member	Leader of the Council

Urgent matter?	<i>No</i>
Confidential or exempt?	<i>No</i>
Is the decision contrary to the budget and policy framework?	<i>No</i>

List of background papers
None

Members and officers consulted and informed
<p>Portfolio Holder – Councillor Izzi Seccombe</p> <p>Corporate Board – Monica Fogarty, Nigel Mimms, Rob Powell, Mark Ryder</p> <p>Legal – Nichola Vine, Jane Pollard</p> <p>Finance – Andrew Felton, Virginia Rennie, Andrew Harper</p> <p>Equality – Keira Rounsley</p> <p>Democratic Services – Paul Williams</p> <p>Councillors – Councillors Golby, Shilton, Fradgley and Phillips</p>