

REPORT OF: Finance Manager (s151)

To: Community and Resources Committee

Subject: Additional Restrictions Grant and Business Support in Northern Devon

Date: 9th August 2021

Reference:

PURPOSE OF REPORT:

To present to members a proposal for a Northern Devon Business Support Scheme and seek approval to allocate £100,000 from the Additional Restrictions Grant discretionary fund for its delivery.

1. INTRODUCTION

The Council has received a total of £3,827,182 from the Government to pay in Additional Restrictions Grant (ARG). Of that, a total of £3,221,469 has so far been paid to local businesses.

The Guidance issued by government allows authorities to use the funding for business support activities.

This report recommends the use of a proportion of the funding to deliver the attached business support scheme in conjunction with ND+.

2. REPORT

As mentioned above, the Council has been allocated a total of £3,827,182 from the ARG scheme. This is on top of funding received for other Covid related business grant schemes. The ARG is a discretionary fund and the Council's scheme has been well received with £3,221,469 having been allocated in direct business grants.

The Guidance issued by Government states that the funding allocated will be used by authorities to fund business support activities. The Guidance envisaged this to consist mainly of direct grants but stated that it could also be used for wider business support activities.

North Devon + is the local authority owned company delivering business support within Northern Devon. Feedback from the company shows that there is an acute shortage of funded business support schemes at present resulting in the company being approached by many businesses for assistance.

At present, it is difficult for the company to provide that assistance as it has no funding to do so.

ND+ have drawn up a scheme for delivering business support that can be funded from the ARG. This is attached as Appendix A and ties in with the Northern Devon Road to Recovery prospectus which members have previously endorsed.



The scheme envisages a contribution of £100,000 from Torridge District Council and North Devon Council and will be focussed on business support for sectors hardest hit by the pandemic. There is flexibility within the scheme to react to changes in circumstances and to react to the needs of the area.

North Devon Council will resolve whether to support this proposal with £100,000 from their ARG allocation on the 2nd August.

If approved, it is intended that the business support scheme will start rolling out immediately and would run until the end of the financial year which is when any unspent funds would be subject to repayment to Government.

3. IMPLICATIONS

Legal Implications

The proposed scheme is designed in accordance with the Additional Restrictions Grant Guidance

Financial Implications

£100,000 from the Additional Restrictions Grant discretionary fund

Human Resources Implications

None

Lead Member Views

Date of Consultation- Cllr Hicks 27/07/21

4. CONCLUSIONS

While the predominance of the ARG funding made available to the Council has been delivered as grant assistance to local businesses to help compensate their Covid related losses, it would be prudent to ensure that a proportion of the ARG funding is used for longer term support for businesses as set out in the Northern Devon Road to Recovery Prospectus.

It is anticipated that between 80 and 120 businesses will be supported if the scheme is delivered.

As set out in Appendix A, a range of flexible ongoing business support interventions is proposed (guiding business through the changes they need to make) for recovery and innovation focused on the sectors hardest hit by the pandemic across northern Devon (NDC / TDC) and individuals interested in exploring the possibilities of self-employment:

- Supporting new entrepreneurs - Assisting individuals to explore self-employment and business start-up as a positive choice. In particular, 16–24-year-olds, people aged 50+ and those made redundant looking to return to the labour market.
- Supporting business transformation and innovation - Supporting businesses to explore opportunities, innovate and transform themselves in the context of changed markets and environment - for survival, safe operating, and growth. Support will be focused on sectors hardest hit by the pandemic and their supply chains e.g., tourism, hospitality, leisure incl. events & festivals, retail.
- *Small grants for business support and development - Alongside the above



support, businesses could apply for a Small Business Support Grant to cover the cost of purchasing key services such as website / marketing support or small pieces of capital equipment up to £2,000 to support continued trading, to grow and develop, and for business start-up.

Benefits of this approach:

- It responds to the hardest hit sectors, local needs and gaps in support relevant to the northern Devon experience.
- It is progressive, helping small businesses to not just to survive, but to take the next step to thrive within a changed operating environment.
- It is flexible and geared to the needs of individual businesses.
- It is inclusive and relevant to all businesses – a true ‘levelling up’ approach.
- It can contribute directly to a wide range of target outputs, including jobs, new businesses, new skills, and knowledge transfer.

Scheme delivery will be monitored and there will be an evaluation report following closure. This will be available for presentation to Councillors who can assess the immediate and legacy impacts of their Council’s contribution.

5. RECOMMENDATIONS

That Committee approve the use of £100,000 from the ARG funding to deliver the ND+ business support scheme set out in Appendix A.

SUPPORTING INFORMATION

Consultations:

Date of Consultation:

Officers Consulted: Chief Executive, Head of Legal and Governance, Head of Communities and Place

Contact Officer:

Finance Manager

