

## **ARG Business Support – a proposal**

The Additional Restrictions Grant from Central Government has supported SMEs with small grants to assist them to survive during the COVID lockdown restrictions. Going forward, NDC and TDC would like to ringfence a small amount from this budget to help inform key business decisions at a critical time, to not just help businesses to survive but to also put them in a position to thrive.

This would support the “Restart” phase of the Northern Devon Road to Recovery strategy by *“focusing on activity which can immediately seek to address the worst impacts of the COVID-19 crisis and support our economy as it emerges from lockdown, whether around reopening and reorienting business; supporting displaced employees; or providing initial assistance for places to reopen.”*

### **Rationale:**

- Experience of dealing with COVID-19 business grants has shown that impact of the pandemic has been wide-ranging, but particularly serious within tourism, hospitality, leisure (including events and festivals) and retail.
- Whilst grants to compensate for loss of income have helped, they disguise a range of underlying issues, such as depleted capital, mounting debt, the need for diversification or other ways of operating within a greatly changed operating environment.
- We are currently in a situation where there is limited publicly funded business support across northern Devon at a time when businesses are emerging from lockdown and their needs are acute.
- Business support is also a key and strategic part of the ‘levelling up’ agenda – for levelling up to work, it needs to be inclusive, focusing on all sectors and all places i.e., a universal but flexible proposition.
- The best and most innovative ideas for recovery are likely to come from businesses responding to local issues and needs – it is critical to support them to make the very most of those opportunities.
- Directing help at individual businesses supports activity at the most local level where the biggest differences can be made.

*Sectors which rely on footfall, such as tourism, hospitality and their supply chains, have been hardest hit by the pandemic - 2020 saw inbound visitor spend drop 80% on 2019 levels, while domestic visitor spend dropped 62% (Visit England, 2021). Forecasts for 2021 are that domestic tourism will be 46% below 2019 levels in 2021 (DCMS, 2021).*

### **Scope & geography:**

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 (see also Table A for details):

- **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.

**Reaching businesses / individuals:**

- Through follow-up approaches to our existing businesses databases and mailing lists
- Through follow-up approaches to northern Devon businesses in receipt of COVID-19 ARG funding.
- Through a range of communication channels, including social media, District Council communication mechanisms.
- Through local networks and links, such as Chambers of Commerce, FSB, Jobcentre Plus (e.g., for young people after completing their DWP Kickstart Scheme) etc.

**Budget:**

Request to ringfence £100k per local authority area to contribute towards a local Northern Devon Business Support scheme to run from August 2021 onwards. This would enable business support to reach an estimated 80-120 clients to access a flexible support package ranging from 3-18 hours of support recognising that business needs will vary and that some will require more support than others (particularly new start-up businesses) and up to £50k from each authority would be ringfenced for small grants for business support and development \*

**Table A** *Scheme summary*

Gap / opportunity	Scope / delivery	Rationale	Delivery	Outcomes
Supporting new entrepreneurs	<p>Assisting individuals to explore self-employment and business start-up as a positive choice. In particular:</p> <ul style="list-style-type: none"> <li>- 16 - 24-year-olds</li> <li>- 50+</li> <li>- People made redundant and looking to return to the labour market</li> </ul> <p>Delivery through combination of 1:1 support, online workshops / tutorials, counselling &amp; mentoring.</p> <p>Linked small grants programme e.g. for essential kit.</p>	<ul style="list-style-type: none"> <li>- Lack of large employers, high unemployment, outflow of skills.</li> <li>- Need supply of quality start-ups for a vibrant and growing economy.</li> <li>- Increase supply of entrepreneurs.</li> <li>- No current support to encourage and explore entrepreneurship as an option for individuals.</li> <li>- Apart from some limited local activity, there is also a gap in support for start-ups.</li> </ul>	<p>3 -18 hours of support for people supported to explore self-employment.</p> <p>/ new business start-ups</p>	<ul style="list-style-type: none"> <li>- New jobs</li> <li>- New businesses</li> <li>- New products &amp; services</li> <li>- People in skills support</li> </ul>
Supporting business transformation & innovation in hardest hit sectors – (tourism, hospitality, leisure incl. events & festivals, retail)	<p>Supporting businesses to explore opportunities, innovate and transform themselves in the context of changed markets and environment - for survival, safe operating, and growth e.g. COVID, post-COVID, BREXIT.</p> <p>Focus on markets, channels, diversification, productivity, contingency; also counselling (supporting the business and the person).</p> <p>Deliver through group work, case studies, 1:1 support, mgmt. &amp; leadership skills.</p> <p>Linked small grants programme to support innovations and changes.</p>	<ul style="list-style-type: none"> <li>- Greatly changed markets – needs, channels, products, services.</li> <li>- Changing business and business owner needs e.g., regulations, debt, management, personal needs, contingency planning.</li> <li>- Need to focus on all rather than just high growth businesses to support Levelling Up.</li> <li>- Currently no support for this in HotSW.</li> </ul>	<p>3 -18 hours of advice and guidance</p>	<ul style="list-style-type: none"> <li>- Diversification of business model to improve survival / growth.</li> <li>- Safeguard jobs</li> <li>- New jobs</li> <li>- Safeguard businesses</li> <li>- New products &amp; services</li> <li>- People in skills support</li> </ul>
Small grants for business support and development	<p>Alongside the above support streams, businesses will be able to apply for a grant to cover the cost of purchasing services from local suppliers such as website / marketing support or small pieces of capital equipment up to £2,000.</p>	<ul style="list-style-type: none"> <li>- Businesses may be struggling to adapt and need updated equipment but may not be able to afford to take on additional debt at this time to purchase essential capital items such as laptop etc.</li> </ul>	<p>maximum 100 grants, minimum 50 grants between £1,000-£2,000</p>	<ul style="list-style-type: none"> <li>- Enabled business development - new products, processes, systems, technologies</li> </ul>