

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	30 April 2020
Title	Coronavirus Business Support Measures		
Report of	Director of Economic Growth and Regeneration		
Purpose of Report			
To propose a package of business support measures to help local businesses recover from the impact of the coronavirus crisis and to initiate rebuilding of the local economy.			
Key Decision (N)	N	Date of Notice	N/A
		Exempt (Y/N)	N

Report Summary

This report outlines a number of business support measures for Cabinet's discussion and consideration, using the council's previously agreed £1m business support funding.

Recommendations of Councillor Tim Hamilton Cox

It is recommended that:

- 1) **The broad framework for the council's support measures is approved in order to help local businesses survive the coronavirus crisis and assist as many as possible to go on to recovery and increased resilience**
- 2) **The initial financial allocations are approved but that a review of these is undertaken later in 2020 to take account of emerging business needs**
- 3) **To enable progress and ensure help is available to businesses quickly, delegations for distribution of the funds are approved as follows:**
 - **Up to £50k – Director for Economic Growth and Regeneration to decide after consulting with relevant portfolio holder or most suitable Cabinet member**
 - **£50 - £150k – Individual Cabinet Member**
 - **>£150k – Cabinet**

Relationship to Policy Framework

Council Plan – Ambitions

- **A Thriving and Prosperous Economy**
Create strong conditions for growth so that businesses thrive and jobs are created
With our partners, deliver major regeneration and infrastructure projects
Support development of new skills and improved prospects for our residents
Ensure that growth is good for all, and increased wealth benefits our local communities
- **Clean, Green and Safe Neighbourhoods**
Use innovation, technology and partnership with others to help improve the efficiency of services, improve customer satisfaction and reduce our impact on the environment

Corporate priorities

Climate Action	
Taking action to reduce the effects of climate change on our district	
Community Wealth-Building	
Building a sustainable and just local economy that benefits people and organisations	
Community Engagement	
Drawing on the wealth of skills and knowledge in the community and working in partnership	
Conclusion of Impact Assessment(s) where applicable – It is anticipated that a range of outcomes will be achieved but these are not clear at this early stage.	
Climate	Wellbeing & Social Value –
Digital –	Health & Safety
Equality	Community Safety
Details of Consultation	
Legal Implications	
There are no direct legal implications as a result of this report.	
Financial Implications	
There are no direct financial implications as a result of this report as the £1m funding has already been agreed by Council.	
Other Resource or Risk Implications	
Delivery of this programme will be a key priority for the business and skills team and may displace some other “business as usual” activities. The potential interim requirement for internal capacity to help manage enquiries and signposting has been highlighted in the report. Other resource is being provided by partners.	
Section 151 Officer’s Comments	
The S 151 Officer has been consulted and has no further comments	
Monitoring Officer’s Comments	
The Monitoring Officer has been consulted and has no further comments	
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Links to Background Papers	

1.0 Introduction

- 1.1 As the Coronavirus lock down took effect the council responded quickly to the needs of businesses in the district. Arrangements were quickly in place to deal with thousands of enquiries and to provide information, advice and support in a wide range of pressing situations. Equally, the distribution of government grants began extremely quickly and the council took positive steps to ensure businesses could access funds as quickly as possible.
- 1.2 To date, the council has received over 5,000 business enquiries and distributed £22m in grants to 2000 businesses. Many of these businesses are requesting further information, advice and support and are likely to continue a relationship with the council and its business support partners into the future. During the period of the

crisis, common concerns of businesses are, of course, cash flow and financial management but also digital developments. It is too early to see what other trends will emerge and certainly some businesses aren't clear about what they need at this stage, although others adapting quickly. Early signs are that many businesses are already thinking ahead.

- 1.3 The council has been very aware that many businesses were falling through the gaps in terms of the early government support grants and loans. Very recent government announcements regarding additional provision suggests that there will be relatively few businesses that are unable to access any financial help at all. Nevertheless, the majority of businesses face significant challenges and there is no doubt that some will be lost.
- 1.4 The council is actively engaging with businesses as well as its business support partners and has focused on, initially, providing the immediate crisis support, which is still ongoing. Quickly following this, and recognising that rebuilding the economy will take place over a much longer period of time, planning has begun to ensure the many needs of businesses, to underpin their survival, recovery and resilience, can be met in the medium term.
- 1.5 The Business Support Pathway, attached at Appendix A, outlines an overall approach to safeguarding and rebuilding the economy by:
 - Providing information, advice and support for all businesses that need it
 - Providing most support free of charge
 - Helping businesses to recover from the immediate impact of the current crisis
 - Helping businesses to plan for the future in terms of viability, resilience and adaptability
 - Building on the good joint arrangements between business support partners in the district
 - Providing a limited number of small grants for businesses that have fallen through the gaps of other funding but where support could assist recovery
 - Encouraging Community Wealthbuilding activities in local businesses
 - Encouraging green business practices
 - Supporting the development of new local businesses, products and services
- 1.6 For clarity, the approach detailed here is focused on helping business to survive now but also to adapt and develop in order to recover from the crisis and remain resilient in the future. The Pathway does not focus on emergency crisis funding as council funding is limited, demand would be very high and the government has largely provided for emergency support. Some grant funding is included for those businesses that have been unable to access other funding support at all and linked to business recovery and resilience, research and development and to projects that benefit a number of local businesses, such as digital and workspace. The intention is that it will be clear what the council's funds will achieve.

2.0 Proposals

2.1 The proposed approach is outlined below with some explanation of the thinking behind the Business Support Pathway and other measures

Business Enquiries and Information – All businesses (Internal resources)

- All businesses that need help can ask for it and will be entitled to an initial first contact, relevant information and signposting.

Business advice and support – All businesses (limited potential additional costs to the Council)

- Following that some businesses will need/ want a diagnostic session. Growth Lancashire will do this for us and it will be a mini version of the full diagnostic that is generally available. As far as possible Growth Lancashire will do this within existing resources. **If demand is high, there may be an additional cost to us**, tbc, but it will be free to businesses.
- Business advice and support requirements will vary. Between all of the partners, the overall support is very good and includes some very current requirements around digital, financial planning and so on. We will endeavour to ensure that advice and support is also free to businesses.
- Re advice and support, **there are some potential costs to the Council**. This includes covering out of pocket costs for non salaried advisors and business development specialists who have offered to help. During the crisis, we suggest offering them a nominal fee to help to make it feasible for them to support the programme. We also anticipate costs to the Council to bring in support for environmental assessments and Green Energy Plans, which we would like to encourage. Other organisations are offering business support provided by their own salaried staff at no charge.

Plans, Actions and Pledges – All businesses (Delivered through business support resources)

- Once businesses have had support, we should see them benefitting from very simple Recovery and Resilience Plans plus Green Business Plans reflecting the needs of their businesses.

Grants – Small, local businesses not eligible for mainstream government grants, including new start ups and existing businesses developing new products and services (Costs of grants and funds for collective business projects)

- Any potential small grants to businesses would be conditional on the above simple plans, which should provide assurance that any funds will help the business to recover, become more resilient and greener. New start ups may benefit from research or development funding.
- We have the opportunity ask for CWB pledges and Social Value outcomes, agreeing what these would mean in practice. Small steps might be best rather than promoting wholesale complex change. Potential values of grants need to be determined and

also whether any co-financing from the business is required. Ideally, this should all be as simple and uncluttered as possible with 1 page documents etc.

- There is the potential for hardship grants, if members are supportive. However, following the government's announcement of small business loans this week, the numbers of businesses not eligible for any government support at all may be very low indeed. Some kind of assessment would be necessary to establish need, so this unlikely to be funding that would be quick and easy to access. However, it would be feasible to link any hardship grants to other business support in order to try to secure business survival and recovery.
- Rent relief could be offered to the council's own tenants against certain criteria, for example, where they are small businesses and are badly affected by coronavirus

Community wealth building, skills, employment and collective business projects

- Separately, there is the potential for CWB business projects that benefit a number of businesses/ enterprises e.g. creation of shared workspaces, broadband connectivity, digital platforms, collective marketing initiatives. These would also need to be assessed against agreed criteria.

Financial allocations

2.2 At this stage, business needs are only just beginning to emerge but over the months to come, as analytics become available, needs will become clearer. At this time and indicatively, financial allocations against the various broad elements of business support could be made as outlined in the table below. It is proposed that a review of the indicative allocations is undertaken towards the end of 2020, in the context of better understood business needs at that time.

Item	Indicative Costs (£'s)
Enquiries capacity, diagnostics support, specialist business support	200,000
Development of Recovery and Resilience Plans	
Development of Green Business Action Plans	
Survival, recovery and resilience grants	400,000
CWB projects	150,000
Rent relief (small business council tenants)	150,000
Business events, training, workshops, support networks	100,000
Total	1,000,000

2.3 As can be seen in this report, the business support measures are built upon a number of principles that can easily be translated into eligibility criteria with an emphasis on assisting businesses wherever reasonable and possible.

2.4 If Cabinet supports this overall approach, officers will be in a position to develop management arrangements and business processes required to deliver the overall programme.

Decision making

- 2.5 There is a need for progress now and, as we move forwards, it will be equally important that business support is agile and responsive to business needs. In order to facilitate this, it is proposed that decision making for distribution of the business support funds is as follows :-
- Up to £50k – Director for Economic Growth and Regeneration shall decide after consulting with relevant portfolio holder or most suitable Cabinet member
 - £50 -£150k – Individual Cabinet Member decision required
 - >£150k – Cabinet decision required
- 2.6 An interim evaluation towards the end of 2020 will allow Cabinet to review progress, trends and feedback at that time, as well as consider priorities in the context of better understood business needs

4.0 Options and Options Analysis (including risk assessment)

Option 1: Approve the proposed business support measures
Advantages: This will allow business support services to be provided quickly and flexibly in line with business needs Short, medium and long term positive impact on the local economy Opportunities to deliver CWB, green and social value outcomes
Disadvantages: The council's resources would be under less pressure. Other than that, no obvious disadvantages as the overall approach is designed to adapt to needs
Risks: No obvious risks
Option 2: Do not approve the proposed business support measures
Advantages: The council will save on the costs of providing business measures
Disadvantages: Loss of opportunity to protect the local economy Council resources will be less under pressure
Risks: Risks to businesses in the district will not be reduced

4. Officer Preferred Option (and comments)

4.1. The Officer preferred option is Option 1 on the basis that the business support programme can be in place very quickly and is flexible enough to adapt to business needs going forwards.