

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 June 2021

Portfolio:	Policy and Resources
Subject:	Additional Restrictions Grant - Wider Business Support Scheme
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Maintain and extend prosperity Strong, Safe, Inclusive and Healthy Communities. Dynamic, Prudent and Progressive Council.

Purpose:

To seek approval to establish a framework for Wider Business Support to use Additional Restrictions Grant (ARG) funding to provide advice and training for Fareham businesses to support their transition and growth out of the Covid-19 pandemic.

Executive summary:

The Covid-19 pandemic has caused unprecedented difficulties for many businesses throughout the last year. Whilst some businesses have managed to expand through this period, many businesses are having to seek grants, advice, and training to help them through the changes experienced.

The Council has received ARG allocations to date of £3,357,164 and the Executive has already approved to spend a significant proportion of this on wider support, (£464,932).

This report proposes the Wider Business Support scheme which will run from June 2021 to March 2022. The scheme is informed by a business consultation with the Chamber of Commerce, Federation of Small Businesses, several Fareham businesses, and the results of a recent online survey relating to the impacts of Covid on local businesses.

The report provides details of the recent procurement exercise to establish a framework of business support and training organisations, and seeks approval to award the contract and establish the framework.

Recommendation

It is recommended that the Executive:

- (a) approves the award of contracts and the establishment of a framework for Wider Business Support Scheme to deliver a range of Wider Business Support;
- (b) approves the establishment of a separate voucher scheme for legal and financial support; and
- (c) agrees that the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources, be authorised to make any necessary changes to the WBSS following early reviews of the scheme and informed by levels of uptake by potential participants.

Reason:

To utilise government funding to support businesses during and after the Covid-19 pandemic.

Cost of proposals:

The total cost of the Wider Business Support Scheme will be met through government funding, if we are successful in securing the third ARG allocation.

Appendices:

- Appendix A:** Executive Briefing Paper Tenders and Evaluation (Exempt by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)
- Appendix B:** Summary of the ARG Schemes Implemented as a 21st May 2021

Background papers: None

Reference papers:

Report to the Executive 7 December 2020 – Additional Restrictions Grant Scheme

Department for Business, Energy & Industrial Strategy – Additional Restrictions Grant – Guidance for Local Authorities – Updated 22 March 2021 to include £425m top-up form 1 April 2021

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	07 June 2021
Subject:	Additional Restrictions Grant - Wider Business Support Scheme
Briefing by:	Director of Planning and Regeneration
Portfolio:	Policy and Resources

INTRODUCTION

1. On 31 October 2020, the government announced an additional business support scheme as the second national lockdown was planned from 5 November 2020 to 2 December 2020.
2. This Additional Restrictions Grant (ARG) Scheme was intended to support local economies and businesses that have been adversely impacted by national restrictions, and who were not eligible for help under the Local Restrictions Support Grants (LRSG) Schemes. Local authorities, however, have the discretion to determine how much funding to provide businesses and which businesses to target.
3. In November 2020, the Council was allocated funding of £2,324,660 for the ARG scheme to be used during 2020/21 and 2021/22. In December 2020, the Executive approved a set of principles to be followed for the local ARG scheme and delegated authority was given to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to approve the individual elements of the scheme as they are designed.
4. The ARG scheme principles included two tranches of grants to businesses, particularly those who had been adversely affected by the pandemic but who had received limited assistance under previous grant schemes.
5. As part of the ARG scheme, up to twenty per cent of the original fund (£464,932) was earmarked for the Wider Business Support Scheme (WBSS) which was to be established to help businesses help themselves, within the boundaries set for the funding by government (for example, the Council can not use this grant for allocation of local business rate relief).
6. The Executive therefore agreed to the establishment of a WBSS as part of the ARG scheme. This report sets out the work that has been undertaken in recent months to launch the WBSS.

BUSINESS CONSULTATION

7. As part of the development of the scheme, businesses, and their membership

organisations, have been consulted and given the opportunity to suggest support themes that are of most interest to them, or their members. The WBSS is based on that business consultation that was conducted in early 2021. Examples of the types of support requested include:

- E-commerce support
- How to move business online
- Marketing online including social media
- Facilitating online deliveries through 'click and collect'
- Access to overall business advice
- Financial advice
- Local companies 'meet and greet' through a peer to peer online programme
- Mentoring schemes
- Advice on how to diversify business including new start up
- Legal advice

8. As part of another funding stream (Re-Opening the High Streets Safely), the Council has commissioned Enterprise South to run training events for independent businesses in the high streets across the Borough. These have taken place throughout April and May and covered topics such as digital marketing, financial support and also provided businesses with access to free legal support. These events have been promoted via press releases, on the Council's website and via the Council's business newsletter.

SPECIFICATION AND ELIGIBILITY OF BUSINESSES

9. Given the potential value of the scheme, an open tender procurement route was undertaken, inviting bids via the South East Business Portal. The specification for the procurement stated that it was envisaged that a number of training providers and organisations who support businesses will be procured to provide support within a framework agreement, divided into five Lots. Bidders were allowed to bid for one or multiple lots. The Lots are;
- Lot 1: Digital Support: The aim of this Lot is to commission a trainer(s) or business support professional to provide support on e-commerce including (but not limited to) how to move a business online, online marketing including social media and how to facilitate online deliveries through 'click and collect' services. This lot is not sector-specific.
 - Lot 2: Support for businesses that want to scale up or diversify: The aim of this Lot is to commission a trainer(s) or business support professional to provide support to businesses that are looking to grow and/or diversify their business. This lot is not sector-specific and it is envisaged would need to be reactive to the needs of the individual businesses, although an element of generic support may also be suitable.
 - Lot 3: Town Centre Vibrancy: The aim of this Lot is to commission a trainer(s) or business support professional to provide support to businesses within the following sectors: retail, hospitality, leisure and arts. The justification for this sector-specific support is to support the vibrancy of Fareham's town and district centres. Individual support themes may be broad and varied such as (but not limited to) online trading, marketing and human resource issues.
 - Lot 4: Key Sectors business advice: The aim of this Lot is to commission a trainer(s) or business support professional to provide support to businesses within the following

sectors: Aviation, Aerospace, Engineering, and Advanced Manufacturing. The justification for this sector-specific support is to support key sectors within the borough. Individual support themes may be broad and varied such as (but not limited to) online trading, marketing and HR-related.

- Lot 5: General business advice: The aim of this Lot is to commission a trainer(s) or business support professional to provide support relating to general business advice. This lot is not sector-specific and it is envisaged would primarily need to be reactive to the needs of the individual businesses, although an element of generic support may also be suitable. Themes could include international trading, HR matters and wellbeing, and managing Covid-19 risks.
10. The open tender procurement route asked for method statements, CVs of project managers and training providers as well as costs per business supported per hour in order to be able to undertake a fair cost comparison of the submissions which may vary between a full-days training session to 1-2-1 business support.
 11. In terms of eligibility, the specification made it clear that the minimum eligibility criteria for businesses receiving the support are as follows, subject to any changes in the government guidance on the ARG fund;
 - Businesses that are in administration, insolvent or where a striking-off notice has been issued and remains active are not eligible for funding under the schemes.
 - ARG funding should not be used as a wage support mechanism, for capital projects that do not provide direct business support, or to fund projects whereby Local Authorities are the recipients
 - Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.
 - The support receiving business must operate in the borough of Fareham.
 12. In order to maximise the number and types of businesses supported, the specification stated that the WBSS will be open to business rates payers, non-business rates payers and businesses run from home, but that the Council would be the final arbiter of eligibility.
 13. Due to the need to review the eligibility of the support receiving businesses, the specification set out a 'gateway procedure' whereby the winning bidders will develop the support package, advertise it, receive applications from interested businesses and then approach the Council to review those businesses that have requested support. Once the businesses that have applied for support have been approved as eligible by the Council, the winning bidder/support provider will arrange the support and then seek payment from the Council. This process allows the Council to manage the overall budget across all Lots and also provides reassurance to the winning provider/support provider that they are supporting eligible businesses.

PROCUREMENT PROCESS AND TENDER EVALUATION

14. In all, fourteen bids were received from a range of businesses, many of whom bid for multiple lots to reach a total of 45 individual submissions. The tender documents defined a pre-determined scoring mechanism whereby tenders are assessed on price and quality.

15. The tender submissions were evaluated, and the scores weighted as specified in the invitation to tender. The scores and ranking for all tenders received are represented in the confidential Appendix A. Based on the evaluation of the tenders received, the bids have been ranked in order of a combined cost and quality advantage to the Council. The most advantageous suppliers, which achieved the highest overall combined score based on quality and cost, are recommended for the award of the framework contract.

CURRENT ARG FUNDING AVAILABILITY

16. Following the continuation of the lockdown into January, the Council received a top-up ARG allocation of **£1,032,504**, taking the funding available for the ARG scheme to **£3,357,164**. However, the government then started to emphasise the need to use the ARG funding to make grant payments at speed to businesses.
17. At the end of March 2021, the government also announced that an additional top-up ARG allocation was available to Councils who distributed all their previous ARG allocations by the end of June 2021. The additional allocation available for Fareham Borough Council is approximately £800,000.
18. Due to the timescale involved in completing the tender process for the WBSS and then starting to deliver the business support packages, it has been decided to use the ARG funding set aside for the WBSS now as direct grant funding for businesses. This is with the expectation that we will secure the additional funding allocation which will be more than sufficient to fund the WBSS proposals.
19. A summary of the ARG schemes that have been implemented and the amounts distributed to date is shown in Appendix B.

NEXT STEPS

20. Subject to Executive approval, the framework contract will be awarded, and in line with the Gateway procedure specified in paragraph 10, the businesses on the framework will be to develop and promote their support package and then approach the Council for our eligibility checks before any purchase order is raised. This allows the Council full control over the budget spend, and for no financial commitment to be made until the confirmation of budget availability is known.
21. Given the uncertainty about the take up of the schemes, it is proposed to have early reviews of the WBSS in order to inform whether funds should be diverted elsewhere, for example, additional forms of business grant. A delegation is sought for the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources, to make any necessary changes to the WBSS following early reviews and informed by levels of uptake by potential participants, particularly within the first three months.

LEGAL AND FINANCIAL BUSINESS SUPPORT

22. Two areas of business support which were identified through the business consultation survey in early 2021 were legal and financial support. These themes were not included in the open tender procurement process, but instead are proposed to be developed as a voucher scheme whereby the business seeking support completes a short application form, similar to that used for existing business grants, to apply for a specified value of support from their chosen solicitor or accountant. Upon receipt of the support, the invoice would be submitted to the Council for payment direct to the legal or financial firm.

23. It is envisaged that these elements of the WBSS will be operational and publicised via the Council's website and business newsletter in early July 2021.

CONCLUSION

24. This report sets out the detail of the WBSS and the procurement process that has been undertaken to develop a framework of business support organisations and trainers. It is recommended that the Executive approve the award of the framework contract, and the establishment of a separate voucher scheme for legal and financial support.

Enquiries:

For further information on this report please contact Gayle Wootton, Head of Planning Strategy and Economic Development. (Ext 4328)