

**REPORT OF THE LEADER OF THE COUNCIL****SUPPORT FOR NOTTINGHAMSHIRE SMALL TO MEDIUM ENTERPRISES  
IMPACTED BY CORONAVIRUS (COVID-19)****Purpose of the Report**

1. To provide members with an overview of the approach to support Nottinghamshire small and medium sized enterprises (SMEs) impacted by coronavirus (COVID-19) and the availability of funding.
2. To seek approval for a contribution of £10,000 to support a programme of activities designed to enable Nottinghamshire's businesses to realise the contracting opportunities available via national infrastructure projects and larger scale contracts.

**Information**

3. The four-year Council Plan 'Your Nottinghamshire, Your Future' (2017 to 2021) sets out a vision of how the Council will promote the conditions that will help businesses thrive and prosper. Investment in housing, transport and public realm, alongside employment, education and skills support, all contribute to creating a thriving working environment. The Council considers such interventions as essential for good growth and a vibrant local economy.
4. According to the Office for National Statistics (ONS) United Kingdom (UK) most recent business count (2020), Nottinghamshire has 26,930 enterprises operating over 31,695 places of work (be that a factory, shop or branch). With only 110 large enterprises, 99.5% of all Nottinghamshire businesses are classed as small to medium sized enterprise (SMEs) by employment size band (i.e. between 0 and 249 employees). To June 2020, there were 423,100 economically active people, of which 15% (i.e. 63,500) were self-employed.
5. SMEs are the engine of economic development in Nottinghamshire. Keeping money in the county is vital as the economy suffers in the wake of the pandemic and cashflow has never been more important. Throughout this pandemic, people across Nottinghamshire have been seen to come together and help others, as evidenced by the success of the Nottinghamshire Coronavirus Community Support Hub, as established by the Council.
6. Local shops and businesses need collective help more than ever and amid the coronavirus pandemic, the Council understands the concerns of businesses across Nottinghamshire. In September 2020, the COVID-19 Resilience, Recovery and Renewal Committee approved an ambitious two-year economic recovery action plan to set out how the Council and the County can recover from the COVID-19 pandemic.
7. Since the first lockdown measures were put in place in the UK 296 days ago, businesses have been working hard to survive. In full acknowledgement that this is an unsettling period, during the November 2020 Policy Committee meeting, members requested an update be brought to today's meeting to highlight the support available for SME businesses.

8. As Nottinghamshire County Council aims to lead by example, the remainder of the report sets out the approach the authority is taking to support SMEs, followed by an overview of the funding available to eligible firms and concludes with a proposal to establish a supply chain opportunities programme.

## THE COUNCIL LEADING BY EXAMPLE

9. In December 2019, Policy Committee approved the Council’s Procurement Strategy 2019 - 2023. This Strategy sets out the framework for the procurement of all goods, works and services and outlines how procurement will use the Council’s spending power to pursue key objectives. The Strategy drives the delivery of social value. Social value is the term used to describe the additional value created in the delivery of a service contract which has a wider community or public benefit. This extends beyond the social value delivered as part of the primary contract activity. For Nottinghamshire, the Strategy outlines how the Council will address economic, social and environmental considerations.
10. To date, progress against the Strategy performance indicators has been strong. Targets have been set through contracts for agreed social value indicators to track local spend, spend with SMEs and local employment opportunities. The table below shows delivery against the targets so far.

Indicator	Percentage (of total live contracts)	Target
Contracts awarded to local suppliers	57%	50%
Contracts awarded to SMEs	59%	50%

### Engagement with SME suppliers

11. The procurement team, alongside colleagues in Growth and Economic Development organise ‘Meet the Buyer’ events. These are typically held in Partnership with the East Midlands Chamber. During 2019/20, two events were held; one in Mansfield the other in Ashfield. These were free events, focused on public procurement processes and sought to boost the confidence of smaller organisations in Nottinghamshire to tender for locally-available work. The sessions included other public sector partners, including the local universities and the NHS. The sessions aimed to clarify processes involved, showcase where the opportunities are to be found, including the support available and share examples of best-practice. Additionally, suppliers were provided with the know-how to identify contract opportunities, along with a greater understanding of what you should and should not do when tendering.
12. These events were a great success, with over 70 SMEs based in the Mansfield, Ashfield, Bassetlaw and Newark & Sherwood area in attendance. The positive performance, as illustrated in the table above, is directly attributable. Further virtual events are planned for social care providers and SMEs in 2021.
13. In addition, the Procurement team alongside Commissioning officers, held market engagement events and bidder days for specific procurement projects. This enabled providers to feed into the development of the service model and ask any questions on the tendering

process. These also were successful and enabled SMEs to engage with the commissioning and procurement process.

14. An update on the Procurement Strategy was taken to Finance and Major Contracts Management Committee on 30 November, where the social value indicators were reported.

### Business Support

15. Growth Hubs are a national initiative designed as one-stop-shops for all business support needs and operate in tandem and across the same boundaries as the Local Enterprise Partnerships. In Nottinghamshire, the County Council is the only public sector partner to support the Growth Hub, working alongside the East Midlands Chamber. The County Council operates a Business Support offer through its partnership with the Derby Derbyshire, Nottingham and Nottinghamshire Growth Hub (D2N2 Growth Hub).
16. The D2N2 Growth Hub operates a website (<https://www.d2n2growthhub.co.uk/>), several support programmes and a Business Investment Fund (BIF). The D2N2 Growth Hub also runs events and workshops and promotes the availability of national government and local support offered by others and has proved vital over recent months given the significant impact of COVID-19 on the local economy.
17. All calls from Nottinghamshire businesses to the D2N2 Growth Hub are referred to the Council's two Business Advisers and a Business Monitoring Officer. The two experienced advisers were recruited in Spring 2020 just before the first COVID-19 lockdown and over the first two quarters to September 2020, supported over 200 businesses with detailed advice and guidance both around COVID-19 and growth ambitions. Further details on impact across Nottinghamshire (to date), along with other national guidance can be found at **Appendix A**.
18. Businesses seeking to recruit and to invest in the skills of their workforce are also supported by the Council's Business Advisers, linked in with the support available via further and higher education establishments, providers and the wider Growth and Economic Development Team support. Including for example, the promotion of the Council's Apprenticeship Levy and the Kickstart initiative. An update on youth employment support in Nottinghamshire was taken to the COVID-19 Resilience, Recovery and Renewal Committee on 14 December 2020.

## **FUNDING AVAILABLE TO ELIGIBLE NOTTINGHAMSHIRE FIRMS**

### Business Grants

19. This section of the report begins with an overview of the government support available to businesses and concludes with a proposal to support a programme of activities designed to enable Nottinghamshire's businesses to realise the contracting opportunities available via national infrastructure projects and larger scale contracts.
20. Further assistance available from the Government included the Bounce Back Loan Scheme (BBSL), which enabled smaller businesses to access finance more quickly during the coronavirus outbreak; and the Future Fund, which provides government loans to UK-based companies, for which application deadlines have now been extended to 31 January 2021. The British Business Bank reported a BBSL total of £292,274,984 was loaned to Nottinghamshire businesses.
21. On 9 September 2020, ministers announced businesses in England that are required to shut because of local COVID-19 interventions will now be able to claim up to £1,500 per property

every three weeks. The scheme provides a safety net to further protect jobs where a business is required to close. The largest businesses will receive £1,500 every three weeks they are required to close and smaller businesses will receive £1,000.

22. Payments were triggered by a national decision to close businesses in a high incidence area. Each payment will be made for a 3-week lockdown period. Each new 3-week lockdown period triggers an additional payment.
23. On 3 November 2020, government announced a second round of business support grants, (as before) to be administered by district and borough councils, to provide cash grants for businesses during the November to December 2020 national lockdown and period of local restrictions.
24. The five grants available and administered by district and borough councils were:

<b>Local Restrictions Support Grant (Open)</b>	Relates to Tier 2 restrictions. Discretionary grant aimed at hospitality, hotels, bed and breakfast and leisure businesses who were open during Tier 2 restrictions but whose trade suffered as a result
<b>Local Restrictions Support Grant (Closed)</b>	Relates to Tier 3 restrictions. Aimed at business such as wet pubs, soft play centres, adult gaming centres etc. Business who were subject to government mandated closure during Tier 3 restrictions
<b>Local Restrictions Support Grant (Closed) Addendum</b>	Relates to national lockdown. Aimed at retail, hospitality and leisure sectors forced to close due to the national lockdown enforced from 5 <sup>th</sup> November 2020
<b>Local Restrictions Support Grant (Sector)</b>	Aimed at nightclubs, casinos and sexual entertainment venues who have been under mandated closure since March 2020
<b>Additional Restrictions Grant</b>	Discretionary grants aimed at supporting businesses affected by reduced trading conditions experienced during national lockdown. Focusing on the hospitality, accommodation, beauty, leisure and non-essential retail sectors and their supply chains

25. On 1 December 2020, government announced that wet-led pubs in tiers 2 and 3 were able to claim a Christmas Support Payment of £1,000. The scheme closed on 29 December 2020, with final applications having to be received by district and borough councils by 31 January 2021. However, whilst Government expected local authorities would provide pubs with the grants as soon as possible, it also stated it will be no later than 28 February 2021 – two months after Christmas.
26. The Nottinghamshire district and borough councils received notification of the funding available under the Government Christmas Support Payment Scheme for Wet-Led Pubs. Application forms were sent directly to businesses the district and borough council believed may meet the eligibility criteria based upon information provided under the Tier 3 Restrictions Grant.
27. The tables at **Appendix B** illustrate the cumulative position each Nottinghamshire local authority received from central government and distributed to SMEs. The data in Tables 1 and 2 cover the three coronavirus grant schemes which closed in August 2020:
- Small Business Grants Fund (SBGF)
  - Retail, Hospitality and Leisure Business Grants Fund (RHLGF)

- Local Authority Discretionary Grants Fund (LADGF)
28. Tables 1 and 2 combined show £147,071,638 has been paid to 12,860 Nottinghamshire. This equates to 90% of the identified eligible funding:
- £140,095,000 for SBF and RHLGF
  - £6,922,638 for LADGF
29. Table 3 shows the Local Restrictions Support Grants (LRSG) and Additional Restrictions Grant (ARG). To week ending 6 December 2020, a total of £12,845,509 has been paid to 4,274 Nottinghamshire businesses.
30. On the 31 December 2020, the Government announced that Nottinghamshire would move into Tier 4 restrictions. On 4 January 2021, the Prime Minister announced a national lockdown and instructed people to stay at home to control the virus, protect the NHS and save lives. On 5 January 2021, the Chancellor announced:
- Businesses in the retail, hospitality and leisure sectors are to receive a one-off grant worth up to £9,000.
  - A further £594 million will be made available for Local Authorities and the Devolved Administrations to support other businesses not eligible for the grants, that might be affected by the restrictions.
31. At the time of writing, further guidance is awaited as to how businesses should apply for the grants, although it is probable this will be routed via the district and borough councils in line with the previous approach adopted.

#### Proposed Supply Chain Opportunities Programme

32. The Council is steadfast in ensuring Nottinghamshire is a well-connected County. Instrumental to plans for substantial regional growth in Nottinghamshire and the East Midlands is the development of key sites for new employment and housing opportunities, improvement to roads and rail travel (particularly to nearby cities and airports) and maximising the broader benefits of major infrastructure investment.
33. Several Nottinghamshire companies are already engaged with national infrastructure projects and larger scale contracts. Encouragingly, many additional opportunities remain available at a smaller scale, ideal for SMEs. Subject to member approval, it is proposed that a supply chain opportunities programme is designed to enable Nottinghamshire businesses to engage with national infrastructure projects (such as High Speed 2) and to prepare them for future more localised opportunities as they emerge.
34. The supply chain opportunities programme will comprise of sessions on:
- The opportunities available, the processes and timescales
  - Tender readiness – what works and best practice, including input from successful tenderers
  - Sustainability and environmental best and expected practice
  - Optimising employment and training opportunities
  - Equality, diversity and inclusion expectations and policies
  - Cyber / Digital essentials
  - Health and safety and well-being

35. Delivery will be managed and co-ordinated by the East Midlands Chamber of Commerce alongside the Council's Growth and Economic Development Team. The sessions would be led by specialist organisations including the Advisory, Conciliation and Arbitration Service (ACAS), the East Midlands Cyber Resilience Centre, local universities and tender development advisers. Nottinghamshire businesses will be actively targeted through established relationships, appropriate communication routes and through links with Nottinghamshire business groups and the D2N2 Growth Hub.
36. The sessions will be delivered through well-established and practiced on-line webinars, whilst retaining the possibility of face-to-face events pending the evolving position with COVID-19. It is estimated that the programme (run at least twice over a 6-month period) will deliver sessions to over 450 Nottinghamshire businesses.

### **Other Options Considered**

37. Since the outbreak of COVID-19, Nottinghamshire County Council has worked tirelessly to keep services running during the crisis and supporting residents and businesses. It is important that elected members receive an overview of the SME business support being undertaken during this difficult time. Given the many and significant opportunities available via national infrastructure projects and larger scale contracts, the 'do-nothing' option was discounted.

### **Reasons for Recommendations**

38. At Policy Committee's November 2020 meeting, elected members requested an update on contemporary information in relation to support and availability of funding for SMEs.
39. As Nottinghamshire County Council continues to invest in much-needed infrastructure to future-proof communities and boost economic growth, there remains an expectation that schemes and interventions are transformative, with benefits for the community that reach beyond the build. The Council has every right to expect that as much as possible of the public money invested in infrastructure locally, is spent where it can deliver the greatest benefit to local communities. This proposed supply chain opportunities programme prioritises the use of local SMEs and locally sourced labour, goods and services. This will maximise local spend and help build business capacity and supplier networks for the communities the Council serves.

### **Statutory and Policy Implications**

40. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

41. In July 2018, Policy Committee approved an allocation of up to £193,561 over the period 2019-2022 towards the £11.7 million Growth Hub European Union funding bid. This match funding contributes directly to helping businesses improve their competitiveness and productivity to

drive economic growth across Nottinghamshire. The Council’s match funding is met from the Growth and Economic Development Initiatives budget as follows:

<b>Financial Year</b>	<b>Amount</b>
2019-2020	£59,433
2020-2021	£66,553
2021-2022	£67,575
<b>TOTAL</b>	<b>£193,561</b>

42. In collaboration with partners, the proposed supply chain opportunities programme can be delivered within a maximum budget of up to £10,000. Subject to member approval, the cost can be met by the 2020/21 Growth and Economic Development initiatives budget.

## **RECOMMENDATIONS**

It is recommended that Policy Committee:

- 1) Approve an allocation of up to £10,000 from 2020-21 Growth and Economic Development initiatives budget to support a programme of activities to help Nottinghamshire’s businesses maximise the contracting opportunities available via national infrastructure projects and larger scale contracts.
- 2) Continues to monitor the effectiveness of business support and officers continue to seek feedback from Nottinghamshire SMEs to ensure that the Council’s services continually improve in line with their needs.

## **COUNCILLOR MRS KAY CUTTS MBE Leader of the Council**

**For any enquiries about this report please contact: Nicola M<sup>c</sup>Coy-Brown, Growth and Economic Development ext. 72580**

### **Constitutional Comments (KK 10/12/2020)**

43. The proposals in this report are within the remit of the Policy Committee.

### **Financial Comments (RWK 10/12/2020)**

44. The report proposes that a sum of up to £10,000 be allocated from the 2020-21 Growth and Economic Development initiatives budget to support the proposed programme of activities outlined within the body of the report. The committee’s 2020-21 revenue budget includes an allocation of £515,036 for the Growth and Economic Development initiatives budget.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- *Update on Youth Employment Support in Nottinghamshire*, report to COVID-19 Resilience, Recovery and Renewal Committee, published on 14 December 2020
- *Labour Market Profile – Nottinghamshire*, published by the Office for National Statistics and available online at:

<https://www.nomisweb.co.uk/reports/lmp/la/1941962811/report.aspx#tabeinact>

- *COVID-19 Crisis Economic Recovery Action Plan 2020 to 2022*, published on 15 September 2020 and available online at:  
<https://www.nottinghamshire.gov.uk/policy-library/78888/covid-19-crisis-economic-recovery-action-plan-2020-to-2022>
- *Procurement Strategy 2019 – 2023*, approved by Policy Committee, published on 13 November 2019 and available online at:  
<https://www.nottinghamshire.gov.uk/policy-library/67041/procurement-strategy-2019-2023>
- *Update on Procurement and Contract Management*, report to Finance and Major Contracts Management Committee, published 30 November 2020
- *D2N2 Growth Hub 2.0 – Partnership and Match Funding Approval to April 2022*, report to Policy Committee, published 18 July 2018

#### **Electoral Divisions and Members affected**

- All