

From: Mike Whiting, Cabinet Member, Economic Development
Barbara Cooper, Corporate Director for Growth, Environment and Transport

To: Growth, Economic Development and Communities Cabinet Committee - 2 March 2021

Subject: **Kent & Medway Business Support**

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: N/A

Summary: This paper provides an overview of Kent County Council’s support to business during the Covid-19 emergency, working closely with our local authority partners and the Kent & Medway Growth Hub.

Recommendation: The Cabinet Committee is asked to note the contents of this report and to offer to the Cabinet Member for Economic Development comments on the support provided to Kent’s businesses in response to the Covid-19 pandemic.

1. Introduction

- 1.1 In mid-March 2020, the Council put in place a series of measures to help mitigate the economic impact of Covid-19 on Kent’s businesses. These included the immediate introduction of a 12-month re-payment holiday for businesses which were repaying Kent and Medway Business Fund loans and the introduction of a Business Help Line operated by the Kent Invicta Chamber of Commerce. The repayment holiday has since been extended by a further 6 months and it is planned that the Help Line should continue to be available until September 2021.
- 1.2 In August 2020, the Council invited businesses to apply for interest free loans to help cash-flow and put in place investment for recovery.
- 1.3 These measures complemented funds being made available from the Department of Business, Energy and Investment Strategy (“BEIS”) through the South East local Enterprise Partnership (“SELEP”).

2. Kent & Medway Business Fund

- 2.1 In March 2020, a twelve-month repayment holiday was offered to the 165 companies with outstanding loans from the Kent and Medway Business Loan fund. Of the £31 million loans that had been granted, the balance still to be repaid was £15.7 million. The repayment holiday provided £5.8 million of support for their cashflow over 12 months.

- 2.2 In April 2021, this twelve-month repayment holiday will be extended for a further six months until September 2021 which will give another £3 million relief to the cash-flow of those 165 companies.
- 2.3 An additional £3 million of interest free loans are now being paid to companies which have successfully met the criteria announced in August 2020 for Recovery Loans, Capital Growth Loans and Investment Loans.

3. Kent & Medway Growth Hub

- 3.1 The Growth Hub has continued to provide its “core” service with £224,790 of funding from BEIS for 2020-21, with an uplift to the sum of £122,546 to support Covid-19 and transition from the EU. The Hub provides specialist advice on e-commerce and EU transition through a team of specialists in e-commerce, taxation and trading standards. To date the uplift funding has supported the delivery of the following:
 - e-commerce: 29, 1-2-1s each of three hours
 - EU transition: 78, 1-2-1s each of three hours and 6 webinars attended by 150 businesses.

4. Kent & Medway Growth Hub Business Recovery Helpline

- 4.1 On 25 March 2020, the Chamber opened a Covid-19 Helpline. This provided a single point of contact for authoritative help and advice to companies across Kent and Medway. The Helpline was due to operate for a period of three months. Initially, most callers needed help in finding financial assistance, for example how to apply for the government funded Covid-19 business support schemes such as the Small Business Grants Fund (SBGF), the Retail, Hospitality and Leisure Business Grants Fund (RHLGF), the Coronavirus Business Interruption Loan Scheme (CBILS) and the Coronavirus Bounce Back Loans Scheme (CBBLS). The Helpline proved so successful (with a 95% satisfaction rating) funding was extended until September. The Helpline helped businesses applying for Local Authority Discretionary Grants, supporting the districts whilst they brought their schemes online, and helped businesses to develop their Recovery Action Plans (RAP). In its current delivery phase, the Helpline continues to support the sector-specific business support networks.
- 4.2 To date the Helpline has received over 15,000 phone calls, facilitated nearly 4,000 webchats and 7,000 individual phone-based advice, and has maintained its 95% customer satisfaction record.
- 4.3 Kent County Council has ear-marked funds in 2021-22 to extend the Helpline until September 2021: work is under way to draw up a specification for this extension with a review of the performance measures in the current contract.
- 4.4 BEIS have confirmed £22m for Growth Hubs across England for 2021-22, but SELEP has yet to receive an Offer Letter and/or Grant Agreement for its allocation. The Grant Offer Letter is expected to be received by the end of this financial year, with the Grant Agreement between Essex County Council and Kent County Council soon thereafter. It is believed that funding will mirror previous years and should be in the region of £224,790.

5. ERDF funded programme: South East Business Boost (SEBB)

- 5.1 SEBB II is an ERDF programme, and is an extension to the original SEBB programme which provided business advice (12 hours support) and capital grants to SMEs to support growth projects. The extension commenced in June 2020, and the grant element of the programme is being delivered by Kent County Council. The Accountable Body for SEBB is Southend-on-Sea Borough Council.
- 5.2 The value of this ERDF funded contract is £710k and will support 262 Kent and Medway businesses until 31 March 2023. It is currently at tender stage, with three bids being evaluated. The programme will consist of two elements:
- 156 Grants ranging from £1,000 to £10,000 for growth projects.
 - 106 12-hour support, via 1 to 1s or Workshops on a range of business topics to support sustainability and growth.

6. SELEP Funded Business Support

(i) Recovery, Pivot and Scale-Up

- 6.1 SELEP is providing £232,797 for advice sessions on business leadership, pivoting and scale-up for 36 Kent and Medway companies over 2 years, commencing in early Q2 2021-22. The programme consists of 36 hours of support for each company.

(ii) Support for e-commerce

- 6.2 Kent County Council and Medway Council have put a proposal to the SELEP Business Support Fund for £245k to provide:
- 70 Grants of £500 to £2,000
 - 70 12-hour support sessions, to be delivered via webinars for advice to businesses on e-commerce.
- 6.3 The outcome of this proposal is due to be confirmed on 26 February.

(iii) Peer-to-Peer Networking

- 6.4 Peer-to-Peer Networking is funded by BEIS: Kent and Medway have previously been allocated funding to deliver 4 cohorts each of 11 businesses. This fully developed programme and its associated presentations and materials, which need to be adhered to, provides businesses with an opportunity to network with fellow businesses, collaborate to find solutions to common issues, and access expert business advice and support. All four cohorts commenced in January and will have concluded by 31 March 2021. The funding BEIS allocates to this is £15k per cohort. Throughout the programme metrics are being captured regarding business confidence and the key challenges they face.
- 6.5 Following an invitation from BEIS, Kent County Council and Medway Council have asked for a further £180k funding from SELEP to deliver a further 12 cohorts of peer-to-peer networking in 2021-22.

7. Creative and Cultural Economy

- 7.1 The Creative and Cultural Economy Team held a series of roundtable discussions with a mix of sub sectors of the cultural and creative industries including venues, festivals, screen, small scale theatre and touring, workspaces, cultural education and museums, galleries and heritage. The roundtables were attended by just over 100 businesses and gathered information on the immediate impact of the pandemic on the sector. The round tables provided support to the sector itself by sharing good practice and also informed the delivery of DCMS Cultural Recovery Funds administered by Arts Council England.
- 7.2 The £500m Cultural Recovery Fund was part of the 1.57bn DCMS rescue package administered by Arts Council England. 40 organisations in Kent received a total of £5.0m from the Cultural Recovery Fund.
- 7.3 The KCC Arts Investment Fund was opened in December to provide small grants of up to £2,500 to help the sector to reset and forward plan. Funding is available for creative and cultural industries and individual practitioners to help them to respond to the immediate challenges they are facing and to develop plans for the future. The fund of £100,000 has received 93 applications which are currently being assessed. 40 Businesses will receive grants.
- 7.4 South East Creatives business support programme adapted its work to deliver a range of resources online including one to one advice and mentoring, local information exchange and networking sessions. Grants continued to be available for those companies who want to and are able to continue developing their businesses during this period.

8. Conclusions

- 8.1 Throughout the Covid-19 pandemic, KCC has moved swiftly to support Kent businesses. A range of actions has seen:
- 165 companies repaying loans to the Kent and Medway Business Fund benefiting from an 18-month repayment holiday, providing £8.8m support.
 - £3 million of interest free loans are being paid to companies which have successfully applied for Recovery Loans, Capital Growth Loans and Investment Loans.
 - The introduction of a business support line which has to date received over 15,000 calls and 4,000 webchats.
 - 4 Peer-to-Peer sessions for 44 companies to facilitate collaboration and access to expert business advice
 - Delivery commenced on the South East Business Boost Programme which will provide 156 Grants ranging from £1,000 to £10,000 for growth projects and 12-hour support, via 1 to 1s or Workshops on a range of business topics to support sustainability and growth to 106 businesses.
 - Bids submitted
 - to support 70 SMEs with business advice and small grants of £500 to £2000 to support digitisation through the SELEP's e-commerce programme
 - Advice sessions on business leadership, pivoting and scale-up for 36 Kent and Medway companies over 2 years, funded by SELEP

- Providing £100k Arts Investment Fund to assist 40 creative and cultural businesses with grants of up to £2,500.

9. Recommendation

- 9.1 The Cabinet Committee is asked to note the contents of this report and to offer to the Cabinet Member for Economic Development comments on the support provided to Kent's businesses in response to the Covid-19 pandemic.

10. Contact details.

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