

Stronger City Economy Scrutiny Panel Meeting

Thursday, 21 January 2021

Dear Councillor

STRONGER CITY ECONOMY SCRUTINY PANEL - THURSDAY, 21ST JANUARY, 2021

I am now able to enclose, for consideration at next Thursday, 21st January, 2021 meeting of the Stronger City Economy Scrutiny Panel, the following report that was unavailable when the agenda was printed.

Agenda No	Item
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5	<u>Grow Our Vital Local Businesses</u> (Pages 3 - 8)
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[To receive a report and presentation on the theme of, "Grow Our Vital Local Businesses"].

If you have any queries about this meeting, please contact the democratic support team:

Contact Martin Stevens

Tel 01902 550947

Email martin.stevens@wolverhampton.gov.uk

Address Scrutiny Team, Civic Centre, 1st floor, St Peter's Square,
Wolverhampton WV1 1RL

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Briefing Note

Title: Grow Our Vital Local Businesses

Date: 13.01.2021

Prepared by: Isobel Woods / Maria Smith Job Title: Head of Skills and Enterprise/ Project Manager

Intended Audience: Internal Partner organisation Public Confidential

1.0 Purpose

- 1.1 To provide an overview of the key work emerging from the 'Grow Our Vital Local Businesses' priority set out in the Council's Relighting Our City strategy.

2.0 Overview

- 2.1 The Grow Our Vital Local Businesses priority is a key driver to support the city's economic recovery post Covid-19.
- 2.2 The priority has refocused efforts to address the increased barriers emerging from the pandemic which businesses are now facing, alongside maximising growth opportunities resulting from changes in the economy.

3.0 Background and context

- 3.1 The Covid-19 infection rate in the city has been growing at an exponential rate across the population due to the emergence of two new strains of Covid-19 and as a result further national lockdown measures were announced by the Prime Minister on 5 January 2021.
- 3.2 The challenges emerging from the pandemic are having an unprecedented impact on local people and businesses across the city. Overwhelmingly, the focus for the Business Development Team is to support businesses through the pandemic.
- 3.3 Whilst still responding to the unprecedented levels of disruption from Covid, some city businesses are also trying to come to terms with the implications of Brexit. Details of a new trade deal with the European Union are emerging and the Council and partners are working together to review and understand the impact relative to the Council's activities and operations, and for businesses across the city.

4.0 Impact of Covid on businesses

- 4.1 Since the start of the Covid-19 pandemic and first national lockdown in March 2020, the impact on businesses in the city have been significant.
- 4.2 Businesses in Wolverhampton are reporting a number of challenges. Lockdowns, business closures, social distancing and infection control measures have all impacted on their ability to manage staff, productivity levels and market demands.
- 4.3 The demand for goods and services has been disrupted, some sectors have shrunk resulting in unemployment (reducing household incomes) and there have been changes to consumer behaviour and choices (online shopping and demands).
- 4.4 The third national lockdown, announced on 5 January, extends these challenges further with new public health measures resulting in rapid changes in Tier allocation and the current uncertainty of how long this lockdown will last, making business planning and delivery extremely difficult.
- 4.5 The current level of infection in the city is unprecedented. It is crucial that businesses follow the current guidance for Covid-19. Working with officers from a number of services, the Council will engage with key businesses to:
- Understand why its workforce cannot work from home.
 - Ensure those who need employees to be at work are tested at least once a week, either on site lateral flow test, or from one of the city's test centres.
 - For business that has an outbreak Public Health will close the business immediately. The business may also face a penalty if they fail to show they have followed Covid-safe measures.
- 4.6 In contrast, the rapid changes in the economy have identified market opportunities that some businesses in the city have been quick to respond to.
- 4.7 The demand for PPE in April opened new supply chain opportunities and we saw businesses switch from their familiar markets to the health care sector.
- 4.8 The move to online trading has opened businesses up to new audiences worldwide and consumer demands have stimulated high demands for food, household projects and leisure items.
- 4.9 Alongside the healthcare sector, businesses in food production, digital and communication, DIY, leisure goods / clothing, and logistics / distribution have reported high productivity and job growth.

5.0 Brexit update

- 5.1 The Brexit transition period, combined with the added impact and uncertainty around the Covid-19 pandemic, has exacerbated anxiety and tension for businesses across the city. Due to the late stage at which the EU trade deal was agreed and came into effect from 1 January 2021, businesses were unable to effectively plan and prepare to navigate the impact and changes arising from the new trade agreement.
- 5.2 Now that the EU trade deal is in place, businesses can now ascertain how they are exposed to Brexit related risks and where possible to mitigate their exposure to those risks.
- 5.3 Although there is still a lot of detailed information to work through from the trade deal, it is clear that businesses are most likely to see a change through their workforce, as new requirements are now in place for EU nationals, trading relationships and legal protections and regulations.

6.0 Brexit support

- 6.1 As a Council, we are taking an active role to help businesses navigate their way through the impact of Brexit through our Wolves in Business offer. We will continue to work with partners and be proactive in sign-posting and supporting businesses to access resources and information to help our businesses adapt to our new trading relationship with the EU.
- 6.2 The council will also review current business support plans and integrate Brexit as part of our standard business engagement practice.

7.0 Current business support offer

- 7.1 As a Council we recognise this is a great time of anxiety for businesses and their workforces across our city and in response we launched 'Wolves in Businesses'. The platform provides advice and guidance on the latest announcements from government, signposts to key business support partners and provides an identity for local targeted packages of support, to help businesses through the Covid-19 pandemic.
- 7.2 During the first lockdown the Council's delivered around £45 million in vital grants and £32 million in business rates relief to businesses across our city. Our support line has supported thousands of businesses, receiving 10,839 calls since April. We've been working hard to simplify the application process so that we provide as much financial support, as quickly as possible. We're urging businesses struggling under current restrictions to contact us so that we can support and advise.
- 7.3 The team are currently working at pace to deliver £13 million of grant support to businesses affected by the second lockdown and the subsequent Tiers the city was placed in, as well as offering advice and guidance.

- 7.4 On 5 January 2021 the government have announced further support for businesses. £4.6 billion of new grants to support businesses closed in the retail, hospitality and leisure sectors are to receive a one-off grant worth up to £9,000.
- 7.5 The council will also receive a share of a national £594 million to support businesses, affected by the new measures to enable the council to provide local grant and support packages.
- 7.6 The council has launched the 'Business Relight programme' targeted at 200 small businesses to offer a free package of intensive short term and ongoing long-term support to be delivered in collaboration with the Federation of Small Businesses (FSB), and the Black Country Chamber of Commerce.
- 7.7 The scheme, thought to be a first in the country, will focus on improving business planning- a challenge identified from the engagement with the grants. It will offer support for businesses to survive during this time and help those who are reporting rapid growth to respond to new market opportunities. The programme will offer:
- financial management
 - encouraging product, service
 - market reviews
 - improving digital awareness and application – and is designed to rapidly build the capacity to survive and grow in the Covid-19 hit economy
- 7.8 The Council successfully launched the 'Shop Local Programme' to encourage city residents to 'Shop Local' in the run up to Christmas 2020, to give over 300 Covid-compliant city businesses access to a significant local market and demonstrate commitment to supporting city businesses. Although the current scheme has been temporarily paused due to lockdown restrictions, there are plans to build the model and relaunch it post-lockdown.
- 8.0 Developing the business support offer**
- 8.1 The Council will continue to work collaboratively with our partners using an evidenced based approach to build a sustainable business support offer to help our City's businesses to navigate the impact of the Covid-19 pandemic and Brexit.
- 8.2 This will mean continuing to roll out grant schemes to support hundreds of city businesses, providing short-term investment in boosting the resilience in enterprise team and ensuring the Wolves in Business offer is effectively resourced.

We will continue to work at pace to implement the 'Business Relight Programme' for small businesses in partnership with FSB and chamber, install our new Customer Relationship Management System to provide better insight on city businesses and to integrate a new approach to insight and engagement on top 100 strategic businesses.

