



ADUR DISTRICT C O U N C I L

Adur Joint Strategic Sub Committee
27 September 2023

Key Decision [Yes/No]

Ward(s) Affected:
Cabinet Portfolio:

Delivering a Business Support Package for Adur and Worthing (2024 - 2025)

Report by the Director for Place

Officer Contact Details

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Executive Summary

1. Purpose

- 1.1. The purpose of this report is to seek authorisation to procure services to deliver a bespoke business support package (BSP) across Adur and Worthing. To note, this is a joint programme of support with Worthing Borough Council.
- 1.2. To signal the rationale for the support package and outline how a number of funded regional business support programmes are coming to an end, leaving a gap in provision for businesses seeking information, advice and guidance relating to business issues including how to achieve business growth.
- 1.3. To provide assurance that the business support package is being developed as part of measures to help local businesses grow and contribute to the growth of the local economy. Specific areas to

support businesses include innovation, sustainability, leadership and management and start up / micro business advice.

- 1.4. To indicate the preferred method of pooling external funding sources to deliver the business support package, including the utilisation of UK Shared Prosperity Funding (UKSPF) and S106 contributions, specifically referencing economic development or business support.

2. Recommendations

Members are requested to:

- 2.1. To note the business support landscape and the current limitations regarding resources currently available for start ups, micro, small, medium and large businesses.
- 2.2. To approve the release and pooling of external funding pots to deliver the Business Support Package, including UK Shared Prosperity Funding, Pooled Business Rates and Section 106 monies.
- 2.3. To approve the creation of a budget of £470,500 across Adur District Council and Worthing Borough Council for the specific purposes as outlined in this report.
- 2.4. To delegate authority to the Director for Place, in consultation with the Executive Member for Resources (Worthing) and Executive Member for Regeneration & Strategic Planning (Adur), the authority to approve and award contracts for the staff / consultancy work required to deliver the Business Support Package, subject to the development of a procurement strategy and the outcome of a compliant procurement process; and ensuring that the overall programme is within the authorised budget.

3. Context

- 3.1. Following two once-in-a-generation shocks (the pandemic, followed by the Ukraine War), the global economy, including that of the UK, continues to adjust. Whilst the Bank of England no longer expects the

UK to enter a recession in 2023, the UK economy remains vulnerable. Stubbornly high inflation rates and labour market shortages continue to hold back growth.

3.2. To date business support across the area has been provided by a mixture of membership organisations (e.g. Worthing & Adur Chamber of Commerce, Federation of Small Business etc), independent projects funded by European Social Funding, as well as general business advice via third parties (e.g. Barclays Eagle Labs, provided by Barclays Bank).

3.3. The most comprehensive and specialist of the support packages were three regionally funded projects, via European funding. These were;

1.) **Business Hothouse:** This was delivered by the University of Chichester Business School and its free support was available to any sole trader, business owner, freelancer or pre-start entrepreneur in the coast-to-capital area. The Business Hothouse programme was launched with the aim of creating:

- Increased entrepreneurship
- An increased growth capacity in SMEs

The programme was highly successful and achievements included support to 625 enterprises, support to 496 pre-start entrepreneurs, 64 enterprises introducing new-to-firm products and 97 businesses supported through brokerage

2.) **RISE:** The RISE project was established to provide an open door for Sussex-based small and medium enterprises (SMEs) to access support from two of their main local research and innovation-led universities: University of Brighton and University of Sussex.

RISE – Research and Innovation in Sussex Excellence – is a completely free-of-charge innovation service for eligible businesses due to funding from the European Regional Development Fund (ERDF), with support from West Sussex County Council and the West Sussex District and Borough Councils.

3.) **LoCASE:** The Low Carbon Across the South and East (LoCASE) programme was supported by the European Regional Development Fund to provide a free business support programme in the South and East. The aim was for businesses to become more competitive and profitable while protecting the environment and encouraging low carbon solutions.

To do this, LoCASE provided grants for businesses as well as training workshops and fully funded events. Targeted business support was on offer for companies who offered “green” or low carbon goods and services.

These programmes have either now come to an end, or are due to cease in the coming months, therefore leaving a gap in how and where local businesses seek support.

- 3.4. In addition to the above, the Councils are aware of the work of the Coast to Capital Growth Hub, however due to the government’s Local Enterprise Partnership (LEP) Review, and the redaction of core funding from LEP’s from 2024, this also poses a risk as to whether the Growth Hub will exist beyond April 2024.
- 3.5. It should be noted that there are other forms of business support available, including a number of strands from West Sussex County Council (via their Business Hub) however those coordinated and centralised programmes of work are now coming to end, mostly due to the removal of European funding, as a result of Brexit. There is also no direct support for Adur and Worthing businesses only, beyond the work of Worthing and Adur Chamber of Commerce and the Adur & Worthing Business Partnership.
- 3.6. In relation to 3.5, the government has supported the funding transition by providing Councils with UK Shared Prosperity funding (UKSPF). This has provided Councils with the opportunity to assess their local areas and determine local interventions across a number of Levelling Up policy areas, business support being one. UKSPF is the most significant funding contribution towards the package and as such the Council needs to be mindful of targets associated with this funding. This funding will be available from April 2024.
- 3.7. However, given the challenging economic conditions and the reduction in fully funded business support (as outlined in 3.3), it’s important Adur

and Worthing businesses continue to have access to effective information, advice and guidance. This will ensure our local business owners can access sound advice, helping them to make better decisions about their organisations and the staff they employ.

- 3.8. It should also be noted that both Adur District Council and Worthing Borough Council have committed to continuing to support local businesses and have included such support in their Priorities for 23/24 and beyond. It is recommended that this is a joint programme of work between the Local Authorities, although local nuances will be taken into consideration.

4. Design thinking and evidence gathering

- 4.1. Due to the emerging landscape, Officers have undertaken a design process over the last 6 months to determine what a 'good' support package would look like, based on the funding available for this purpose. Whilst the level of funding is good, Officers took into consideration the need to ensure as many businesses as possible from across Adur and Worthing have the opportunity to engage with the support.
- 4.2. Early design thinking was generated by the fact that the Councils hold a number of business-related funding and that UKSPF funding, directly for business support, would come into effect from April 2024. Taking lessons learned from previous business schemes, the design started to look at what a comprehensive package of support might look like rather than piecemeal projects, which in the past have provided low impacts and limited outcomes.
- 4.3. To understand the local landscape and risks to our local economy, the Councils launched a business cost of living survey early in 2023 to gain greater insight into how local businesses were fairing with the challenging economic conditions. Whilst the return was low, in comparison to the overall business base, this insight has informed the development of the package.
- 4.4. In addition to the survey, and to ensure the design of the package is participative, Officers have also engaged directly with businesses, as well as partner organisations through the design phase including:

- Lancing Business Park BID
- Worthing and Adur Chamber of Commerce
- Adur & Worthing Business Partnership
- Local Traders Associations (Southwick, Shoreham and Lancing)
- Worthing Town Centre BID
- Federation of Small Businesses
- Local District and Borough Economic Development Teams
- West Sussex County Council

This engagement has brought about a number of changes as Officers felt strongly that the final package needed to provide added value and not seek to duplicate any other support being provided, either by these organisations or others.

- 4.5. Akin to 3.3, following the end of the [Business Hothouse Programme](#) (BHH), the Councils also met with the BHH Programme Manager to review the programmes' final summative assessment report including learnings and outputs from the project. The Councils also reviewed the [Impact Report](#) following the conclusion of the Rise Innovation scheme. Together, the learnings provided a basis to generate discussion on how best to help the businesses of Adur and Worthing.
- 4.6. Key findings from the above, as well as liaison with the local business community, identified key actions and drivers that are likely to facilitate and work towards a healthy economy. The key drivers for the programme are;
- Provide sound information, advice, guidance and intervention to help businesses grow and thrive
 - Support and advise on innovation practices
 - Develop the skills of staff, especially in leadership and management
 - Help businesses with carbon reduction/sustainability measures
 - Ensure businesses are more grounded in community
- 4.7. The research findings, coupled with lessons learnt from delivering in-house schemes, including the successful Small Business Growth Grants and the Covid-19 Business Grants, led to the design of a comprehensive package, however split into two areas:
- Mentoring / consultancy support (linked to the key drivers in 4.6)
 - Match-funding grants

- 4.8. The funding available has meant the Councils have had to streamline their approach to business support, weighing up the different outcomes. Pure grant funding continues to be a top request from businesses, however the impact of small funds is unlikely to create the wider community wealth building outputs required for the area.
- 4.9. Engagement with local traders associations, businesses and business representative organisations has not provided any viable alternatives to the model proposed. Furthermore, discussion with BHH has provided up to date, real time information on current business engagement levels and their topics of interest. This leads the Councils to believe the Business Support Package proposed is the best fit for the current economic landscape and business enquiry levels.

5. Recommended Business Support Package

- 5.1. The Business Support Package, which is intended to run from January 2024 - December 2025 (timings are subject to change), will include both direct consultancy / mentoring / staffing and provide direct grants. The detailed financial breakdown is outlined in 5.8, however broadly, and across both Councils, the split on resource is recommended to be:
- Consultancy / Staffing - £280,500 (60% of total pot)
 - Grants - £190,000 (40% of total pot)

It should be noted that there might be some variance in the final programme, depending on timings and market conditions.

- 5.2. The consultancy / mentoring element will include 1-2-1 support (ideally onsite), as well as one-to-many workshops. Based on the evidence signalled in Section 4, it's recommended that the package will provide targeted support against the following strands:
- Pre start/Start UpInnovation
 - Sustainability/Decarbonisation
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 - Leadership & Management
- 5.3. The intention is to procure either a headline consultant or organisation or, due to the speciality of the subject areas, a team of consultant /

mentors to deliver the programme. This will be through a detailed and specific tender brief and process. It's anticipated this will take place between October - December.

- 5.4. The amount provided to consultancy has been carefully considered and designed to align with the grant element but also giving as many businesses the opportunity to engage with this support. The current intention is businesses will be able to choose from a workshop experience, 3.5 hour session or a 7 hour session depending on their requirements. The time-bound sessions are expected to be split however the business wishes - for example, the 7 hours could be split over 7 weeks with 1 hour sessions. Currently, all businesses will have the opportunity to engage rather than targeting specific business sectors.
- 5.5. In addition, it's recommended that the package of support will also provide grants of up to £1,000 aligned to the targeted interventions as set out in 5.1. Whilst the grant value may seem low, this is being seen as an enabler to engage with businesses, allowing them to come into the wider support package and beyond. This level of funding will see 190 businesses from across Adur and Worthing having access to this support.
- 5.6. The current intention is the grants system and criteria will be built in-house as the Councils already have significant experience distributing grant funding, for example the Small Business Growth funding from the last few years. Aligned to the procurement process for the consultant/s this software and criteria will be built between October and December, in readiness for the launch of the programme in January 2024.
- 5.7. As outlined in 5.1, the intention is for the package to be provided over a 2 year period, January 2024 - December 2025. Given the nature of the engagement strands, the package will have in-built flexibility in its delivery as it's important that the Councils and subsequent consultants / mentors align with ongoing local economic changes and needs. If further funding is sought then this programme could be extended beyond December 2025.
- 5.8. The proposed programme is to be funded by the following pots of funding, which are either currently already held in accounts or have been committed by external providers:

Fund	Total Amount	Adur Share	Worthing Share
UKSPF	£300,000	£150,000	£150,000
Section 106	£76,000	£0	£76,000
Pooled Business Rates	£73,000	£34,000	£39,000
Other	£21,500	£15,750	£5,750
TOTALS	£470,500	£199,750	£270,750

*As outlined previously in the report, the figures above have been specifically assigned to business support and economic development work only.

- 5.9. Due to the different funding levels, it's important to note that the consultancy support and grant distribution will be proportionate to the amount funding each authority will be putting into the programme. In broad terms, the split is approximately 60% in Worthing and 40% in Adur, akin to the current resourcing ratios based on geography and population density. The consultancy and grant split is outlined under 5.1 but each authority can expect the following:

Type	Adur District Council	Worthing Borough Council
Consultancy / Staffing (60%)	£119,850	£162,450
Grants (40%)	£79,900	£108,300
TOTALS	£199,750	£270,750

It's recommended that the Business Support Package is a joint programme due to the economies of scale that can be achieved.

- 5.10. To support both the consultancy and grant elements, the Councils' has been building a Customer Relationship Management Tool for the business community to improve interactions and communications. Whilst this is in its infancy, the plan is to utilise this platform and will be the first point of contact for any businesses who are interested in the support above. This will allow Officers the ability to work with and triage the initial enquiries, meaning the Councils builds rapport, identifies any

social value and listens to the business community ahead of recommendation to the programme.

5.11. In terms of marketing of the programme, it's anticipated the Council will work with local stakeholders to publicise the offer. Whilst any branding is yet to be determined (this will be reviewed in October to December) Officers are aware of the importance of publicising to the whole business community, ideally ensuring those that haven't engaged before are targeted. It will also be the responsibility of the consultant/s to also assist with both the publicity but also developing those community and local connections.

5.12. In reference to expected outcomes and outputs, due to a large part of the financing coming from central government, via UKSPF, the Councils have a series of targets to deliver against and, again, these were in mind as part of the design of the programme. The table below provides the top level targets and the minimum level of intervention associated with these targets, however it's anticipated a number of these will be exceeded as a result of the programme:

	Intervention	Target
1	Number of businesses receiving non-financial support	75
2	Number of businesses receiving grants	30
3	Number of decarbonisation plans developed	50
4	Number of businesses engaged	100
5	Increased number of businesses supported	10%

**targets set across Adur and Worthing*

5.13. As outlined in Section 4, the scoping of the Business Support Package consisted of multiple engagement opportunities and feedback with those stakeholders outlined. The feedback provided was considered extremely relevant and amendments have been incorporated into the final proposed support package as outlined above. The Council feels the evidence based approach, coupled with recent experience, has led to a comprehensive support package that will support and assist a large number of businesses across Adur and Worthing for the 2-year period.

6. Financial Implications

- 6.1. As set out in section 5.8 of the report the proposals set out above are to be met through external funding streams. There are no other financial implications to Adur District Council and Worthing Borough Council.

Finance Officer: Emma Thomas

Date: 1st September 2023

7. Legal Implications

- 7.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2. Section 1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 7.3. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 7.4. Section 1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.
- 7.5. When entering into a public contract, the authority is required to comply with the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution.
- 7.6. In allocating grant funding to third parties, the Council is to ensure that consideration is given to the rules relating to Subsidies and that the award of the grant does not create public works or service contracts for which a procurement process ought reasonably to have been carried out under the Council's Contract Standing Orders.

Legal Officer: Eruoma Sakpere

Date: 22/08/2023

Background Papers

- Adur Priorities 2023 - 2024 (JSC Paper September 2023)

Sustainability & Risk Assessment

1. Economic

- The Business Support Package will directly support the local economy and, more specifically, those businesses therein. The health of our businesses is vitally important as not only do they supply goods and services locally, they are also integral in providing jobs and financial security.

2. Social

2.1 Social Value

- Matter considered and no issues identified.

2.2 Equality Issues

- Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- A fundamental part of the programme is to support businesses wishing to decarbonise or become more environmentally friendly. One of the key outputs is a number of businesses establishing Decarbonisation Plans, therefore providing a showcase and, hopefully, a ripple effect through the Adur and Worthing business community.

4. Governance

- The Council will undertake a thorough procurement exercise to select appropriate consultants and mentors to deliver the consultancy element of the programme. It's important that these companies and individuals are of good quality and ensure they are impactful in the business community.