

Meeting:	Education & Economy Scrutiny Committee
Date:	22 November 2018
Title:	Supporting Gwynedd Businesses (in relation to Brexit)
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Member:	Councillor Ioan Thomas Cabinet Member for Economic Development

1. Introduction

- 1.1. This report is presented at the request of the Scrutiny Committee to outline how the Council and other organisations are supporting local businesses in general and in response to the UK's decision to leave the European Union (Brexit).

2. Background

- 2.1 The Business Support Team is a small team and is part of the Economy and Community Service which includes a number of teams that focus on creating jobs and strengthening the local economy base.
- 2.2 The Team has attained vast experience over the past 22 years in relation to managing, implementing and monitoring various financial assistance schemes for businesses.
- 2.3 Over the past couple of years, the Team has continued to develop a work programme that responds to the needs of local businesses. It should be noted however, that as European funding opportunities for business grants have ended, and as less public money will be available in the future, there will now be more emphasis on offering loans that would promote a culture change from being dependent on public money.

3. Gwynedd Council support for Businesses

- 3.1 Gwynedd Council's Business Support Team is responsible for providing support, advice and information to local businesses so that they develop and become more competitive in order that existing jobs are safeguarded and new jobs are created in the local economy. The Team will also facilitate advice and support of a more specialised nature from other business support organisations if this is required from a local business.

- 3.2 An important role that the Business Support Team undertakes is raising awareness of relevant business news and business related events, e.g. tender opportunities for local businesses, specific Superfast Business Wales events and other relevant business workshop events. This is done through our social media accounts and our various business networks and contacts. This is certainly a matter that has been undertaken recently with respect to raising awareness of the new Business Wales Brexit Portal as well as specific Brexit workshops that have been held for the benefit of local businesses.
- 3.3 The Business Support Team are responsible for the administration and implementation of a number of business loan schemes which will continue to be available to Gwynedd businesses following any Brexit agreement, namely:
- Business Loan Fund – a fund of £3m to support small and medium sized businesses located in Gwynedd struggling to secure funding from the banks. Small loans of between £25k and £100k are available to create or develop a business with the opportunity to borrow larger amounts provided that the loan is supported by a guarantee based on a good value asset. Repayment of existing debts or loans is not eligible but loans can be used towards capital expenditure or the financing of working capital.
 - Town Centre Loans Fund – currently this loan fund is available in Caernarfon, Bangor, Bethesda and Penygroes areas. This interest free loan is available for owners of properties that are in need of refurbishment or improvement. The purpose of the loan is to improve the property for continued ownership, to sell, to rent or unlock a vacant or stalled site. Improvements can include making a residential property safe, warm and/or secure. The loan cannot be used to repay existing borrowings.
- 3.4 The Team also administer a grant scheme with respect to assisting local businesses to achieve ISO certification, e.g. ISO9001 (Quality Management System) and ISO14001 (Environmental Management System). The objective is to make businesses more efficient and effective in supplying quality goods and services leading to increased competitiveness and placing businesses in a better position to respond to tendering opportunities with Gwynedd Council, other local authorities, government organisations and the private sector, as well as to any Brexit implications.
- 3.5 As it continues to be uncertain what specific implications Brexit will have on Gwynedd businesses, it will be vitally important that the Team continues to provide the necessary support and advice to the local business community.

4. Welsh Government activity in relation to Brexit

- 4.1 The recently launched new Business Wales Brexit Portal has been designed to provide companies in Wales with up-to-date information and advice on a range of crucial issues including international trading and workforce planning – (<https://businesswales.gov.wales/brexit/>)
- 4.2 It also includes a diagnostic tool that helps businesses to identify how prepared they are for Brexit, recommends actions they should take to increase their resilience and signposts them to additional sources of support. The six key business areas are: Business Strategy and Operations; Innovation; Sales and Marketing; Export; People Management, and Finance.
- 4.3 The new Brexit portal builds on the advice and guidance that has been provided to Welsh companies by both the Welsh Government and Business Wales since the referendum.
- 4.4 It has been designed to make it as easy as possible for business to access the most up to date information and support that they need.
- 4.5 In addition to the support available through the Brexit Portal, the Welsh Government has an existing comprehensive range of support mechanisms to help businesses on their export journey. These include specific export support programmes, namely:
 - Overseas Events Programme
 - International Trade Development Programme
 - Overseas Business Development Visit Support
 - Export Seminars and Workshops
 - International Trade Opportunities Programme
- 4.6 Further details with respect to the above support can be found on the Business Wales website:
<https://businesswales.gov.wales/zones/export/how-we-can-help/support-export-guide>
- 4.7 The Welsh Government has recently announced an additional £7.5 million to help Welsh businesses build resilience in order to cope with the challenges of Brexit.
- 4.8 The £7.5 million, which is part of the Welsh Government's £50 million EU Transition Fund, will be used over the next 3 years to help companies develop the new expertise and processes they will need in order to thrive, post Brexit.

- 4.9 Part of the funding will be directed into a Brexit Resilience Grant which businesses from across Wales will be able to bid for a share of. This will complement the support available through the Business Wales service to help businesses invest in overcoming immediate challenges related to Brexit, such as additional administrative burdens and complexities.
- 4.10 The £7.5 million will also be used to help businesses explore and engage in new collaborations and innovations so they can develop capacity and retain competitiveness, post-Brexit, in order to keep jobs here in Wales.
- 4.11 At the time of completing this report no further details of this fund were available from the Welsh Government.
- 4.12 Recently, the Business Wales Service has also arranged interactive workshops throughout Wales with respect to the implications of Brexit on running a business. These workshops are designed to give business owners the most up to date position on Brexit and to present practical information and advice on the potential impact for companies involved in international trade.

5. Other Business Support Organisations

- 5.1 A number of other business support organisations offer advice and information to businesses in relation to preparing for the impact of Brexit. One example of these organisations is the Federation of Small Businesses (FSB) who have prepared an information pack on their website in relation to Brexit (<https://www.fsb.org.uk/standing-up-for-you/brexit/introduction>) which is updated as required, as well as looking at other ways of supporting their members in addressing the consequences of whatever the Brexit outcome will be.
- 5.2 Locally, members of the Gwynedd Business Network are regularly updated with respect to the support available and informing them of any relevant workshop sessions which provide advice and information in relation to Brexit.

6. Next Steps

- 6.1 Gwynedd Council will be collaborating with the private sector during the coming months in order to better understand what implications Brexit will have on our local business community. There is an assumption that the situation will be clearer by the end of the year and this hopefully will enable local businesses to plan for the future.
- 6.2 As noted in the previous report submitted to this Committee, Gwynedd Council will continue to collaborate with other local authorities through the WLGA as well as the North Wales Economic Ambition Board to undertake this work with the aim of identifying the main risks to the economy of Gwynedd.