

<b>Meeting:</b>	Education and Economy Scrutiny Committee
<b>Date:</b>	21 October 2021
<b>Teitl:</b>	THE ECONOMY AND BUSINESS SUPPORT
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<b>Cabinet Member:</b>	Gareth Thomas Cabinet Member, Economy and Community
<b>Purpose:</b>	Report requested by the Scrutiny Committee outlining the Support being given to businesses by the Council, particularly as a result of the UK leaving the European Union, and the COVID-19 pandemic.

## 1. Background.

- 1.1. Local businesses are an integral and fundamental part of our communities. They are critical in offering a living to the people of Gwynedd and maintaining the vibrancy and sense of place of our towns and villages.
- 1.2. In Gwynedd there are:
  - 16,010 enterprises (including the self-employed), the largest number in North Wales<sup>1</sup>
  - 590 active ventures to every 10,000 residents (Wales average: 539)<sup>2</sup>
  - 43,800 (68%) of the workforce is employed by a business<sup>3</sup>
- 1.3. As a result of the impact of the Coronavirus pandemic, and the effects of leaving the European Union, this last 18 months has seen the most challenging period experienced by local businesses in 40 years.
- 1.4. The Economy and Community Department, along with Departments across the Council, adapted their priorities and work methods to provide support for the county's businesses. The need to support our businesses continues, and the Council is looking to ensure that its efforts are appropriate to the task.

<sup>1</sup> 'Enterprises by Size Band, area and year' in 2019 ([source: StatsCymru website](#))

<sup>2</sup> 'Active Business Enterprises per 10,000 people by area and year' in 2019 ([source: StatsCymru website](#))

<sup>3</sup> 'Employment in the workplace by local areas in Wales and broad industry' in 2019 ([source: StatsCymru website](#))

## 2. The Council's Business Support Resources and Priorities before the COVID-19 pandemic.

- 2.1. Gwynedd Council funds two jobs to directly support businesses, by dealing with enquiries, engagement activities, providing support and administering financial packages.
- 2.2. These roles are located within the Economic Development Service of the Economy and Community Department. In March 2020, there were 18 officers within the Department, 15 of which were funded by grants from different sources (12 regarding the areas of skills development and supporting people into work).
- 2.3. The efforts of the Economic Development Service form part of the wider work of the Department to support the economy; with the Tourism, Marketing and Events Service, and Strategic Regeneration Service also contributing significantly to the cause.
- 2.4. Beyond providing core services, the Department's priorities (as noted in [the Council Plan – 2020/21 Review](#)) were:
  - *The North Wales Growth Vision*
  - *Creating High Value Jobs*
  - *Arloesi Gwynedd Wledig*
  - *Promoting Town Centres*
  - *Putting Gwynedd's Slate Heritage to Work*
  - *Benefitting from Tourism*
  - *Supporting Businesses to Thrive*
  - *More of Gwynedd's Residents playing a Full Role in the World of Work.*
- 2.5. The main characteristics of the business support field before the pandemic were:
  - A reduction in local authority resources and investment in provision.
  - A reduction in the financial support available to businesses, especially small businesses, administered by local authorities.
  - A Wales-wide approach to business support provision.
  - An increasing emphasis on cooperation and regional coordination, based on an assumption that this would form the lowest level of support in the future.

### 3. **Activity to support businesses during the pandemic lockdowns.**

- 3.1. It was clear with the arrival of the coronavirus pandemic, and the start of the first lockdown that local businesses would be facing challenges not seen in decades.
- 3.2. The Council reacted immediately to the associated dangers, designating Business Support as a priority 1 category in its emergency response. As such, efforts and resources within the Economy and Community Department, and other Departments – including the Finance and Environment Departments particularly – were diverted to the cause.
- 3.3. Within the Economy and Community Department alone, by December 2020, the equivalent of 12.5 officers had been tasked with undertaking Business Support work (a combination of 16 additional officers, and the existing Business Support team).
- 3.4. In short, the effort focussed on three priorities. Here is an outline of the main activity within each area:

#### Ensuring access to appropriate business support and information

- 3.5. A temporary team was established within the Economy and Community Department to respond to phone and e-mail enquiries from businesses. At its peak, at the end of April 2020, 426 individual enquiries were responded to within a week. In the period from 01 April 2020 to 30 June 2020, 3,800 business enquiries were dealt with.
- 3.6. The content of the Council's website was reviewed and revised ([www.gwynedd.llyw.cymru/BusinessCOVID19](http://www.gwynedd.llyw.cymru/BusinessCOVID19)) with a dedicated page for businesses being created and maintained containing all the information and advice regarding how to respond to the pandemic. In the first weeks of lockdown, the website received 19,000 visits.
- 3.7. The resources and efforts of the Tourism, Marketing and Events Service were diverted to increase the Council's capacity to communicate with businesses. Along with supporting the maintenance of the website, and increasing the volume and quality of the Council's social media presence for businesses, a new system was established for releasing regular bulletins to the county's businesses, highlighting opportunities for funding, updates to guidelines and regulations, and the Business Support provision of the Council and its partners. The bulletins are now received by over 4,400 businesses, and over 200 bulletins have been released since the system was established.

### Provision of financial support to allow businesses to endure and survive

- 3.8. The main new requirement of the Council was to provide emergency funding on behalf of Welsh Government to help businesses to endure and survive the effects of the pandemic.
- 3.9. Achieving this became the focus of significant efforts from the Finance Department, along with the Economy and Community Department, bringing with it the need to establish new systems and structures in limited time several times over the period. The support provided included:
  - Grants for businesses registered to pay business rates.
  - Grants for businesses not registered to pay business rates.
  - Grants for new businesses
  - Grants for freelancers in the creative industries
- 3.10. Over 22,000 payments were made directly to Gwynedd's businesses through these schemes, with a total value of £112.1 million.
- 3.11. As a comparison, in 2019/20, the Economy and Community Department provided support to 250 businesses; in 2020/21 1,550 were supported – and increase of 620%.
- 3.12. Beyond that outlined above, the Council provided further support to businesses, in the form of:
  - business rates relief through the Finance Department (worth around £38.9m)
  - specific support for the childcare sector through the Children's Department;
  - the distribution of £82,000 of grants to hospitality businesses, mainly to to adapt their sites in order to reopen
  - a hiatus in the collection of rents from businesses based in Council business units, through the Housing and Property Department; and,
  - a campaign to encourage and promote the supporting of local businesses.

### Cooperating and coordinating efforts for the benefit of Gwynedd's Businesses

- 3.13. Finally, significant efforts were focussed on cooperating and coordinating workstreams to support businesses on a county and regional basis.
- 3.14. Soon after the start of the pandemic, a structure was established within the Council to facilitate this task. An inter-departmental taskforce was established, including representation from the Economy and

Community, Finance, Environment, Housing and Property and Corporate Support Departments. The Head of Economy and Community was appointed as the Senior Responsible Officer for the workstream, and a clear work programme was drawn up, along with a risk assessment to identify requirements and report the response to each.

- 3.15. The Business Support taskforce reports in turn to the Regeneration Board which coordinated wider efforts, in order to ensure that Business Support efforts tied in with the wider work of the Council, including supporting town centres to adapt, and more recently, managing the pressures resulting from increased visitor numbers. The Regeneration Board includes relevant Heads of Department and the Chief Executive, along with a number of Cabinet Members, including the Leader.
- 3.16. Throughout the initial phase of the pandemic, the Council also held regular meetings with representatives from the business community, including; Gwynedd Business Network, The Federation of Small Businesses, North and Mid Wales Tourism Associations and the Agricultural Unions. The meetings were a means of receiving information about the needs and concerns of our businesses along with disseminating information about Council activity.
- 3.17. Regionally, in response to the initial phase of the economic response to the pandemic through the North Wales Economic Ambition Board, a system of weekly meetings was established to bring senior officers together to share information and coordinate efforts.

#### **4. Activities to support businesses to adapt following the UK's withdrawal from the European Union.**

- 4.1. As the UK had officially left the European Union on 31 January 2020, activity by the Council to help businesses in Gwynedd prepare for the impact were already underway before the arrival of the coronavirus pandemic.
- 4.2. However, as a result of the uncertainty about the true impact of the change throughout the transition period until December 2020 – and the effects of the pandemic – our efforts were severely hampered.
- 4.3. Despite this, an ongoing effort by the Council to distribute information and promote any support has been undertaken. This was achieved by:
  - Establishing a dedicated page on the Council's website ([www.gwynedd.llyw.cymru/Brexit](http://www.gwynedd.llyw.cymru/Brexit)) to facilitate local businesses' access to relevant information.
  - Directing businesses to information, guidance and support via our regular bulletins and social media.

- Establishing Siop Gwynedd Caernarfon as a registered centre where workers from the European Union could upload documents to support their applications to remain in the UK.
- Promote and influence on behalf of the interests of businesses in Gwynedd as new regimes are developed in areas such as agricultural support and future funding to support economic development.

## **5. The Council's priorities to support businesses to recover and develop.**

- 5.1. It continues to be a highly uncertain period for businesses and the economy. The effort to support our businesses to date has been substantial, but the statistical evidence regarding the relative performance of the local economy in 2020 and 2021 is yet to be released to enable an analysis of our efforts.
- 5.2. The busy summer months provided some relief to a large number of businesses in the county especially within the retail, hospitality and tourism sectors; but there is uncertainty if it will be sufficient to sustain enterprises throughout the winter and the summer period also highlighted a number of further challenges.
- 5.3. The primary challenges reported by businesses are:
  - Poor availability of workers
  - Challenges in obtaining goods
  - Increasing cost of supplies and overheads
  - Cash flow over the winter months
  - Access to funding to support development and expansion
- 5.4. The period has increased awareness of the importance of local delivery to support businesses stimulating an appreciation of the need to maintain and develop local authorities capacity to operate in this field.
- 5.5. In response the Economy & Community Department is seeking to reprioritise and maintain the Council's business support provision by:
  - Mainstream our efforts to communicate and share information with businesses and increase our capacity for ongoing engagement with the business community. To this end an application has been submitted via the corporate bidding process to maintain one post and create one additional post to increase our capacity.
  - Adapt our efforts in relation to the Higher Value Jobs and Rural Innovation strategic projects to ensure support provided to maintain businesses alongside supporting businesses to establish and grow. Again, a bid has been submitted to maintain two posts to ensure our ability to deliver within these fields.

- Build on the good practice established of collaborating across Departments to support businesses.
- Work with the Welsh Government and other local authorities to secure additional funds to support businesses to adapt and develop.
- Continue to collaborate with North Wales authorities to realise the North Wales Economic Ambition Board's projects and provide collaborative support to businesses where appropriate.