



Countywide pooling of Additional Restrictions Grant (ARG) – Discretionary grant scheme

On line trading platform grants - Proposed Delivery Plan

Background

In July 2020 MHCLG announced a grant scheme to support SMEs to respond to the immediate needs and challenges as a result of COVID-19. Businesses were able to receive support ranging from £1,000 to £5,000 (typically £3,000) tailored to local priorities. Support covered 1-2-1 specialist advice to address immediate needs e.g. HR, finance, legal, digital etc. and minor equipment to allow businesses to adapt or adopt new technology to continue to operate or diversify. The proportion of SME grants allocated to Gloucestershire for distribution via the Growth Hub was £464,655 (including administration fees). In order to maximise the amount of businesses that could benefit from the funding it was decided to only offer grants of up to £3,000. This meant that approximately 145 grants were awarded.

Following the announcement of the scheme on 11th September, 2020, the Growth Hub received nearly 1,200 requests for grants before applications were live. Although only high-level data was collected this showed that **83% of grants were for the Adoption/Adaptation of Technology** and 17% for professional services.

The level of interest in the scheme and the focus from businesses on the adoption and adaption of technology prompted GFirst LEP to approach the local authorities and request their financial support to implement a new grant scheme.

In March 2021 all six local authorities agreed to providing funding of **£60,000** each from the Additional Restrictions Grant (ARG).

A total of £360,000 that would provide the resources and funding for a minimum 102 grants of £3,000 each (17 per local authority area).

Objective of Programme

- To provide a comprehensive programme of support to drive digital adoption and online trading within SMEs.
- To maximise the grant investment by utilising a comprehensive wrap around programme of business support.
- To provide a framework of other advice and support to unsuccessful applicants.
- To provide a full evaluation of the project and make recommendations for future business support interventions.

Programme workstreams:

Delivery plan

- Agree and develop delivery plan
- Identify key components
- Timescales
- Local authority input
- Resourcing
- Evaluation
- Scope for additional grant funding

GFirst LEP propose to recruit the Project Manager role in April. PM will be responsible for the implementation of the proposed delivery plan and associated activities set out below. They will be the key contact for local authority funders and responsible for all monitoring, reporting and risk management. They will work closely with the Growth Hub Network to secure the wrap around business advice and support required for the project.

Review business support landscape

- Map out existing digital business support activity – eg Digital Boost, Google Garage
- Identify the gaps with existing service provision across the county – in particular with regards to business digital literacy/maturity
- Identify the barriers to digital adoption
- Review scope for additional service provision via Growth Hubs and other stakeholders eg HE/FE, BIDs, FSB

Project Manager will scope out existing business support landscape providing a clear routemap for business support for each stage of digital maturity. Where gaps are identified the PM will work with providers to implement solutions. Reports are available from sources such as DCMS with regards to barriers to digital adoption that can be utilised to assist with business ‘buy in’ and successful implementation.

Eligibility criteria

- Business size
- Maturity of businesses
- Priority sectors
- Local authority priorities
- Impact of Covid-19
- Business ambition - eg recovery, growth

GFirst LEP’s proposal is to keep criteria as tight as possible due to the small number of grants available. Suggest selecting fast moving consumer goods and services, businesses with a substantial portfolio of products with the potential of generating multiple sales and where increased reach to customers via online engagement would be easily identifiable – eg has been demonstrated as successful in similar business types/competitors. Focus should be on small and micro businesses, under 10 employees, where amounts available are likely to have the most impact. Maturity of business to remain unspecified as isn’t necessarily an indicator of businesses ability to have an online presence, but should exclude pre-start businesses and businesses without trading history. Grants should focus on recovery not rescue, very important to show ambition and capability to reach business growth through this diversification.

Eligible expenditure

- Scope of grant awards eg – professional services, website development
- Test marketplace to ensure value for money
- Business contribution
- Providers - sourced by applicant or create preferred provider list?

GFirst LEP's proposal is that grants are focussed on the implementation of websites and improvement of existing websites. For a very basic website, which just advertises services and takes enquiries, then a £1,000 grant could be enough, a freelance web developer would build this. For more advanced features (like E-commerce/online selling) and to use an agency (who could also do copy/branding etc.) then costs would be closer to £5k. Suggest that business contribution is allowed so that they can top-up grants but that grant amounts do not exceed £3,000. Propose to exclude expenditure on capital equipment such as laptops, although these were in demand in previous grant scheme.

There is the option to create 'preferred supplier list' for businesses to use, the pros and cons of this approach should be fully considered by the PM and presented to GFirst LEP. The preferred supplier list would consist of Gloucestershire based suppliers only. Previous grant schemes have left this to business choice as businesses may already have trusted providers of digital/web services.

Timeframe

- Staged process or one application window
- Diagnostic
- Realistic timeframe for application, award and implementation
- Cash flow
- Cash award

GFirst LEP propose not to undertake any Expression of Interest phase and to have one application window in June/July 2021. This presents challenges with regards to processing applications and the subsequent timeframes required to undertake diagnostics, the PM will need to consider how this process is managed to ensure that delivery of services to business retains momentum. A three-month window from application to implementation of all grants is felt to be achievable.

Application and Award process

- Define scope
- Criteria for review and scoring of grant applications
- Progression of successful applications – diagnostic, action plan of wrap around services
- Provision for/ response to unsuccessful
- Grant award – on proof of defrayal?

Defining the scope of the project is vital so that businesses self-deselect at application against tight criteria. There is an expectation that not all grants will be £3,000, businesses should prove their qualification of spend and resulting impact. A requirement of 3 quotes could be part of the application process (unless the preferred supplier route is chosen). Other grant schemes have failed with regards to social inclusion, for example those with disabilities or for whom English is not a first language may be disadvantage by application processes. The response to unsuccessful applications needs careful consideration to maximise opportunities of support and minimise complaints. PM will need to set up and manage an appeals process.

Marketing

- Develop and agree plan
- Identify channels – LEP, Growth Hub, Local Authorities, FSB etc
- Agree 'key messages' – manage expectations

As a small number of grants are on offer, a targeted marketing approach could be considered, although this could limit useful intelligence gathering and generation of business engagement activity. The pros and cons of marketing approaches and channels need to be carefully considered. The marketing strategy should be developed with recognition of potential demand and lessons learnt from other areas, where there has been considerable reputational damage to Growth Hubs because of previous grant schemes.

Evaluation

- Agree KPIs
- Data capture
- Metrics

At the start of the project the PM will need to develop a set of KPIs and metrics that can be agreed by all funders. Both qualitative and quantitative data sets need to be considered. The requirements for participant data capture and the compliant sharing of data agreed.

Project timeline

Completed	In progress	Planned
-----------	-------------	---------

	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	October 2021
Agree delivery plan with LA partners							
Review business support landscape							
Agree eligibility criteria							
Agree eligible grant expenditure							
Define roll out time frame							
Develop and agree application process							
Develop and agree grant award process							
Define marketing strategy							
Marketing campaign kick off							
Onboard project staff	Project Manager						
Open grant scheme							
Review applications							
Undertake diagnostics with shortlisted applicants							
Agree action plans							
Award grants							
Evaluation							