

WEDNESDAY, 16 FEBRUARY 2022

**REPORT OF THE PORTFOLIO HOLDER FOR SKILLS, PLANNING, ECONOMY AND WASTE**

**ECONOMIC DEVELOPMENT SERVICE WORKPLAN**

**EXEMPT INFORMATION**

None

**PURPOSE**

To define and agree a 3-year work plan, with associated resources that addresses key Council priorities, by delivering Tourism and Economic Development focused activity, primarily in the Town Centre.

**RECOMMENDATIONS**

It is recommended that the committee note:

1. A financial contribution is made to support Staffordshire Destination Management Partnership (DMP) for financial years 2022/2023 and 2023/2024 with delegated authority given to the Assistant Director Growth and Regeneration in consultation with the relevant Portfolio holder(s) to make a decision on extending the contribution into financial year 2024/2025.
2. The package of economic measures detailed in the report focusing on Town Centre businesses and the wider tourism based economy are agreed.
3. The change of focus is noted from the current Start-Up Business grant to the Town Centre Business Grant.

**EXECUTIVE SUMMARY**

The last two years have seen huge challenges for the local economy but also the potential for significant opportunity. The COVID-19 pandemic, Brexit, and resulting rapid changes in consumer behaviour have all significantly impacted on the economy, but the Town Centre, which was already in decline has struggled and is continuing to decline at an accelerated rate.

The significant success by the Council of attracting £21.65m of Future High Street funding for a £40m programme, to structurally transform the Town Centre over the next three years plays a key factor in helping revive this economy. In addition to this programme, the Council also has plans to regenerate two further sites in the town centre, which will commence over the same period – Gungate and the Marmion House site. These are important regeneration opportunities that have the potential to reinvent the town centre and create a place that people want to return to. In particular, the FHSF seeks to re-unite more successfully our heritage and cultural offer with the town centre. This top down approach will galvanise town businesses into evolving, adapting and changing what they offer and how they deliver it, to fit in with a different town centre experience, whether that be education, leisure, culture, heritage or hospitality related.

To assist the town centre economy in making necessary adaptive changes there needs to be bottom up or grass roots support. As such, and after consultation with Cabinet Members it is proposed to focus resource by expanding the existing Economic Development team and delivering on to two key work streams for the next three financial years, starting in April 2022

and up until the end of March 2025. The wider work of the team which includes regeneration, market operations, street trading and car parks will continue, but the primary focus for the economic development officers over this period will be:

1. Tourism and heritage development; and
2. Town Centre Business support programme

## **RESOURCE IMPLICATIONS**

### **Delivery**

#### **The Current Team**

The ED team currently consists of 4 Officers as follows, supported by the Head of Service:

- 2 x Economic Development and Regeneration Officer, FT permanent.
- Skills Officer, 0.6 FTE, contracted until 31<sup>st</sup> March 2022.
- Economic Development Assistant – FT contracted until 31<sup>st</sup> March 2023.

The wider work of the team which includes regeneration, market operations, street trading and car parks will continue, but the primary focus for the economic development officers over this period will be: Tourism and heritage development; and Town Centre business support

The existing work plan has no specific provision for Town Centre businesses and as such focuses on delivering activities across the wider economy. Tourism strategy and stakeholder engagement is also not currently a primary focus as priorities have focused on delivering one off physical projects in the Town centre, such as visitor interpretation panels, wayfinding and heritage specific projects.

### **Tourism and heritage development**

Tourism and Heritage represents one of the most significant opportunities Tamworth Town Centre has to draw in new consumers and strengthen its reputation as a destination. With consumers now actively seeking out new things to do in their spare time there is now a need to clarify and consolidate what tourism means to the local economy and how it needs to adapt to meet current consumer expectations.

From April 2022 to the end of March 2025, the Council will deliver and achieve the following:

- Invest £15,000 per annum into the Staffordshire Destination Management Partnership (DMP). This commitment will be guaranteed for financial years (fy) 2022/2023 and 2023/2024. Dependent upon the successful delivery of agreed outputs a decision will be taken in quarter 4 of fy 2023/2024 whether to invest in the third and final year of this County Council led scheme.
- The key themes of the Council involvement with the DMP will be as follows;
  - Targeted marketing and campaigns to maximise Staffordshire's profile, and the respective contributor City/District and Boroughs, to attract more visitors.
  - Overseeing and commissioning research and intelligence to inform the activities of the visitor economy sector and to shape our offer and future priorities.
  - Lobbying and advocacy work to influence key policy makers to shape the direction of the sector and maximise Staffordshire's role and profile.
  - Business support activities and signposting to help the visitor economy renew and transform following on from the Covid 19 pandemic.
- Allocate £40k to the development of a bespoke Borough –wide Tourism strategy that will be implemented from April 2023. This will require external support and will be tendered for externally by the end of August 2022.

- Allocate an annual project budget of £10,000 (individual value of <£5k) that can be used for a variety of small projects. This money will be focused on Town Centre and Tourism related projects.
- Allocate funding to provide additional staff resource for a further two years to ensure there is enough capacity for delivery.
- Proactively engage with relevant stakeholders, partners and businesses to ensure that activity delivered is appropriate, coordinated and supported.
- Identify and apply for relevant sources of funding that contribute to the objectives of the Tourism strategy.

Tamworth is currently known primarily as a tourism destination for Ventura retail park, Snowdome and Drayton Manor Park which is just outside of the Borough boundaries. Nearby Towns, cities and high profile destinations over shadow our offer such as the Castle. There is a key role post pandemic in presenting our offer to new and growing markets and visitors.

### **Town Centre Business support programme**

Town Centres across the country are facing significant challenges, but in Tamworth, these are primarily seen as the following:

Change in customer behaviour to online shopping; a customer focus on experience and quality rather than low value items; impact of social media on business and place reputation; quality of offer in competing areas; proximity and connections to Birmingham; cost of starting a business in a town centre; availability of property to the right quality; current offer does not to appeal to broad market; physical environment in the town centre.

There also a number of more strategic issues facing Tamworth as follows:

- **COVID-19 pandemic** – the pandemic had a significant impact on the high street and business to consumer businesses with a channel shift to online shopping having accelerated even faster than expected – many businesses need support to evolve to the new normal. The pandemic also represents a significant opportunity as many consumers are now seeking out a tourism and experience led offer, that Tamworth is uniquely placed to maximise.
- **Brexit** – whilst somewhat overshadowed by the impact of the pandemic, the impact of Brexit is only just being seen on the local economy. In particular changes to export and importing, availability of staff and a whole new business support regime – shared prosperity fund, are key work streams that will require investment by the team. Many of the council's current business support schemes are funded by Europe and expire in 2023 – significant work will be needed to contribute to new schemes under the Shared Prosperity Fund, that are due to be announced in 2022.
- **Town Centre Regeneration** – the council will be delivering three large regeneration schemes across the Town Centre at different stages over the next 3 years, specifically FHSF, Gungate Masterplan site and Marmion House. Whilst the majority of the team is not directly involved in delivery, the ED team will be the first point of call for businesses who are nervous, don't understand what is being planned or want to take advantage of the opportunities presented.

To meet the challenges facing businesses in the Town Centre a package of economic support has been prepared. The package will consist of two elements to solely support Town Centre businesses, as defined by the boundary used for the Business Improvement District;

- A business advice service
- A direct grants programme

In consultation with Cabinet it has been agreed that the high level objective of the overall business support programme will be:

- To attract and support new businesses to open in the Town Centre
- To encourage existing businesses to evolve, grow and adapt
- To encourage the diversification of business types in the town centre with a specific focus on food / hospitality and leisure / heritage.

Businesses not in the Town Centre will continue to be supported by the work of the Economic Development team and strategic partners (e.g. Growth Hubs, Chambers of Commerce).

From April 2022 to the end of March 2025, the Council will deliver and achieve the following:

- Invest up to £15,000 per annum into an external provider to deliver a tailored business support programme for Town Centre businesses that are primarily independent with a consumer focus.
- The support programme will:
  - Improve peer to peer mentoring and networking opportunities
  - Help businesses fully understand their challenges
  - improve skills and knowledge
  - give businesses practical advice on the changes they need to make in order to adapt and thrive.
- Manage, administer and deliver a grants programme of up to £25,000 per annum into for Town Centre businesses. Linked to the business support programme, grants will support businesses who have an opportunity to grow and adapt to current and emerging opportunities.
- Deliver small one off projects (individual value of <£5k) that contribute to Town Centre businesses evolving and thriving, with a budget of £10k per annum.
- Allocate funding to provide additional staff resource for a further two years to ensure there is enough capacity for delivery.
- Proactively engage with relevant stakeholders, partners and businesses to ensure that activity delivered is appropriate, coordinated and supported.

### **1. Business Advice Service**

Town Centre businesses tend to be small independents with limited resources and capacity that may struggle to make the adaptations they need to meet current consumer expectations and standards.

To support these businesses a business support advisor will be tendered for externally. The successful contractor will be required to work seamlessly with the Economic Development Team to provide regular monitoring updates on the programme progress, insights into the business community and to support with recommendations for which businesses should go forward for the grant scheme. The tender will purposefully be left loose in terms of actual defined activity to ensure the Council benefits from the experience of potential suppliers to propose what has worked in other places. Due to the specific challenges facing Town Centre businesses, the Economic Development team does not currently have the specific skills or knowledge required to deliver this service directly.

An external organisation that specialises in this sort of delivery will have economies of scale, existing connections and examples of good practice and what works, allowing support to be deployed more quickly to those businesses in need. Working closely with the chosen supplier, the Economic Development Team will be able to update their skills and knowledge in this area, ensuring opportunities for future delivery of Town Centre business support is sustainable.

## **2. Town Centre Business Grant**

The Town Centre Business Grant is designed to support Tamworth Town Centre businesses who will only be able to apply after receiving support through the business support programme, with priority being given to SME businesses in the food and hospitality / leisure and heritage sectors. This grant will replace the current Start-Up Business grant, which will cease.

Grants will only be aimed at businesses that are classed as being a Small to Medium Enterprise, (SME, <250 employees) and are not part of a significant chain, national or multinational business. In exceptional circumstances where significant positive impact on the Town Centre can be shown, grants may be considered out of scope, such as; high numbers of new additional jobs, new high profile chain that wouldn't invest without support, substantial secondary impact of investment in supply chain and other local businesses.

There will be £75,000 allocated to grants over 3 years, with a nominal annual budget of £25,000. It is recognised that as the programme progresses take up and demand for grants may start off slow but increase, so it is important that at the end of each year financial year any underspend will be retained to ensure businesses can always benefit from the overall grant allocation across the 3 year period.

The grant aims to focus on the following specific areas to support the business adapt and grow. The more grant aims businesses can hit, the stronger the chance of approval, however it is not expected that businesses must meet every criteria:

- Training on subjects that benefit the operation of the businesses
- Skills
- Culture and behaviour to support the vision for the business, aspiration, strategy setting, business model, future planning, resilience, environmental sustainability.
- Innovation to evolve the business by way of new products, new services, new ways of working, technology.
- Enhancements to shop fronts and trading spaces

The business will be required to demonstrate within their application / business plan how the proposed project and a successful grant award will lead to either:

- More revenue
- Better reputation / image for their business and the Town Centre.
- Improved staff skills
- Clearer objectives for the business to grow and adapt

The grant process is based upon on the existing Start Up Business grant scheme and would be administered internally by the Economic Development Team with support from the business advisors contracted to deliver the business support programme. The role of the external business advisors would be as follows:

- To refer businesses to apply for the grant
- Ensure the business has received adequate support and guidance to enhance their business operations,
- Provide feedback to the ED Team to support with decision making on applications.

The final decision on applications will remain with the ED Team who will put forward recommendations to members through the Nominations and Grants Committee, allowing the business advisors to remain impartial and continue to work with the business ensuring fair decisions without prejudice. The business advisors would also be required to work with the

business post successful application ensuring all projects are successfully delivered as approved, with outputs realised.

The ED Team will work with the business support provider to ensure the grants scheme meet business need. In year one – financial year 2022 / 2023, the grant scheme will start from quarter 3 to ensure there is enough time for marketing and the business advisor service to assess demand and need.

From quarter 3 2022/2023 on the grant scheme will be ran quarterly in line with Nominations and Grants committee meetings. Grants will be awarded from a minimum of £2500 to a maximum of £10,000 per businesses, unless there is exceptional reason to make a larger grant.

As the grant scheme evolves and demand comes forward for businesses these forms may need to be adapted. Any changes will be made in consultation with the relevant Portfolio holder.

#### **LEGAL/RISK IMPLICATIONS BACKGROUND**

None

#### **EQUALITIES IMPLICATION**

None

#### **ENVIRONMENT AND SUSTAINABILITY IMPLICATIONS (INCLUDING CLIMATE CHANGE)**

None

#### **BACKGROUND INFORMATION**

The Economic Development Team, have the following significant work streams over the next three years which includes the package of measures described in the above sections.

- Contract management, engagement and delivery with Staffs DMP.
- Commissioning, coordination and delivery of a Tourism Strategy
- Delivery of actions and projects resulting from Tourism strategy
- Stakeholder engagement and management with Tourism partners and economy.
- Town Centre and Heritage related project delivery – e.g. interpretation boards, digital marketing, wayfinding.
- Commissioning, coordination, contract management and delivery of a Town Centre business support package.
- Delivery and monitoring of a Town Centre business grants process
- Design, commission and deliver an economic baseline review for the reset and recovery programme.
- Monitor and research useful economic and town centre data producing regular reports to input into other services and regeneration programmes / funding bids.
- Lead day to day engagement with Town Centre businesses on Future High street Fund
- Design, delivery and commissioning of business support schemes, both internally and with partners.
- Engage with stakeholders involved in wider business support – LEPS, Growth Hubs, LA's, central Government
- Deliver activities that contribute towards inward investment and wider place promotion.
- Act as a gateway for local business support and advice, signposting to relevant support.
- Identify and apply for relevant funding to deliver projects in line with the objectives of the service – Shared Prosperity Fund, Regional Investment Fund, cultural recovery fund, Heritage Funds, Local Government Association.

- Contract management, monitoring and delivery of existing European Regional development Fund projects.
- Monitor and keep up to date on local activity on employment and skills.

### **REPORT AUTHOR**

Matthew Fletcher – Head of Economic Development and Regeneration

### **LIST OF BACKGROUND PAPERS**

- Town centre – Cabinet report - 08.11.2018
- Town centre work streams – Corporate Scrutiny - 08.12.2019
- Start up business grant review – Cabinet Report - 06.02.2020
- Reopening High Streets Safely fund – Scheme of Delegation 24.09.2020
- Welcome Back Fund – Cabinet 08.07.2021

### **APPENDICES**

None

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