

Hambleton District Council

Report To: Cabinet

Date: 8 June 2021

Subject: **Digital Lab Project**

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 This report seeks approval for the delivery of a pilot project to encourage local businesses to develop and/or improve their online presence and connection with their customer base through social media platforms.
- 1.2 The project has been developed with reference to the Councils Response and Recovery Plan in response to a call for projects by the Local Enterprise Partnership under the Community Renewal Fund. This is a fund which Government has designated North Yorkshire County Council as the lead authority who have in turn delegated the development of proposals for some themes to the Local Enterprise Partnership. The Community Renewal Fund prospectus outlines how funds are made available to lower tier areas and sets out how bids are scored on a number of criteria.
- 1.3 One of the scoring criteria is that the majority of projected activity funded must be delivered in the highest priority areas. Hambleton has been scored as a low priority area, only Richmondshire and Scarborough are scored as high priority in North Yorkshire. However in developing their delegated themes of the Community Renewal Fund the Local Enterprise Partnership has called for projects and has then worked with districts to try and ensure there is the potential for funded activity in all areas.
- 1.4 Working with the Local Enterprise Partnership a project has been developed that is intended to help businesses adapt to changes in consumer habits arising from the growth in online trading particularly in light of the Covid -19 pandemic. The project seeks to help physical retailers to be 'omni-channel' retailers and to encourage them to build closer relationships with their customer base. The approach is to encourage customer engagement and to help businesses to develop a strong digital presence through online trading platforms and effective social media engagement. The bid is for £45k of support matched by funding attached to other Council activities.
- 1.5 The project is being developed as a pilot building on other investment and delivered by the council. Delivery partners will principally be C4DI and Insight with Passion but with scope to signpost businesses to other sources of advice and training as required (Annex 1).

- 1.6 As the Community Renewal fund is time limited, all funds have to be spent by March 2022, and a large scale district wide bid would be beyond the scope of the funds that can be provided by Community Renewal Fund, the best chance of success is to focus on a small geographic area and specific sector. However the Council is mindful of the needs of businesses across the District and all the market towns. The proposal is that the pilot will be for Northallerton High Street but that the learning developed from the pilot will then be transferable and capable of being rolled out across the district and across a range of business sectors.
- 1.7 Bids will also have a greater chance of success if they have other funding attached. This Community Renewal Fund bid is therefore being matched with the value of existing planned activity funded from the Economic Development Fund.

2.0 Link to Council Priorities

- 2.1 This project supports the Council's priority of driving economic vitality; specifically supporting the development of Northallerton as a Vibrant Market Town and supporting the short term economic recovery and long term future sustainability of the High Street.
- 2.2 In addition the project supports the Councils Economic Response and Recovery Plan as a pilot Digital High Street Project.

3.0 Risk Assessment

3.1 Risk in not approving the recommendations

Risk	Implication	Prob	Imp.	Total	Preventative Action	Net Prob	Net Impact	Net total
Reputational Risk to the Council	Council may be criticised if the opportunity to utilise available investment is missed	4	4	16	Approve the Scheme	2	3	6
Response and Recovery plan not delivered	Local businesses are not assisted to recover from the effects of the pandemic resulting in job losses and business closures.	4	4	16	Approve the scheme	2	3	6

3.2 Risk in approving the recommendations

Risk	Implication	Prob	Imp.	Total	Preventative Action	Net Prob	Net Impact	Net total
The Council is unable to deliver the proposed schemes within the agreed timescales	Economic impacts and community benefits are not realised Negative publicity for the Council	3	4	12	Strong project management Effective engagement with key stakeholders from the beginning of the schemes Monitor project and spend closely	2	2	4

The risk of not agreeing with the recommendations outweighs the risk of agreeing with the recommendations. It is therefore considered acceptable to approve the recommendations.

4.0 Financial Implications

4.1 The table below shows the costs of the pilot project and associated funding.

Expenditure	2021/22
Online digital training module development	£25k
Online platform maintenance, one to one support etc.	£25k
Customer relationship training	£23k
Support for Digital Apprentices (aim of two per town per annum)	£10k
Total Expenditure	£83k
Funding	21/22
Community Renewal Fund	£45k
Planned Economic Development Fund Expenditure	£15k
Additional Restrictions Grant	£23k
Additional funding requested	
Total Funding	£83k

4.2 There are no additional financial implications for the Council from the delivery of the pilot programme because funding is intended to be secured from the Community Renewal Fund and the Additional Restrictions Grant. If this funding is not available, then the Economic Development Fund will be used to support this pilot project. Should the pilot project be successful, and the Council wishes to roll this out district wide there will be an overall annual revenue increased cost and this will be brought back to Cabinet at the appropriate time.

5.0 Legal Implications

- 5.1 Should our Community Renewal Fund bid be successful a formal offer letter and funding agreement will be issued to ensure that the grant is spent correctly, that any legal requirements, publicity and monitoring are met.

6.0 Equality/Diversity Issues

- 6.1 Equality and diversity issues have been considered however there are no issues associated with this report.

7.0 Recommendation

- 7.1 That Cabinet approves the project and the funding proposal as set out in paragraphs 4.1 and 4.2 of the report.

Mick Jewitt
Deputy Chief Executive

Background papers: Digital Lab pilot proposal

Author ref: MH

Contact: Mark Haynes
Business and Economy Project Manager
Tel: 01609 767056

Community Renewal Fund – Key Questions for Work Package/ Project Leads

Applicant Details
Work Package / Project Lead’s Name: Hambleton District Council
Lead Officer Name & Position: Mark Haynes, Business & Economy Project Manager
Other Partners: See diagram at Annex 1

Part 1 – Work Package/Project Summary
1a Work Package/Project Name: Digital Lab
<p>1b What activities will take place?</p> <p>The project will provide a range of services to enable local businesses to make the most of doing business digitally. This will include:</p> <ul style="list-style-type: none"> - A range of downloadable training modules and live sessions on various aspects of doing business digitally - A range of technical services to enable an easy transition into doing businesses digitally - Sign positing and brokering of appropriate support from a pool of experts - Development of a digital community market place - 1 to 1 support - Digital apprentices
<p>1c Who will deliver the activities?</p> <p>HDC will lead overall with a focus on local business engagement building on it track record and connections. The Centre for Digital Innovation (C4DI) will be the technical lead developing modules with input from others as required. Insight with passion will provide live workshops and support sessions focused on customer relationships and adapting to the current business climate. Other partners expertise will be utilised as appropriate.</p>
<p>1d How will the activities be delivered?</p> <p>As outlined above partners will work together to promote the service to the local business community (HDC/FSB/Growth Hub). Training will be provided in the form of downloadable modules, live sessions, one to one support (C4DI/Insight with passion/Campus @Northallerton (c@n)). Technical services, the platforms and tools required to operate digitally will be hosted or provided via C4DI.</p>
<p>1e Who will be the beneficiaries of the project?</p> <p>The principle beneficiary group would be those operating in the business to consumer sphere, helping businesses to move from a physical model to a blended model by developing a strong online presence to assist with growth and/or viability. The approach determined best for this project would be to provide a concentration of support in a tight geographic area to help assess the full impact of the intervention. Early thoughts are to focus on a High Street community or a sector such as Agriculture, a key target sector for the C4DI Northallerton facility.</p>
1f Where will the activities take place?

Hambleton district, potentially focusing on one town or sector.	
1g What are the key milestones for the development and implementation of the project	
[milestone]	[date]
Internal approvals for concepts and funding Define the area or sector to be focused on Refining the offer (training module components etc. tailored to above) Develop training modules and workshop programme Marketing and promotion to develop customer throughput Delivery	- Secured - May 2021 - June 2021 - July/Aug 2021 - Aug-Dec 2021 - Aug 2021 onwards

Part 2 – Work Package/Project Impact
<p>2a What will be the short- and long-term benefits of the project on its beneficiaries and the wider community?</p> <p>The pandemic has seen businesses adapt in a range of ways with differing levels of success in order to keep trading. Those providing goods or services to consumers that pre-pandemic only had a physical presence have had the most adaptation to undertake. This project has the potential to help businesses or varying levels of digital sophistication to improve their online trading capability and customer service in order to grow or to secure their business viability. The focus will not only be about giving people the skills and tools to create an online presence, but also on continuing customer/audience engagement as a key tool to drive people to the digital platform.</p> <p>Short-term businesses will gain the ability to establish or improve online trading platforms. Longer term this will enable business growth. Short term there will be a greater appreciation of the benefits of trading in the physical and virtual spheres and of the skills required. With encouragement and support this will lead to more people being signposted to and taking on training leading to qualifications via c@n providing access to Level 3 – 7 courses via York College and the University of Sunderland.</p>
<p>2b How does the proposal align with local needs?</p> <p>The project aligns strongly with the Local Enterprise Partnership's 21st Century towns proposal which recognises the digital focus being applied by Hambleton and responds to key recommendations particularly under the digital first and open for business activity strands.</p>
<div style="border: 1px solid #ccc; padding: 10px;"> <div style="display: flex; align-items: center; margin-bottom: 10px;">  <div style="font-weight: bold; color: #0070c0;">DIGITAL FIRST</div> </div> <div style="display: flex;"> <div style="background-color: #e6f2ff; padding: 10px; width: 30%; font-weight: bold; color: #0070c0;"> <p>Ensure that digital skills provision is strong throughout all the towns</p> </div> <div style="padding: 10px; margin-left: 10px;"> <ul style="list-style-type: none"> More local people engaged in the digital economy with benefits in terms of incomes and employment levels More local businesses using the internet to sell online – boosting incomes and productivity. Enabling local businesses to reap the benefits of new technologies and therefore improving productivity in towns. Wider use of digital apps and platforms to support community work and building the brand / identity of towns. </div> </div> </div>



OPEN FOR BUSINESS

Encourage local retailers, manufacturers and craftspeople to embrace online retail

- Increase productivity in relevant sectors
- Reinforce the visitor economy by encouraging more visits
- Increase resilience of local businesses through diversification of income.

2c How does the project demonstrate innovation in service delivery?

The proposal will offer a blend of learning methods and tools to be able to meet different requirements of individuals that fit around different working patterns and levels of ability/sophistication. The tight sector/geographic focus will also lend itself to being able to determine impacts more quickly and to evaluate the potential benefits more clearly. The project will be a blend of the offers and skills that can be brought to bear from the public, private and academic sectors.

2d What outcomes will the project deliver? (see UK Community Renewal Fund Outcomes; Annex A – Project Impact Indicators).

In the short term, for the COMMUNITY RENEWAL FUND period to March 2022 it is likely that the principal outputs will be purely the no's of businesses supported and no's of people in training. Should the pilot be successful and can be expanded to a longer term project it has the potential to contribute to the following COMMUNITY RENEWAL FUND outcomes:

Outcome Indicator	Definitions	Unit of Measurement
People in education/training following support ²	<p>People who have received support and who are newly engaged in education (lifelong learning, formal education) or training activities (off-the-job/in-the-job training, vocational training, etc.) immediately upon leaving the operation.</p> <p>Education or training is defined as a structured and agreed programme of:</p> <ul style="list-style-type: none"> • lifelong learning; • formal education; and • educational and/or vocational training activities (this may include on the job and/or off the job vocational training or a combination of the approaches listed). <p>'Mandatory' training (e.g. job-search related / CV writing) and other non-vocational / non-educational support such as confidence building, life-skills and personal effectiveness support cannot be considered as 'education' or 'vocational training' (even though such activities may , of course, be useful and important support measures).</p>	Number of people
People gaining a qualification following support	<p>People who have received support and who gained a qualification following that support.</p> <p>Qualifications should be recognised by Ofqual's Regulated Qualification Framework (RQF) https://www.gov.uk/find-a-regulated-qualification</p>	Number of people
Businesses introducing new products to the market as a result of support ²	<p>A product is new to the market if there is no other product available on a market that offers the same functionality, or the design or technology that the new product uses is fundamentally different from the design or technology of already existing products. Products can be tangible or intangible (incl. services and processes).</p> <p>Support must be for a business to introduce one of the following:</p> <ul style="list-style-type: none"> • Product - when it is either at pre-launch or launched to the market • Process - when it has been introduced into the business • Service - when it has been introduced to the market 	Number of Businesses
Employment increase in supported businesses as a result of support	<p>A new, permanent, paid, full-time equivalent (FTE) job created following support. This includes both part-time and full-time jobs, which should be recorded relative to full-time equivalent (FTE). FTE should be based on the standard full-time hours of the employer.</p> <p>New means it should not have existed with that employer before the intervention.</p> <p>Permanent means it should have an intended life expectancy of at least 12 months from the point at which it is created.</p>	Number of FTEs
Jobs safeguarded as a result of support	<p>A permanent and paid job at risk prior to when support was provided, and which the support will help the business to retain. This includes sole traders and business owners.</p> <p>This includes both part-time and full-time jobs, which should be recorded relative to full-time equivalent (FTE). FTE should be based on the standard full-time hours of the employer.</p> <p>At risk is defined as being forecast to be lost within 6 months.</p>	Number of FTEs

Part 3 – Funding / Costs

3a Please provide a full breakdown of costs, including:

- Total funding requested from the UK Community Renewal Fund - £66k
- Any match funding that is secured/ or planned to be secured
HDC - £25k
- Activities/ tasks that the funding will be spent on
Content development & delivery £75k
Marketing and promotion (circa £6k)
Evaluation £10k
?? Any budget to allow for a York/Sunderland cohort

3b How has the overall budget been estimated, what has been done to test that it is accurate, how would any unexpected costs be managed?

Currently estimates based on:

- Proposal costs from C4DI Northallerton & Insight with Passion
- Minimum evaluation threshold set by COMMUNITY RENEWAL FUND guidelines

Unexpected costs would have to be met through HDC.

Part 4 – Project Applicant Experience & Capacity

4a What experience does the organisation have of delivering this type of activity?

HDC is very experienced in business engagement and direct business support.
C4DI North and Insight with passion are both experienced in delivering training content and business support.

4b Describe the resources (e.g. staff) the organisation has available now to deliver the project?

The partners involved in the project are all well resourced, stable, experienced and professional organisations that will allocate the appropriate resources required for the project to be successful.



<https://www.insightwithpassion.co.uk/about-us/our-people/>

<http://www.c4di.co.uk/the-team>

4c If the organisation will have to recruit staff or appoint contractors what plans are in place to manage the risk of delay?

The Council will utilise existing contracts, SLA's as appropriate or will use public sector procurement routes to secure support required.

4d Describe the systems and processes that will be used to ensure only costs directly related to the project will be included in grant claims.

HDC has a strong track record in delivery of projects utilising Government funds. A separate cost centre can be established to ensure only costs attributed to the project utilise COMMUNITY RENEWAL FUND investment. Evidence of defrayed expenditure including invoices and purchase ledgers can be provided to verify this.

Figure 1: Project overview

