

APPENDIX B
BUSINESS BOARD DISCUSSION DOCUMENT
COVID 19: IDEAS FOR A MEDIUM-TERM ROLE FOR DEBATE

Summary

An 18-month medium-term COVID 19 Business Recovery Programme comprising four elements:

Recover – Orient – Adapt – Regrow

ROAR

Recover

Supporting financial security and sustainability

1. It is possible, that to step in and provide financial security and sustainability for large, economically structural firms, HMG may part nationalise some businesses such as airlines or train companies. - *SMEs will need similar capital injections*
2. The economy is likely to contract by circa 4% creating a recession and slowing the recovery of firms' revenue lines, whilst pre-recession capital programmes and debt obligations will still need to be financed.

A **Recovery Investment Scheme for Enterprise (RISE)** scheme could be considered.

1. This might be funded by HMG and administered through the CA's and/or LEPs where appropriate.
2. It is also possible that the CPCAs Capital Growth Investment Fund, due for launch in August, could be adapted to provide this. However, this is unlikely to meet the scale of demand, hence lobbying HMG would be preferable.
3. Equity investments could be provided against 2020/23 Recovery & Growth Business Plans, including conversion of loans provided under CBILS to equity.

Orient, Adapt & Regrow

Coping with medium and long term shifts in markets and customer behaviours

1. Customer access could be affected by a more permanent shift in behaviours towards online and distance buying
2. Markets could be affected by periods of social distancing for 12 months
3. Trade could be affected by competitor & supply chain consolidation & localisation
4. Revenues could be affected by opportunities for new offerings and modes of delivery
5. Operations could be affected by a more permanent shift in working practices
6. All the above present both threats and opportunities, based on SMEs' product and organisational strengths and weaknesses going into this economic shock

A Regrowth Accelerator Coaching for Enterprise (RACE) scheme could be considered and could:

1. Utilise the platform of the planned Business Growth Coaching scheme, currently under procurement. However, this is unlikely to meet the scale of demand, hence lobbying HMG would be preferable.
2. Harness a recruited and accredited pool of business coaches to help firms **Orient & Adapt** to permanent shifts in their business, whilst identifying regrowth opportunities, raising business leader ambition, identifying barriers, developing strategies and supporting implementation and change.
3. Utilise a 50% revenue nudge grant to overcome the prevailing market failure, that stops widespread SMEs take-up professional advice and coaching, even though it is proven to accelerate and sustain higher growth.
4. Develop peer-2-peer alumni networks to go on to mentor thousands more firms, extending the current DIT campaign idea of "if I can you can!"
5. Offer 50% **Capital Regrowth Grant** to co-invest with local firms in new technology and equipment to help them adapt and capture new opportunities for regrowth between £25,000 and £250,000 based on a benchmark scheme performance level of £10,000 per new/regrown job created.