

Start up Small Business Grants Year 2017-18 Report

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Purpose

The purpose of this document is to brief relevant Senior Officers and Councillors on the impact and performance of the Small Business Grant Scheme after its first full year of operation – April 2017 to March 2018. The review will be used to identify trends and take up of the grants, allowing the Economic Development and Regeneration service to make changes to the scheme where appropriate, and plan for future service delivery. It will also allow the Authority to use the information to promote the scheme and enhance its reputation in supporting small businesses to start and grow.

Recommendations

- That the key performance indicators are noted.
- That the report is produced on annual basis with a final 3 year summary and full evaluation taken to Cabinet at the end of the current funding cycle – April 2020.
- That consideration is given to developing further grants programmes specifically for Town Centre businesses.

Performance

Annual Budget for Small Business Grants 2017 / 2018: £20,000.00

| | Value of Applications Received | Value of Grants Awarded | No. of Enquiries received* | No. of applications received | No. of applications approved |
|--------------|--------------------------------|-------------------------|----------------------------|------------------------------|------------------------------|
| Quarter 1 | £3,530.92 | £2,930.92 | 4 | 4 | 3 |
| Quarter 2 | £8,913.47 | £6,983.47 | 20 | 8 | 7 |
| Quarter 3 | £11,500.00 | £6,010.00 | 13 | 8 | 6 |
| Quarter 4 | £9,802.00 | £5,256.00 | 15 | 7 | 6 |
| TOTAL | £33,746.39 | £21,180.39 | 52 | 27 | 22 |

**Only enquiries to Tamworth Borough Council*

Within the number of enquiries recorded it is worth noting that some of those received aren't eligible for the grant, others are referred into Blue Orchid to go on the business support programme workshops, but don't actually go through the training and therefore are not eligible to submit an application. On occasions an applicant/business may receive the required support from Blue Orchid but the business development officer doesn't deem them ready for a grant. In cases like this an application is not submitted and they are deferred, to apply at a later date when their business plan is more developed.

99.9% of available grant was awarded
81.5% of applications received were awarded
61.16% of grant has been drawn down as at 1st April 2018*

** Applicants have up to 6 months to draw down grant payment*

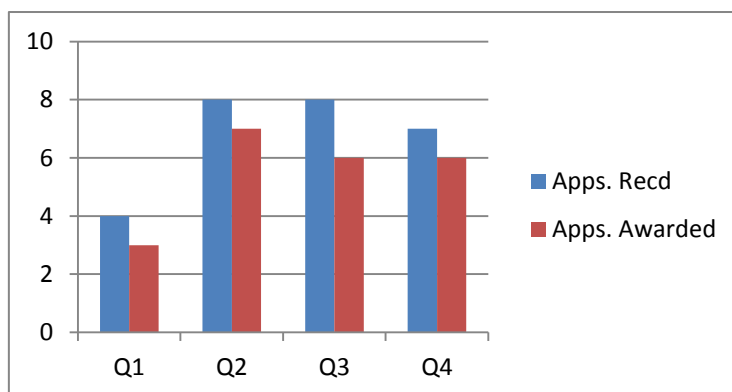


Table 1: Applications received against applications awarded

In Q1 an application was awarded at Grants Committee but later withdrawn as the terms and conditions were not returned by the deadline as required.

In Q3 there were 2 applications submitted, the 1st where the business activities were deemed ineligible and the 2nd application didn't meet the goals that were set in the business plan.

In Q4 there was 1 application submitted which did not meet the evaluation criteria.

Demand

The value of applications received has exceeded expectations with £33,746.39 being requested. The annual budget of £20,000.00 meant that this could not be fully met. The quarterly budget was set at £5,000.00 to ensure that the £20,000.00 budget was spread across the financial year; you will see from table 1 above that each quarter averaged 7-8 applications of which the majority requested the maximum £1,500.00 grant award.

As the grant programme progressed there were slight amendments to the scoring criteria. Due to the number of applications and their value, it became clear that it was necessary to inform potential grant applicants at enquiry stage, that dependant on demand in each quarter; the maximum grant of £1,500.00 that could be applied for may not be able to be awarded. After each quarter the evaluation process was reviewed to make sure the grant was meeting expectations.

The evaluation process required tight decision making as the majority of applications could have easily been awarded the full grant amount. The decision was made to give less money to more businesses rather than more money to fewer businesses. It was felt this would ensure the biggest impact to the local business community and make a positive message about the Council's commitment to supporting small businesses.

There has been a very diverse range of business types that applied:

- Recruitment Consultant
- Health & Social Care training assessor
- Respite service for parents who have children with learning difficulties
- Service delivering pet food and nutritional advice
- Augmented and virtual reality simulations
- Bespoke cupcakes, celebration cakes and other baked goods
- Removal company
- Foot health practitioner
- Town Centre
 - Street food event
 - Brewery
 - Themed diner
- Driving instructor
- Environmental cleaning company
- Fashion design
- Yoga studio
- Coaching and mentoring for entrepreneurs
- Tutoring for primary school children

Town Centre businesses are becoming more aware of the scheme and we are seeing more requests for support. These businesses typically require more substantial investment and expenditure than average start up. Costs such as fitting out of shops, equipment, legal fees and marketing are higher than the standard business we have seen applying to date.

Successes

The success of this grants programme has been linked greatly with the ERDF Enterprise for Success programme which Tamworth Borough Council funded with Solihull Council and other Local Authorities; Redditch, Bromsgrove, Wyre Forest, Cannock, East Staffs and Lichfield.

Blue Orchid who run the Enterprise for Success programme offer a full marketing process to raise awareness of the programme and grant offer. This takes the form of an officer who actively speaks to key groups and organisations, such as Job Centre and local networking groups. Businesses have also been able to receive full guidance from a business development officer through 6-12 hours of support via free to attend workshops, where they benefit from the creation of a business plan.

Engaging with these businesses has helped to give the Council a much better understanding of this business demographic and helped to build relationships, Council reputation and ensure they are receiving the correct, most suitable support that is currently available.

Added Value

As mentioned above, this project has allowed the Council to identify and create relationships with individuals and micro businesses, something that in the past has been challenging, allowing the EDR service to signpost them to other support and opportunities that maximise the likelihood of these businesses surviving.

Indirectly it has also enhanced the reputation of the Council, which is now seen to be directly helping businesses and has raised the awareness of issues affecting small businesses.

A networking / business support event is planned to be held in October inviting all grant applicants from Q1-Q4 to be held at the Tamworth Enterprise Centre, this will give the businesses a chance to network and share their experience as well as receive further support that is currently available.

Conclusions and summary

The Start Up Grants programme has been extremely successful, delivering nearly all of its committed budget in its first operational year. Whilst it is still early days patterns are starting to emerge. Town Centre businesses are becoming more aware of the scheme and we are seeing more requests for support. These businesses typically require more substantial investment and expenditure than average start up.

The Economic Development Team will continue to monitor and assess applications, but feel consideration should be given to developing a specific Town Centre or retail focused grants fund / business support programme.