

MICROBUSINESS GRANT SCHEME

REPORT OF: Economic Development Officer
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Wards Affected: All

Purpose of the report

1. The purpose of this report is to present seven microbusiness grant applications for consideration by the Cabinet Grants Panel.

Summary

2. A summary of the applications to be considered and the recommendations from the Grants Assessment Group on the level of financial assistance to be awarded to each organisation are detailed as follows:

Organisation	Purpose for which award is sought	Award Requested	Award Suggested
Bright Light Film	Marketing campaign	£1,425	£1,425
Gore Property Services Ltd	New printer and computer	£1,500	£1,500
Designs by Sussex Landscape	New website and computer	£700	£700
Define Hospitality Ltd	Promotion campaign	£2,000	£2,000
CKG OT Ltd	New staff member	£2,000	£2,000
Smith Home Transformations	Apprentice	£1,500	£1,500
The Jonathan Lea Network	New product and website	£2,000	£2,000
Total		£11,125	£11,125

Recommendations

Members of the Panel are requested to

- a) Consider and decide upon the recommendations for each of the above applications, summaries of which are attached in Appendix A of this report.***

Background

3. This is the first meeting of the Cabinet Grants Panel to consider the 2018/2019 Micro Business Grant Scheme. This is a County-wide scheme utilising the West Sussex business rates pool, with £500,000 to be split equally between the Districts, with £72,000 allocated to Mid Sussex District Council (MSDC). Grants of up to £2,000 are available to assist micro-businesses (firms with fewer than 10 employees) with projects that will help them grow or up to £1,500 to help with the costs of taking on an apprentice. The scheme was successfully run in 2017/18 awarding £74,990 to 44 micro-businesses.

4. Applications for the grants have been assessed using the following criteria (as set out in the guidance note accompanying the application form) –
 - Delivering wider outreach
 - Assisting with the delivery of new business lines
 - Enabling more employees to be taken on
 - Delivering community benefit

Assessment and Policy Context

5. The microbusiness grant scheme is again aimed at small organisations which are likely to be resource constrained. The application form and assessment process have been kept streamlined to encourage relevant businesses to apply, whilst still requiring sufficient information to enable the Council to make informed and robust decisions.
6. The applications received have been considered by the Council’s Economic Development Officers, William Hawkins and Kim Christmas. A summary of the assessment of each application is included within the individual project reports in Appendix A
7. All organisations have met the basic criteria and specific grant criteria, i.e. are properly constituted micro-businesses and have provided the relevant information to support their application. All applicants have also been subject of a basic due diligence review.

Financial Implications

8. The microbusiness grants are funded through an allocation from the WSCC business rates pool, with £500,000 to be divided equally between districts.
9. The current fund stands at:

Scheme	Fund as at 7 Jun 2018	Funds approved	Funds requested	Balance
Micro Business Grant Scheme	£72,000	£0	£11,125	£60,875

Risk Management Implications

10. The main associated risk to the successful implementation of the decisions arising from this report is the inability of the funded organisations to carry out the services, activities or equipment purchase for which funding had been awarded.
11. To minimise risk to the fund the decision was taken for 2017/18 pay grants in arrears on receipt of invoices other evidence. This approach differs from practice in some other parts of the County where payments are made to businesses as soon as the bid is approved. The payment-on-invoice approach is one key means on reducing risk to the fund and ensuring that grant payments do support the delivery of genuine growth or the recruitment of an apprentice.

12. The approach to due diligence adopted for Mid Sussex also differs from approaches used elsewhere in the County. The desk research part of the due diligence work is complemented by site visits to all businesses whose bids meet the eligibility criteria. This represents a more rigorous approach than that adopted in other districts which are instead reliant on businesses demonstrating that the grant has been used appropriately after it has been awarded and then arranging recovery action in those instances where it has not. We believe this is a proportionate approach that protects the Micro Business Grant Fund whilst ensuring that no undue administrative burden is presented to businesses in accessing grants that they have successfully secured.

Equality implications

13. As part of the due diligence process all of the businesses whose bids are included in this report Council have been assessed to be in compliance with the requisite policies/legislation, in particular the 2010 Equality Act.

Legal Implications

14. The Council is not obliged to provide grant funding, but by virtue of section 1 of the Localism Act 2011, it is able to do anything which it considers is likely to achieve the promotion of the economic, social or environmental wellbeing of its area. This includes the incurring of expenditure, giving financial assistance to any person (or organisation) and entering into arrangements or agreements with any person.

Background Papers

15. Grant applications and associated documentation for the Microbusiness Grant Scheme are held in the Economic Development Team.