

MICROBUSINESS GRANT SCHEME

REPORT OF: Business Development Officer
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Wards Affected: All

Purpose of the report

1. The purpose of this report is to present 14 micro business grant applications for consideration by the Cabinet Grants Panel.

Summary

2. A summary of the applications to be considered and the recommendations from the Economic Development Team 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
2 Moons Computing Ltd	Apprentice	£1,500	£1,500
Building Blocks Therapy	Training and New Equipment	£600	£600
CB Trade Support	Website Development and New Equipment	£646.32	£646.32
DM Grounds Maintenance	New Equipment	£2,000	£2,000
Get Marketing Ltd	New Laptop	£724.50	£724.50
Haywards Heath Business Association	New IT Equipment	£658.80	£658.80
Kitchens Bespoke	IT Software and Equipment Upgrades	£2,000	£2,000
Marcomms Consultancy Ltd	New Equipment and Marketing	£2,000	£2,000
Newtryx Ltd	New Website for Product	£2,000	£2,000
Not Another Bunch of Flowers	Website Development and Improvements	£2,000	£2,000
Poponin Ltd	Marketing and Website Development	£1,500	£1,500
Pure Storm Digital Services	New Service – Digital Marketing Workshops	£425	£425
Smith Home Transformations Ltd	Marketing	£2,000	£2,000
Tom Mackewn Illustration	New Equipment and Marketing	£1,790	£1,790
Total		£19,905.87	£19,905.87

3. Following the Cabinet Grants Panel on the 18 June, Officers noted an error in the calculations of one applicant's project. Miall's did not include VAT in their project costs. Businesses that are not VAT registered are entitled to include VAT in their grant applications, as noted in paragraph 10. Therefore, the panel is asked to confirm if the award to this applicant can be increased by 20%.

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

4. This is the second meeting of the Cabinet Grants Panel to consider the 2019/20 Micro Business Grant Scheme. The scheme has seen a great deal of interest, and is already nearly fully subscribed. Following this meeting, the panel will have reviewed 22 of the 42 applications that have been submitted so far.

Assessment and Policy Context

5. The applications received have been considered by officers within the Council's Economic Development Team. A summary of the assessment of each application is included within the individual project reports in Appendix A.
6. All of the businesses whose bids are included in the paper have met the basic eligibility criteria for the grant scheme. All are properly constituted businesses with fewer than 10 employees and are located in the District. All have provided any additional information requested by officers to support their applications.

Financial Implications

7. The micro business grants are funded through an allocation from the West Sussex County Council's Local Enterprise and Apprenticeship Platform (LEAP) business rates pool, with £500,000 to be allocated between districts.
8. Officers have received confirmation of the actual funding amount following a delay with processing the LEAP bid. The confirmed figure of funds allocated to Mid Sussex District Council is £71,428.57, details on the status of current funds remaining can be seen in the point below.
9. The current fund stands at:

Scheme	Fund as at 22 07 2019	Funds approved so far	Funds requested in this paper*	Balance(if all bids in this paper are approved)*
Micro Business Grant Scheme	£58,694.57	£12,734.00	£19,930.87	£38,763.70

* Figure also includes the 20% increase in grant for Miall's following an error with their VAT inclusion.

10. Some of the applicants have noted they are not VAT registered and have requested that the grant awarded includes the VAT on items/services purchased. A written confirmation from the applicant is requested during the application process and this is further checked during the due diligence review. Applicants in question are: Building Blocks Therapy, CB Trade Support, DM Grounds Maintenance, Get Marketing Ltd, Haywards Heath Business Association, Poponin, Pure Storm Digital Services and Tom Mackwen Illustration.

Risk Management Implications

11. 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.
12. To minimise risk to the fund the decision was taken in 2017/18 to pay grants in arrears on receipt of invoices or 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.
13. 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. 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. The due diligence process also ensures that businesses understand the application process and the approach the Council takes in paying the grants.

Equality implications

14. 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

15. 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

16. Grant applications and associated documentation for the Micro Business Grant Scheme are held in the Economic Development Team.