

END OF GRANT REPORT – MICRO BUSINESS GRANT SCHEME 2020/21

REPORT OF: Sally Blomfield – Assistant Director Planning and Sustainable Economy

Contact Officers: Leona Jude, Economic Development Officer
Email: leona.jude@midsussex.gov.uk
William Hawkins, Economic Development Officer
Email: william.hawkins@midsussex.gov.uk

Wards Affected: All

Key Decision: No

Purpose of the report

1. The purpose of this report is to provide an overview of the MSDC Micro Business Grant Scheme 2020/21, including the number of businesses supported, type of projects funded and benefits and success stories shared by recipients of the funding.

Recommendations

2. Members of the panel are requested to note the summary of the Micro Business Grant Scheme and the positive feedback received from recipients and the proposed Communication Plan.

Background

3. The Local Enterprise and Apprenticeship Platform (LEAP) is designed to provide funding to small and micro businesses in the West Sussex area.
4. The Micro Business Grant Scheme (the 'Scheme') has been successfully run by all seven districts and boroughs in West Sussex since 2016, funded from pooled business rates.
5. A total of £500,000 was allocated equally to the districts and boroughs to deliver the 2020/21 Scheme, with £71,428.57 allocated to MSDC.
6. The launch of the 2020/21 Scheme was delayed as a result of the Covid-19 pandemic, launching at the end of 2020.
7. The Scheme provides grants of up to £2,000 to micro businesses (defined as businesses with fewer than 10 employees) towards projects that will help them grow. A further £1,500 is available to help with the costs of taking on an apprentice.
8. Grants to fund business growth require match funding, with businesses required to contribute at least 50% of total project costs.
9. To ensure businesses completed their chosen project and activities, the Council only released grant funding on receipt of invoices evidencing expenditure.
10. To be eligible for the Scheme, businesses must be properly constituted in Mid Sussex and demonstrate their project meets one or more of four criteria: delivering a wider outreach, delivering a new service, taking on more employees or delivering a community benefit.
11. Officers promoted the Scheme extensively via a number of channels including social media, the MSDC Economic Development Business Newsletter, the MSDC website alongside the promotion of other grant funding via the creation of an infographic

(Appendix A), through the three main Business Associations and with businesses at (due to Covid-19 restrictions) business event webinars.

12. Summary of Key Points:

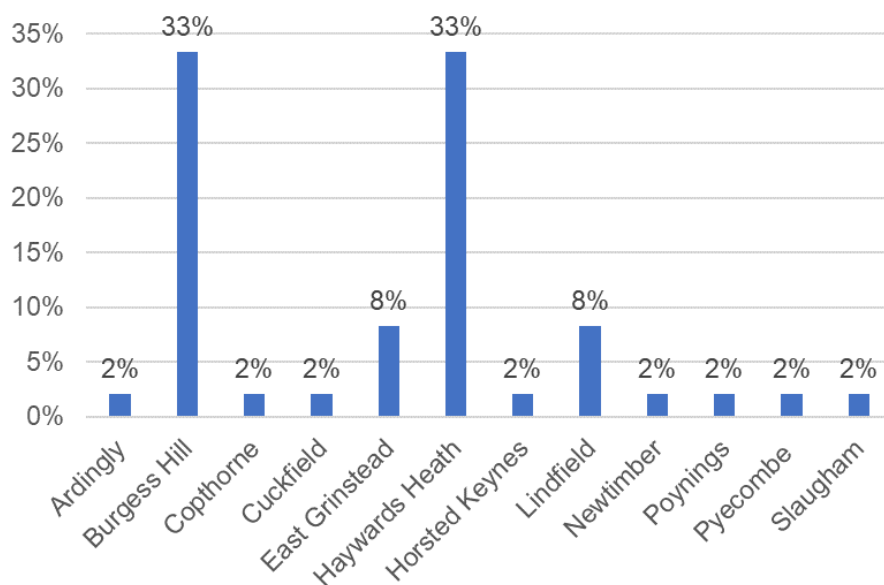
- a) The 2020/21 scheme saw a significant increase in the number of applications with 64 applications received compared to 44 in 2019/20.
- b) In total 48 businesses have been supported by the 2020/21 Micro Business Grant scheme, with funding totalling £73,769.00. Two were for apprentices. Grants awarded are detailed in **Appendix B**.
- c) The funding supported businesses across Mid Sussex, with 75% located in the three main towns of Burgess Hill, East Grinstead and Haywards Heath and 25% from the district's villages.
- d) Projects have been varied including the purchasing of new equipment, the development of marketing strategies and staff training, including two apprenticeships.
- e) Benefits reported include promoting or improving sustainability and/ or carbon reduction, supporting the local supply chain and improving the skills of the workforce.

Geographic Spread Across the District

13. Businesses supported with grant funding were spread across Mid Sussex. The total number of grants awarded by geographic location is set out in Figure 1.

14. In summary 16 (33%) are from Burgess Hill, 16 (33%) are from Haywards Heath, 4 (8%) from East Grinstead and 4 (8%) from Lindfield, with single applications from a broad range of other locations.

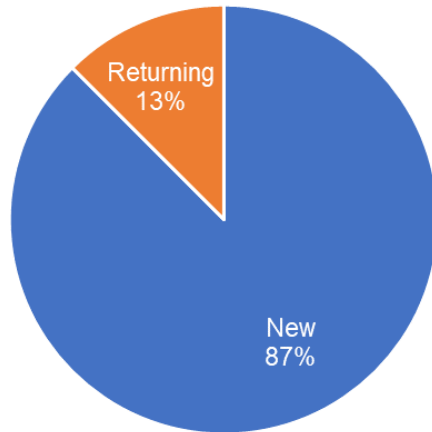
Figure 1 – Chart showing the geographical spread of awards



Grants Awarded by Type of Business

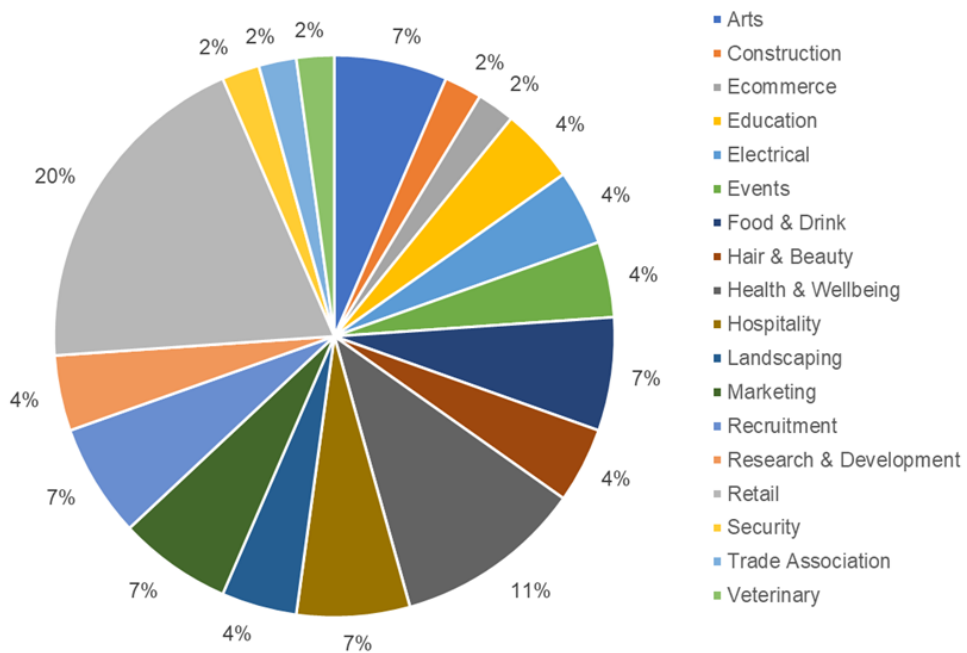
15. The 2020/21 Scheme was oversubscribed and included a number of returning applicants. The largest share of awards went to new applicants. As the grant scheme is oversubscribed, priority is given to new applicants to encourage fair distribution¹.

Figure 2 – Chart showing proportion of grants awarded to new vs. returning applicants



16. Grants were awarded to businesses across a wide range of sectors, the most dominant being the retail sector with 20% of the awards, followed by the health and wellbeing sector which received 11%.

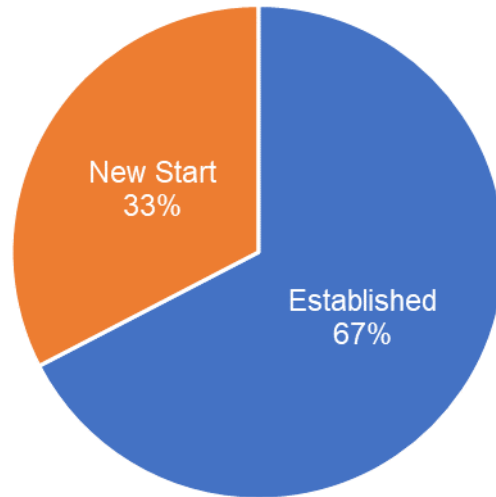
Figure 3 – Chart showing an overview of the sectors supported



¹ Businesses were eligible for a maximum of two project grants over two consecutive years. Thereafter businesses were not able to apply for one year. Businesses are not limited on the number of Apprenticeship Grants they can receive, however only one application can be made each financial year.

17. Grants were predominantly awarded to established businesses. However, around a third were awarded to start-up businesses as shown in Figure 4.

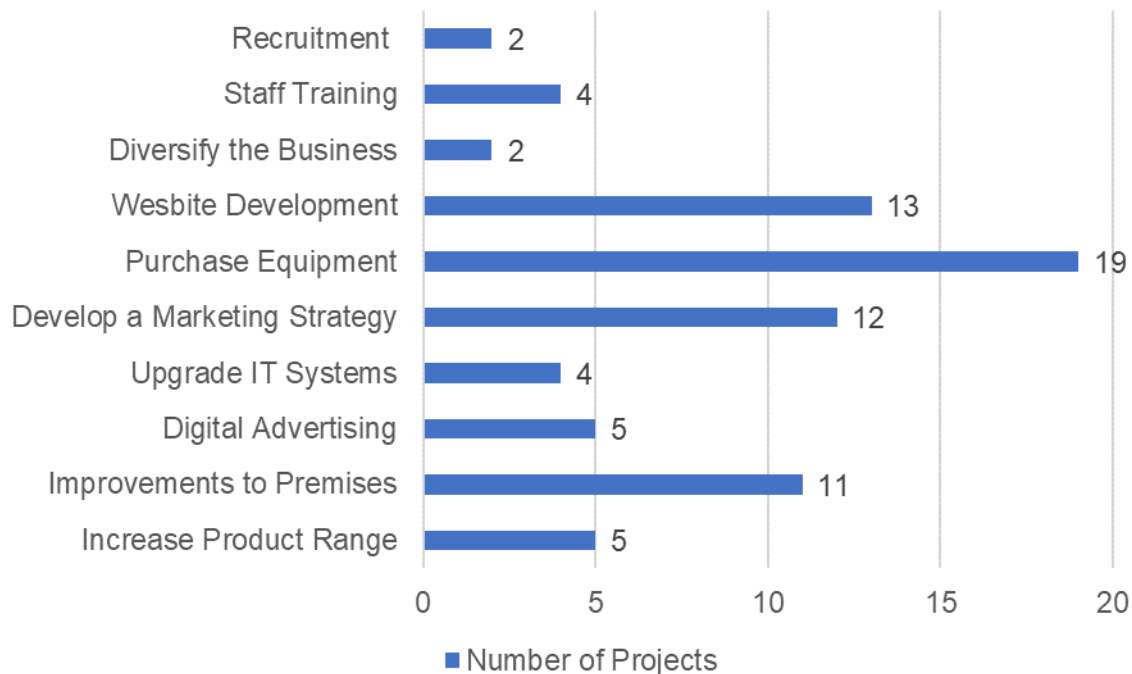
Figure 4 – Chart showing proportion of grants awarded to established vs. start-up businesses



Overview of projects supported

18. The 2020/21 scheme supported a range of projects, summarised in Figure 5².

Figure 5 – Chart showing range of projects supported



² The total for the types of projects supported does not match the total number of grants awarded. This is due to many of the applicants requesting support for multiple projects or projects with more than one type of activity.

19. The most commonly supported projects related to the purchase of new equipment, website development and support to develop a marketing strategy. There also continues to be a strong take-up of projects that support digital transformation.
20. The Scheme enabled businesses to achieve a number of project outcomes which benefitted the wider community, shown in Figure 6³. Improving the skills of the workforce and the creation of jobs for local individuals were the project outcomes reported most widely by businesses.

Figure 6 – Chart showing range of projects outcomes



Feedback from applicants

21. Officers engaged with recipients following project completion to obtain feedback and an understanding of how businesses had benefitted from the Scheme. Examples of the positive feedback received are detailed below:

- Albion Business Computers** – Albion Business Computers, based in Burgess Hill, provides IT and technology advice and support to businesses. This includes the setup of systems such as cloud data storage and telecommunications alongside larger infrastructure projects. The business was awarded £1,500 to support an apprentice.

Managing Director, Yann, provided the following feedback *“This was a great boost for the company as we were able to take on more work. The grant helped subsidise the first 3 months while we were upskilling the individual. Thanks, MSDC for supporting local businesses.”*
- Jon’s Hair Salon** – Jon’s hair salon is a hairdressing salon located in East Grinstead. The business was awarded £2,000 to support the costs of improving its business premises and the purchase of equipment to fit and utilise part of the space for a coffee shop.

The business owner, Alex, provided the following feedback and included photos of the improved premises (at **Appendix C**): *“We opened a coffee shop within the*

³ Note the total number of outcomes does not match the total number of grants awarded as a number of projects had multiple outcomes.

salon for clients as well as the local community. We use a local bakery to supply cakes and employed 2 baristas. It is used as a meeting place for locals and has brought new clients to the salon.”

- **The People Magic Company** – The People Magic Company is a human resources provider located in Burgess Hill. The business was awarded £1,500 towards the development of a digital strategy to grow the digital presence of the business.

Director of Client Services, Peter, provided us feedback on the grant: “We now have a digital strategy which includes the creation/ use of pages on designated social media channels. The plan is to actively post and promote the company regularly across these channels, to create greater awareness and drive new future business, and this started on Instagram. Concurrent with this, we were fortunate enough to secure significant new business activity and we have held back on further active promotion through these options as we have been working at full capacity.

The grant allowed us to engage expert advice via consultants and to assist with the purchase of new IT equipment to support the digital activity. Five new employees have been added to our payroll since the grant offer was made at the start of February 2021, three of those roles are permanent positions. We are extremely grateful for MSDC’s support with the micro-grant; thank you. Aside from growing the business & being able to support local organisations / employ local staff, it has allowed us to increase the digital awareness / skills across the company. We look forward to maximising these in line with our business plan.”

Communications Plan

22. Officers will continue to share and promote the success of the scheme and the valuable support it provides for businesses, including in the business newsletter and Mid Sussex Matters.

Financial Implications

23. The Micro Business Grant Scheme 2020/21 awarded 48 grants totalling £73,769.00 which is higher than the original £71,428.57 allocation. This overspend was mitigated by an underspend carried forward from the previous year.
24. There are a small number of businesses awarded a grant in 2020/21 yet to claim the full amount. Officers are currently in discussion with them to determine if there will be an underspend. Any unspent monies will be rolled over into the 2022/23 Micro Business Grant Scheme, which is currently receiving applications.

Legal Implications

25. 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.

Sustainability Implications

26. The provision of the Micro Business Grants scheme directly supports the delivery of the MSDC Sustainable Economy Strategy and associated UK sustainable development goals. Specifically, Objective 5 of the Sustainable Economy Strategy: Encourage business start-ups, improve business survival rates and growth and the following UN Sustainability Goals; Goal 8 - Decent Work and Economic Growth; Goal 9 – Industry, Innovation and Infrastructure; Goal 12 – Responsible Consumption and Production and Goal 13 – Climate Action.

Appendices:

Appendix A – Infographic used to promote the scheme.

Appendix B – List of all businesses awarded grant funding.

Appendix C – Photographs of the improvements to premises in Jon's Hair Salon.