

## MICROBUSINESS GRANT SCHEME

**REPORT OF:** Business Development Officer  
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**Wards Affected:** All

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### Purpose of the report

1. The purpose of this report is to present eight 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
Active 1 <sup>st</sup>	Business Premises Upgrades and Apprentice	£3,500	£3,500
Beautiful	Business Premises Upgrades and Training	£2,000	£2,000
Bright Light Film Ltd	Marketing	£975	£975
Everest Events	Marketing	£1,000	£1,000
Miall's	New Equipment	£550.75	£550.75
Mystove Ltd	New Equipment	£2,000	£2,000
Strawberry Moon Skincare	Product Development, Equipment and Marketing	£1,748	£1,748
Sussex Facilities Management Ltd	Video Marketing	£960	£960
<b>Total</b>		<b>£12,733.75</b>	<b>£12,733.75</b>

### 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 2019/20 Micro Business Grant Scheme. This is a County-wide scheme funded through the West Sussex Local Enterprise and Apprenticeship Platform (LEAP), which in turn is funded from pooled business rates. A total is £500,000 allocated to the Districts within the County, 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 is now in its third successful year, with £71,000 awarded to 40 micro businesses in 2018/19, attracting £161,000 in match funding.

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**

4. The Micro Business Grant Scheme is again aimed at small businesses with the potential to grow. 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.
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.
7. Officers also carry out a two-stage due diligence review for every business making an application. The first stage involves a search of the Companies House register. That is complemented by a detailed on-line search to confirm the business's authenticity and to identify any matters which could prejudice the application or represent a financial or reputational risk to the Council. This first stage has been completed for all applicants and the findings are reflected in the content of the attached appendix.
8. The second stage of the review entails a site visit and discussion with the business owner. At the time of writing, that has been completed for four of the eight businesses. For the remaining four (Bright Light Film Ltd, Everest Events, Miall's and Sussex Facilities Management Ltd) the due diligence reviews are being scheduled to take place before the Cabinet Grant Panel meeting on 18 June. A verbal update on the outcome of the reviews for these four businesses will be provided at the Cabinet Grant Panel meeting

### **Financial Implications**

9. As mentioned in paragraph 3, The Micro Business Grants are funded through an allocation from the WSCC LEAP business rates pool, with £500,000 to be allocated between districts.

10. The current fund stands at:

<b>Scheme</b>	<b>Fund as at 18 06 2019</b>	<b>Funds approved so far</b>	<b>Funds requested in this paper</b>	<b>Balance(if all bids in this paper are approved)</b>
Micro Business Grant Scheme	£72,000	£0	£12,733.75	£59,266.75

11. 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: Active 1<sup>st</sup> and Strawberry Moon Skincare Ltd. A due diligence review diarised before the Panel will confirm if this is also the case for Miall's. A verbal update will be given during the meeting.

### **Risk Management Implications**

12. 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.
13. 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.
14. 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**

15. 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**

16. 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**

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