

Report to Cabinet 30 November 2016

Supporting Business through Crawley Small Business Grant Scheme

Report of Head of Economic & Environmental Services and the Portfolio Holder for Planning and Economic Development, **PES/226**

1. Purpose

- 1.1 Crawley Borough Council have been allocated £83,333 from the West Sussex Pooled Business Rates Fund, to administer grants to new and existing small businesses for apprenticeship grants and business support.
- 1.2 This report is to inform Cabinet of the establishment of a Small Business Grant Scheme in Crawley and seeks approval of the process to enable the Council to allocate these associated grants.

2. Recommendations

- 2.1 To the Cabinet:
 - a. To note the establishment of a Crawley Small Business Grant Scheme for new and existing small businesses, as set out in section 5, supported by £83,333 allocated from the Pooled Business Rates Fund;
 - b. To delegate authority to the Head of Economic & Environmental Services and Head of Finance, Revenues and Benefits in consultation with the Portfolio Holder for Planning and Economic Development to set the criteria and subsequently approve grants under the scheme.
 - c. To request that Full Council approve the amendments to the Functions of the Grants Appeals Panel as set out in Appendix B to this report.

3. Reasons for the Recommendations

- 3.1 This report seeks the approval of Cabinet for the establishment of the Small Business Grant Scheme within Crawley and to delegate approval for the administration of the process, so that the scheme can be launched on Small Business Saturday (3rd December 2016), in line with other West Sussex authorities, and grants can be administered.

4. Background

- 4.1 Since 2014, Arun District Council have been operating an 'Enabling Grant Scheme' named LEAP (Local Enterprise and Apprenticeship Platform) offering small

businesses grants of up to £2,000 and apprenticeship grants of £1,500 to companies in the Bognor Regis area. Businesses must 50% match fund the grants they receive.

- 4.2 Between December 2015 and April 2016, Arun District Council paid 10 apprenticeship grants and 19 business grants. 11 jobs and 10 apprenticeships were created as a direct result.
- 4.3 Following the success of the scheme, Arun District Council successfully leveraged £500,000 funding from the Pooled Business Rates Fund for all district and boroughs in West Sussex to operate similar grant schemes.
- 4.4 Crawley Borough Council has received £83,333 to administer the same Small Business Grant Scheme for businesses in Crawley.
- 4.5 Crawley Borough Council will be responsible for their own scheme, assessing applications and associated PR. Arun District Council are the accountable body and will be providing monitoring returns to WSCC.

5. Description of issue to be resolved

- 5.1 Currently Crawley Borough Council do not have grant funding available for businesses. There are also no local grant funding schemes currently available but the Economic Development & Regeneration team have identified a need for grant funding for businesses, particularly those of smaller amounts.
- 5.2 Crawley has the highest rate of business births in West Sussex, however, only 45.7% of businesses survive after 5 years. Stronger business support and grants could help to ensure that more businesses survive early years.
- 5.3 Crawley has a smaller proportion of micro businesses (85.7% compared to South East rate of 89.8%) and a higher rate of large businesses (0.9% compared to South East rate of 0.4%). Providing business grants could help to nurture more micro business.
- 5.4 Crawley Borough Council has the funding approved from West Sussex Pooled Business Rates who have identified the need. The administration processes need to be agreed so that grants can begin to be administered.

6. Information & Analysis Supporting Recommendation

- 6.1 As the scheme has been run by Arun District Council previously and will be rolled out wider across West Sussex, there are existing press packages and application forms which can be adapted and used by Crawley Borough Council. The scheme can be rolled out in Crawley with minimal officer resources but maximum benefit.
- 6.2 Crawley Borough Council currently administers Community Grants, which has a set appeals process in place, through the Grants Appeal Panel. If there were any appeals which arose as part of the small business grants scheme, it is therefore proposed to use the Grants Appeal Panel to consider such appeals. To enable this to occur it would require a minor constitutional amendment as detailed in Appendix B to give the Grants Appeal Panel the authority to hear such appeals and require Full Council approval of such a change
- 6.3 The project has been shown to create various strong outcomes in other areas. The enabling grants will create jobs and growth by:
 - Giving small business the opportunity and confidence to try something new
 - Enhancing the entrepreneurial culture within the borough

- Increasing access to new markets for small businesses
- Increasing apprenticeships across the borough
- Assisting individuals who are currently out of work
- Increasing viability, success and growth potential of existing small businesses

6.4 The scheme will be in line with other West Sussex authorities, who are launching the same scheme on Small Business Saturday. More information is available regarding the proposal in Appendix A.

7. Implications

- a. The total budget of £83,333 will be funded from the Pooled Business Rates Fund. We will receive the full funding in advance of the commencement of the scheme. At least £83,333 will be invested by the businesses as match funding. No funding will come from Crawley Borough Council's budget.
- b. The scheme will be administered by the Economic Development and Regeneration Team and no additional resources are required.
- c. The scheme is being coordinated county-wide by Arun District Council's Economic Development Team, who are responsible for monitoring and associated reports.
- d. The grants need to be spent by 30 September 2017.
- e. An equalities impact assessment will be completed for individual projects as they come forward, where and when appropriate.
- f. There are no legal implications associated with this report.

Report author and contact officer:
Nastassija Kolakovic
Employment and Skills Coordinator
 01293 438744

Local Entrepreneur & Apprenticeship Platform (LEAP)

Proposal for a Crawley Small Business & Apprenticeship Grants Scheme

1. Background

Following an application to WSCC Pooled Business Rates Fund, the West Sussex Chief Executives and Leaders group have approved funding of £500,000 for the West Sussex districts and boroughs to operate local small grants schemes, based on a scheme Arun District Council (ADC) had previously run.

Crawley Borough Council has been allocated £83,333 which will be available from December 2016.

ADC will be administering the County wide scheme on behalf of all Boroughs and Districts, including monitoring to WSCC.

The previous scheme run by ADC offered small business grants of up to £2,000 and apprenticeship grants of up to £1,500 to companies in the Bognor Regis area. The grants were for start-ups or early years businesses and could be used for any purpose. Apprenticeship grants were for companies with less than 250 employees. For all grants, 50% match funding was required by the businesses.

Between the end of 2015 and April 2016 ADC paid 10 apprenticeship grants and 19 business grants. 11 jobs and 10 apprenticeships were created as a direct result.

2. The Proposed New Programme

It is proposed that the West Sussex wide programme, including Crawley's, is launched on Small Business Saturday (3rd December).

In order to proceed with a grants programme in Crawley using the above allocation, Cabinet approval will be required to delegate approval of grant applications to the Head of Economic and Environmental Services and Head of Finance, Revenue and Benefits, in consultation with the Portfolio Holder for Planning and Economic Development.

Officers propose that small business and apprenticeship grants in Crawley take the following form:

- Apprenticeship grants for micro and small businesses to offset the costs of hiring and training apprentices.
- Grants for small business start-up, available to encourage Crawley residents to set up their own enterprises, by helping them meet business set up costs.
- Grants to help existing small businesses to grow. For example this could help a business to pay for access to relevant training modules such as business planning, employment law and recruitment, marketing, finance. The grant could also be used to help a small business access university research and development expertise.

CBC have application forms and publicity from ADC which can easily be amended to suit CBC needs. The small business growth grant applications should also include an outline business plan to demonstrate how the investment will unlock business growth.

Additional wording is shown as underlined

RESPONSIBILITY FOR COUNCIL FUNCTIONS GRANTS APPEALS PANEL

The powers and duties of the Council relating to the functions set out below are delegated to the Grants Appeals Panel. As far as possible, the functions of the Grants Appeals Panel will be carried out by a politically balanced panel of 5 Members drawn from the membership of that panel.

Membership: Councillors: M L Ayling, T G Belben, C A Cheshire, C R Eade, R S Fiveash, I T Irvine, K L Jaggard, M G Jones, S J Joyce, P K Lamb, T Lunnon, C J Mullins, D M Peck, M Pickett, C Portal Castro, B J Quinn, T Rana, R Sharma, A C Skudder, B A Smith, P C Smith, J Stanley, K Sudan, J Tarrant, G Thomas and L Vitler

(The Cabinet Member for Public Protection and Community Engagement to attend in an advisory and non-voting capacity for grants appeals for functions 1 and 2 below)

(The Cabinet Member for Planning and Economic Development to attend in an advisory and non-voting capacity for grants appeals for functions 3 below)

Functions of the Grants Appeals Panel

- (1) To determine appeals by voluntary organisations in respect of grant applications received for the financial year
- (2) To determine appeals against the refusal of applications for discretionary business rate relief
- (3) To determine appeals against the refusal of applications for small business grant scheme

Delegation of Functions (concurrently with the Grants Appeals Panel)