

Report of:	Head of Economic Development
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Portfolio Leader:	Economic Development and Planning
Key Decision:	Yes
Report Track:	Cabinet: 21/07/16

CABINET
21 JULY 2016
APPLICATION FOR PERMISSION TO SPEND – LET’S GROW

1 Purpose of Report

- 1.1 To seek Cabinet permission to spend in relation to the Let’s Grow Programme Capital Grants Scheme funded from the Joint Investment Programme.

2 Recommendations

- 2.1 That Cabinet approves permission to spend £40,000 to award capital grants to existing businesses looking to grow and expand in the District.

3 Key Issues and Reasons for Recommendation

- 3.1 This project will assist existing businesses to grow and expand within the Cannock Chase District.
- 3.2 This project will award capital grants up to £5,000 (50% match funded by the business) to existing businesses looking to grow and expand and create or safeguard at least 1 full time job in the District. Businesses receiving support must be paying business rates to the Council to qualify for support.
- 3.3 The Let’s Grow programme has been operating since January 2014 funded through the Local Strategic Partnership and the Chase Enterprise and Skills Board to help address funding eligibility gaps in support for businesses in our District.

- 3.4 Businesses who were looking to apply for grants were finding that their projects were too small or that they were in the wrong sector to qualify for financial support under existing programmes. Cannock Chase Council wanted to help the businesses who were missing out on valuable financial support necessary to grow their business.
- 3.5 To date Chase Enterprise and Skills Board have approved £40,000 (capital already spent) for the Let's Grow Programme and have recently approved a further £20,000 for revenue grant funding.
- 3.6 The original capital scheme (£40,000) closed 31st December 2015. Therefore, at present the capital Let's Grow programme is no longer operational.
- 3.7 To date there have been 12 businesses approved (please see summary table below for more information) for funding through this programme which were scheduled to generate 28 new jobs and safeguarded an additional 2 jobs. Of the 12 businesses identified unfortunately, 2 (the Accountancy business and the Media business) asked to terminate their Agreements due to personal issues / not able to create the job identified in their application which meant they were no longer able to deliver the planned projects (total job creation reduced to 26 after the terminated agreements).
- 3.8 87 Let's Grow application forms have been issued to date. Since the scheme closed in December 2015, 14 businesses have been added to a waiting list in the event that we are able to obtain a further extension. If an extension is granted then we will also advise all of those people who had an application form but didn't apply so there is healthy potential pipeline to work with.
- 3.9 This programme does not duplicate any other programme or initiative available now or proposed to the best of our knowledge as this is a small grant scheme and covers a wider range of business sectors than ERDF funded projects would.
- 3.10 The table below shows a summary of capital grant support approved and the benefits (i.e. job creation / safeguarded / total project costs):

Let's Grow Programme Grant Allocations

	Sector	Total Project Cost	Grant Allocated	Actual Grant Received	Jobs Created	Jobs Safeguarded
	Day Care	£10,000.00	£5,000.00	£5,000.00	15	
	Consultants	£3,859.00	£1,929.50	£1,707.07	1	
	Transportation	£7,900.00	£3,950.00	£3,950.00	2	
AGREEMENT TERMINATED	Accountancy	£9,006.00	£4,503.00	£0.00	1	
	Architects	£3,850.00	£1,925.00	£1,925.00	1	
	Personal Services	£6,721.00	£3,360.50	£3,360.50	1	1
	Food Distribution	£11,990.00	£5,000.00	£5,000.00	1	1
AGREEMENT TERMINATED	Community Media	£4,908.95	£2,454.48	£0.00	1	
	Personal Services	£14,340.61	£5,000.00	£5,000.00	1	
	Manufacturing	£10,834.00	£5,000.00	£5,000.00	2	
	Manufacturing	£36,145.88	£5,000.00	£5,000.00	1	
	Wholesaler	£7,355.60	£3,677.80	£3,677.80	1	
TOTAL		£126,911.04	£46,800.28	£39,620.37	28	2
TOTAL EXCLUDING TERMINATED AGREEMENT FIGURES		£112,996.09	£39,842.80	£39,620.37	26	2
GRANT REMAINING				£379.63		

N.B Company names removed for financial confidentiality.

3.11 If approved then the Let's Grow Programme will be re launched as a capital and revenue programme.

4 Relationship to Corporate Priorities

4.1 This report supports the Council's Corporate Priorities as follows:

- (i) Supporting a successful business economy and growing the number of successful businesses by awarding grants to help businesses grow and expand and create jobs in the local economy.

5 Report Detail

5.1 All relevant details are outlined in section 3 of this report.

6 Implications

6.1 Financial

Approval has been sought from the Economic Growth and Governance Board (whom manage the Joint Investment Programme) for £40,000 towards the Let's Grow Programme Capital Grants Scheme. This will be complemented by a further £20,000 revenue fund recently approved by the Chase Enterprise and Skills Board.

£40,000 to be reallocated in the Capital Programme from Economic Development and Physical Assets to the Let's Grow Programme in 2016/17.

The businesses who apply for support have to provide company financial information and then go through a due diligence process with a member of Financial Services sitting on the panel whom verifies the financial stability of the company prior to any decision made.

6.2 Legal

There are no Legal Implications arising from this report.

6.3 Human Resources

There are no identified human resource implications arising from this report.

6.4 Section 17 (Crime Prevention)

There are no identified implications arising from this report.

6.5 Human Rights Act

There are no Human Rights implications arising from this report.

6.6 Data Protection

There are no Data Protection implications arising from this report.

6.7 Risk Management

The biggest risk associated with the programme is assessing the financial health of a business looking to receive a grant. Mitigation is provided through due diligence checks that are conducted by Finance.

6.8 Equality & Diversity

There are no Equality and Diversity implications arising from this report.

6.9 Best Value

There are no Human Rights implications arising from this report.

7 Appendices to the Report

None.

Previous Consideration

None

Background Papers

None