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4 March 2019

CABINET MEMBER DECISION REPORT

AGENDA

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| 1. | Lichfield District Small Business Grant Scheme Round Two submissions | 3 - 16 |
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REPORT FOR DECISION

**Lichfield District Small Business Grant Scheme
Round Two submissions**



Cabinet Member – Cllr Ian Pritchard

Date: 01st March 2019

Agenda Item: _____

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Key Decision? **No**

Local Ward Members All

**CABINET
MEMBER
DECISION**

1. Executive Summary

1.1 This report provides information on the small business grant scheme being delivered across Lichfield District. It outlines the criteria of the scheme, a summary of applications under the second round of bidding and the recommended allocations of monies.

2. Recommendations

2.1 That the cabinet member approves the allocation of funding for the Lichfield District Small Business Grant Scheme’s second round to the project bids detailed in the report.

3. Background

3.1 The Lichfield District Small Business Grant Scheme was approved by Lichfield District Council’s cabinet on the 20th November 2018 and commenced shortly afterwards. The scheme offers grants of between £500 to £1,500 to assist local small businesses and start-ups looking to overcome financial barriers to growth.

To be eligible, applicants must:

- Where a business is not already established, want to become self-employed and set up a business in Lichfield District, or
- Be a small business (up to 10 employees) in Lichfield District who have been trading for no more than three years.

3.2 Grant is available to meet the following types of costs to business:

- Marketing purposes
- ICT software and hardware
- Office equipment e.g. laptop, desks, chairs
- Professional qualifications or training e.g. ISO, professional body membership
- Equipment to support product or process development and business growth

3.3 Businesses who are seeking to access this funding must have first received support provided by the GBSLEP Enterprise for Success programme. The programme encourages new business start-ups and helps young businesses grow and thrive by offering a range of business workshops with individual business support sessions. The support provides valuable information for applicants to strengthen their business model and strategy, and develop a strong business plan, which is a supporting document in the application process, to positively influence the company’s long term survival.

3.4 Applicants must submit the following supporting documents with a completed and signed application form:

- A business plan
- 2 years of financial projections

Each application is assessed against a scoring criteria, detailed in **Appendix 1** based on meeting the aim of the scheme, to support business and employment growth and help to deliver the priority of a vibrant and prosperous economy.

3.5 In round two, six applications were submitted within this round with businesses located throughout the district applying. The types of businesses who applied ranged from procurement consultancy, building products consultancy, catering equipment, a zero waste shop, a carpet and upholstery cleaning company & accounting. Each business applied for varying project costs to be supported by the grant, from marketing documents to promote businesses offering and new products, equipment to support business growth, and gain accreditation to run new services.

Appendix 2 provides a summary of applications received for grant funding within the second round, which contains the following information:

- Business name
- Location
- Business background
- Project proposal
- Costs the grant is to go towards: overall project cost
- Amount of grant requested

Alternative Options	1. The Council could decide not to fund any or only some of the applications however this would not be in line with the agreed purpose of the scheme or the judgements reached having assessed the bids against the agreed criteria.
Consultation	1. Consultation on the formulation of the Small Business Grant Scheme was undertaken prior to agreement of the proposals by Cabinet and included consideration by the Economic Growth, Environment and Development (Overview and Scrutiny) Committee.
Financial Implications	<p>1. The scheme is based on funding of £20,000 per annum for an initial three year period. The annual allocation has been subdivided into quarterly bidding rounds of £5,000. Due to the scheme commencing halfway into the financial period of 2018/19, rounds one and two will share the £20,000 funding i.e. Two rounds of £10,000.</p> <p>2. Officer time is required with regards to:</p> <ul style="list-style-type: none"> - Answering enquiries and administration of the scheme - Processing applications - Marketing and promotion
Contribution to the Delivery of the Strategic Plan	<p>1. The small business grant scheme shall contribute to the priority of a vibrant & prosperous economy as it supports opportunities for local business growth, self-employment and job creation.</p> <p>2. The priority of healthy and safe communities is supported through local</p>

	resident's economic wellbeing being improved by the financial resource strengthening local employment, less unemployed residents and business growth creating less financial concern for local residents involved within the businesses.
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Equality, Diversity and Human Rights Implications	1. The small business grant scheme by Lichfield District Council provides the opportunity for job creation to be undertaken by businesses looking to expand who have received support by the scheme. The initial process for the scheme of receiving strategic business support, pre or post start, from the Enterprise for Success programme assists the long term growth and survival of local businesses.
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Crime & Safety Issues	1. None.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Lack of uptake within the grant scheme by local businesses.	By promoting the scheme on all communication platforms, to local business groups and strategic partners to establish wide publicity, and making sure it's a simple process for businesses looking for support.	Yellow
B	Popularity of the scheme and grants requested overall being greater than the allocated amount per annum.	Grant allocation shall be established with the proposals which provide the most realistic positive impact on the local economy being recommended and granted, in line with the allocated amount per annum.	Yellow
C	No impact on business start-up and survival	To review the scheme making sure that amendments made from the initial scheme create a positive impact/outcome on business start-up and survival rates.	Yellow
D	Cost of administering and delivering scheme outweighs the benefits accrued to the economy.	By simplifying the administering of applications and undertake measures which will support the increase in popularity of the scheme to benefit the economy.	Yellow

Background documents
Lichfield and Tamworth Business Survey 2015/16

Relevant web links

Lichfield District Small Business Grant Scheme - www.lichfielddc.gov.uk/sbg

Appendix 1: Scoring criteria details

Employment

- What is the potential to growth the number of people employed by the business over the next two years?

Growth

- Does the equipment applied for support delivery of the expected outputs & outcomes?
- What is the expected increase in cash flow in the next two years?
- How do they plan to increase cash flow?
- Does the application demonstrate a real barrier to growth?

Business Plan

- How do you view the projections (cash flow) in relation to the planned growth of the business?

Appendix 2: Lichfield District Small Business Grant Scheme Round two submissions

- 1. Millennial Procurement**
- 2. Building Products Consultancy Limited**
- 3. DKD Products Limited**
- 4. The Lichfield Pantry**
- 5. Qualitas Cleaning Services**
- 6. Business Accounting Limited**

1.

Business name: Millennial Procurement

Location: Lichfield City

Business background:

A boutique consultancy, specialist in public sector procurement tendering. They provide procurement consulting services, bid and tender writing services, procurement training and one to one coaching to help organisations find, bid for and secure government contracts, grants and funding.

Project proposal:

ICT Software: Microsoft Project Professional 2019

The software will support the company by creating efficiencies in the businesses processes through managing projects more efficiently resulting in writing more bids in shorter time scales, increasing their capacity and turnover. Without the grant this will delay purchasing the software until October 2019, delaying growth plans and creating an opportunity cost of £9,000.

Laptop

The current laptop lacks the processing speed and memory required, being a vital part for the ICT software being applied for.

CPD membership

The company's competitors offer CPD accredited training courses which provides a mark of quality benefitting employees and employers. Through the membership the company shall be able to offer accredited training courses for clients, providing more services.

Marketing material – (Brochures, business cards, pull up banner, letter heads & compliment slips)

With the company being new, branded materials are essential to establishing a strong brand and professional image in a very competitive market, raising awareness of the company to potential clients.

The overall opportunity cost of £22,500 with the grant will impact on plans to hire a new employee in January 2020, deferring to June 2020 without the grant will delay growth and employment plans.

Costs the grant is to go towards:

Overall project cost: £2,532.94

Capital equipment

- Laptop - £499.95 (John Lewis)

ICT Software and Hardware

- Microsoft Project Professional 2019 - £1049.99 (Microsoft)

Professional qualifications or training

- CPD Membership - £714 (CPD Certification Service)

Marketing purposes – (Total: £269)

- Brochures - £108
- Business Cards - £47
- Pull up banner - £66
- Letter heads and compliment slips - £48 (all Rowtype Printers Ltd)

Amount of grant requested: £1,266.47 (50%) – Match funding secured (Personal income)

2.

Business name: Building Products Consultancy Limited

Location: Fradley

Business background:

The company consults on processes, procedures and route to sale relating to internal performances and service of a company delivery from a commercial sales perspective, with the main clients being manufacturers and suppliers of building products to the fenestration industry. The business offers network type consultancy that links manufacturers/suppliers to various markets and customers unknown to them.

When approaching known manufacturers and suppliers, Building Products Consultancy Limited promote the company's products to clients who are also interested in developing links with quality suppliers through the business on a consultancy basis.

Project proposal:

Website upgrade

At the forefront of the company's digital presence, the website acts as a platform for first impressions with a new format being needed to create a more streamlined, easy to use website.

Laptop and printer

The capital equipment of a laptop and printer is needed to handle the large graphics and door designer portal for clients to undertake work with the specific laptop applying for having a fold out screen presentation facility when undertaking site visits to clients, showing themselves the products, processes and services available.

Portable pull up screen and projector

The ability to give mobile presentations at client's offices and to larger conference audiences. By having the equipment it allows the flexibility to undertake presentations within any meeting room or office, also not having to pay for rental costs.

Pop up exhibition stand

The pop up exhibition stand will enable the business to exhibit at small customised events throughout the Midlands and Nationwide, developing awareness and growing interest in the company to reach more clients.

Office desk and chair

The office desk and chair are important in creating an organised and defined workstation area at home to house the increasing business administration details and report writing.

Costs the grant is to go towards:

Overall project cost: £2,460.78

Capital equipment

- Office chair - £130.80 (Staples)
- Office desk - £150 (Ikea)
- Lenova 2 in 1 Laptop - £699 (Currys)
- Epson all in one printer - £170 (Currys)
- Portable pull up screen - £169.99 (Currys)
- Projector - £84.99 (Amazon)

Marketing purposes

- Website upgrade - £600 (Clear Goal Marketing)
- Pop up exhibition stand - £456.00 (Roller Banners UK)

Amount of grant requested: £1,230.39 (50%) – Match funding secured (Self-funded)

3.

Business name: DKD Products Limited

Location: Handsacre

Business background:

The company sells catering equipment and is looking to bring their own branded milkshake to market. They have developed an allergen-free milkshake brand suitable for vegetarians and vegans, served in plastic-free containers and using paper straws and lids. The new branded milkshake mix will be sold to distributors and wholesalers, as well as direct to customers. The concept is to mix and serve in the same cup, creating no waste, no washing up.

An initial starter pack shall consist of everything the customer will need to start selling branded milkshakes: Machine, mix, cups, lids, straws, various toppings and point of sale, they will then contact the company to reorder supplies.

Project proposal:

Laptop

The business is currently run from a 15 year old laptop which doesn't perform up to the standard that is needed to run the business from.

Marketing

Looking to create a strong brand to build the business around by developing a brand image that will be recognised by a wider, geographical audience. This shall be done through point of sale: Posters, menu boards, counter stands, window stickers, pavement signs and blade flags.

Costs the grant is to go towards:

Overall project cost: £2,434.30

Capital equipment

- Laptop - £549 (PC World)

Marketing purposes

- 10 Pavesigns - £439.30 (Jansen)
- 10 Flags - £336 (Bannerbuzz)
- Posters, table talkers & stickers - £930 (Betterprint)
- Brand counter skin - £180 (TFH Gazebos)

Amount of grant requested: £1,217.15 (50%) – Match funding secured (Personal funds)

4.

Business name: The Lichfield Pantry

Location: Lichfield

Business background:

The Lichfield Pantry is a zero waste shop, opening at the Plant Pot Garden Centre in March 2019. The aim is to provide people with plastic free alternatives to their usual products, locally sourced wherever possible.

They shall stock dried foods such as grains and pulses as well as toiletries, cleaning products and household items. Customers will bring their own containers and weigh out the product they need.

Project proposal:

Gravity food dispensers and scoop food dispensers

The company would like to purchase gravity food dispensers and scoop food dispensers, being able to provide loose food stuffs such as grains, pastas, cereals and nuts to customers bringing their own containers. The food dispensers will mean that a variety of foods can be stocked in a minimal space and being able to automatically rotate the food stock during use. The containers will establish the shop to be zero waste.

Food grade scales

2 sets of scales is needed, one for customer's empty containers to be weighed, the other used to weight the filled container and calculate the cost to the customers.

Costs the grant is to go towards:

Overall project cost: £2,814.88

Capital equipment

- 20 x gravity dispensers - £1,056.40 (POSCentre (interbin))
- 8 x scoop dispensers - £334.48 (POSCentre (interbin))
- 2 x retail scales - £1,424 (County Scales Ltd)

Amount of grant requested: £1,400 (49.7%) – Match funding secured (Personal funds)

5.

Business name: Qualitas Cleaning Services

Location: Hopwas

Business background:

A carpet and upholstery cleaning business, including fabric, leather and rugs. The company began trading 3 months ago and most of its work is currently carried out in people's homes, offices and various churches.

Project proposal:

The business would like to buy some new equipment, enabling more jobs to be undertaken per day. With the aid of updated, more sustainable equipment there is hope to meet the demands of domestic and commercial work being undertaken. The main item of equipment applying for is a carpet extraction machine but accessories to this machine will also be purchased with it. With newer equipment, bids for tenders to do work in schools, colleges and other large commercial properties shall be possible.

Costs the grant is to go towards:

Overall project cost: £3,599.29

Capital equipment

- Carpet Extraction Machine - £3,599.29 (Ashbys Cleaning equipment)

Amount of grant requested: £1,500 (50%) – Match funding secured (Savings)

6.

Business name: Business Accounting Limited

Location: Lichfield City

Business background:

An accounting company offering accountancy and payroll services to small businesses, delivering an old fashioned personal service and working to maximise local businesses growth through regular performance reviewing. The business also encourages businesses to use digital bookkeeping mobile applications to ensure compliance with HMRC 'Making Tax Digital' roll out, whilst reducing paperwork, admin and support GDPR legislation.

Project proposal:

A focus on marketing for growth with the business looking to use good quality targeted marketing to gain new clients through paid for social media advertising to specific customer bases with the HMRC VAT changes going live on the 1st April it shall develop the opportunity to gain more clients.

Social media marketing (Linkedin and Facebook)

The social media marketing using paid advertising through videos will build awareness by specifically targeting small business owners, through demographic marketing options on LinkedIn and Facebook. The business already has the equipment and editing software to develop these video advertisements, with specific, targeted marketing being needed to reach a greater audience.

Seminar room hire

Free seminars shall be held in and around Lichfield (Sutton Coldfield, Cannock and Burton) to highlight the HMRC 'Making Tax Digital' changes and benefits of digital bookkeeping mobile applications. Clients from these seminars shall develop a greater understanding of the value of apps, with the business gaining further work and contacts from this initial engagement.

Costs the grant is to go towards:

Overall project cost: £3,000

Marketing purposes

- Seminar advertising - £796 (LinkedIn)
- Seminar advertising - £820 (Facebook)
- Seminar room hire - £490 (Sutton Moorhall – 2 events)
- Seminar room hire - £280 (Netherstowe House, Lichfield – 2 events)
- Seminar room hire - £350 (Holiday Inn, Cannock – 2 events)
- Seminar room hire - £264 (Branston Golf and Country Club, Burton – 2 events)

Amount of grant requested: £1,500 (50%) – Match funding secured (Family loan)

Overall round grant request breakdown

<u>Project costs</u>	<u>Grant requested</u>
1) £2,532.94	£1,266.47
2) £2,460.78	£1,230.39
3) £2,434.30	£1,217.15
4) £2,814.88	£1,400
5) £3,599.29	£1,500
6) £3,000	£1,500
Total: £16,842.19	£8,114.01