

CABINET MEMBER DECISION

03/09/21

KEY DECISION: No

Lichfield District Start Up Grant Scheme

1. Decision:

- 1.1 That the cabinet member approves the allocation of funding to the applicants from the Lichfield District Start Up Grant Scheme's second round to the projects detailed in the report.

2. Statement of Reasons:

- 2.1 The Lichfield District Start Up Grant Scheme was approved by Lichfield District Council's cabinet on the 1st December 2020 and commenced in March 2021. The scheme is funded by the Council's Additional Restrictions Grant (ARG) allocation, offering one off grants of £3,000 to assist residents who have been made redundant or currently economically inactive and seeking to start up a business within the financial year 21/22 in Lichfield district. The overall allocation for this element is £215,138 with £10,000 being allocated to the Enterprise for Success Programme providing a two day start up workshop which applicants are required to attend before making a submission for funding.

To be eligible, applicants must be:

- An individual who has recently been made redundant and seeking to establish a business within Lichfield District.
 - An economically inactive resident who is seeking to establish a business within Lichfield District.
- 2.2 Grant is available to meet the following types of costs to business:
- Capital equipment, excluding laptops, mobile phones and tablets.
 - Marketing.
 - Professional qualifications or training.
- 2.3 Residents who are seeking to access this funding must have first received support provided by the Greater Birmingham and Solihull Local Enterprise Partnership (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 to positively influence the company's long term survival.

2.4 The scoring criteria – detailed in **Appendix 1** – cover the following areas:

- Employment
- Growth
- Business Plan

2.5 Overall six applications were submitted within this round, with 36 expression of interests being received up until the end of August 2021. The applicants are seeking to start businesses within personal care, app development, beauty treatment, apparel, property and garden maintenance and personalised gifts.

The project items being applied for vary, through paid for advertising/marketing, operational equipment to deliver services or create products, create the infrastructure for the business, gain professional accreditation and develop an online presence through a website.

2.6 Within round two, the amount of grant allocated overall, if approved, would be £18,000.

2.7 The following summary paragraph provides information on why it is recommended that monies are allocated to the following respective bids:

Hair by Jemma

The applicant is seeking to start a hairdressing education and hairdressing business having been made redundant from her previous role. They have a wealth of experience and qualifications, having undertaken a similar position at previous employment. The items they are requested to be funded shall support the promotion of the business and provide the equipment to be able to train. The applicant has provided a clear understanding on the businesses long term plans and growth, it shows a healthy profit margin with low overheads and sales being consistent. With the two funding streams complementing each other and being able to be delivered by the applicant or any new staff trained up within the roles.

Hoome Holdings Limited

The owner is seeking to start an app development business, focussing on specifically the sports sector and golf, but expanding once the business progresses. The app shall provide intelligence and insight into competitor's games and how to improve. The applicant has experience with developing apps and similar projects in his previous professional experience and is merging a hobby with this experience to start up the business. The grant shall be utilised for marketing purposes, physical and digital, to create banners, flags and branded materials to promote the business on site. The previous experience of the owner and in depth market research has helped shape a detailed business plan and proposed direction for the business. They understand their competition and also how they can deliver into the market with a high amount of users targeted.

Treatments by Lavender and Young

Having been made redundant due to the pandemic, the owner who has a wealth of experience in the sector and in a business development role is seeking to start a beauty treatment clinic from home. They have undertaken market research and are purchasing a skin tightening device to accompany other low cost treatments which aren't available in the locality they are within, filling a gap in the market. The owner has an understanding of the market and can gain

momentum from previous clients quickly, whilst having reviewed pricing and service packages from competitors. The financial projections show a clear direction for the businesses growth through future packages but could also benefit from additional employees supporting deliver services.

I Can Equestrian

The owner is seeking to commence an equestrian apparel company which shall be an all-inclusive brand, having understood the sector through previous experience being an internal dressage competitor and also sales roles. Through detailed market research with the equestrian community there is already interest in the apparel with the grant going towards marketing the brand at events and stock to commence. The seasonal stock may create some limitations and they may want to expand on this in the future whilst there is a high cost on materials but this is the case within the apparel industry with good quality stock. There is a clear marketing plan and discussions have already commenced in generating interest which provides confidence in the business.

DS Property and Garden Maintenance Services

The applicant has a strong history of practical and management experience with property and garden maintenance, seeking to utilise these skills and experience independently through becoming self-employment. They shall offer maintenance, repairs and services to domestic properties and gardens within Lichfield District. The grant shall go towards purchasing essential equipment to undertaken these tasks without being an inconvenience on the customer. Without these tools, tasks can't be undertaken and the business won't be able to operate. Whilst the business has high material costs, the owner could consider in the future undertaking larger jobs and price packages which could improve the opportunity of higher net profit and income going forward. With the owners experience, detailed market research and engagement with potential clients this would be a comfortable investment of the grant.

Made To Be Personalised

Having worked in retail previously and experience within craft making, the applicant is seeking to start up a personalised gift business. The gifts originally to be sold would focus on the new born market, birthdays and Christmas but shall expand to other seasons and celebrations in the future. The owner is seeking to purchase the equipment to develop the products from, as well as establishing their online presence and for digital marketing. Whilst the owner hasn't got qualifications within this sector and limited experience, they have provided a detailed business plan covering price breakdowns, packaged sales, market research and marketing. The business plan provides confidence in the business and whilst there is high outgoings due to material costs, if the applicant bulk buys stock from suppliers and delivers large sales of stock as a package, this shall help generate a stronger net profit.

2.8 Overall round grant request breakdown

<u>Project costs</u>	<u>Grant requested</u>
<i>Hair by Jemma</i> £3,000	£3,000
<i>Hoome Holdings Limited</i> £3,000	£3,000
<i>Treatments by Lavender and Young</i> £7,200	£3,000
<i>I Can Equestrian</i> £2,939.40 (excluding VAT)	£3,000
<i>DS Property and Garden Maintenance Services</i> £2,859.86	£3,000
<i>Made To Be Personalised</i> £3,028.28	£3,000
Total: £22,027.54	£18,000

3. Any Alternative Options:

- 3.1 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.



Signed:

Cabinet Member for Economic Development, Leisure and Local Plan

03/09/2021

Date of Decision:

Appendices

Appendix 1: Scoring criteria details

Employment

- To create job opportunities, inclusive of the applicant's role.

Growth

- That the equipment being applied for supports the businesses outcomes.
- That the proposed business activity relates to the applicant's previous experience and qualifications, showing an understanding of the activities.
- That there is a thorough plan to generate income and increase the businesses cashflow.
- That there is an increase in income and cashflow.

Business Plan

- That the financial projections are realistic in relation to the planned growth of the business, outlined within the business plan.
- That the applicant has undertaken in depth market research and within their application shows a thorough understanding of their sector/area of work through their business plan.