

Lichfield District Small Business Grant Scheme

Round Four submissions



Cabinet Member – Cllr Iain Eadie

Date: September 2019

Agenda Item: _____

Contact Officer: Jonathan Percival

Tel Number: 01543 308149

Email: Jonathan.percival@lichfielddc.gov.uk

Key Decision? **No**

Local Ward All

Members

**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 fourth 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 fourth 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 (excluding laptops/personal computers/mobiles/tablets)
- Office equipment e.g. 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 four, four applications were submitted within this round with businesses located throughout the district applying. The types of businesses who applied ranged from food delivery, reflexology, dog grooming and tourism, talks and tours. 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 run new services.

3.6 Following on from an internal appraisal of applications. One applicant has been withdrawn from the round and advised to submit to a later round once amendments have been made to their application.

3.7 Since the scheme began, inclusive of round four if the cabinet member approves the allocation of the funding, 23 businesses have been successful, located throughout the district. These businesses range in activity from professional services, education, health, retail, entertainment & accommodation and food services, and length of trading from starting-up to 3 years.

3.8 **Appendix 2** provides a summary of applications received for grant funding within the fourth 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

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|------------------------|--|
| Alternative Options | <ol style="list-style-type: none">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 | <ol style="list-style-type: none">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 | <ol style="list-style-type: none">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 £5,000.2. Officer time is required with regards to:<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 | <ol style="list-style-type: none"> 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. 2. The priority of healthy and safe communities is supported through local 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 | <ol style="list-style-type: none"> 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 | <ol style="list-style-type: none"> 1. None. |
|-----------------------|--|

| | 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 four submissions

- 1. My Village Green**
- 2. LJS Dog Grooming**
- 3. Burntwood Holistic**

1.

Business name: My Village Green

Location: Alrewas

Business background:

My Village Green delivers plastic free, locally grown produce to customers around the Lichfield District area but are looking to cover further afield. Customers are able to order weekly via the website and then have the vegetable box delivered to their door.

On the website are set boxes of fresh produce but customers are able to make their own box up.

Project proposal:

Website Upgrade

They'd like to upgrade their website to Wordpress, making it a lot easier for customers to order and a greater ability to increase revenue by setting up functions such as subscriptions (regular orders). It shall also make adding products to the website a lot easier and decrease the abandoned carts on the site.

Marketing Material – (Local advertising, Facebook paid advertising, postcards and van magnets)

The business would also like to undertake additional marketing, physical and digital, through local advertising in the Lichfield Advertiser, leaflets/postcards, paid advertising on Facebook and van magnets.

The company currently only advertise digitally, on Facebook, with some potential customers not being on this social media platform.

Costs the grant is to go towards:

Overall project cost: £1,319.99

Marketing purposes

- Website upgrade - £650
- Lichfield Advertiser, quarter page advert - £240
- Facebook paid advertising, 30 day ad - £240
- Postcards (quantity: 1,000) - £52.59
- Van magnets - £137.40

Amount of grant requested: £659.99 (50%) – Match funding secured (Personal income)

2.

Business name: LJS Dog Grooming

Location: Lichfield City

Business background:

LJS Dog Grooming is a new business that shall offer a one to one, mobile, full dog grooming service within people's homes or from the owner's home, including bathing, brushing, clipping, scissoring, de-matting, combing, nail clipping etc. The owner has previous experience working for other dog grooming company's and has completed a private animal care course. She will look to start the business working part time (3 days a week), whilst working part time in her current role. Once the clientele build up within the grooming business she'll operate the business full time.

Project proposal:

Dog grooming equipment

The owner is looking to purchase the extra items and equipment needed to help start up the business having completed a private animal care course and animal care level 1 and 2 diploma college courses achieving a merit and distinction. The equipment applied for shall allow the business to begin, with the owner having committed a lot of money towards becoming qualified to deliver the service.

Business cards and leaflets

Investment within marketing material such as business cards and leaflets allows the owner to promote the new business, developing clientele and being able to reach a wider audience through proactively publicising the company with physical marketing material.

Costs the grant is to go towards:

Overall project cost: £2,255

Capital equipment

- Hydrobath - £1,000
- Combination dryer - £200
- Steriliser - £70
- Towels - £20
- Table, nooses and muzzles - £520
- Extra clipper set - £300
- Spare blades - £50
- Shampoo's - £50

Marketing purposes

- Business cards/leaflets - £45

Amount of grant requested: £1,127.50 (50%) – Match funding secured (Self-funded)

3.

Business name: Burntwood Holistic

Location: Burntwood

Business background:

Burntwood Holistic currently run a small reflexology business from home, seeing 1 to 4 clients per week from home or being mobile by treating people at their home. The owner has achieved the following qualifications: Level 5 reflexology, level 4 business and level 4 anatomy and physiology.

Project proposal:

The owner is looking to run an additional foot health service with current clients suggesting to include the treatment. She has already started the theory side of this course and will complete 2 weeks practical at Stonebridge Colleges Birmingham campus in September. The course shall enable the owner to have a better understanding of feet and be able to provide foot health services.

Clinical bundle

She would like to buy equipment to be able to start working as a foot health practitioner, equipment is also needed to enable the owner to clean and sterilise the instruments.

Medicare Podiatry Couch

An adjustable treatment chair which will adjust to client's height and protect the owners back.

Costs the grant is to go towards:

Overall project cost: £2,949.98

Capital equipment

- Medicare podiatry couch - £1449.98
- Clinical bundle (Autoclave, distiller, ultrasonic, case, drill and 4 sets of instruments) - £1,500

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

Overall round grant request breakdown

| <u>Project costs</u> | <u>Grant requested</u> |
|-------------------------|------------------------|
| 1) £1,319.99 | £659.99 |
| 2) £2,255 | £1,217.50 |
| 3) £2,949.98 | £1,500 |
| Total: £6,524.97 | £3,377.49 |