

Lichfield District Small Business Grant Scheme

Round Seven submissions



Cabinet Member – Cllr Liz Little

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Agenda Item: _____

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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 seventh 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 seventh 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. desks, chairs
- Professional qualifications or training e.g. ISO, professional body membership
- Equipment to support product or process development and business growth

3.3 Due to the current coronavirus outbreak and social distancing restrictions, businesses have adopted and been reliant upon digital platforms to continue developing and expanding their business. We have undertaken a policy change in light of this, to re-include laptops/mobiles/tablets. These restrictions shall remain in place whilst the easing occurs, as consumers and businesses have adapted to digital means, the re-including of these project items shall support new start-ups and young businesses with

beginning their business journey as face-to-face communication remains to be restricted, and may continue in the future.

- 3.4 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.
- 3.5 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.

- 3.6 In round seven, five applications were submitted within this round with businesses located throughout the district applying. The types of businesses who applied ranged from town planning and development consultancy, personal coaching, marketing, an estate agents and interior design. Each business applied for varying project costs to be supported by the grant, from marketing products such as new websites and paid for advertising, to equipment to support business start-ups such as laptops, software and physical equipment for group training sessions.
- 3.7 Within round seven the amount of grant requested outweighs the amount available through the current round by £1,935.46. Unfortunately a previous rounds candidate is unable to claim his grant allocation, making £1,217.15 available. These changes have been made creating the amount of grant requested being oversubscribed by £718.31. Project items have been taken out to meet the grant allocation for the round with items withdrawn not adding as much value to progress these businesses as items which have been included for approval.
- 3.8 Since the scheme began, inclusive of round seven if the cabinet member approves the allocation of the funding, 38 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.
- 3.9 **Appendix 2** provides a summary of applications received for grant funding within the seventh 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	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	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.
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.
Crime & Safety Issues	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	Yellow

		economy being recommended and granted, in line with the allocated amount per annum.	
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 seven submissions

1. Holland Lloyd
2. Butterfly Development
3. Golddust Direct
4. Andrew Downing-Booth Estate Agents
5. Interior Choice

1.

Business name: Holland Lloyd (Began trading: New start)

Declaration of interest: The owner of Holland Lloyd used to be a district councillor, whose term ended in May 2019. The owner has confirmed that they have no association with the district council anymore.

Location: Armitage

Business background:

Holland Lloyd is a new start up providing town planning and development advice. The company will help developers, homeowners, small businesses, and public sector clients navigate the planning process and create places where people want to live, work and play.

The local market has remained stagnant over recent years whilst a high proportion of national companies saturate regional cities. The founder is a chartered town planner with experience of working with large, private sector firms.

Project proposal:

Capital Equipment

The proposed purchases will help the company launch and operate daily. A laptop is needed to not only email and create written documents but also develop marketing materials and present to clients when necessary. Due to the nature of the business no work can be completed without this device with an upgraded processor ensuring power intensive applications and use of multiple applications can occur at any one time.

ICT Hardware and Software

The company will need to be registered on the RPTI directory, which many clients will seek to engage with when choosing their planning applications. Inclusion on the directory will provide prospective clients with reassurance the company follows the code of practice.

Land Insight is site sourcing software, being able to find and assess sites, also understand the market more thoroughly. The software will help the company find and win site appraisal work, being able to undertake land searches.

Marketing Purposes

As a new start-up company, the business will seek to use physical marketing material when finding suitable clients and networking. Professional marketing material shall support the businesses development, especially in the early stages.

Costs the grant is to go towards:

Overall project cost: £2,243.40

Capital Equipment

- Macbook air (i5 processor) - £1,099

ICT Hardware and Software

- RTPI Business Directory - £416.40
- Specialist land software (Land Insight) - £648

Marketing Purposes

- Letterhead and Business Cards - £80

Amount of grant requested: £1,121.70 (50%) – Match funding secured (Savings)

2.

Business name: Butterfly Development (Began trading: September 2019)

Location: Lichfield City

Business background:

Butterfly Development was established in September 2019 as a personal coaching business, supporting individuals, groups/teams, leaders, executives, business owners and organisations to develop themselves by coaching them to be successful. Through one-to-one coaching sessions within organisations and group/team coaching.

The owner is currently working towards International Coaching Federation accreditation and studying towards a postgraduate diploma in Personal and Business Coaching, with a requirement being to build up over 100+ hours of coaching experience as well as the training completed in the summer of 2019. Although the business began trading in September 2019, this was due to having to gain coaching experience to work towards accreditation.

She had a successful corporate career in HR up to a senior level and wanted to specialise in coaching, whilst studying the owner also runs a part time dog walking business.

Project proposal:

The owner is seeking to purchase IT and physical coaching session equipment to be able to provide coaching services on a one-to-one basis as well as for small and large groups and teams. She currently uses an old laptop which will struggle with capacity of work. The grant will enable to owner to promote their premium services by providing essential equipment and software.

Costs the grant is to go towards:

Overall project cost: £1,599.30

Capital equipment

- Surface Pro Laptop and Tablet in one - £1,299
- Wireless mouse - £79
- Digital pen - £99
- Flipchart pens - £11.90
- Flipchart stand - £35.69
- Flipchart paper - £6.98

Marketing purposes

- Business cards (*500) - £27.94

ICT Hardware and Software

- Slide bundle - £39.79

Amount of grant requested: £799.65 (50%) – Match funding secured (Personal Funds)

3.

Business name: Golddust Direct (Began trading: New start)

Declaration of interest: The owner of Golddust Direct was commissioned to create and host events delivered by the shared economic development service with Tamworth Borough Council (Tamworth and Lichfield for Business). The owner's services, through a different business, were commissioned in line with Tamworth Borough Council's procurement policy and process.

Location: Lichfield City

Business background:

Golddust Direct shall offer 'off the shelf' direct mail campaign solutions. Which will provide an online selection of hardcopy posted business direct mail campaigns. To be printed as full colour, A5, double sided postcards that can be personalised with a company logo and text. The business idea is on demand personalised direct mail for predominantly business to business companies at an affordable cost.

Initially there are four designs, which can be personalised, with at least one new design concept to be launched monthly so customers will always have the ability to send a different campaign and have a choice.

The companies aim is to help businesses improve their return on investment for marketing campaigns.

The owner is a chartered qualified marketing consultant with 15 years international, board level experience.

Project proposal:

The grant is to go towards the website development (e-commerce bespoke website build) costs for Golddust Direct, the search engine optimisation and pay-per-clicks costs. This will allow the owner to fully launch the business and gain a credible online presence.

Costs the grant is to go towards:

Overall project cost: £2,995

Marketing Purposes

- E-commerce bespoke website - £2,995

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

4.

Business name: Andrew Downing-Booth Estate Agents (Began trading: February 2020)

Location: Lichfield City

Business background:

Andrew Downing-Booths Estate Agents are an estate agency selling residential property and offer an auction service as well. They occupy a ground floor, retail premises in Lichfield City.

Their target market is homeowners in the Lichfield area and surrounding villages.

Project proposal:

The business is seeking to use the grant for advertising purposes, in order to create brand awareness. The advertising focuses on both physical and digital marketing, through flyers, magazine and Facebook advertising, Google adverts and online advertising.

The increased advertising will result in more residents seeking the services of the estate agents to put their house on the market, increasing revenue and job creation.

Costs the grant is to go towards:

Overall project cost: £3,354.36

Marketing purposes

- Flyers - £195
- Flyer delivery - £420
- Magazine advertising - £252.36
- Facebook advertising - £750
- Google adverts - £912
- Online adverts - £825

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

5.

Business name: Interior Choice (Began trading: November 2018)

Location: Lichfield City

Business background:

Interior Choice provide interior design opportunities, creating bedspreads, whilst designing and installing custom fitted window dressings and curtains for domestic and commercial premises.

During the recent pandemic and easing of lockdown, the company has adapted to build and install safety screens for face-to-face retail businesses.

Project proposal:

The business has grown rapidly over the past 12 months due to the lack of competition locally and have developed a good reputation. They are seeking to upgrade their website to match this reputation, with a personal touch. The business currently uses an off the shelf product, that's quite basic and fulfils its purpose.

As a new range of safety roller blinds has been created which can be used as a reusable shield while restrictions remain in place, they are seeking to use the grant towards a custom-built website. The recent lockdown has meant people are looking to change their curtains and blinds, and a strong website/online presence shall support reaching new customers.

Costs the grant is to go towards:

Overall project cost: £3,071

Marketing Purposes

- New website, hosting and web shop - £3,071

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

Overall round grant request breakdown

<u>Project costs</u>	<u>Grant requested</u>
1) £2,243.40	£1,121.70
2) £1,599.30	£799.65
3) £2,995	£1,500
4) £3,354.36	£1,500
5) £3,071	£1,500
Total: £13,263.06	£6,421.35