

**BRECKLAND COUNCIL****REPORT OF MARK KIDDLE-MORRIS EXECUTIVE MEMBER FOR ASSETS & STRATEGIC DEVELOPMENT  
GRANTS PANEL 27<sup>TH</sup> JUNE, CMT 30<sup>TH</sup> JULY, EXECUTIVE BOARD 6<sup>TH</sup> AUGUST,  
CABINET 4<sup>TH</sup> SEPTEMBER 2012****Author: Lindy Warmer Senior Economic Development Officer****BRECKLAND ENTERPRISE & LEARNING ACCOUNT (BELA) PHASE 4****1. Purpose of Report**

This paper seeks support from Members for £15,000 funding from the match funding reserve to enhance and enable Phase 4 of the ongoing BELA project which offers small grants of up to £500 maximum to micro businesses based within the Breckland District.

**2. Recommendations**

2.1 I recommend that the Cabinet authorise the release of £15,000 from the Match Funding Reserve (MFR) to deliver the project enabling the Council to assist a minimum of 30 businesses through a total project cost of £37,500.

**Note:** In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

**Information, Issues and Options****3.1 Background**

3.1.1 The Breckland Enterprise & Learning Account (BELA) has been extremely successful since its conception in April 2007. The initial BELA project was a one year initiative coordinated on behalf of the Economic Development Thematic Group by Breckland Council's Economic Development service (EDTG lead). Due to the success we have rolled the project over into subsequent years and a full breakdown of the grant scheme costs to date is shown as Appendix A (available on request).

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|---|----------|
| ○ Project Total Cost for 3 projects   | £205.390 |
| ○ Spend from 3 projects to date:  | £203.557 |
| ○ Private Match to date (higher than predicted and will be exceeded by the end of BELA3): | £120.322 |

Overall 111 businesses have been assisted since the conception of the project to the date of this report. This means that the total number of businesses will far exceed the original projection by the time we complete BELA 3 which currently has £5,937 remaining.

Albeit this amount of funding is still accessible it would seem shrewd to top up the fund for the new financial year to carry the project forward and ensure that we are able to help aspiring businesses looking to growth and investment.

At a time of critical need when businesses are looking to every avenue in order to survive and grow and very little funding is available, this grant fills an important support gap for micro businesses and new starts that is not currently provided for. Individuals wishing to

start in self-employment often need early stage support to enable them to access a

## APPENDIX 1

crucial or critical training scheme/course, purchase professional services or purchase/hire essential small items of equipment.

Often this is a very individual and basic need and without help and encouragement may often curtail an individual's potential as an entrepreneur. Similarly Micro businesses are most vulnerable to failure in the first 12 months, and this project would therefore support such businesses during this fragile stage in their existence providing the support and encouragement to help them grow and increase their viability and chances of survival.

### Key outcomes include:

- Increased skills and competency levels to match economic needs
- Contributes towards establishing an entrepreneurial culture in Norfolk
- Reduction of financial burden
- Increase survival rate
- Personal performance increases and applicants meet their full potential
- Raising aspirations
- Creating ambition, opportunities and drive
- Contributing to a prosperous and vibrant community in which to live and work
- Understanding of where to go for further assistance & engaged in business support infrastructure
- Strengthen partnership working

3.1.2 This application seeks support for further funding for phase 4 of the grant element of the project to support applicants with a small grant up to a maximum of £500 which the applicant is required to match 50%.

|   |                |
|---|----------------|
| ○ Breckland Match Funding Reserve       | £15,000        |
| ○ Private Additional Income (50% match) | £15,000        |
| ○ Breckland Resource In Kind funding    | £ 7,500        |
| ○ <b>Total Project Cost:</b>            | <b>£37,500</b> |

3.2.1 This is an ongoing project that is not sustainable in its current form unless further funding is secured. There is no requirement for the applicants to repay the grant. If this request is approved there will be a total grant fund of £15,000 as outlined above, to enable the Council to assist a minimum of 30 businesses.

3.2.2 Appendix B (available on request) shows recent survey results demonstrating the difference the grant has made to beneficiaries and some of the reasons why it should be continued.

### 3.3 Options

3.3.1 **Option 1** - Members agree to funding the initiative to the full amount of £15,000 to enable an additional 30 (minimum) start up and micro businesses across the Breckland District to directly benefit from the funding available thereby ensuring their needs are met especially during these challenging times, and progress towards meeting our own strategic aims are achieved.

3.3.2 **Option 2** - Members agree to fund the initiative to a lesser amount which will result in diminished outputs and outcomes for Breckland based start up and micro businesses.

3.3.3 **Option 3** - Members decline to agree funding to enable the project to continue. If this is the case the project will cease when current funds run out.

3.4 Reasons for Recommendation(s)

3.4.1 **Option 1** - Additional funding for this initiative will help maximise the opportunity for start up and micro businesses to obtain skills development, business support, essential items of equipment, training, advice and guidance at a time when they are most vulnerable and need to grow.

3.4.2 **Option 2** – This option would leave a gap in funding and a subsequent scaling down of the initiative.

3.4.2 **Option 3** – There is no other grant scheme like BELA available to businesses. If Members decline to agree funding the one small form of grant aid the business community can access will be gone along with the opportunities that it offers.

4. Risk and Financial Implications

4.1 I have completed a risk assessment in accordance with the Council's Risk Management methodology and the following risks and mitigating factors have been identified and assessed as low.

- **Financial:** The applicant to comply with instructions with regard to spend – Financial controls in place requiring evidence of spend through invoicing and bank statement managed by specific budgetary controls.
- Business fails – We have no control over what happens in the future, however at the time of application a full business plan with profit and loss is required by the applicant to give an indication of viability and sustainability.
- Project meets elements of SMART Targets with outcomes to be met and managed via evaluation and managed by specific procedures
- **Customer Expectations:** Failure to meet the needs of business – Guidance notes are attached to all applications, EDO gives 1:1 guidance and explanation of the grant scheme and managed by routine procedures

5. Legal Implications

5.1 None

6. Other Implications [*Insert statement or confirm 'none' as appropriate at each sub-paragraph*]

- a) Equalities: None to report
- b) Section 17, Crime & Disorder Act 1998: None
- c) Section 40, Natural Environment & Rural Communities Act 2006: None
- d) Human Resources: None
- e) Human Rights: None
- f) Other: [e.g. Children's Act 2004] None

7. Alignment to Council Priorities

**Economy: Promoting a thriving local community**

- Supporting business development & skills training
- Support a business and employment friendly environment
- Encouraging the creation of jobs

8. Ward/Community Affected

8.1 District Wide

Background Papers

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Key Decision Status (Executive Decisions only):

This is not a key decision

Appendices:

Appendix A BELA Grant Scheme Summary (available on request)

Appendix B Survey Results (available on request)