

BRECKLAND COUNCIL

Report of Paul Claussen Executive Member – Economic Development & Housing Portfolio to the Cabinet: 12th May 2009

(Author: Lindy Warmer Economic Development Officer)

BRECKLAND ENTERPRISE & LEARNING ACCOUNT

1. Purpose of Report

This paper seeks support from Members for £20,000 funding from the match funding reserve to enhance and enable Phase 3 of the ongoing BELA project which offers small grants of up to £500 maximum to micro businesses based within the Breckland District. The project has recently been awarded £10,000 from the Breckland Partnership to enable Phase 2. The Board has also agreed a further £5,000 towards Phase 3.

2. Recommendations

- 2.1 Recommend that the Cabinet authorise the release of £20,000 from the Match Funding Reserve (MFR) to deliver the project enabling the Council & Breckland Partnership to assist a minimum of 50 businesses through a total fund of £25,000.

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.

3. 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 project starting in April 2007 the project coordinated on behalf of the Economic Development Thematic Group by Breckland Council's Economic Development service (EDTG lead). Funding was as shown below.

Breckland LSP	£10,000
Breckland Match Funding Reserve	£10,000
Private Additional Income	£70,390
Breckland Resource In Kind funding	£10,000
Total Funding:	£100,390

BELA1 achieved the following outcomes:

- Increased skills and competency levels to match economic needs
- Contributed to a prosperous and vibrant community in which to live and work
- Supported 42 micro businesses with grants ranging up to £500.

BELA 2 has carried on this successful theme by building on the success of BELA 1 integrating the grant scheme into a wider project of language and ICT training. Through the BELA 2 grant scheme we have assisted 19 companies to date to achieve growth, enable remote working, more effective working, training and substantial market influence through design of websites.

Breckland Partnership	£10,000
Private Additional Income	£20,000 + estimate

Breckland In Kind Funding	£10,000
Total Funding	£40,000

A small amount of funding is still available but will not meet the number of applications that we have received which means that some businesses will be turned away if further funding is not found to carry the BELA scheme on. At a time of critical need when businesses are looking to every avenue in order to survive and grow this grant fills an important support gap for small businesses that is not currently provided for.

3.1.2 This application seeks the support for a further funding for phase 3 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%.

Provision of 50 small match funded flexible grants	£25,000
Project Management (in kind)	£10,000
Estimated Private Match Funding (to be confirmed at the end of BELA 3)	£30,000

TOTAL: £65,000

Total required from Breckland Match Funding Reserve £20,000 and LSP £5,000 which equates to 38.46%

3.2 Issues

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 £25,000. As outlined above, funding has already been awarded by the LSP/ Breckland Partnership and we are now seeking to enhance the funding via the match funding reserve to enable the Council to assist a minimum of 50 businesses.

3.2.2 Appendix 1 outlines the difference the grant has made to businesses and 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 £20,000 to enable an additional 50 (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 diminish but continue to run with the £5,000 awarded by the Breckland Partnership which will enable 10 further businesses to be assisted.

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, 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.

- **No grant applications are received** - Use all sources of marketing and advertising available such as Breckland Voice, distribution lists, networks.
- **Application guidance is too restricted** - Review application guidance on a quarterly basis
- **No suitable applications** - Review criteria
- **Project takes longer to deliver than anticipated** - Accept, review, take action to increase awareness.

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

Prosperous Communities:

- Promote the start up, growth and retention of local businesses and the strengthening of Breckland's entrepreneurial culture
- Promote the development of a highly skilled workforce

7.1 **The project also links directly to:**

Two Regional Economic Strategy priorities (3.5 & 3.6)

Two Norfolk Ambition Themes (Key themes 4 & 8)

Two Shaping Norfolk Future Goals (Strategic goals 1 & 2)

Two Norfolk LAA outcomes (1 & 2).

8. Ward/Community Affected

8.1 District Wide

Background Papers

Lead Contact Officer:

Name/Post: Lindy Warmer, Economic Development Officer

Telephone: 01362 656235

Email: lindy.warmer@breckland.gov.uk

Key Decision Status (Executive Decisions only):

This is not a key decision

Appendices attached to this report:

Match Funding Application

Appendix 1 Additional support for continuation