

**Proposed Pilot Bolsover Business Growth Fund**

**1. Background**

This outline paper focuses on core elements required in delivering the Pilot Bolsover Business Growth Fund, which will grant £200,000 over 24 months to areas not eligible for BNED LEADER Approach funding (due to a falling outside of the DEFRA designated rural areas).

Discussions have been held between the Economic Development Team (EDT), Chief Executive and Partnership Team (CEPT), Chief Executive, Executive Director for Operations and the Portfolio Cabinet Member for Regeneration in order to ensure the appropriateness of this proposal.

In addition, experiences of day-to-day contact with local businesses through the EDT, BNED LEADER Approach and consultation with partners operating similar schemes such as Newark & Sherwood District Council has identified the needs of local enterprises in order to help them grow within the District.

The complexities of establishing a grant scheme are recognised and it has been agreed that managing the Fund on the same delivery lines of the 2014-2020 BNED LEADER Approach, utilising their application and approval process will provide a substantial delivery framework. DEFRA advise that the LEADER Operations Handbook will be made available in May/June 2015 and therefore many details regarding delivery will be clearer after that date.

In terms of launch and delivery it is recommended that the pilot commences in tandem with BNED LEADER to maximise the impact of publicity and ensure that full District coverage of grant opportunities can be promoted. It will also provide time to train staff and integrate the new grant operating systems.

The sections below identify the key issues which are believed to be important in terms of delivering a successful pilot which makes a significant impact to local business growth. Appendix 1 outlines a skeleton suggested programme delivery process which will demonstrate the duties of the EDT and CEPT, including the stages between application and approval, contracting, monitoring, reporting and also appeals for unsuccessful bids.

**2. Grant Criteria**

- Focus: Job Creation and Growth. The focus of the grant would be businesses in which the Council were confident would achieve growth. Businesses which request funding to address decreases in trade would not be eligible as it is unlikely that the modest investment from funding would enable a long term change to their decline; such businesses would be signposted to business support services to look at how they operate.
- Priority Sectors: General Enterprise and Tourism (See Example Activity below)
- Geographical Coverage: Non-BNED LEADER Areas in Bolsover (primarily Bolsover, Shirebrook and South Normanton both Capital and Revenue Grants)
- Maximum Grant of £10,000
- Minimum Grant of £1000

- Match funding will be expected from the businesses, to show their own commitment to the project.
- All activity to commence and finish between approximately June 2015-June 2017

## **2. Example Activity**

Because of the generalist approach to the fund there will be a broad scope in terms of the projects which may come forward. Assuming some of the output criteria identified in section 3 below can be met, examples on the type of activity which can be funded could include:

- Extending and improving premises
- Employing an Apprentice (but not core staff costs)
- Financial Packages (e.g. Website, Advertising, Artwork)
- Business Start-up Costs
- Business Growth Items (e.g. Equipment, ICT, Machinery)

The EDT would discuss the particular needs of the business to ensure that the activity is appropriate and also maximise the funding made available. Although each application will be taken on its own merits, it is felt that it would be inappropriate to provide funding for stock and other consumables (as also restricted in other similar grant programmes).

Expenditure such as feasibility studies, planning application costs and consultants fees would not create any direct growth output and would be therefore ineligible from this pilot Fund.

## **3. Measures of Success**

Measuring the impact of the funding on growth is essential to identifying the value of the Fund. Rather than having a burdensome suite of indicators, discussions with partners identify a few key criteria which can provide this evidence base:

- Jobs Created/Jobs in the Business: This output can be collected in 'real-time' to assess whether the business is growing.
- Turnover: This could be monitored on an annual basis, informed by the audited accounts of the business. By comparing the last accounts at the time of approval compared to those of the next two full accounting periods per project, a trend could be identified; as public documents provided once per year, this would place minimal workload expectations upon the business.
- National Non-Domestic Rates: This information is recorded at BDC and can therefore be collected at the same time as the Turnover details, to help form a picture of the growth with the business and any benefit to the Council and the local economy.
- Case Studies and Unexpected Outputs: The monitoring process will also allow for the gathering of information which may identify successes and be used as a "good news story" which can be promoted locally or with partners to showcase the success of BDC's support.

The information above will be collected by the EDT during monitoring visits or by the CEPT as part of the desk-based exercise.

#### **4. Delivery Process**

DEFRA is currently considering whether to develop a simplified application form for small grants and this may be a more appropriate system to adopt than the full form. If this is not forthcoming it is proposed that an Expression of Interest (EOI) and application process is developed by CEPT using best practice examples from similar initiatives.

All applications would be posted in, with a “wet signature” to reduce the risk to the Council in terms of attempted fraud. Applications would then be scanned and saved on file, accessible only to the EDT and CEPT officers involved.

In terms of launch and delivery it is recommended that the pilot commences in tandem with BNED LEADER to maximise the impact of publicity and ensure that full District coverage of grant opportunities can be promoted. It will also provide time to train staff and integrate the new grant operating systems. This will likely be in June/July 2015, meaning the pilot would end around June/July 2017.

It is proposed that the EDT/CEPT have discretion as to whether payment could be made in advance of activity to remove cashflow issues, based upon analysis of risk. The monitoring process would ensure compliance on agreed expenditure.

The proposed delivery responsibilities of the EDT and CEPT are separate although the teams will collaborate as much as possible to ensure the successful delivery of the pilot Fund. This can be summarised as:

EDT: Business engagement as the “Gateway contact” in terms of promotion, project development and on-site monitoring.

CEPT: Processing EOI's, application appraisal, contracting and desk-based monitoring, website updates and press releases.

#### **5. Monitoring and Evaluation**

Each successful business will be expected to complete monitoring reports for a period of 1 year after the award of the grant; frequency would be determined on a case by case basis. The CEPT will process these reports, which will also include analysis of expenditure evidence to ensure that it has been made on eligible activity in line with the application and funding agreement.

This will be backed up by a site visit from an EDT officer at:

- 1) project inception
- 2) after spend completion,
- 3) after an agreed period in which the impact can be measured (likely to be between 6 months and 1 year after the award of the grant).

The site visits will be used by staff to check any physical works or pieces of equipment that have been purchased and also to talk with the applicant to potentially become aware of any additional benefits from the award of the grant (indirect outputs) that can be used in the Case Studies.

#### **6. Next Steps**

- Obtain Executive Approval 30<sup>th</sup> March 2015.

- Develop more fully the application process, criteria and forms in accordance with DEFRA's guidance where appropriate
- Publicise once LEADER is confirmed and infrastructure is in place

**Pam Brown**  
**Chief Executives and Partnership Manager**

**18<sup>th</sup> March 2015**

**Allison Westray Chapman**  
**Joint Assistant Director for**  
**Economic Growth**  
**18<sup>th</sup> March 2015**

Outline Process: Suggested Programme Delivery

