

Report of	Meeting	Date
Director of Partnerships, Planning and Policy (Introduced by the Executive Member for Economic Development and Governance)	Executive Cabinet	21 March 2013

INTRODUCTION OF A CAPITAL GRANT SCHEME FOR EXISTING BUSINESSES, CHORLEY BUSINESS INVESTMENT FOR GROWTH (BIG)

PURPOSE OF REPORT

1. To set out the details for the introduction of a new capital grant scheme for existing businesses in Chorley from April 2013.

RECOMMENDATION(S)

2. It is recommended that the contents of the report are noted and that members approve the introduction of the Chorley BIG scheme.

EXECUTIVE SUMMARY OF REPORT

3. Chorley Council currently provides a diverse range of support services to local businesses to deliver its key commitment of 'Developing a Strong Local Economy'. This grant scheme will complement existing Council, and partners, grant schemes and will provide financial support towards capital investments for businesses with a vision for growth and job creation.

This report presents an overview of the scheme, eligibility criteria, application and approval process.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

4. Supporting businesses through Chorley BIG will encourage and enable local businesses to invest in growth activities, helping to create jobs, high quality commercial space and strong and sustainable local supply chains.
5. The eligibility criteria, application and approval process is designed to be business friendly with a straight forward and timely application process whilst enabling the Authority to apply due diligence and transparency to applications to ensure sound grant decisions are made.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. The following options were considered;
- 6.1. Do nothing – rejected as this would not support economic growth
 - 6.2. Variations of intervention levels, percentage contributions and payment terms – rejected as this may present barriers to applications and reduce the appeal of BIG
 - 6.3. Provide funding as a mix of grant and loan – rejected as the focus is to enable additional growth in Chorley at times when lending is constrained, and for the applicant to be able to use the BIG funding to leverage additional loan, grant or equity funding that they require to deliver their plans.

CORPORATE PRIORITIES

7. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	X
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	

BACKGROUND

8. In 2012 Chorley's Economic Development Strategy highlighted economic development in Chorley as the key to improving the quality of life in the borough and as such has been identified as one of the Council's top priorities.

Chorley Council's Corporate Strategy focuses on developing a Strong Local Economy with aims being to have;

- A vibrant town centre and villages
- A strong and expanding business sector

In order to achieve these aims Chorley Council has developed a range of support services for businesses. This includes the provision of two qualified business advisers offering support to individuals looking to start a business or those running existing ventures. A calendar of events is also available for businesses which include a variety of workshops and networking opportunities.

All the business support services are promoted widely including through a quarterly 'Choose Chorley for Business' newsletter which is circulated to businesses in the borough.

The Chorley BIG complements the starting in business grant, shop front improvement grant and vacant property grant which are currently available from Chorley Council. This grant is targeted to provide financial support for existing businesses in the borough that have a vision for growth and increasing employment levels and it fills a gap in the packages of grant funding available from partner organisations.

CHORLEY BIG

9. The BIG scheme will provide financial support to expanding Small to Medium sized Enterprises (SME's) in the Chorley Borough and is provided to enable and support the creation of new jobs. The grant will be used for the construction of new buildings; the refurbishment/adaptations of existing business premises; site engineering works; the purchase of plant and machinery; signage; hard/soft landscaping and security improvements.

10. It is intended the Scheme will be open from the 1st April 2013 and funds will be allocated on a first come first served basis. The award of financial assistance will be discretionary and will be dependent on the quality of the project and the outputs it delivers. An appraisal panel appointed by the Council will assess applications against a range of economic criteria relevant to the application. The economic criteria considered will be:
- Floorspace improved/ created (Sq ft)
 - No of jobs created (which will lead to a net increase within the business)
 - No of jobs accessed by a Chorley resident
 - Private sector investment
 - Businesses signed up to Employment Charter
 - Businesses supported by sector
11. Businesses will be able to apply for 50% of total eligible project costs and up to a maximum of £10,000. Grants will be based on £2,000 per job created but ultimately the programme aspires to achieve far greater job creation than this level. For example, if a business is investing £30,000 in eligible expenses which will create 2 jobs then they would be able to access up to £4,000 (2x £2000) whilst if they are creating 10 jobs their BIG funding would be capped at £10,000 (the maximum amount available through the scheme).
12. Application to, and receipt of funding from, the BIG grant will not exclude the businesses from applying to, and receiving funds from other Chorley Council grant schemes up to the de minimus threshold. Grant assistance will be conditional on receiving business advice and support from the Council's Business Advisor to promote the sustainability of the business. Applicants must ensure that there is no environmental health, business rate enforcement or legal issues outstanding with Chorley Council at the time of their application. Successful applicants will also be asked to be involved in joint publicity to promote the BIG scheme which could include the preparation of press releases and case studies.
13. Businesses will be required to complete a grant application form and provide other supporting information in relation to the viability of the business. The grant application will be considered by an appraisal panel headed by the Executive Member Lead for Economic Development. An Executive Member Decision report, signed by the Executive Member Lead for Economic Development, will be issued for all successful applications and will be published on the Council website, as a restricted access report, and will be subject to a 10 day call-in period.
14. Grants will be paid on defrayed expenditure and evidence of jobs being created. In recognising that jobs may not be created, and filled, for a period after the works are carried out the grant will be paid out on the following terms;
- 40% paid on physical completion of the eligible works/ purchases. (Usually within 3 to 6 months of the date of the offer letter.)
 - 60% paid when evidence of the jobs to be created has been provided. (Usually within 3 months of physical completion or a date to be agreed.)

IMPLICATIONS OF REPORT

15. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

16. Funding for Chorley BIG up to the value of £100,000 has been agreed through the budget allocation process.

COMMENTS OF THE MONITORING OFFICER

17. No concerns raised.

LESLEY-ANN FENTON,
DIRECTOR OF PARTNERSHIPS, PLANNING AND POLICY

Report Author	Ext	Date	Doc ID
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