

Norfolk Strategic Fund grant: Business Builder

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Portfolio: Economic Development

Ward(s) Affected: All

Purpose of the Report:

This report seeks Cabinet's endorsement for the delivery of a suite of interventions to complement our business support offer, enabled by the Norfolk Strategic Fund (NSF), and to request authority be delegated to the Assistant Director for Economic Growth, in consultation with the Portfolio Holder for Economic Growth to use the grant monies in support of the Business Builder programme outlined below.

Recommendations:

1. Cabinet endorses the proposed revised programme of activity to be funded from the NSF grant.
2. Cabinet agrees to delegate authority to the Assistant Director of Economic Growth, in consultation with the Portfolio Holder for Economic Development to determine the use of the balance of the grant monies in accordance with the programme detailed in the report.
3. Cabinet agrees to officers submitting a variation request to the NSF for the new programme of work detailed in the report.

Summary

- 1.1 The purpose of this report is to seek Cabinet's endorsement of a revised programme of work funded by the NSF, to complement our business support offer and deliver positive outcomes for businesses, many of which are unable to access support elsewhere.
- 1.2 The Market Towns and Business Development Team currently engages with a variety of business entities across the districts, as set out in the Council Delivery Plan measures O7, O8 and O9. This includes supporting Pre-start-up, Start-up, Micro enterprises, SMEs and the management of some key accounts, Tourism assets and supporting growth sector groups and clusters. The team also takes a proactive approach in both place promotion and inward investment, as well as having strong collaboration with the work of the wider Economic Growth Team.
- 1.3 In October 2020, BDC was awarded £428,573 from the NSF based on a proposed programme of support, focusing predominantly on the start-up and Micro business growth element, and utilising an exterior delivery partner. However, following a presentation from an external provider, and further internal discussions, it was decided by Members not to proceed with this specific branded programme.
- 1.4 Officers were instead encouraged by members to propose an alternative solution that could be delivered in-house, enabling more of the funding to be used on actual support, than on operational and licencing costs.
- 1.5 This proposed Business Builder programme remains consistent with the broad aims of the NSF grant, in supporting the local economy to recover from the impacts of the pandemic but is also consistent with BDC's established focus on holistic support where needed most.
- 1.6 Business Builder is a targeted programme, and whilst elements will be open to all businesses, it is designed with particular focus on those in the early years or those needing support to accelerate and achieve sustainable growth. This is particularly important now as the future of the Growth Hub and the LEP is as yet unclear.
- 1.7 The programme aims to support every element of building a business, from its foundation, on to the build-up phase, and finally on to preparing the business for development and growth.
- 1.8 The programme will be delivered by a combination of existing Economic Development Officer (EDO) resources and an additional fixed term FTE EDO, during this NSF funded phase, which will allow for proper evaluation of the programme and any desire to extend it using alternative funding opportunities, such as the Shared Prosperity Fund for example.
- 1.9 All current EDO's will be able to deliver the scheme, with the marketing, mentoring, and in-person training elements to be specifically coordinated as part of the additional new role.

- 1.10 Additionally, Business Builder will help to support a cohort of local business mentors, whose expertise and advice will be contracted by the fund. The physical training element using local tutors where possible, will contribute to the utilisation of Carrowbreck Training centre and again will be funded as part of the programme.
- 1.11 Subject to Cabinet's endorsement of the revised programme, a variation request will be sent to the administrators of the NSF programme (i.e., the County Council).
- 1.12 Funds are due to be expended by 31 August 2024.

2. Background

- 2.1 As part of the recent wider Economic Growth restructure, the Market Towns and Business Development Team is set up to engage with a wide range of businesses across Broadland and South Norfolk, to offer business support, advice, and guidance and to signpost to other stakeholders and services.
- 2.2 This engagement enables the team to help overcome potential barriers to growth, which might include sourcing finance, liaising with planning, or securing a new location, for example. It allows us to promote training and employment support and to provide opportunities for businesses to collaborate and network with others, via sector specific events, networking breakfasts and of course the Business Awards programme. It also enables us to make connections within the council, cross cutting services in order to promote Economic Development and act as a conduit in resolving issues.
- 2.3 A good relationship with businesses, landlords and developers also provides us with useful intelligence of what commercial property might be coming available or may be required in the future, and what opportunities exist for promoting our sector groups; all important in promoting the wider area and encouraging inward investment.
- 2.4 As part of this engagement and support, Broadland District Council has for a number of years successfully delivered a specific start-up and enterprise grant programme, combined with a range of complimentary training at the Carrowbreck Training Centre, targeting start-up and micro businesses.
- 2.5 Officers involved in the delivery of that programme felt it needed to be refreshed, and updated, as the grant values, eligibility criteria and associated course content had not kept pace with modern business demands or online training methods.

3. Current position/findings

- 3.1 In October 2020 Broadland District Council was awarded £428,573 from the Norfolk Strategic Fund (NSF). The NSF was a one-off grant programme, funded from Norfolk's pooled business rates, that was to be used to support economic recovery activities. The funds were split equally between the seven district councils, with a larger amount awarded to the LEP/Norfolk County Council (NCC), by agreement of the Norfolk Leaders group.
- 3.2 Table One shows the revised programme and budget as agreed at BDC Cabinet in July 2021.

Table One – revised Norfolk Strategic Fund grant expenditure, as per Cabinet July 2021.

Item	Amount £	Capital / Revenue
Start – up SME Business Mentor	£130,000	Revenue
Marketing and Communications	£10,000	Revenue
SME/ Start Up Grants	£173,527	Revenue
BDC contribution to support of the Cambridge-Norwich Tech corridor	£15,000	Revenue
Contingency	£85,000	Revenue
<i>Total</i>	<i>£413, 527</i>	
Total Norfolk Strategic Fund grant	£428, 527	

- 3.3 External providers were considered for the provision of these services. However, it was decided by members not to proceed with this approach as the proposal was not seen to represent good value for money. Furthermore, it was not considered to add significantly to what can currently be delivered locally by the Council and other organisations.
- 3.4 Officers were encouraged to research the business support landscape and to devise an in-house bespoke support programme for Broadland. In subsequent presentations setting out the 'general direction of travel' to the Economic Success Panel, it was agreed to proceed with this more detailed and entirely consistent proposal.
- 3.5 Officers have since held workshops with a number of business support providers to understand the external offer and as an internal EDO team have subsequently devised this unique, scalable, wrap-around business support package that fits with

the business-as-usual activity and one which officer's believe will enable our new entrepreneurs to have a more viable and sustainable business as a result.

- 3.6 Business Builder will form a major part of our business support offer. It remains consistent with the broad aims of the Norfolk Strategic Fund grant, in supporting the local economy to recover from the impacts of the pandemic and is also consistent with BDC's well established focus on holistic support where needed most.
- 3.7 The government in its recent allocation of the Shared Prosperity Fund to districts has outlined business support as a potential match funded activity and may well suit an extension of the Business Builder programme moving forward if it proves successful.

4. Proposed action

- 4.1 The Business Builder programme centres around the principle of appropriate and timely, wrap-around support in the different phases of a business' growth.
- 4.2 This support will comprise our EDO's working with businesses in their application to the various phases and to apply for relevant contributory grant provision where required. The programme will include online and formal business training, and up to 10 hours of mentor support appropriate to the business need, which will be funded as part of the programme in addition to any grants awarded.
- 4.3 This approach allows the flexibility for officers to support applicants according to their individual needs and offers the opportunity to be mentored and even scrutinised by industry professionals to enable a better chance of long-term sustainability.
- 4.4 Each grant has a different intervention rate, recognising the expectation of an increased element of match funding as a business' viability increases. The longer a business trades, the more it is expected to be able to contribute if it is to be considered a sustainable enterprise.
- 4.5 The support will be based on three early-stage interventions, a Foundation Support preparation phase for pre-revenue start-ups, leading on to a Build-up phase with a grant at 75% intervention for new businesses trading up to 12 months, and at 50% intervention for those trading from 12 to 24 months. These might be to procure essential equipment or to enable a store or workshop fit out, for example.
- 4.6 The fourth phase will be the Development grant which will be available to facilitate expansion and growth and this much larger grant of up to £5000 at 50% intervention, might be to purchase specific equipment to facilitate that growth, or development of new IT systems for example, requiring considerable investment in resources.

- 4.7 A module of up-to-date on-line start-up training for Foundation Support applicants will deliver the consistent and essential skills and tools required to prepare a business case, cashflow forecast and marketing plan, which will be a mandatory prerequisite for any Build-up grant phase application and valuable for accessing traditional banking facilities.
- 4.8 The Build-up grant applicants will (subject to EDO approval), also have the opportunity to receive the online training module, and enrol for up to two free courses from the general business training programme at Carrowbreck Training Centre, funded directly from the programme
- 4.9 The Development grant applicants will also have the opportunity to enrol for up to two business training courses at the Carrowbreck Training Centre, to be funded from the programme.
- 4.10 A network of business mentors will be contracted via a procurement exercise, to provide up to 10 hours of mentor support for all grant applicants (subject to EDO approval) across a range of specific areas including, but not limited to marketing, accounting, IT systems, HR, and company formations for example. This support will be provided when appropriate and will utilise suitable local businesses and specialists wherever possible (further contributing to the local economy).
- 4.11 Officers are suggesting an initial application window of three months duration to begin with, allowing us to assess the allocation of the funding that is initially set out in Table Two, against the actual demand, and then subsequent rounds can be tailored to ensure we are balancing the funding as required.
- 4.12 This programme continues the spirit of support given to businesses funded directly for a number of years by the Council, with the added benefit that the NSF funding allows officers to really ramp up and expand this programme to help the small businesses of Broadland and drive the local economy.
- 4.13 This programme will be resourced from within the current Market Towns and Business Development Team and via an additional 24-month fixed term EDO, whose role will specifically oversee the implementation of the training/mentoring and additional administration required.
- 4.14 The programme will be marketed via the Broadland News, Business E-Newsletter, social media, the Business Awards campaign, networking breakfasts, sector events and engagement with town teams and business groups.
- 4.15 The activities described in table 2 below will be delivered by the Market Towns and Business Development Team by August 31, 2024.
- 4.16 Subject to Cabinet's endorsement of the proposed programme (below) a grant variation request will be sent to Norfolk County Council for the Business Builder programme.

Table Two – revised programme funded by the Norfolk Strategic Fund grant

Item	Proposed budget	Comments
Business Builder EDO	£85,527	Fixed term post (24 months) Band E
Training and mentoring pool	£43,000	Central fund to deliver training and mentor costs to support the programme.
Foundation support (Pre-revenue)	£10,000	Preparation and on-line training for start-up businesses yet to commence trading.
Build Up grant (<12 months trading)	£50,000	Build Up grant of up to £1,000 with 75% intervention rate.
Build Up grant (12 to 24 months trading)	£50,000	Build Up grant of up to £1,000 with 50% intervention rate.
Development grant	£175,000	Micro and SME discretionary grant up to £5,000 (min 24 months trading). 50% intervention rate.
BDC to CNTC project	£15,000	Previously committed sum to support the Cambridge Norwich Tech Corridor
Total Norfolk Strategic Fund grant	£428,527	

4.17 *Table Three – project milestones and outcomes.*

End Project Outcomes	Yr. 1 nos	Yr. 2 nos	Longer term date and numbers	End date	How would these be measured and by whom?	Is this outcome related to COVID19 recovery?
Number of entrepreneurs' supported through start up grants	25	25	N/A	August 2025	Recorded by Economic Development Team	Yes
Number of new business start ups	20	15	N/A	August 2025	Recorded by Economic Development Team	Yes
Number of young entrepreneurs' starting up businesses	8	5	N/A	August 2025	Recorded by Economic Development Team	Yes
Number of new businesses receiving mentoring support	25	25	N/A	August 2025	Recorded by Economic Development Team	Yes
Number of new businesses who deliver clean and sustainable growth objectives	10	10	N/A	August 2025	Recorded by Economic Development Team	Yes

5. Other options

- 5.1 A range of alternative activities could be funded via this grant. However, it is the view of officers that the proposed Business Builder programme most closely matches members desired support ambitions and represents the best use of these funds, so closely allied to the spirit of the initial application to the NSF.
- 5.2 The Council could outsource some of its business support to an established company such as NWES or MENTA, but this would incur the same administrative

cost element that members have already discounted with other external proposals.

- 5.3 The Council could ask the New Anglia Growth Hub (if it continued in its present form) to deliver the programme, but again, there would be a cost for the service, and officers feel it doesn't have a track record of delivery in supporting retail or start-up businesses for example.

6. Issues and risks

- 6.1 **Resource Implications** – Staff time will be required to administer the proposed Foundation support and Build-Up grants. This will be managed within the existing staff establishment, as it is a like for like process of the current start up and enterprise grant. The additional grant funded Business Builder EDO post will administer the Development Grant and the training and mentoring elements of the whole programme. The programme will additionally support the Carrowbreck training facility, by adding to its training offer and fully funding places on any additional courses taken.
- 6.2 **Legal Implications** – Application and programme criteria, together with cost recovery contingencies are detailed in Appendix 1.
- 6.3 **Equality Implications** – Business Builder is open to applications from all residents, subject only to application criteria set out in Appendix 1
- 6.4 **Environmental Impact** – Officers will be encouraging and supporting businesses to consider the green agenda in their planning and applications. This might include but not be limited to:
- a) Pollution prevention measures (use non-toxic/fewer toxic substances)
 - b) Reuse of materials rather than contribution to waste/landfill
 - c) Reduction in packaging
 - d) Reduction of plastic use
 - e) Install power saving schemes such as automatic lights, water efficient toilets, energy efficient light bulbs, solar panels etc...
 - f) Zero waste to landfill targets
 - g) Waste minimization schemes
 - h) Encourage carpooling or cycling to work
 - i) Upgrade to new equipment that results in lower emission/less waste
 - j) Proposals supporting clean growth industries/ideas
 - k) A combination of the above
- 6.5 **Crime and Disorder** – N/A
- 6.6 **Risks**

- 6.7 The primary risk is that the funds will not be spent in accordance with the approved programme and/or not be defrayed by August 24. This risk will be mitigated by careful project management by the Market Towns and Business Development team.
- 6.8 There also is a reputational risk to the Council by not supporting businesses that have relied heavily on grant provision in the past and, in damaging the strong relationship recently rebuilt with the business community throughout Covid 19 and our response to it.

7. Conclusion

- 7.1 The proposed revised programme of activity has been designed to deliver a targeted, wrap around support programme to our businesses. It delivers the recovery support the original NSF bid set out to provide but utilises an in-house Broadland specific programme of intervention delivered by our own staff and local trainers and mentors. Business Builder will deliver the maximum amount of real tangible support with a minimum amount of administration and operational costs.

8. Recommendations

1. Cabinet endorses the proposed revised programme of activity to be funded from the Norfolk Strategic Fund grant.
2. Cabinet agrees to delegate authority to the Assistant Director of Economic Growth, in consultation with the Portfolio Holder for Economic Development to determine the use of the balance of the grant monies in accordance with the programme detailed in the report.
3. Cabinet agrees to officers submitting a variation request to the Norfolk Strategic Fund for the new programme of work detailed in the report.

Background papers

Appendix 1.

(Application criteria is based on the current start-up and enterprise grants, which has been updated specifically for the Business Builder programme.)

Foundation Support

This scheme aims to prepare entrepreneurs for starting a new business. It will provide the essential training and skills required to make a successful application to the Build-up grant scheme. It is open to all businesses that are yet to start trading.

Who can apply for support under this scheme?

- Any person who is a Broadland resident and will be trading in the Broadland District Council area who fits the business criteria.
- Any non-resident who is looking to lease business premises within the Broadland District Council area.

Eligibility

- The proposed business must be based in the Broadland District Council area and operate for a minimum of 16 hours per week.
- To be considered for this support, the business should not have started trading.
- The applicant cannot have applied for any other start-up grant from the council in the previous 2 years.
- There will be an application and approval process. Decisions are normally made within three weeks of the application. Applicants will be advised whether they have been approved for the support.
- Applicants who do not provide the required information or meet the criteria will be contacted.
- No support will be awarded if the applicant is in arrears with any council service such as Council Tax. This will be checked as part of the application process.
- You will need proof of Broadland District Council residency and a form of photographic ID will be required (such as driving licence or passport)

In the majority of cases, a business visit from one of our Economic Development Officers will be undertaken as part of the support provided from this scheme.

Build-up Grant

This phase of support is intended for those entrepreneurs who have a fully formed business plan, cash flow forecast and marketing plan as a minimum - and require a grant of up to £1,000 for a specific business need. This scheme aims to encourage and support

the start-up and development of new and newly started businesses within the district with an intervention rate at 75% for those that are less than 12 months old, and at 50%, for those between 12 and 24 months trading.

This scheme will help local businesses to grow and prosper, adding to the local economy. Investing and supporting our new businesses helps aid the economic growth of Broadland.

We understand the financial impacts of Covid, so we now see this as part of supporting the recovery of the business community from the effects of the pandemic and putting those businesses on a better footing for future trading.

Who can apply for support under this scheme?

- Any person who is a Broadland resident and will be trading in the Broadland District Council area who fits the business criteria and supplies the documents requested.
- Any non-resident who is looking to lease a business premise within the Broadland District Council area.

Eligibility

- The business must be based in the Broadland District Council area and operate for a minimum of 16 hours per week
- To be considered as a Build-up business, you need to have started trading and be less than 24 months old.
- The applicant cannot have applied for any other start-up grant from the council in the previous 2 years.
- There will be an application and approval process. Decisions are normally made within three weeks of the application and supporting documents being received. Applicants will be advised whether they have been approved for the purposes of grant support.
- Applicants who do not provide the required information or meet the criteria will be contacted.
- Grant funds are limited, offered on a first come, first served basis and subject to availability. Please do not assume that your application will be successful and that a grant will be awarded.
- No grant will be awarded if the applicant is in arrears with any council service such as Council Tax. This will be checked as part of the application process.

Evidence and documentation for your application

You will need to provide various pieces of information to complete your application. The webform will timeout after two hours of entering so we strongly recommend that you make sure you have copies of your documentation available to upload. Examples of some of the information and evidence required include:

- business plan (download the business plan template) or use Foundation Template

- projected 12-month cashflow or detailed financial projections (download the cashflow template) or use Foundation Template
- proof of Broadland District Council residency or tenancy of business address (for example, Council Tax or business rates bill) and a form of photographic ID will be required (such as driving licence or passport)
- a copy of your bank statement associated with the business
- As part of your application process, you will be asked for your Companies House registration, your VAT number or your HMRC UTR number and applications cannot be submitted without one of these. Please also ensure you have registered with the relevant council departments in relation to food hygiene, licensing, and business rates where appropriate.

In the majority of cases, a business visit from one of our Economic Development Officers will be undertaken as part of the support provided from this scheme.

Development Grant

This scheme aims to encourage and support the expansion and growth of micro businesses and SMEs within the district that are at least 24 months old and successfully trading.

This scheme will help local businesses to grow and prosper, adding to the local economy. Investing and supporting our businesses helps aid the economic growth of Broadland.

We understand the financial impacts of Covid, so we now see this as part of supporting the recovery of the business community from the effects of the pandemic and putting those businesses on a better footing for future trading.

Who can apply for support under this scheme?

- Any existing Broadland business located in the Broadland District Council area which fits the business criteria and supplies the documents requested.

How much grant funding can be claimed per business and at what stage will it be paid?

- Grants will pay for 50% of the cost of eligible items (see below) up to a maximum amount of £5,000 per business application in the Broadland District Council area. i.e., £10,000 of expenditure will secure the maximum grant available.
- Grants will be paid only after application approval in writing and on production of receipts for the relevant purchases.
- We will pay the costs including any VAT, except where the business is VAT registered in which case, we will pay costs excluding any VAT.

Please note: grants will not be awarded for expenditure already made or items bought before approval given in writing.

Eligibility

- The business must be based in the Broadland District Council area and operate on a full-time basis.
- You cannot apply for this grant if you have previously received an Enterprise Grant from the current Broadland District Council scheme.
- If you have previously received a Start Up or Build-up Grant, there must be a minimum of 12 months elapsed before applying for this one.
- Decisions are normally made within six weeks of the application and supporting documents being received. Applicants will be advised whether they have been approved for the purposes of grant support.
- Applicants who do not provide the required information or meet the criteria will be contacted.
- Grant funds are limited, offered on a first come, first served basis and subject to availability. Please do not assume that your application will be successful and that a grant will be awarded.
- No grant will be awarded if the applicant is in arrears with any council service such as Council Tax or Business Rates. This will be checked as part of the application process.

Business activity suggestions

Listed below are a range of business activities that can be applied for under the Development Grant. The list is by no means exhaustive and should only be used as guidance and not a definitive list. You can use the grant towards one or more business of these activities:

- specialist training and refresher courses
- training associated with new regulations
- the purchase of specialist software
- sign writing
- design and printing of promotional literature, exhibitions
- uniforms with your business logo
- business development consultants
- ecommerce website set up and design
- essential equipment
- commercial fit out

Please note: grants are not available to fund computer hardware unless sufficient evidence is provided to show that your business could not develop without such equipment.

Evidence and documentation for your application

You will need to provide various pieces of information to complete your application. The webform will timeout after two hours of entering so we strongly recommend that you make sure you have copies of your documentation available to upload. Examples of some of the information and evidence required include:

- a copy of your most recent year end accounts or profit and loss statement
- proof of Broadland District Council residency or tenancy of business address (for example, Council Tax or business rates bill) and a form of photographic ID will be required (Driving Licence or Passport)
- a copy of your last six months bank statements associated with the business
- quote or quotes for proposed grant expenditure

As part of your application process, you will be asked for your Companies' House registration, your VAT number or your HMRC UTR number - applications cannot be submitted without one of these.

After approval you will be required to submit receipts and proof of payment for items of expenditure before payments are made.

Cost Recovery Process

It is the applicant's responsibility to ensure that the grant funds are used as agreed. Where that is not the case, the Economic Development Officer, together with the Business Development Manager will be responsible for resolving disputes and taking action, including withdrawal of funding where appropriate. If a grant has been used for the purpose that it was not originally intended or has not been spent within the given time then the Business Development Manager will work alongside the officer who awarded the funds, to follow the Corporate Debt Policy to recover the funds from the business.