

ANGUS COUNCIL

DEVELOPMENT AND ENTERPRISE COMMITTEE – 3 MARCH 2015

BUSINESS SUPPORT GRANTS

REPORT BY CHIEF EXECUTIVE

ABSTRACT

This Report informs the Development and Enterprise Committee of the current grant assistance available to businesses from Angus Council and proposes amendments to the current approval process. It is proposed that nominated Economic Development officers assess all grant applications and be authorised to approve or reject applications of up to £1,000 and the Service Manager – Economic Development, in consultation with the Convener of Development and Enterprise (or Vice Convener in her absence), be authorised to approve or reject grant applications of over £1,000 and up to £5,000. The report also informs the Committee of new processes to be introduced as of 1 April 2015.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- (i) Note the grants from Angus Council currently available to businesses;
- (ii) Authorise nominated Economic Development officers to assess all grant applications from businesses;
- (iii) Authorise nominated Economic Development officers to and approve or reject applications of up to £1,000 as appropriate;
- (iv) Authorise the Service Manager - Economic Development, in consultation with the Convener of Development and Enterprise, or Vice Convener in her absence, to approve or reject grant applications of over £1,000 and up to £5,000;
- (v) Note that the application and assessment processes will be streamlined and improved with new procedures being adopted as of 1 April;
- (vi) Note proposals to better promote the availability of these funds to businesses; and
- (vii) Note that Committee will be informed of all grant awards made to businesses via future Information Reports.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

2.1 This report contributes to the following local outcome contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- We have a sustainable economy with good employment opportunities.

3. CURRENT POSITION

3.1 Angus Council currently offers grant support to businesses via the following 3 schemes:

3.2 Employment Grant

A grant of £500 is available to businesses taking on their first permanent employee (or £750 if the new employee is aged 18 to 24). There is also a grant of £500 available to businesses to assist with capital investment e.g. specialist tools and equipment. To qualify businesses should either be, or about to become, VAT registered and have the ability to trade outside Angus and/or have business to business sales. These grants were introduced in 2012. After a slow start, the number of applications has been rising and activity is now reported to Committee via Information Reports. A total of 13 applications have been processed to date in the current financial year.

3.3 Market Development Grant (MDG)

A grant of up to £1,000 to businesses to finance up to 50% of the travel and accommodation costs associated with developing a new market. It can also be used to support businesses exhibiting at or visiting exhibitions. This is essentially available to encourage expansion into overseas markets, however, companies can apply for support to attend/exhibit at major shows held in the UK that can be considered to be international e.g. the 'International Food Exhibition' held in London or 'Offshore Europe' held in Aberdeen. This is considered an important tool to encourage and assist companies to internationalise. However, demand has been weak over the last 3 or 4 years. In the current financial year, 2 grants have been approved and paid and a further 2 applications have been approved but the grants are yet to be claimed. Officers, as part of a wider programme encouraging more companies to become international or increase the number of countries in which they trade, are looking to better promote the scheme. The MDG has been available for many years and in the past has been widely used.

3.4 Angus Vocational Training Fund (AVTF)

A grant of up to £500 is available to businesses to fund up to 50% of an employee's training or staff development costs. The maximum a company can apply for is £5,000 (e.g. 10 employees at £500). It should be noted that there are other nationally funded schemes to assist with employee training costs. The AVTF has been available to businesses since 2009 and is intended to offer funding where it would not otherwise be available.

3.5 The 3 funds are promoted by officers and Business Gateway advisers and information is now available on www.businessangus.com. Support is also available to help companies apply for funding along with general business advice. Activity is now reported to Committee on all 3 funds via Information Reports

3.6 Terms and conditions exist for each of these schemes. Currently the approval process for each scheme is different which can cause some confusion and makes it more resource intensive than perhaps needs be.

3.7 In 2014 officers reviewed what grant assistance was available from other local authorities to businesses. This revealed some local authorities offer more than Angus while others have very little available. Given budgetary constraints, and bearing in mind other national grant schemes available to Angus businesses, officers decided to make some minor adjustments to the existing schemes rather than introduce more significant changes. Apart from assisting the businesses financially, officers consider that the grants on offer provide opportunities to engage more with businesses and help establish more in-depth longer lasting relationships.

4. **PROPOSALS**

4.1 It is proposed to rationalise the approval process for the 3 Council grant schemes available to Angus businesses and bring the approval process more in to line with other assessment and approval process for Council run grant schemes eg Angus Council Community Grant Scheme.

4.2 It is proposed that nominated Economic Development officers assess all applications and approve or reject applications of up to £1,000. To ensure a transparent audit process, one officer will assess an application and a second officer will authorise any grant offer. For grant applications of up to £5,000, it is proposed that an officer assesses the application and makes a recommendation to the Service Manager - Economic Development, who in consultation with the Convener of Development and Enterprise, or Vice Convener in her absence, will then approve or reject the application.

4.3 The application process for all 3 schemes is currently being reviewed, with a view to improving the application forms, standardising processes and, where possible, making better use of online systems as has been done with other grant schemes such as the Angus Council Community Council Grant Scheme. The new format will be introduced as of 1 April 2015.

4.4 In addition enhanced promotion of the availability of these funds will be undertaken. This will include features in the Business Angus newsletter and on the website, the use of social media, greater exposure at business events, etc. Uptake will be more closely monitored to assess need and to bring forward recommendations for change if required.

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising directly as a result of the recommendations in this report. However, for the grant support schemes to continue there is a need for funding to remain available going forward. The current situation is outlined below.

5.2 Employment Grant

An initial allocation of £42,500 was made available to this scheme from an Economic Development revenue budget underspend in financial year 2011/12. The scheme commenced in 2012/13 and remaining funds have been rolled over into subsequent years. The total spend to date has been £19,000 giving a current balance of £23,500. It is proposed that the balance remaining at the end of the current financial year be rolled over into 2015/16.

5.3 Market Development Grant (MDG)

The amount allocated to the MDG in the 2014/15 Economic Development revenue budget is £10,000. The spend in the current financial year, up to the end of December 2014, is £1,785 and commitment is approximately £2,585.. It is proposed to continue with the scheme in 2015/16 with a similar allocation of £10,000 funded from the Economic Development revenue budget.

5.4 Angus Vocational Training Fund (AVTF)

In 2009, the Infrastructure Services committee (Report 73/09 refers) approved an amount of £25,000 to be allocated to 'training money for employers'. A balance of £6,784 remains available to employers and this amount, less any expenditure in the remainder of 2014/15, will be available into 2015/16. It is anticipated the funds will be exhausted sometime during the next financial year.

5.5 In the months ahead officers will monitor activity within the 3 funds, the benefits delivered to businesses and the availability of budgets. At the same time it will continue to monitor external funding schemes available to businesses and introduce these to clients as appropriate. Officers will report back to Committee with recommendations to better support businesses should it be deemed necessary.

**RICHARD STIFF
CHIEF EXECUTIVE**

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Article 27 of the minute of the meeting of the Infrastructure Services Committee of 20 January 2009.
- Article 9 of the minute of the meeting of the Infrastructure Services Committee of 22 November 2011.

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