

CYNGOR SIR POWYS COUNTY COUNCIL

14th April 2011

Report Author: Cathy Boore - Economic Regeneration Officer

Subject: Powys Business Development Grant Criteria Change

Report: For Delegated Decision by Portfolio Holder

1. This reports outlines proposed changes the criteria of the Powys Business Development Grant.
2. The grant fund aims to support start up businesses within the County of Powys, who need to purchase capital equipment for the business to operate. The Powys Business Development Grant has been a successful grant delivered by Powys County Council for a number of years, providing grant aid of 50% - £2,500 max funding to new businesses trading less then 6 months.
3. During the last 6-12 months a number of businesses trading more than 6 months, but less than 12 months have approached me to see if there is any financial (grant) assistance to help purchase equipment. Therefore the proposed suggestion is:- To extend the 6 month rule of the Powys Business Development Grant to 12 months to assist those businesses needing vital financial assistance.
4. Having talked to other organisations such as TGAL, Robert Owen Community Banking Fund and the Regional Centre Service (formally known as FS4B) very little assistance is available to those trading less than 12 months as the Welsh Assembly Government has little to offer new businesses and banks are being cautious.
5. The first 12 months is the hardest for any new business and by supporting those trading more than 6 months, these businesses are more likely to survive and create and/or safeguard jobs. Therefore not only will we be supporting new businesses not yet trading to set up, but those potential **growth** businesses needing to purchase / upgrade essential equipment - where cashflow does not allow a large expense, but also safeguarding / creating jobs.
 - 5.1 Many new businesses trading more than 6 months have put every penny into starting their business and not applied for financial assistance for various reasons, whether its because they have not heard of the Powys Business Grant or because they had enough funds initially to go ahead. Its only later in the first year have they run into issues, such as a major piece of equipment they rely on breaking down or they hire equipment which is not cost effective.

6. Therefore I suggest businesses can only apply for a Powys Business Grant **once**. Grant aid stays the same as it currently stands at 50% - £2,500 max, as £5,000 investment is still a lot for new businesses. But also we do not want to potentially run out of funds before the year end.
 - 6.1 If they have received grant aid from the Powys Business Grant to start their business, they **cannot** apply again later in the first year.
 - 6.2 If they have not previously received grant aid from the Powys Business Grant to start their business then depending on the eligibility (which will be same as now) they may apply. We could ask businesses trading more than 6 months to supply a copy of their management accounts as part of their application.
7. As in previous years, a record will be kept of all grants awarded, but will be amended to accommodate 6 month + businesses and jobs created / safeguarded.

If you're happy to support this idea, I suggest we trial the changes for this financial year 2011/12 and review it March 2012. A monthly business grant report will be submitted to the Portfolio holder to ensure they are kept up to date with the grants.

Cathy Boore
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