
Report To:	Environment & Regeneration Committee	Date:	7 March 2013
Report By:	Corporate Director – Environment, Regeneration & Resources	Report No:	RC/13/03/01/SJ/WN
Contact Officer:	Stuart Jamieson	Contact No:	01475 712401
Subject:	Business Development Support		

1.0 PURPOSE

- 1.1 The purpose of this report is to apprise Members of the range of support business development products available to local businesses to assist them in their growth and development.

2.0 SUMMARY

- 2.1 The Economic Development team seeks to build a successful, thriving local economy. It aims to do this through the provision of business development support to new and existing local businesses to help them grow, adapt and compete.
- 2.2 Small to Medium sized Enterprises (SME's) within Inverclyde can access a number of products ranging from business advice and signposting to grants, loans and support for marketing.
- 2.3 Since 1 April 2012 to date, the Economic Development team have assisted local businesses as follows:
- 10 businesses supported through Small Business Assistance Grant
 - 4 businesses supported through Small Business Loan
 - 7 businesses supported through Skills & Business Growth Programme
 - 14 businesses supported through Small Business Development Grant
 - 22 businesses supported through Small Business Marketing Grant
 - 5 businesses supported through Launch Pad Grant
 - 14 businesses supported through Small Business Tourism Grant
 - 24 businesses supported through Property Assistance Grant
 - 1 business supported through West of Scotland Loan Funds
- 2.4 A proactive approach is taken to business engagement through attending business networks, through existing relationships and through cold calling.
- 2.5 Appendix 1 provides a brief outline of the range of business support products along with some examples of company interventions.

3.0 RECOMMENDATIONS

- 3.1 That Committee note the range of products available under the business development section of economic development.

- 3.2 That Committee note the number of business interventions since 1 April 2012 and acknowledge that economic impacts are often realised over a longer time period.

Aubrey Fawcett

Corporate Director – Environment, Regeneration & Resources

4.0 BACKGROUND

4.1 The Business Development function is delivered by 1 Team Leader, 1 Economic Development Officer and 1 Business Development Officer (temporary until 31 March 2014). A second temporary Business Development Officer post (until 31 March 2014) remains unfilled due to lack of suitable candidates. The Team Leader and Business Development Officer were appointed in August 2012.

4.2 Additional funding of £600,000 was granted in financial year 2012/13 through earmarked reserves from which the 2 temporary Business Development Officer posts are funded. This allocation has also allowed for new grant support in the form of:

- Marketing Grant – Budget of £40,000 over 2 years;
- New Start Launch Pad Grant – Budget of £30,000 over 2 years;
- Development Grant – Budget of £130,000 over 3 years;
- Property Improvement Grant – Budget of £50,000 over 2 years;
- Dubbs Road Improvements – Budget of £100,000;
- West Station Shops Improvements – Budget of £100,000.

4.3 Tourism development is also a key function and interventions have resulted in a number of activities:

- Production of Greenock Town Walking Trail leaflets
- Physical trail of 21 ground plaques across Greenock Town Centre
- Production of temporary signage for cruise ship passengers
- Permanent signage to assist cruise ship passengers will be installed for 2013 season
- Refurbishment of ITG office at Ocean Terminal
- Production of Famous People of Inverclyde and Doors Open Days leaflets
- Inverclyde businesses supported to attend Visit Scotland Expo Event and Scottish Tourism Week Conference
- Working and engaging with Inverclyde's newest visitor attractions – The Beacon and Strathclyde Fire & Rescue Museum
- Development of visitor packages – Golf & Stay; Taste of Inverclyde
- Encourage businesses to participate in Visit Scotland Quality Assurance Scheme

Further activities are being developed as per the Tourism Strategy.

4.4 To ensure the local business community is kept aware of the support available, regular company engagement is undertaken by the team and frequent meetings are held with Greenock Chamber of Commerce and the Federation of Small Businesses who provide feedback on issues of importance to businesses. Economic Development also provide part sponsorship to the Greenock Chamber of Commerce Bees Knees Dinner.

4.5 The Business Development team work closely with the Workforce Development team to ensure there are direct linkages between employability services and economic development.

4.6 It is often the case that business advice is as valuable as financial support. Our Business Development Officers use proven systems and strategies to help businesses. They challenge the status quo by asking tough questions about processes and operations. Such advice can help business owners improve their business through guidance, support and encouragement.

5.0 FINANCE

5.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
N/A					

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

6.0 CONSULTATIONS

6.1 N/A

BUSINESS SUPPORT PRODUCTS

APPENDIX 1

SMALL BUSINESS ASSISTANCE GRANT

The SBA Grant offers support of up to 50% of total costs to a maximum of £5,000 for capital expenditure on business development activities. It provides 'gap' funding - the minimum finance needed to allow a project to proceed after a business establishes how much it can raise itself and from banks and other lenders. The retail sector (and others where there is likely to be high displacement of other local business activity) are not eligible for this grant.

Case Study

A fabrication and welding company was supported to replace their existing powder coating plant which had become unserviceable. The new plant enables the company to provide a more complete service to customers by speeding up delivery of the finished product to the customer. As a result the business is able to offer lower costs and be more cost effective.

"I would like to thank Inverclyde Council for your recent assistance and funding. Although the new equipment has not created jobs, it has certainly safeguarded them and gives us a competitive edge in very difficult trading times. As a small company, to make such an investment is very difficult so without your support it would have been unlikely we could have purchased the machine so quickly. Once again, thanks." (Company Director)

SMALL BUSINESS LOAN

The Small Business Loan provides gap funding through interest free loans repayable over three years and up to a maximum of £5000, to encourage the creation and growth of small and medium sized businesses. Loans can be used for working capital, for the purchase of equipment (new or used) and for refurbishment or expansion of commercial property.

The loans available form part of a gap funding package and companies that apply must have a business plan with a clearly defined market, competitor analysis, a plan of how the company will capture market share as well as financial projections. The retail sector (and others where there is likely to be high displacement of other local businesses) are not eligible for loan funding.

Case Study

A local engineering business has grown to be one of the most successful and respected independent specialists in the UK. A small business loan was provided to assist with the purchase of the latest diagnostic kit. This has resulted in a quicker and clearer output, it has helped safeguard jobs and there is potential to create jobs in the future.

PROPERTY ASSISTANCE SCHEME

The Property Assistance Scheme offers support of up to 50% of approved building costs to a maximum of £10,000 for signage, security and general improvements to business properties. Proposals must be for premises which are in company ownership or on a long (2 years minimum) lease.

The scheme provides 'gap' funding - the minimum finance needed to allow a project to proceed after a business establishes how much it can raise itself and from banks and other lenders.

Case Study

Grant was provided for a full internal refit of a former café. This involved an extensive refurbishment of premises including the creation of a new internal doorway to connect existing with new premises. This resulted in 16 jobs being safeguarded with the anticipated creation of an additional 4 jobs.

SKILLS & BUSINESS GROWTH PROGRAMME

This programme offers up to 50% of total costs to a maximum of £2,000 towards training for business development which will have the potential to improve business turnover, profitability or employment. The grant provides 'gap' funding - the minimum finance needed to allow a project to proceed after a business establishes how much it can raise itself and from banks and other lenders.

Case Study

A local welding inspection company was supported to enable the owner/manager to undertake high level advanced inspection certification. The result of this upskilling is that the company can undertake more advanced inspection services and become highly competitive in the Oil and Gas industry which is currently experiencing a massive skills shortage.

SMALL BUSINESS TOURISM GRANT

The Tourism Grant offers support of up to 50% of total costs to a maximum of £1,000 for business development activities for tourism/hospitality related activities. Improvements to services, facilities and marketing activities are eligible for support.

Case Study

As a result of a tourism grant and assistance to participate in a Visit Scotland Quality Assurance Scheme, a business in Quarriers Village is now able to proceed with brown tourist signage from Kilmacolm to signpost their business more effectively with the potential to increase turnover and profitability.

SMALL BUSINESS DEVELOPMENT GRANT (Earmarked Reserves)

Financial support is available to companies that are in a growth phase. Grant support will provide up to 50% of total eligible project costs up to a maximum of £5,000 to new and existing businesses requiring in-depth support to introduce new products or processes, identify new markets, seek quality accreditation for example.

The grant provides 'gap' funding - the minimum finance needed to allow a project to proceed after a business establishes how much it can raise itself and from banks and other lenders. The retail sector (and others where there is likely to be high displacement of other local business activity) is not eligible for this grant.

Case Study

A local Telecoms provider was assisted to purchase a new I.T. system to enable them to set up a call centre suite. As a result of this intervention, the company employed 4 new staff including 2 Modern Apprentices.

A local joinery company was supported to purchase a new woodchip machine that is helping to improve the environment and also reduce the amount the company has to pay in Land Fill Tax. Up until the installation of the Chipper-Hogger machine last month, the company had to store tons of off-cuts in skips and then send them on a regular basis to a local land fill site. As a result of the intervention, the business can reduce all the off-cuts into wood chips and store them in a silo. This in turn feeds into the boiler which provides heat for the paint shop, the factory and produces a constant supply of hot water.

“Not only are we reducing fuel costs but we are also helping the environment and saving in land fill tax. Every saving, large and small, helps us in our goal to increase productivity and eventually to take on more employees. We are very grateful for the help and advice received from Inverclyde Council.” (Operations Manager)

SMALL BUSINESS MARKETING GRANT (Earmarked Reserves)

Marketing advice is offered free of charge and funding of up to 50% of costs to a maximum of £1,000 for marketing activities may be available to businesses based in Inverclyde that have been trading for at least six months. The marketing grant has been designed to help fund marketing activities essential to the continued success of local businesses.

Case Study

The grant helped support a local company to develop their website and add a data base system to this site which is helping to improve the administrative and booking systems thereby increasing efficiency.

“I found the whole process extremely easy and the support given to me by my Advisor was very helpful. I have been able to implement our new online booking system and already have seen a growth in the sales figures and the extra options that are now available online for customers to purchase. This means our staff do not have to try and up-sell our products which in many cases they were forgetting to do! I was impressed that I could provide my application and supporting documents via email which quickened the process and meant that our cash flow wasn't affected as we were reimbursed with the grant within a short time of the completion of our project.” (Owner/Manager)

SMALL BUSINESS LAUNCH PAD GRANT (Earmarked Reserves)

Grant support of up to 50% of total costs is available to a maximum of £1,000 for capital expenditure on business development activities. It provides 'gap' funding - the minimum finance needed to allow a project to proceed after a business establishes how much it can raise itself and from banks and other lenders. The retail sector (and others where there is likely to be high displacement of other local business activity) will not be eligible for this grant.

This grant is available to new businesses, trading for at least 6 months, to assist with general start-up costs.

Case Study

The grant has supported a new start business with capital expenditure to allow them to move into business premises. This support has been invaluable to the new start business as it assisted with cash flow.