

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Economic Development and Rural Affairs
Date:	12 April 2011
Title:	Grants to Business Support Organisations
Reference:	2758
Report From:	Director of Economy, Transport and Environment

Contact name: Frances Stokes

Tel: 01962 84 5767

Email: frances.stokes@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to seek approval for the award of a range of grants to business support organisations.

1.2. This paper seeks to:

- summarise the extent of Hampshire County Council 's previous grants to business support organisations; and
- outline the proposed level of grant support in 2011/12.

2. Background

2.1. Since 1994 it has been the practice of Hampshire County Council to actively encourage the work of several business support organisations in the county as part of its work to assist the local economy. The business support agency offer is varied and comprises many organisations, focussed on either a specific sector or location or on a particular size of business. Hampshire County Council, through its Economic Development Office, works with most of these organisations but the Council has in the past resolved only to provide financial assistance to a small number of key agencies, including the Hampshire Economic Partnership, Enterprise First, Hampshire Fare and the Sustainable Business Partnership.

2.2. The County Council has the power under the Local Government Act 2000 to do anything that is likely to achieve the promotion or improvement of the economic, social or environmental wellbeing of an area. In particular, S.2(4) of the Act enables the County Council to enter into arrangements or agreements with any person, and give financial assistance, for these

purposes. Guidance power can be used to contribute funding to groups and bodies/organisations if the authority is satisfied that this contributes to the economic social or environmental wellbeing of its area. This is considered to be the case here, where the financial provision will help to stimulate business start-up and business growth, enhancing the organisation's ability to support the Economic Development aims and objectives of the County Council.

3. Budget Reductions

3.1. The budget for business development and rural economy, including the grants to business support organisations, has been reduced to £87,000 in 2011/12 from £161,000 in 2010/11 so it will not be possible to offer the same level of support to business support organisations as before.

4. Proposed grants for 2011/12

4.1. Careful consideration has therefore been given as to the selection of which business support organisations should receive Hampshire County Council grants from this budget, looking primarily at the extent to which the grants will help to stimulate business start-up and business growth. The capacity and ability of each organisation to deliver value for money and added value to Hampshire County Council was also a key criteria.

4.2. The list of grants that are recommended to be awarded in 2011/12 are as follows:

(i)	Hampshire Fare	£35,000
(ii)	Sustainable Business Partnership	£15,000
(iii)	Enterprise First	£15,000
(iv)	Hampshire Economic Partnership	£10,000.

4.3 Providing financial support to these organisations in this way will greatly enhance their ability to support the Economic Development aims and objectives of the County Council and maximise the use of the limited financial resources available to grant aid organisations.

4.4 Each organisation will be required to spend the award in financial year 2011/12 and not accrue to 2012/13.

4.5 Each organisation is made aware that these grants are awarded for 2011/12 only at this stage, and that no assumptions should be made about future grant funding from the County Council, particularly in relation to future business planning.

5. Business Support Organisations to be grant aided

Hampshire Fare

5.1. Hampshire County Council has been supporting Hampshire Fare since 1995. It is one of the most successful food groups in the country. It is a Community Interest Company with a Board of Directors. Hampshire County Council provides office space and has until recently funded the post of Hampshire Fare Manager. This post has now been removed from the Economic Development Office staff budget and Hampshire Fare will in future recruit and appoint this post itself. The other Hampshire Fare staff are funded by Hampshire Fare. In addition to the provision of office space, Hampshire County Council normally makes a grant of £13,000 per year to Hampshire Fare. To enable Hampshire Fare to fund a Manager, it is recommended that the Council increases its grant to £35,000 for 2011/12.

Sustainable Business Partnership

5.2. The Sustainable Business Partnership (SBP) has been in existence for nearly ten years and has been supported by Hampshire County Council throughout that period. The SBP exists to help and support businesses in identifying and taking action to implement sustainable business practices. It has now formed itself into a Community Interest Company with a Board of Directors and is looking to diversify its financial base to become less reliant on public sector support. Hampshire County Council provides office space for the SBP within the Economic Development Office. It is recommended that this organisation is grant aided the sum of £15,000 towards development of its area networks. (In 2010/11 Hampshire County Council Economic Development Office gave the SBP a grant of £20,000 and Environment Department £12,000 – this latter grant will not be available for 2011/12.)

Enterprise First

5.3. Enterprise First was established in 1981 and assists clients seeking to start up a new business or develop an existing small business in Hampshire, Surrey and Kent. It is a not-for-profit company with sponsorship from the public and private sectors and offers “either free support or help at a nominal cost from a team of experienced and accredited business advisers at a range of locations across Hampshire”. It also runs very successful business clubs which provide excellent networking opportunities for new businesses.

5.4. Enterprise First is also currently working with several major banks to develop a scheme to support small businesses getting access to finance. Enterprise First is a member of the National Federation of Enterprise Agencies, supporting its Small Business Advice Service via its email support system.

5.5. With the demise of Business Link this year, it is expected that Enterprise First services will be in even more demand, and therefore it is recommended that Hampshire County Council maintains its grant at £15,000 for 2011/12.

Hampshire Economic Partnership

- 5.6. Hampshire Economic Partnership (HEP) was established in 1992 with the primary aim of bringing together business and local government. It aims to influence Government policy and support the economic prosperity of Hampshire and its cities by "identifying and championing the needs and priorities of Hampshire business, providing an authoritative economic voice for business, and ensuring that the best decisions are made to deliver sustainable economic prosperity for the area." It has eight direct trade sector task groups which are headed by leading business experts representing industry sectors across the county.
- 5.7. Hampshire County Council has always been closely involved with HEP and has demonstrated its commitment to the organisation through representation on many of the task groups, having a place on the HEP Board and Executive Committee, and by an annual grant of £15,000. HEP is increasing its revenue from private sector funders and also has income from around five European projects. It is recommended that Hampshire County Council awards a grant of £10,000 in 2011/12 and that this should be awarded on a quarterly basis.

6. Recommendations

- 6.1. That the award of grants to the following business support organisations in 2011/12 be approved:

(i)	Hampshire Fare	£35,000
(ii)	Sustainable Business Partnership	£15,000
(iii)	Enterprise First	£15,000
(iv)	Hampshire Economic Partnership	£10,000.

- 6.2. That the grant recipients be advised that they should not assume that County Council grant funding will continue to be available beyond the current financial year for the purposes of future financial planning.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because there is a proposed variation in the nature and amount of awards to the business support organisations than previously agreed.

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. A general Impact Assessment has been completed for business support activities of Hampshire County Council.

2. Impact on Crime and Disorder:

- 2.1. Not applicable.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Not applicable.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Not applicable.