

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 14 March 2022</b>
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Vale of Glamorgan Business Start-up Bursary
Purpose of Report:	To seek approval to establish a fourth round of the Council's Business Start-up Bursary
Report Owner:	Deputy Leader and Cabinet Member for Education and Regeneration
Responsible Officer:	Chief Executive
Elected Member and Officer Consultation:	<p>Leader</p> <p>Chief Executive</p> <p>Head of Regeneration and Planning</p> <p>Interim Head of Finance/S151 Officer</p> <p>Operational Manager, Regeneration</p> <p>Operational Manager, Accountancy</p> <p>Principal Lawyer</p>
Policy Framework:	This is a matter for Executive Decision
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The Council has operated three rounds of its business start-up bursary scheme for young people aged 18-30 since 2006. 75 new businesses were established during this period. A dedicated officer was in post for each of these schemes to offer mentoring and business planning support.</li> <li>• As a result of Covid 19, both a need and funding have been identified to operate the scheme for a fourth round. The same model would be used but with no upper age limit on the criteria, reflecting the changing employment and economic circumstances of many people during the pandemic.</li> <li>• A reserve of £159,0744 has been identified to support the operation of the scheme and the Waterloo Foundation who previously financially supported the grants issued are contributing £60,000 towards the scheme.</li> </ul>	

## **Recommendations**

1. That authority be granted to the Head of Regeneration & Planning, in consultation with the Deputy Leader and Cabinet for Regeneration and Education to agree the final guidance and assessment process for the Vale Business Start-up Bursary scheme.
2. That the use of the urgent decision procedure as set out in Section 14.14 of the Council's Constitution be exercised to enable the scheme to be launched in March in readiness for the new financial year.

## **Reasons for Recommendations**

1. To enable the Council to utilise funding to increase the number of new business start-ups and job creation in the Vale of Glamorgan.
2. To enable the business start-up bursary scheme to begin from 1st April, 2022.

## **1. Background**

- 1.1 In 2006 the Council was awarded funding via the Welsh Government's Rural Development Plan for Wales to pilot a business start-up bursary scheme for people up to the age of 30. This scheme saw the creation of 23 new businesses.
- 1.2 The scheme was deemed to be a success with much higher business survival rates than on average. Funding was sought to deliver the scheme for a second and third time, with a further 52 new businesses established by the end of 2016.
- 1.3 Since the last scheme ended, the Economic Development team has operated a specific programme of support for start-up businesses through events such as free quarterly start-up clubs, training, and mentoring.

## **2. Key Issues for Consideration**

- 2.1 As a result of Covid 19, both a need and funding have been identified to operate the scheme for a fourth time. The same model would be used but with no upper age limit on the criteria, reflecting the changing employment and economic circumstances of many people during the pandemic.
- 2.2 A reserve of £159,744 has been identified to support the operation of the scheme and the Waterloo Foundation who previously financially supported the grants issues are contributing a further £60,000 towards the scheme.
- 2.3 A grant will be available (up to 75%) for applicants to apply to start up their new enterprise. The fourth round of the scheme aims to support around 50 new businesses, with at least £150,000 of the budget being ringfenced for grants. Subject to the interest in the scheme additional grants may be issued from the overall funding envelope of £219,744. Previous schemes have also operated in this way.

- 2.4 Success of previous schemes has in part been attributed to the follow up support offered to recipients and the staffing budget for the fourth round will allow this.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1 The proposals set out in this report accord with the five ways of working as follows:
- a) Involvement – The project will work closely with schools, FE, DWP and other Cardiff Capital Region to promote the scheme and involve advisors from Business Wales and other support services.
  - b) Collaboration - The Council will collaborate with support agencies and other funding bodies to add Value to existing funding. This project sees the ongoing collaboration between the Waterloo Foundation and the Council. Enterprise support is a key priority of the Foundation.
  - c) Integration - The scheme will be integrated into the overall support given to business by the Economic Development team, whether that be advice on planning, funding, or business start-up events.
  - d) Prevention – The model that we are choosing to adopt supports new business and has a track record of low failure rates. We will also work closely with colleagues in employment and skills teams to identify entrepreneurs from within deprived communities in the Vale.
  - e) Long Term – The model chosen as proven to establish viable businesses that have gone on to grow substantially.

## **4. Resources and Legal Considerations**

### **Financial**

- 4.1 Funding has been identified for the delivery of this scheme. Additional funding from the Waterloo Foundation has been accepted via the Emergency Powers Process in 2021. Due to the number of staff working on Covid support grants it was felt necessary to delay the opening of this scheme until 2022.

### **Employment**

- 4.2 The scheme will create up to 50 new businesses that will in time create jobs in the Vale.
- 4.3 Staff who are currently employed by the Council to support businesses will be employed via the scheme using funding identified.

### **Legal (Including Equalities)**

- 4.4 Existing funding agreements that have been approved by Legal Services will be resubmitted for review prior to use.

## **5. Background Papers**

None.