



CHELTENHAM

BOROUGH COUNCIL

Notice of a meeting of Cabinet

**Tuesday, 24 June 2014
4.00 pm**

Municipal Offices, Promenade, Cheltenham, GL50 9SA

Membership	
Councillors:	Steve Jordan, John Rawson, Rowena Hay, Peter Jeffries, Andrew McKinlay, Jon Walklett and Chris Coleman

Agenda

	Section 10: BRIEFING NOTES	
	Planned 12 month extension to GEL contract for the provision of business support services to business start-ups in Cheltenham Outside Bodies List-Cabinet Member appointments (to follow)	

Contact Officer: Rosalind Reeves, Democratic Services Manager, 01242 774937
Email: democratic.services@cheltenham.gov.uk

This page is intentionally left blank

Briefing Notes

Page 1

Committee name

Cabinet

Date

24 June 2014

Responsible officer

Martin Quantock

This note contains information to keep Members informed of matters relating to the work of the Cabinet or a committee but where no decisions from Members are needed.

If Members have questions relating to matters shown, they are asked to contact the Officer indicated.

Planned 12 month extension to GEL contract for the provision of business support services to business start-ups in Cheltenham

The current economic climate, although improving, is still creating challenging conditions for Cheltenham businesses, particularly for business 'start-ups'. As a result, small businesses require increasing support and advice and with the demise of Business Link it is even more important for the council to provide support.

The existing business support service commissioned in March 2013 has proved extremely successful in supporting new start-up businesses in the borough and providing advice and encouragement to those looking to grow. With ED no longer able to provide funding for schemes such as rent relief grants, the business support service is an effective way in which the council can show its commitment in supporting businesses to prosper in challenging economic times.

Unemployment and redundancies has seen many people starting their own enterprise, and has led to such business support services being in high demand. The past 18 months have shown a significant increase in enquiries to the council from small businesses requiring support and advice. Up until November 2011, businesses could access Business Link's face to face service, and although there are a variety of support websites, many businesses place a high value on face to face support. In response, Cheltenham Borough Council set up trial support clinics which ran for 5 months and were oversubscribed - this further demonstrated the demand for face-to-face advice.

In March 2013 in order to provide a longer-term solution, economic development commissioned a business support service with Gloucestershire Enterprise Ltd for a period of 12 Months. The contract included weekly business clinics with a professional business advisor - free to anyone starting or owning an existing business with less than 250 employees in Cheltenham. As well as a monthly enterprise club - a free day course in guidance on how to start a business.

Both have been heavily subscribed and to date delivery has included 15 enterprise clubs with 184 attendees and 88 business clinics supporting businesses to start or grow in the borough. Clinics are consistently full and the enterprise clubs have recorded the highest number of attendees of all districts,

Having allocated £10,000 for 12 months of the service, there has been an under spend of £4,600, this is mainly attributed to the contract specifying Gloucestershire Enterprise could invoice for actual appointments only, not an amount of time. This under spend has allowed the advice clinics to continue beyond the contract end date and to subsidise further training courses identified within the clinic session.

In recognition of the under spend the amount needed to fund a further 12 months can be calculated as follows;

Business Clinics (12 months) - **£6,000**

Workshops (Business Enterprise Clubs) - **£2,500** (50% funding of workshops equates to approx £2,500 which allows for an average of 8 delegates per month attending one of the half-day workshops)

Total **£8,500**

- £4,600 carry forward = **£3,900**

To summarise - in order to fund the service for a further 12 months would require **£3,900** CBC funding

We have taken into consideration the potential impact of the LEP's Growth Hub. By extending the Business Advice Service by 12 months, this will enable the Growth Hub time to become properly established. It is hoped the Growth Hub will either complement existing business support provision in the county by focusing on high growth companies rather than start-up businesses or, indeed, provide the service to start-ups itself. We will continue to ensure service duplication is avoided and promote partnership working where appropriate.

The intention is:

For the CBC Economic Development Manager, in consultation with, and agreement of, Cllr Jordan,

- 1. To extend the current business support contract for a further 12 months**
- 2. A request will be made as part of the 2013/14 Revenue Outturn report for the underspend of £4,600 from the original contract to be carried forward to fund the contract extension in 2014/15**
- 3. The remaining £3,900 will be funded from the Economic Development budget in 2014/15.**

Contact Officer: **Martin Quantock**
Tel No: **01242 252626**
Email: **manager@cheltenhambp.org.uk**