

Regeneration, Community and Culture Overview and Scrutiny Committee

BRIEFING NOTE – No 07/14

Date: 13 October 2014

Briefing paper to: All Members of the Regeneration, Community and Culture
Overview & Scrutiny Committee

Purpose:

To inform Members of information as to how measurements were undertaken in terms of time periods where a job has been safeguarded requested at the last meeting of the Committee.

1. Jobs created & safeguarded are measured from a number of different sources of intervention including Partners for Growth (PFG) start up grants & loans, businesses taking workspace, TIGER loans and businesses relocating into Medway. In the case of funding schemes such as PFG and TIGER, only growth businesses creating new jobs are supported.
2. An intensive assist is where a business is provided with a minimum of 2 hours of specialist advice. This may be from one to one business advice or workshops, which may be up to a day in duration. Start up business may attend up to 4 days of business planning workshops followed by one to one advice.
3. When jobs created are recorded has often been debated but has generally been agreed with agencies, such as Locate in Kent, that jobs are recorded at the start point, following the provision of an intervention as shown in para. 1. In the case of the Council's PFG funding scheme, the jobs are recorded when the loan is made and then the business is monitored during the duration of the loan, usually 3 years. This is provided through a Service Level Agreement and the current provider is Kent Invicta Chamber of Commerce.
4. In December 2012 a survey was carried out of all businesses supported by PFG since the scheme commenced in 1994, and the survival rates are shown below.

1994 – 1998 Grants	
Still trading in Medway	41
Still trading but moved from Medway	12
Company liquidated	2
No record found, assumed ceased trading	7
Sub total	62
Survival rate	85%
1999 – 2005 Grant/loan combined	
Still trading in Medway	53
Still trading but moved from Medway	5
Company liquidated	5
No record found, assumed ceased trading	3
Sub total	66
Survival rate	88%
2005 to 2012 - Interest free loans	
Still trading in Medway	32
Still trading but moved from Medway	0
Company liquidated	2
No record found, assumed ceased trading	0
Sub total	34
Survival rate	94%
Total businesses	162
Overall survival rate	89%

5. Measurement of whether or not the PFG scheme is providing “value for money” is done by benchmarking against other schemes. The Department for Business, Innovation & Skills (BIS) has funded business loan schemes through the Regional Growth Fund (RGF) and the maximum loan figure per job created/safeguarded is £22,000.
6. In Medway the RGF scheme TIGER was introduced in April 2013 and to date has provided loans and equity funding totalling £4.3million to 10 Medway businesses and 3 inward investments. This has created/safeguarded 405 jobs at a value of £10,607 per job. Medway Council’s PFG scheme has to date supported 280 businesses with £1,886,666 creating and protecting 2,973 jobs at a value of £635 per job

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