

To:	Warden Halliday and Members of Grey County Council
Committee Date:	January 25, 2018
Subject / Report No:	CAOR-CW-03-18
Title:	Small Business Enterprise Centre Transition
Prepared by:	Savanna Myers, Manager of Economic Development
Reviewed by:	Kim Wingrove, Chief Administrative Officer
Lower Tier(s) Affected:	All Grey County, particularly Owen Sound
Status:	Recommendation adopted by Committee as presented per Resolution CW43-18; Endorsed by County Council February 8, 2018 per Resolution CC24-18;

Recommendation

1. That Council receive report CAOR-CW-03-18 titled **Small Business Enterprise Centre Transition**; and
2. That staff be directed to enter into negotiations with the Province of Ontario to transition the **Business Enterprise Centre to Grey County Economic Development** under a new agreement.

Executive Summary

Staff is proposing a transition of the Business Enterprise Centre – Owen Sound and Area (BEC) from the City of Owen Sound to the Grey County Economic Development Department.

Transitioning the BEC to an in-house operation will help to reinforce the regional application of the service in addition to better equipping staff and municipal/community partners with the necessary tools to close the loop of business development through a strategic and focused approach.

Staff recommends the transition takes place April 1, 2018.

Background and Discussion

The Business Enterprise Centre (BEC)

The Business Enterprise Centre – Owen Sound and Area (BEC) is operated by the City of Owen Sound, funded by the Province of Ontario and is a member of the ONE Network (Ontario

Network of Entrepreneurs). There are currently 53 Small Business Enterprise Centres (SBECs) operating in Ontario.

The BEC opened its doors in 2000 to meet the needs of entrepreneurs and small business owners across the region. BEC provides a complete Business Resource Centre experience where entrepreneurs can find assistance, expertise and information for the purposes of starting, growing or expanding a small business. BEC provides support and guidance to local business owners.

The BEC exists through a partnership and core agreement between the City of Owen Sound and the Ministry of Research, Innovation and Science (MRIS) and the Ministry of Economic Development and Growth (MEDG).

The BEC provides:

- One-on-one free consultations with qualified business consultants who help clients start and grow businesses;
- Information on financing options and help developing a business plan;
- Information on permits, licences and government supports;
- Business and professional development seminars and networking events;
- Information and access to youth entrepreneurship programs;
- Starter Company Plus and Summer Company programs including grants;
- Access to resource materials and use of a computer.

The BEC operations fall under the City's Community Services Department and the office is located at 173-8th Street East across from City Hall.

MRIS and MEDG require each BEC to submit annual business plans for approval. Staffs' wages and all operating expenses, based on the approved business plans, are paid for as per the terms of each of the agreements with MEDG. Agreements exist between the City, MRIS and MEDG for:

- a. core funding;
- b. Start Company Plus; and
- c. Summer Company

The current budget is approximately \$220,000 annually. The BEC has two dedicated staff. Facilitators, contractors and other short term staff are hired as required and are project driven and funded.

BEC Transition

Grey County Economic Development is focused on delivering to Goal One of the Corporate Strategic Plan: Enhance Grey County's economy by becoming investment ready and promoting Grey County's exceptional economic assets and opportunities. This is achieved through the implementation of the Economic Development Strategic Plan which envisions Grey County is 'Open for Business':

As a direct result of open and transparent communication, real collaboration and true partnerships, Grey County, together with municipal and community partners, will be fully engaged and working together to continually create a positive environment where

businesses and investors have the information, the resources and the support needed to succeed.

The BEC purpose and functions are well aligned with Grey County Economic Development's vision and action plan, demonstrating a strategic fit within the department. Transitioning the BEC to an in-house operation will better equip our staff and municipal/community partners to streamline the business development process while also providing financial support to entrepreneurs through the highly successful Starter Company Plus and Summer Company Programs. The BEC provides the necessary tools to springboard our work and close the loop of business development through a strategic and focused approach.

Staff engaged in conversations with leadership from the City of Owen Sound and BEC regarding the possible transition to Grey County Economic Development. All parties are supportive. The BEC has informed the Province of the proposed transition and received positive response.

Similar models of transition are available locally as both Huron and Bruce Counties recently brought their respective BECs in-house. Conversations with staff from both Huron and Bruce resulted in confidence about such a transition.

Staff recommend a transition date of April 1, 2018 to align with the provincial fiscal year. This will allow Grey County to enter into the new Summer Company agreement for 2018 and provide one year of operation under the existing terms before the core agreement and Starter Company Plus agreements come up for renewal in April 2019.

It is proposed that the BEC be located at the Regional Skills Training, Trades & Innovation Centre (STTIC) in September 2018 (see report CAOR-ED-02-18). In the meantime staff would temporarily locate at the Grey County Administration Building as the current lease at 173-8th Street East expires in June 2018.

Complete details about staffing, programming and re-positioning will be determined following Council approval of the recommended transition.

Legal and Legislated Requirements

Formal agreement must be executed with the Province for BECs Core Funding, Starter Company Plus and Summer Company to reflect Grey County as the funding recipient.

Financial and Resource Implications

The approximately \$220,000 budget is funded entirely by the MRIS through a core agreement and two secondary agreements for the Starter Company Plus and Summer Company programs through MEDG.

Relevant Consultation

- Internal – Chief Administrative Officer, Director of Finance, Economic Development Staff.
- External – Owen Sound City Manager and Director of Community Services, Business Enterprise Centre Manager, Huron County Director of Economic Development, Bruce County

Manager of Economic Development and Corporate Policy.

Appendices and Attachments

Appendix A: BEC Contract Highlights

Appendix A: BEC Contract Highlights

	MRIS Core	Starter Company Plus (MEDG)	Summer Company (MEDG)
Annual Funding	\$93,815.00	\$97,500.00	\$29,000
Agreement Term	April 1, 2017 to March 31, 2019 (Two Year)	January 1, 2017 to March 31, 2019 (Two Year)	May 2017 to November 2017 (One Year)
Purpose	Basic core mandated services including consultation, major events and regular workshops.	Training, business plan development, grant application support and business community mentoring.	Open to all students age 15-29 returning to school. Start-up expense coverage, plan development, cash flow forecasting, training, business community mentoring.
Grants Included in Funding	n/a	Up to \$50,000 Up to \$5000 grants available.	Up to \$15,000 Up to \$3000 grants available.
Businesses Started (Program Enrollment)	n/a	Up to 30	4-8