



Council Report

Report Number:	ED2022-014
Meeting Date:	March 22, 2022
Title:	2022-2024 Kawartha Lakes Small Business & Entrepreneurship Centre (KLSBEC)
Description:	Transfer Payment Agreement
Author and Title:	Diane Steven, Economic Development Officer Entrepreneurship

Recommendations:

That Report ED 2022-014, **2022-2024 Kawartha Lakes Small Business & Entrepreneurship Centre (KLSBEC)**, be received; and

That the Mayor and Clerk, following a review of agreements to the satisfaction of the City Solicitor, be authorised to execute agreement(s) with the Province of Ontario for the Kawartha Lakes Small Business & Entrepreneurship Centre program for 2022-2024, and any extensions to the program.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

In recognition of the vital role that entrepreneurial activity and businesses play in Ontario's economy and specifically in the growth and prosperity of local communities, Small Business Enterprise Centres (SBECs) were created in local communities across Ontario to deliver various services and programs.

The SBEC Core programming dates back to the mid 1980's with a few pilot Business Self-Help Offices (BSHOs). There are currently 54 SBEC locations across Ontario.

The Province of Ontario established the SBEC Program across the province with the intent to provide relevant resources, training, mentoring to entrepreneurs, businesses, and youth, as applicable, and/or Micro-Financing to individuals and youth to start, expand, or purchase, as applicable, a small business in Ontario.

The Province first entered into partnership with the City of Kawartha Lakes in 2002 to establish the Kawartha Lakes Small Business & Entrepreneurship Centre (KLSBEC).

The KLSBEC provides the Core Service program supporting the broader small business community in Kawartha Lakes. Additional programs, also provincially funded, delivered under the KLSBEC umbrella include Starter Company PLUS and Summer Company. These programs provide training, mentorship and grants to programs participants and are delivered by an additional staff person for program delivery.

Over the 20 years, the KLSBEC has established itself as the first stop for entrepreneurs and new business owners looking for guidance, resources and training as they plan to start and grow their businesses.

The Province of Ontario has shared with Staff their intent to enter into a new transfer payment agreement for the KLSBEC program for a two-year period, April 1, 2022 to March 31, 2024, with the possibility of a one-year extension. The transfer payment agreement has not yet been received from the Province, however, as the current agreement expires on March 31, 2022, it is anticipated that new agreement will be received and require execution before March 31, 2022.

This report requests that Council approve the City of Kawartha Lakes entering into a new funding agreement with the Province of Ontario for 2022-2024.

Rationale:

Under transfer payment agreements, the Province provides funding to SBECs (including municipalities and non-profit entities). The SBEC Core Initiative consists of Client Services and supports to entrepreneurs and new businesses within a municipality and surrounding service region.

The mandate of the SBEC Core Initiative is to help build a prosperous and fair Ontario by:

1. Assisting small Main Street business, including entrepreneurs, new business start-ups;
2. Providing stability and early-growth support to existing business which are typically:
 - a. Less than five (5) years in operation, and
 - b. Have under ten (10) employees;
3. Improving the success rate and longevity of small businesses in Ontario; and
4. Raising the profile and promoting small business in Ontario as an important part of the community and as a viable career choice.

Starter Company PLUS

Starter Company Plus program provides entrepreneurs with free access to training and mentorship to help launch or grow their early stage. Participants will receive training and business skills development as well as mentorship from local business leaders and may be eligible for a grant of up to \$5,000.

Summer Company

Summer Company is a program funded by the Government of Ontario to foster and develop the entrepreneurial spirit in students between the ages of 15 to 29. The program provides hands-on training, mentorship and financial grants of up to \$3,000.

SBECs provide:

1. Training and business skills development to help small businesses maintain or expand their own business;
2. Business supports to help start businesses, and to help businesses to prosper and expand;
3. A variety of services, events, and activities targeted at supporting small businesses; and

4. Data collection of a number of metrics to help understand and assess the local economic environment and performance.

Through this partnership agreement, the province funds a significant portion of the overall program costs. The statistics below highlight some of the accomplishments from the current agreement covering 2019-2022:

Consultations =869

Jobs created =132

Seminars =109

Grant funding issued for Starter Company PLUS =\$123,600

Grant funding issued for Summer Company =\$45,000

The KLSBEC is also part of the Small Business Centres Ontario network consisting of 54 SBEC locations across the province. The SBECs provide local support and resources to clients located within their individual catchment areas. The goal is to help clients access the information they need and to reduce barriers to researching and launching a new business.

The Small Business Centres Ontario announced the launch of their new website www.sbcontario.ca which services as a hub for 45 existing Small Business & Entrepreneurship Centres (SBECs). Through funding from the Ontario Government under the Ontario Together Fund initiative, the site has been created to increase access and awareness of the Small Business COVID Recovery services available to small businesses.

This new agreement is for two years with an option to continue for an additional third year. The agreement will include Core Programming, Starter Company PLUS and Summer Company Program.

Other Alternatives Considered:

Since 2002 Council has been in partnership between the Province of Ontario and the City of Kawartha Lakes and has seen it as being a beneficial relationship. It has afforded the City of Kawartha Lakes to dedicate staff and resources in support and growth of the small business communities. The KLSBEC is an integral part of the Economic Development Division.

Continuing the transfer payment agreement with the province also brings grant funding for small businesses into our community through the Starter Company PLUS and Summer Company Programs.

It is recommended that the partnership be continued and the agreement be renewed in support of the health and growth of the small business communities across the City of Kawartha Lakes.

Alignment to Strategic Priorities

The KLSBEC program advances the strategic priority of the 2020-2023 Kawartha Lakes Strategic Plan;

- A Vibrant and Growing Economy

through supporting entrepreneurship, new business start-up and growth, and helping make the public recognize that there are opportunities to work and grow their families and keep our community strong.

Financial/Operation Impacts:

The annual funding amount that will be received from the Province of Ontario will total \$199,990. For the fiscal year 2022-2023 the breakdown of these funds includes \$126,990 for operating costs, and \$73,000 for grants to be directed to the small business community for Starter Company PLUS and Summer Company programs.

The 2022 operation budget for the KLSBEC program is \$276,275. With the Provincial support of \$199,990, the municipal tax base contribution will be \$76,285.

Consultations:

Manager Economic Development

Senior Accountant

Attachments:

None.

Department Head email: rholy@kawarthalakes.ca

Department Head: Richard Holy, Director of Development Services