



Council Report

Report Number:	ED2024-023
Meeting Date:	April 30, 2024
Title:	2024-2025 Kawartha Lakes Small Business Centre (KLSBC)
Description:	One-year Transfer Payment Agreement
Author and Title:	Diane Steven, Economic Development Officer Entrepreneurship

Recommendations:

That Report ED2024-023, 2024-2025 Kawartha Lakes Small Business Centre (KLSBC), be received; and

That the Mayor and Clerk, following a review of agreements to the satisfaction of the City Solicitor, be authorized to execute agreement(s) with the Province of Ontario for the Kawartha Lakes Small Business Centre program for 2024-2025, and any extensions to the program.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Acknowledging the pivotal role that entrepreneurial activity and businesses play in Ontario's economy, particularly in fostering growth and prosperity within local communities, the Small Business Enterprise Centres (SBECs) were established across Ontario to offer a range of services and programs.

The roots of the SBEC Core programming trace back to the mid-1980s with the inception of a few pilot Business Self-Help Offices (BSHOs). Presently, there are 54 SBEC locations spread across Ontario.

The Province of Ontario initiated the SBEC Program with the objective of providing pertinent resources, training, mentoring to entrepreneurs, businesses, and youth. Additionally, micro-financing opportunities are extended to individuals and youth to facilitate the initiation, expansion, or acquisition of small businesses in Ontario.

In 2002, the Province collaborated with the City of Kawartha Lakes to establish the Kawartha Lakes Small Business Centre (KLSBC), which serves as a hub for the local small business community. Alongside the Core Service program, the KLSBC administers other provincially funded initiatives such as Starter Company PLUS and Summer Company. These programs offer training, mentorship, and grants to participants and are facilitated by dedicated staff.

Over the course of two decades, the KLSBC has solidified its reputation as the primary resource for entrepreneurs and new business owners seeking guidance, resources, and training to embark on and expand their ventures.

The Province of Ontario has communicated its intention to forge a new transfer payment agreement for the KLSBC program spanning from April 1, 2024, to March 31, 2025. This report seeks Council's approval for the City of Kawartha Lakes to enter into a new funding agreement with the Province of Ontario for the fiscal year 2024-2025.

Rationale:

Under transfer payment agreements, the Province allocates funding to SBECs, encompassing municipalities and non-profit entities. The SBEC program includes three areas; Core, Starter Company Plus, and Summer Company. The Core Initiative comprises Client Services and supports tailored to entrepreneurs and new businesses within a municipality and its surrounding service region.

The mandate of the SBEC Core Initiative is to foster a prosperous and equitable Ontario by:

1. Assisting small Main Street businesses, including entrepreneurs and new start-ups.
2. Providing stability and early-growth support to existing businesses, typically less than five (5) years in operation, and with under ten (10) employees.
3. Enhancing the success rate and longevity of small businesses across Ontario.
4. Elevating the profile of small businesses in Ontario and promoting them as integral components of the community, as well as viable career choices.

Starter Company PLUS:

The Starter Company PLUS program, funded by the Government of Ontario, offers entrepreneurs complimentary access to training and mentorship to facilitate the launch or expansion of their early-stage ventures. Participants undergo training in business skills development and receive mentorship from local business leaders, with potential eligibility for grants of up to \$5,000.

Summer Company:

Summer Company program, funded by the Government of Ontario, aims to cultivate the entrepreneurial spirit among students aged 15 to 29. This initiative provides hands-on training, mentorship, and financial grants of up to \$3,000.

SBECs provide:

1. Training and business skills development to support small businesses in sustaining or expanding their operations.
2. Business supports for start-ups and existing businesses to thrive and grow.

3. Diverse services, events, and activities tailored to bolstering small businesses.
4. Data collection to gauge various metrics and assess the local economic landscape and performance effectively.

Under this collaborative partnership agreement, the province contributes a substantial portion of the total program expenses.

The following statistics illustrate key achievements of the two EDOs from the existing agreement spanning 2022-2024:

Consultations = 580

Jobs created = 162

Seminars = 44

Starter Company PLUS Participants = 28

Grant funding issued for Starter Company PLUS = \$110,000

Summer Company participants - 11

Grant funding issued for Summer Company = \$33,000

The KLSBC actively fosters collaboration with local stakeholders to support the small business community. An example of this collaboration is the annual Small Business Week events, where the KLSBC partnered with the Kawartha Lakes Community Futures Development Corporation (KLCFDC) and chambers of commerce to host and deliver events focusing on key topics of the period.

The new Transfer Payment Agreement (TPA) (Attachment 1) spans April 1, 2024 to March 31, 2025 and encompasses Core Programming, the Starter Company PLUS, and the Summer Company Program. The new agreement includes the following changes to the current agreement:

- TPA provides up to 90 percent of funding upfront with 10% holdback
- Reporting frequency reduced from quarterly to bi-annually
- New KPI requirements for Voluntary Self-Identified Demographics

Other Alternatives Considered:

Considering the fruitful partnership between the Province of Ontario and the City of Kawartha Lakes since 2002, this partnership has empowered the City of Kawartha Lakes

to allocate staff and resources towards supporting and fostering its small business communities. The KLSBC stands as an integral component of the Economic Development Division.

Continuing the transfer payment agreement with the province also secures grant funding for small businesses within our community through initiatives like the Starter Company PLUS and Summer Company Programs.

It is strongly recommended to continue this partnership and renew the agreement, thereby fostering the health and growth of small business communities across the City of Kawartha Lakes.

Alignment to Strategic Priorities

The KLSBC program advances the strategic priorities of the 2024-2027 Kawartha Lakes Strategic Plan;

- A Vibrant and Growing Economy
- Good Government

As a member of the Economic Development Team, 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 the 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 2024-2025 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 2024 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:

Appendix A: Ontario Transfer Payment Agreement for SBEC Program:



Adobe Acrobat
Document

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