

Title of Report: DAERA Rural Business Capital Grant Scheme – Tackling Rural Poverty and Social Isolation	Officer Presenting: Head of Business Author: Project Officer
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1. Purpose of Report/Recommendations

1.1 The purpose of this report is to update members on funding from the Department of Agriculture, Environment and Rural Affairs (DAERA) for the roll-out of a Rural Business Capital Grant Scheme for the financial year 2020-2021.

2. Background

2.1 Members will recall that during the 2019-20 financial year, Council administered a pilot Rural Business Development Grant scheme on behalf of the Department of Agriculture, Environment and Rural Affairs (DAERA) through the Tackling Rural Poverty and Social Isolation Programme (TRPSI).

2.2 The aim of the funding programme was to provide rural micro businesses with capital support to assist in tackling poverty and social isolation within deprived rural areas with the wider aim of sustaining rural communities and economies.

2.3 The pilot programme was open to micro businesses based in the rural areas of the Council area. Fifteen applicants were successful in securing grants of up to £4,999 to make capital investments in their businesses. The total value of grants awarded was £44,173.03.

2.4 The sectors that the funding supported were:

Service: 1	Recycling: 1
Engineering / Manufacturing: 2	FMCG: 1
Brewery: 1	Hospitality: 1
Building / Construction: 3	Videography: 1
Haulage: 1	

- 2.5 Due to the success of the pilot scheme, DAERA has approached Councils to administer another programme, of similar scale and value to the last one, subject to the outcome of a Business Case, which is currently under DAERA consideration.
- 2.6 The 2019/20 pilot Scheme placed business sustainability and growth as its core aims. In the intervening period, the COVID 19 pandemic has changed the landscape for all businesses. For this reason, the partner Councils has identified business recovery as the key theme for this current Programme. The business case recognises that for some, new business opportunities will emerge and for others previous work practices will have to change to order to meet social distancing guidance for staff and customers. It is proposed that the funding offered through this programme will assist participating businesses in their recovery efforts by providing capital assistance for equipment/machinery for new business practices or planned growth plans and building adaptations (internal and external) to facilitate social distancing measures.
- 2.7 The objectives of the programme are similar to 2019/20:
- Provide at least 10 micro businesses with a capital grant capped at £4,999, at a match funding rate of 50% from DAERA and 50% from participating businesses, up to a total project cost of £20,000.
 - Seek to minimise poverty, social exclusion and inequality amongst those living in rural areas.
- 2.8 A micro business is a business with up to 10 full-time equivalent employees and the rural area is defined as any village or area with less than 5,000 residents.
- 2.9 Should the business case be accepted, DAERA has indicated that each Council would be awarded a similar allocation of funding to 2019/20. This would give DCSDC's an allocation was £47,490, with a further £7,124 to administer the programme.
- 2.10 The Business plan has been submitted to DAERA and is currently under consideration. DAERA hope to be in a position to release Letters of Offer in early July 2020. It is anticipated that the application call will open on 3rd August, closing on 11th September 2020.

3. Key Issues

- 3.1 Derry City and Strabane District Council will be responsible for delivering the public-facing aspects of the pilot Scheme i.e. the assessment of applications, issuing letters of offer, processing claims for grant aid from successful applicants and monitoring of project delivery.
- 3.2 Council will also have to adhere to the timelines agreed by DAERA for opening and closing dates and claim verification.

4. Financial, Equality, Legal, HR, Improvement, Rural Needs and other Implications

- 4.1 It is anticipated that approximately £47,490 of funding will be made available to the DCSDC area in the 2020/21 financial year to deliver this programme, and that approximately 12-14 rural businesses will benefit from grant aid.
- 4.2 There is no direct financial contribution required from the Council. DAERA will pay the Rural Micro Business Small Grants award directly upon verification by Council Officers. As with the previous programme, Derry City and Strabane District Council will receive a Letter of Offer for £7,124 to be used for administration purposes to promote and deliver the programme, which will be managed by the Business Support Team.
- 4.3 The programme will be advertised and marketed through all mediums and is accessible, inclusive and open to all rural businesses within the District.
- 4.4 The programme will complement national and local business support efforts related to COVID 19. In light of the current COVID pandemic various coronavirus business support interventions have been announced by the UK Government and NI assembly. Invest NI is also offering support under the four categories of respond, recover, rebuild and resources with each category offering different types of support from signposting to mentoring.
- 4.5 This scheme will also complement all Councils' current business support programme offerings which provide bespoke mentoring assistance (one-to-one support and workshops) to micro and small businesses, to drive growth, stimulate new job creation as well as assisting business recovery.

5. Recommendations

- 5.1 That Council agrees to participate in the second Rural Business Development Grant Scheme in 2020-21, subject to the award of funding from DAERA through the Tackling Rural Poverty and Social Isolation Programme.
- 5.2 That subject to Council approval, delegated authority is granted to accept the Letter of Offer and to administer the programme on behalf of DAERA.