

Title of Report: Covid Recovery & Revitalisation Plan: Business Start Up Grants	Officer Presenting: Head of Business Author: Business Development Manger
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1 Purpose of Report/Recommendations

- 1.1 To seek member's approval to develop/deliver a Covid Recovery Start Up Grant Programme to support new business starts in the Derry City and Strabane District Council area.

2 Background

- 2.1 Members will be aware that a cross directorate internal working group was set up in May 2020 led by senior Officers from Business and Culture, Environment and Regeneration, Health and Communities tasked with providing an integrated approach to supporting our City and Town Centre's and Rural businesses as the current pandemic has progressed.
- 2.2 Since the beginning of the pandemic, Council's Business and Culture team has provided a dedicated Covid Business Recovery and Referral service. The team has fielded in excess of 500 individual queries; supported DfE in providing a validation service for the administration of its Hospitality Grant scheme; delivered the Go For It Business Start scheme; launched the Business Innovation and Growth (BIG) – mentoring programme, administered the DAERA TRIPSI Programme grant and the DfC/ DAERA funded Covid Recovery and Revitalisation grant programme.
- 2.3 Covid-19 is an unprecedented challenge for all businesses, however for Start Ups at the most vulnerable phase of their development it is a potential existential crisis. During the Covid crisis there has been extensive funding packages to support established businesses however government aid has tended to neglect Start Ups, this is a major area for concern.

- 2.4 It is widely recognised that new business starts are the lifeblood of a competitive economy, offering new and diverse employment opportunities and giving consumers greater choice, it is therefore vitally important that the Start Up eco system is supported financially not only to survive but to prosper during this time of crisis.
- 2.5 Councils Business Development team propose to support new business starts in Derry and Strabane by developing/ delivering a Covid Recovery Start Up Grant Programme in collaboration with Enterprise North West and Strabane Enterprise Agency.
- 2.6 The aim of the Covid Recovery Start Up Grant Programme is to:
- Foster innovative ideas that have the potential to boost economic development
 - Inspire and promote the spirit of entrepreneurship
 - Allocate a cash grant up to £500 to participants to provide financial help towards the marketing of products, capital costs, rent, set-up costs, or cost of renovating premises etc.
- 2.7 The programme will be open to individuals in Derry and Strabane who are planning to start a new business within 6 months of the programme launch (December 2020).
- 2.8 The determination of who receives a grant will be based on a formal eligibility process conducted by Enterprise NW and Strabane Enterprise Agency, once this is complete recommendations to progress to a Letter of Offer will be made to DCSDC who will issue the contract.

3 Key Issues

- 3.1 The key risks associated with this proposal include:
- This will be a cash payment direct to the programme participant. This approach is considerably different from similar grant programmes previously delivered e.g. the Sperrin Derg Micro Grant Scheme and £10k Business Start Up Challenge. Both of these programmes entailed council officers purchasing goods on behalf of clients however this has proved to be a very cumbersome process on two levels:

Firstly, there can be significant delays for the client in receiving their goods/ services as they are reliant on a council officer purchasing goods on their behalf, there have had many instances when requested goods have gone out of stock and this has resulted in toing and froing between client and officer to identify alternative products and new supplier. This has resulted in delays in the business start-up process and frustrated clients.

Secondly, this approach is extremely time consuming for officers with some projects taking up to 3 times longer to complete than anticipated.

- Failure of participants to start a business following participation on the programme
- Difficulty in recouping funding if letter of offer terms and conditions are not met.

3.2 The risks detailed above need to be considered in the context of the risk of doing nothing which could have much more serious implications such as reduced levels of business starts within the council area, lower levels of entrepreneurship, higher unemployment levels and more people seeking benefits – all exacerbated within the current Covid crisis.

3.3 The following measures will be implemented in an effort to minimise risks:

- Programme participants must complete the Go For It Programme with Strabane Enterprise Agency and Enterprise NW, this will represent a commitment on the clients part to start a new business and provide them with the necessary tools and techniques in order to take their business idea forward.
- Following completion of the Go For It Programme Strabane Enterprise Agency and Enterprise NW will evaluate suitability of participants to receive the £500 grant. Both Enterprise Agencies have extensive experience in working with clients in similar type grant schemes e.g. grants for NEETS (£1,500) and NRA (£1,000). These grants were introduced as a measure during the recession to provide access to finance for people in these categories who ordinarily struggle to get support. In addition, two further schemes - Steps to Work and Enterprise Allowance Scheme were also delivered via support from both agencies.

- DCSDC will issue a letter of offer to approved programme participants - participants will be required to sign a declaration accepting the terms and conditions of the letter of offer.

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

- 4.1 An initial allocation of £30k has been identified within departmental savings and income received across other funded programmes.

5 Recommendations

- 5.1 Members are requested to approve the proposal to develop/ deliver a Covid Recovery Start Up Grant Programme to support new business starts.