

DERBYSHIRE COUNTY COUNCIL

D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY

PROGRESS UPDATE ON D2 VISION DERBYSHIRE BUSINESS START UP PROJECT

1.0 Purpose of Report

- 1.1 To provide an update on the key success areas regarding the D2 Vision Derbyshire Business Start Up Project.

2.0 Discussion/Decision Required by the Meeting

- 2.1 **The D2 Joint Committee is requested to note and comment on the progress of the Business Start Up Project**

- 2.2 **To approve change requests made for the project.**

- 2.3 **To approve the additional budget requests.**

- 2.4 **To note the project which is currently being scoped as part of the Seizing Innovation Phase 2 programme for Vision Derbyshire.**

3.0 Information and Analysis Update

- 3.1 Members will recall that at its meeting on 3rd December 2020, the D2 Joint Committee agreed:

- a) To initiate and launch a business start-up and associated grant scheme as part of the Vision Derbyshire economic development pilot.
- b) To allocate £1m funding for the business start-up and grant scheme from the retained business rate pilot – to fund a team of up to five business start-up advisers and offer grant support for a two year period.

- 3.2 The need for such a scheme was acknowledged in the Derbyshire COVID Economic Recovery Strategy and project proposals have been developed through the active involvement of officers in all ten local authority areas. The project was developed with a primary offer of free, one to one,

bespoke support to individuals wishing to set up their own business and a grant of up to £10,000 for new entrepreneurs to help kick start their new business.

- 3.3 The service is open to Derby and Derbyshire residents who are starting their own business or have set up a business within the last year. The focus is on supporting clients to build a viable and sustainable business. Networking opportunities and help in securing a wide range of services necessary to help entrepreneurs turn their venture into a success are also part of the support package on offer.
- 3.4 To date, there has been an 'informal' focus on those clients aged between 17 and 30, or who are aged over 50 and who lost their jobs or livelihoods during COVID.
- 3.5 An officer group, with full district, borough and city representation has been established to oversee implementation of the project at operational level, meeting weekly during early stages. The project was launched in July 2021 and recruitment to all posts was completed by December 2021. The full team comprises five Business Advisors. A co-ordinating officer, responsible for monitoring, marketing and communication, supports this and other projects.
- 3.6 The Advisors have been allocated a geographical patch as set out below, and although they are employed by the County Council, relationships with the districts, boroughs and city are critical for day-to-day activity to ensure the smooth running of the project. There is an excellent range of expertise across the team and as the project develops, good use is being made of Advisors' specialist skills and knowledge:
 - Jaswindar Powar- Derby City, Erewash BC, Amber Valley BC
 - Sarah Smith – Bolsover DC and North East Derbyshire DC
 - Sara Martin – Chesterfield BC
 - Shameit Bali – South Derbyshire DC
 - Russell Harrison - High Peak BC and Derbyshire Dales DC
- 3.7 Networking with other agencies and providers of business support activity is integral to the success of the project, for both receiving referrals as well as making referrals to other agencies for support. There has been a high degree of collaboration with individual local authorities' business support schemes, the D2N2 Growth Hub, Push the Button Project, the University of Derby, the Chamber of Commerce and Marketing Peak District and Derbyshire, particularly through the CRF 'Accelerator' programme. Further connections are being made with the Department of Works and Pensions, the YMCA and Federation of Small Businesses.

3.8 The team is also delivering presentations to target groups such as college students; a recent example is a presentation to an audience of over 200 students at Chesterfield College on 9th March 2022, encouraging budding entrepreneurs to come forward. The team has since been asked back to deliver the presentation to the College’s adult learners and to roll out the engagement package to the other Derbyshire colleges and University under-graduates.

Monitoring & Enquiries

3.9 In terms of the operation of the project, work to put in place robust monitoring arrangement is well underway. The project is using the Tractivity CRM as this is a system DCC already purchases for all councils in Derbyshire; on-going amendments are being made to the system, alongside bespoke staff training, to ensure consistency of inputted data and meaningful demographic reports are generated to assess project impact.

3.10 The table below sets out registered clients to date, and clearly demonstrates the level of demand for the programme. There are **327** clients registered in Tractivity. **235** of those are “Live” or actively being supported with the remainder having been closed or referred to other schemes. The table also shows the level of activity across each geographical area. The project is working slightly differently with Erewash Partnership who are working with their clients to get them grant ready, as they already have support in place for start-ups.

Enquiries by District 26.04.2022

High Peak Total - 22	<u>Derbys</u> Dales total – 45	Chesterfield total - 43	NE Derbyshire - 26
Live - 12	Live - 24	Live - 32	Live - 25
Erewash Total – 7	Bolsover - 21	Amber Valley - 32	South <u>Derbs</u> – 81
Live - 4	Live - 20	Live - 28	Live - 60
(working with 27 potential clients for grants)			
Derby City - 48	Out of Area – 2		
Live - 29	Live - 1		

Grant Applications

3.11 The project has received 26 applications for grants and seven have been approved. Six are going through appraisal, three are currently being contracted, four have been referred to other schemes eg. Green

Entrepreneurs & CRF Accelerator Fund, five are awaiting further information and one has been withdrawn.

3.12 **£30756.01** worth of grants have been currently awarded. Private Sector investment is £72020.01 based on client investment (a leverage of 1:2) generating a total of £102,776.02 investment into the local economy.

Types of businesses

3.13 Types of businesses and ideas coming forwards are wide ranging - the largest sectors represented are Retail, Hair & Beauty, Retail, Management consultancy (not finance) Specialised design, Food & Drink.

3.14 Based on the current data, the majority are pre start or start ups, with a smaller number under 12 months trading.

3.15 Grant applications include hairdresser, furniture manufacturer, interior designer, dog grooming service, play centre for children, distillery, consultancy service, mobile shiatsu bus, community hub and cafe.

Application Process and Proposals

3.16 In terms of continued project development, an 'agile and flexible' approach has been adopted, specifically in relation to accommodating changes to grant application processes to make sure it is fit for purpose and meeting the identified needs. For example, the introduction of a small grant of up to £1k at the discretion of the Business Advisors; this has been implemented on the basis of feedback from the Business Advisors, the external grant assessor and district officers in recognition of low value level support needed by certain client groups without the necessary collateral to offer match funding.

3.17 It is proposed that the eligibility criteria be strengthened to ensure the project can prioritise certain groups; on that basis, the 'informal' focus of support for those between 17 and 30 years, or those aged over 50 and who lost their jobs during COVID and who do not have existing business/es is proposed to be included as a clear criterium for project support. This will allow the marketing and communication strategy to effectively target the relevant groups.

3.18 It is also evident that greater flexibility of the grant intervention rate is needed. Currently, the intervention rate up to £4k is 50%, it then reduces to 25%. It is proposed the project adopts a broader intervention rate of "up to 50%", allowing the external grant assessor more scope to ensure the intervention rate suits the individual client needs, streamlines processes and gives greater flexibility where support is justified.

- 3.19 As the project continues to develop it is evident that dedicated budget is needed to accommodate costs for operational activity within the project such as hosting events, hiring premises, marketing and communications, hosting workshops, staff training, systems development etc. Such additional costs were anticipated when the project was initially set up but it had been agreed to review specific funding requirements once there was clarity on the issues and resources required.
- 3.20 The economic circumstances have also changed since inception of the project and it is likely there will be further challenges arising from increased energy costs and inflation. With this in mind, there is potentially a need for adjustments in the service being provided e.g. an enhanced triage service at project registration or prioritisation of sector support.
- 3.21 A budget of up to £50,000 over the two year period is requested to be set aside within the current financial envelope of the retained business rates pot to support running costs and implementing specific projects to improve the service on offer.
- 3.22 Confirmation on the appropriate use of the Vision Derbyshire logo and branding is also required to enable professional and consistent external communication regarding the marketing and visibility of the project. A pragmatic and 'blended' approach is required to resolving the branding issue and suggestions will be shared with the Joint Committee at the meeting on the 15th May.

Going Forward

- 3.23 Notwithstanding the success of the project to date in terms of client contact, support and grants issued etc, the strong partnership foundations that have been developed over the past year are tangible. Relationships between the Business Advisors and the relevant district council lead are effective in confirming local priorities and ensuing needs are met; the County Council's role in co-ordinating and driving forward the work is bringing clear added value; the inter-relationship with other local products offered by the LEP (Growth Hub) and the Chamber of Commerce (Push the Button, Kickstarter etc) is being maximised for the benefit of the client.
- 3.24 The approach being taken therefore, provides confidence that collaborative working, at pace and across our whole D2 geography, is deliverable and this provides a sound platform from which to springboard our forward work – through Vision Derbyshire and through any future devolution deal.

3.25 As members will be aware, the business start up project has been developed collectively by the ten D2 authorities as part of the Vision Derbyshire Seizing Innovation programme. It was possible to secure full support to the project as it was addressing a common and pressing issue on the back of the COVID Recovery Strategy, supported by shared funds from the Retained Business Rate pot.

3.26 Given the strong progress made to date, the team has started exploring a second major project which would have equal, county-wide benefit and has a locus in our shared recovery strategies. A proposal for 'smart counties' (working title) has come forward through discussion with economic development and transport leads. In summary, this would cover projects and place shaping interventions 'to support to improved digital connectivity, sustainable travel, tourism and business growth' across the whole geography. An outline of the potential scope and content of the project will be shared at the Joint Committee meeting on 12 May 2022 but essentially, it could include: interventions to secure full digital connectivity of the hardest to reach areas; data and intelligence systems that support improved travel and lower carbon emissions; hyper-digital business hubs (on high streets and even in more remote communities); dial up and application services to drive sustainable travel choices.

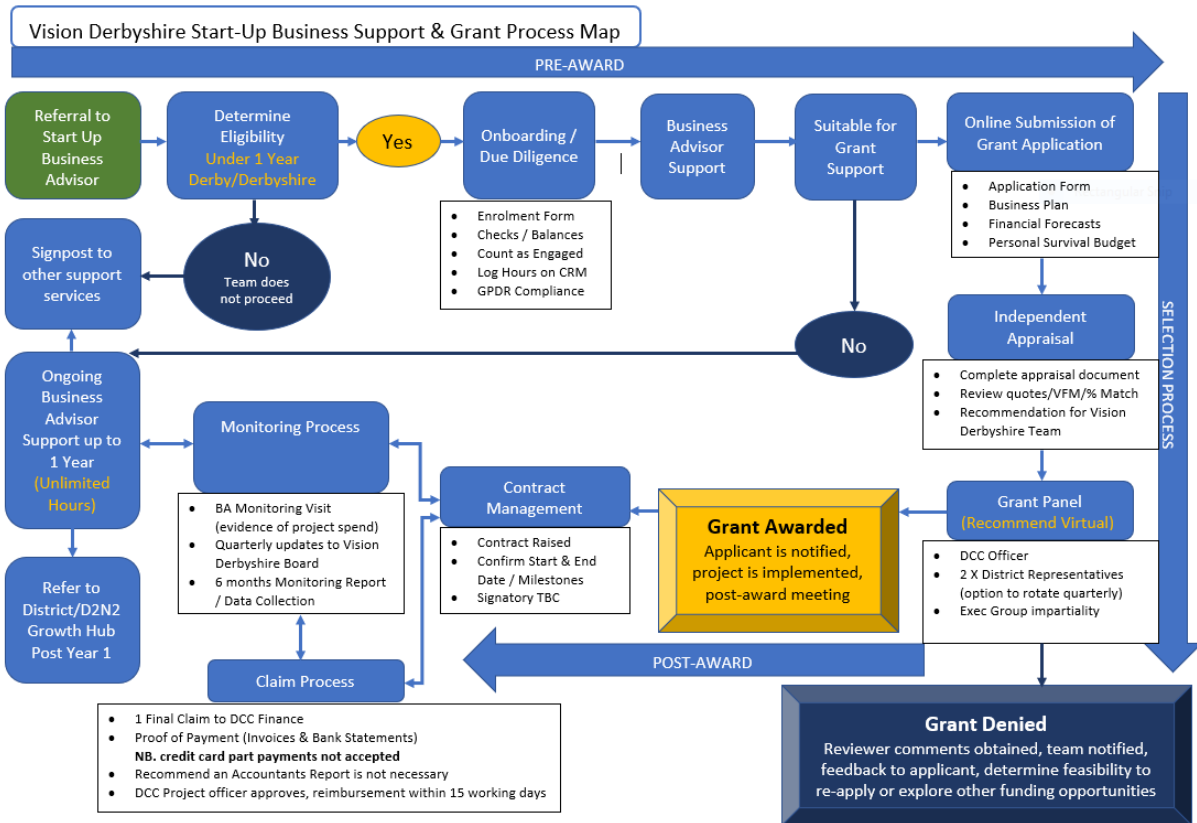
4.0 Recommendations:

4.1 That the D2 Joint Economic Prosperity Committee:

- a) Notes the strong progress of the Vision Derbyshire Business Start Up Project.
- b) Agrees the establishment of a separate budget of £50,000 taken from the current £1m funding envelope to support running costs, service improvement and project delivery.
- c) Agrees that grant criteria and branding be refined to enable a clear focus on key groups as set out in paragraphs 3.17, 3.18 and 3.22 above.
- d) Considers and agrees that economic development leads in all authorities build on the strong partnership working that is already in place and scope the proposed Phase 2 project for 'Smart Counties/ Smart Communities'; and report back to the Joint Committee once firmed up, with suggestions for next steps.

Below: Encouraging young entrepreneurs at Chesterfield College, March 2022





Appendix 1 Process Map