

DERBYSHIRE COUNTY COUNCIL

D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY

UPDATE ON D2 BUSINESS START UP PROGRAMME AND PROPOSAL TO EXTEND MEMORANDUM OF UNDERSTANDING

1.0 Purpose of Report

- 1.1 To secure formal sign off of the proposals set out in this report which was originally discussed by the Joint Committee on 16th March and agreed in principle by attendees.
- 1.2 To provide an update on the key success areas regarding the D2 Vision Derbyshire Business Start-Up Project and to request an extension of the project until December 2023 with a possible extension beyond that period, subject to funding.

2.0 Discussion/Decision Required by the Meeting

- 2.1 **The D2 Joint Committee is requested to discuss and comment on the on the positive progress of the Business Start Up Project and to note the request to extend the project to the project which has been developed in consultation with Cllr Gilby (nominated Leader for the Business Start Up scheme).**
- 2.2 **The Joint Committee is also asked to consider a potential related project to explore opportunities for a ‘single grants portal’ for the D2 geography as set out in paragraphs 3.18 to 3.20 of this report.**

3.0 Information and Analysis Update

Monitoring & Enquiries

- 3.1 The project has made substantial progress and is delivering a valuable service to residents across the county who are looking to start their own business. Tangible results are being seen from the intervention – as evidenced in the positive feedback and case studies provided at Appendix 1 (information correct as of March 2023). It is also reflected in the recent shortlisting of the project for a LGC 2023 award in the category of ‘Economic Support’; presentation to LGC is due to take place on 18 April and an announcement made on 8 June, 2023.

- 3.2 Despite the current economic environment, regular enquiries for support continue to be received and whilst *grant* applications have been slower than hoped, the level and pace seems to reflect other grant schemes across the county – and wider. As expected, heightened marketing and promotion in the early part of 2023 has increased awareness of the services available and generated more enquiries and potential grants. Marketing activity has included an event in North East Derbyshire, Chesterfield College, an interview on Spire Radio, greater social media and promotion across/ through the councils, including an article in Your Chesterfield resident magazine. In addition to the above, the Business Start Up team is continuing to raise awareness through existing networks.
- 3.3 The table below sets out the number of registered clients to date and clearly demonstrates the high level of interest in the scheme. Appendix 1 provides case studies examples on successful support provided to businesses. As of the end of March, the following outputs had been achieved:
- **698** clients have received advice from a Business Adviser (as of end of May, this is now 800).
 - **318** of those are “live” or actively being supported with advice and being guided through the grant application process.
 - **136** are “held” where the client has received some initial advice and then opted to take time to further research and develop their business ideas and plans. *It is anticipated many of these will progress and become live again.*
- 3.4 The remainder enquiries having been closed (often having successfully concluded the advice process) or referred to other schemes/ organisations such as the Green Entrepreneurs Fund or D2N2 for further support. The table also shows the level of activity across each geographical area. Members will recall the project is working slightly differently with the Erewash Partnership who is working with clients to get them grant-ready, as the district already has support in place for start-ups.

Enquiry Table by District end of February 2023

**Erewash Partnership is working with 55 start up clients in addition*

	Total	Amber Valley	South Derbyshire	Derbyshire Dales	Bolsover	Derby	High Peak	Erewash*	Chesterfield	North East Derbyshire	Out of area
Live	318	36	42	32	25	40	26	7	47	61	1
Held	136	28	35	5	15	28	3	8	12	2	
Closed	167	15	39	66	1	35	29	10	48	1	2
Total	698	79	116	101	41	103	58	25	107	64	3

Grant Applications and Types of Business

3.5 Headline figures are:

- The project has awarded **44** grants to the combined value of **£167,174.86**
- The client (private sector) investment released by this grant is **£291,866.83** with a client project investment total of **£459041.69**.
- The total anticipated 1st year turnover for these businesses is **£3,546,648**.

3.6 Enquiries have been received from pre-start and start-up businesses across a wide range of sectors. The largest sectors represented are retail, creative industries, food and drink, health and social care, and leisure & tourism.

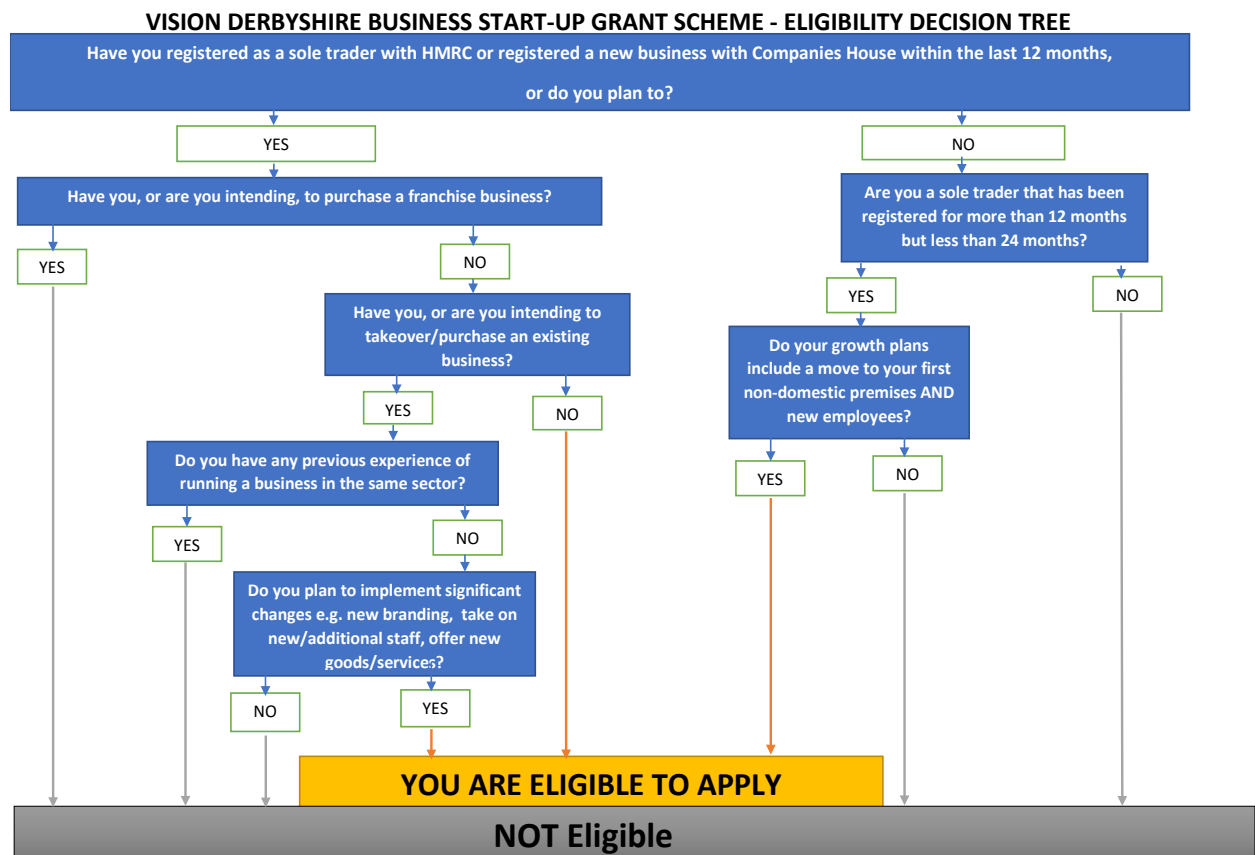
3.7 Grant applications have been received from diverse business types such as Hairdressers, Beauticians, Interior Designers, Antiques & Gift Shop, Architects, homeware designer, a new Radio Station, Care provider, Physiotherapist Virtual Assistant, and more. Many are creating jobs – estimated 60.

Mid Term Review and Revision of Eligibility Criteria

3.8 A mid-term review of the Programme has been undertaken to actively seek and collate feedback from each of the districts, the Business Advisers, the Project Officer and from clients who had engaged with the service.

3.9 Analysis has confirmed the level of enquiries has been higher than anticipated and that, based on client feedback, the programme is adding value to the business community across Derby and Derbyshire. Specific feedback from the advisers and districts suggested that the grant eligibility criteria would benefit from greater clarity and that the grant application process could be simpler.

3.10 As a result of this feedback, improvements to the grant criteria have been made and the associated eligibility document has been updated to include the decision tree below which was developed in conjunction with all the districts:



3.11 This decision tree allows users to quickly and easily ascertain whether they are eligible to apply for a grant and has been positively received. As a result, the grant application process has been updated and the number of quotes required to support an application has been reduced and now aligns with the procurement practices at Derbyshire County Council.

3.12 The documentation required to support a small grant application (under £500) has also been changed to reduce the administrative burden to the applicant, the assessor(s) and the approval panel. Further minor adjustments are being scheduled to update and improve the online application form.

Extension of the programme

- 3.13 The current Memorandum of Understanding (MOU) was signed by the County, City and the 8 district/borough councils in June 2021 with the intention of the pilot project running for two years up to June 2023 - utilising £1m of retained business rates previously approved by the Joint Committee. As reported to the Joint Committee at its meeting on 16 March, the level of spend on the project was £450,505.30 with £65,589.17 grant having been committed but not claimed ; the forecast spend on salaries & assessor contract/activities to the end of June 2023 was an additional £103,490, accounting for a total planned spend of £619,584.47 and leaving £380,415.53. The Committee was advised this amount of grant was not likely to be spent before the end of June at the time the original Memorandum of Understanding and project was due to end..
- 3.14 Given the level of success to date, it is possible for the remainder of the unspent money to be stretched to cover a further six months for the period up to the end of December 2023, thereby extending the level of support offered to local businesses through what continues to be a challenging environment. Expenditure on salaries and activities up to the end of December would be an additional £157,625, taking the total spend to £777,209.47, leaving £222,790.53 in the remaining funding pot. An extension to the original Memorandum of Understanding until 31 December 2023 has been considered by Cllr Gilby and recommended for approval – this proposal was supported in principle at the Joint Committee meeting on 16 March 2023. Appendix 2 of this report sets out the draft Memorandum of Understanding proposed to be signed by all the constituent authorities in D2 to cover the extension period.
- 3.15 To support continued sustainability of the programme, and in addition to the above, a proposal to extend the Vision Derbyshire Business Support Programme (for the period end of December up to the end of March 2025) was submitted to the district & borough councils for consideration and inclusion in their Shared Prosperity Fund (SPF) bids. Based on the level and rate of spend outlined above, it is anticipated that an additional £625,000 would be needed for the Programme to continue from 1st January 2024 to March 2025, which would align with the end of the SPF funding period. It would also support constructive dialogue with the wider D2N2 partnership over the period of development for the proposed combined authority.
- 3.16 A proposal to extend the MoU further, utilising SPF to cover the period 1st Jan 2024 to end of March 2025 was subject to a separate discussion at at the Joint Committee on 16 March and was supported in principle. The proposal is to be formally considered by the Joint Committee at its meeting on 8 June 2023.

Improving Wider Support to Businesses

- 3.17 Through discussion at recent Shared Prosperity and Town Deal Boards, it is clear there is an expanding grant funding landscape aimed at supporting local communities and businesses. Many of the grant schemes being developed complement each other and could possibly work in tandem to offer match funding or added value to projects being put forward.
- 3.18 Informal feedback from applicants suggests that accessing information and understanding what grants are available and for what purpose is very difficult and confusing. Early intelligence suggests there is considerable scope to provide a more streamlined and simplified 'grants portal' that potentially provides a single front door for D2 business and voluntary/ community organisations to grant information and/ or signposts to other relevant information.
- 3.19 Through the strong joint working that is in place via the D2 Business, Economy and Place Workstream, it is proposed that the Joint Committee commissions officers to explore the issue further – providing a report back to the Joint Committee at a future date.

4.0 Recommendations:

- 4.1 That the D2 Joint Economic Prosperity Committee:
- a) Notes the strong and continued progress of the Vision Derbyshire Business Start Up Project.
 - b) Notes the previous changes to eligibility criteria which have ensured the Programme remains responsive to the needs of business.
 - c) Agrees the proposed extension to the timescale of the Programme, utilising the allocated Retained Business Rates fund as set out in paragraphs 3.13 to 3.15 and agrees the revised, draft Memorandum of Understanding set out in Appendix 2 be signed by local authorities.
 - d) Notes the separate report setting out the potential use of Shared Prosperity Fund for the Business Start Up Project to support an additional extension beyond 31 December 2023 to March 2025.
 - e) Requests the Business, Economy and Place Workstream explores the potential for a single front door for advising on grant funding opportunities across the D2 area and provide a report to the Joint Committee at a future date

Success Stories

Reunion Ltd



Type of Business:

Community Deli, Café and co-workspaces

Grant Award:

£10K Grant Awarded

Equipment for refurbishment and installation of café & co-working spaces

Recently won "Best Newcomer" in the Marketing Derby Business Awards



"We received significant support and grant funding through Vision Derbyshire, which was so invaluable. Working with a dedicated advisor was so helpful during the early stages of our business, and the council were brilliant at answering questions and signposting to resources that could help us. The grant funding was also invaluable, in fact we wouldn't have been able to start without it! In this difficult climate, where labour and equipment is rising in cost each day, having that monetary support was vital for us as a new business. A big thank you to Vision Derbyshire for their support."

Blooms & Bantams



Type of Business:

Sustainable cut flower grower – offers flower arrangements to the public and corporate clients, courses and events

Grant Award:

£2133.57

Planting containers



“My business advisor (Sara) has been instrumental to the first year success of Blooms & Bantams. The advice I have received has always been constructive and has encouraged me to explore options and considerations that I would have likely ignored without prompt. These opportunities have encouraged me to develop connections and gain access to resources that have been incredibly useful in the first stages of starting a business.”

Potter's Snooker and Pool Club



Type of Business:

A family friendly, community focused high quality snooker and pool club

Grant Award:

£3750



“Business advice has been invaluable to support with networking and connecting with key stakeholders, and with grant application support. The business start-up grant has enabled Potters to purchase 8 new pool tables. This has generated extra income and allowed us to take on more pool teams. We have seen membership figures grow from circa 150 to over 1300 members in just 9 months. We now have 17 pool teams.

The grant also enabled Potters to re distribute some spend allocation so we could focus on repairing the building and become more sustainable. New doors, insulation, suspended ceiling & heating system has been installed. These improvements could not have been done so quickly without grant support as our primary focus was to invest in the pool & snooker facilities.”

Recently won Best Leisure Hospitality and Retail Award at the East Staffordshire South Derbyshire Business Awards

Jessica May Interior Design



Type of Business:

Interior Design Office

Grant Award:

£2991.20

Now employing additional 6 staff



“Our business advisor supported us from the start with guidance and information on grants available to us. Without the grant, we would have had to wait a lot longer to complete the renovations or gone with cheaper options until we could afford the items we desired. The grant has been a huge help in allowing us to get the new office to a high enough standard to impress our clients and employ more members of staff. “