

Title of Report:	Rural Business Capital Grant Programme
Submitted To:	Leisure and Development Committee
Date of Meeting:	15th October 2019
For Decision or For Information	For Decision

Linkage to Council Strategy (2019-23)	
Strategic Theme	Accelerating our Economy and Contributing to Prosperity
Outcome	All people of Causeway Coast and Glens will contribute to and benefit from a thriving economy built on a culture of growth, entrepreneurship, innovation and learning
Lead Officer	Head of Prosperity & Place Business Development Manager Economic Development Officer - Enterprise

Budgetary Considerations	
Cost of Proposal	Provision of Grant from DAERA - £52,490, with cost recovery of up to 15% of total by Council.
Included in Current Year Estimates	YES/NO
Capital/Revenue	Capital
Code	
Staffing Costs	As above

Screening Requirements	The screening requirements for this programme are being/have been undertaken by the relevant department – DAERA		
Section 75 Screening	Screening Completed:	Yes	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose of the Report

The purpose of this report is to update members on funding from Department of Agriculture, Environment and Rural Affairs (DAERA) for the roll-out of a Rural Business Capital Grant Scheme for the financial year 2019-2020 and which may be available in subsequent years subject to post-project evaluation. (Scheme is wholly separate from the Rural Development Programme).

2.0 Context

This is proposed as a pilot scheme funded under the Department of Agriculture, Environment and Rural Affairs' Tackling Rural Poverty and Social Isolation Programme (TRPSI). Its key aim is to assist in tackling poverty and social isolation within deprived rural areas. The scheme's primary aims are to:

- Alleviate financial poverty by enhancing entrepreneurship and growth.
- Alleviate financial poverty by supporting micro businesses in rural areas.

Objectives

1. To provide at least 60 (min. 6 per Council) micro (less than 10 employees) businesses in rural areas¹, with a capital grant capped at £4,999, at a match funding rate of 50% from DAERA and a minimum 50% from participating businesses, up to a total project cost of £20,000, to enhance their sustainability and growth prospects.
2. To provide rural micro businesses with capital support with the wider aim of sustaining rural communities and economies.
3. To seek to minimise poverty, social exclusion and inequality amongst those living in rural areas.
4. To complement businesses within rural areas and to sustain their survival and in turn maintain rural communities.
5. To increase innovative activity and efficiency of rural businesses.

Outputs (NI Level)

1. Minimum of 60 rural micro businesses supported with capital grants to enhance sustainability and growth
2. At least 60 indigenous micro rural enterprises supported in their efforts to grow their businesses in their own locality.
3. Supporting rural businesses to apply for further programmes and funding.

Programme Criteria

1. Micro businesses located in rural areas (*as per NISRA NINIS definition*).
2. New businesses must be able to demonstrate they have commenced trading.
3. Must demonstrate added value of proposal both to business and impact on future growth.
4. Must demonstrate ability to complete project and access grant by 31 March 2020.
5. Minimum grant awarded £500 with maximum of £4,999.
6. Must demonstrate they are ineligible to access similar support from elsewhere.

¹ NISRA NINIS definition

Funding level

- Grants would provide capital support up to a maximum of £4,999 or 50% of total costs.
- Match funding must be in the form of a 'cash' contribution. Labour or 'in-kind' contributions will not be accepted.
- It is envisaged that the total cost of a project would not exceed £20,000.

Ineligible sectors

The Programme will not fund:

- i. Food production or processing businesses,
- ii. New build accommodation, provision of additional bed space for existing accommodation providers,
- iii. Resource based projects, or
- iv. Any project which is the statutory responsibility of another government department or agency.

Ineligible costs

As this is a capital programme, the following types of activity **cannot** be funded:

- General maintenance.
- Training.
- Clothing, Uniforms.
- Motorised vehicles.
- Running costs & consumables.
- Staff / Volunteer expenses.
- Hospitality, Food, Drink.
- Feasibility Studies / Reports.
- Labour costs not directly associated with purchased capital works / items.

Promotion and Recruitment

The promotion of the Programme will be the responsibility of Councils, with all adhering to the same timelines for recruitment, opening and closing dates.

Assessment of applications

To ensure a consistent approach regionally, one Application Form will be used with a scoring mechanism to be developed to award highest marks to proposals offering the most growth impact.

Letters of Offer

Each Council will hold mandatory Letters of Offer Clinics for successful applicants or one-to-one sessions for those who are unable to attend.

Evaluation

On completion of their project, each business will be required to submit a Project Completion Report with their claim. Councils will be responsible for collating and evaluating impact and reviewing 6 months post completion.

State Aid Implications

Before receiving support, businesses will be required to confirm that this would not bring the total amount of aid to more than €200,000 in any 3 year period.

Strategic Complementarity

This Rural Micro Business Development Grant Scheme will be new to all 10 Council areas (i.e. all LGD's excluding Belfast City Council who are not included in this proposal).

On an EU level, the activities proposed under the Scheme are complementary to the objectives of the Europe 2020 Strategy. This strategy indicates that future economic growth in the EU should be smart, sustainable and inclusive. It is focused on five goals in the areas of employment, innovation, education, poverty reduction and climate/energy. This Scheme seeks to drive the sustainability and growth of rural micro businesses by supporting activities to promote improved business practices and increased productivity, efficiency, and innovation.

NI Programme for Government

The scheme's activities will contribute (both directly and indirectly) towards the following outcomes and targets identified the NI Programme for Government (2016-2021):

Outcome 1: We prosper through a strong, competitive, regionally balanced economy.

This outcome is about increasing the productivity and success of local business in a sustainable and responsible way, ensuring that growth is balanced on a regional basis. Achieving this will mean growing our economy, and making sure that growth benefits people in all parts of the region.

The activities proposed by the Scheme are intended to stimulate growth in rural micro businesses, and it is anticipated that they will also help address a number of PfG targets, including:

- 1) *Increase the size of the economy* – through supporting business development the Scheme will increase its sustainability and growth potential, the business efficiency and also stimulate innovative activities.
- 2) *Increase the proportion of people in work* – the support delivered by this scheme may also contribute towards the creation of new employment.
- 3) *Increase innovation in our economy* – the scheme will directly encourage and resource innovative activity in participating businesses as part of the actions to drive growth and diversification.
- 4) *Improve regional balance of economic prosperity through increased employment* – the scheme will prioritise support to those businesses who aim to use the Scheme's support to drive their sustainability and growth, an indirect result of which may be the creation of additional employment in rural areas.
- 5) *Reduce Poverty* – the scheme aims to support the sustainability and growth of businesses in rural areas; this investment will increase the economic viability and vitality of rural areas. Employment generated by micro businesses provides income for families living in rural areas, which in turn drives the local economy and maintains rural populations.

NI Rural Development Programme

Priority 6 of the Northern Ireland Rural Development Programme 2014-2020 provides support to promote social inclusion, poverty reduction and economic development in rural areas and is delivered through the LEADER approach by 10 Local Action Groups across NI. The Rural Business Investment Scheme is one of the initiatives within Priority 6 which aims to assist new and existing rural businesses, including farm diversification and rural tourism businesses, to become sustainable and grow. This scheme is open to micro and SME's and offers grant aid from a minimum of £5,000 up to a maximum of £90,000 at 50% of eligible expenditure. This

scheme aims to support 300 businesses and create 700 new jobs within the timeframe of the current programme.

This proposal will compliment Priority 6 Rural Business Investment Scheme support by targeting specific micro businesses who could benefit from smaller levels of investment below the minimum threshold needed to qualify for LEADER support.

Local Government / Sub-Regional Complementarity

All 10 LGD's have developed comprehensive Community Plans as the result of extensive consultations undertaken with their local communities. All contain the key priorities of delivering interventions to drive business growth, as well as supporting actions to drive rural development and regeneration. 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 and stimulate new job creation. These are funded under the EU ERDF Investment for Growth and Jobs Programme (2014-20). There is no grant assistance included within these Programmes.

Indicative Timeline

Oct 2019	DAERA approval for Programme and contract for funding issued

Nov 2019	Development of Programme documentation (Application Form, Scoring Matrices/Criteria) and Programme Promotion.
Late Nov 2019	Public calls for Applications.
Late Dec 2019	Deadline for Applications.
Jan 2020	Screening & Assessment of Applications (with DAERA rep).
Feb 2020	Issuing of LoOs & Workshops.
Feb 2020 – Mar 2020	Project delivery.
Mar 2020/ Apr 2020	Submission of claims / Project Reports (payment made by promoters prior to 31 Mar 2020).

3.0 Recommendation

It is recommended that Council accepts the funding on offer from DAERA and agrees to deliver the Rural Business Capital Grant Scheme in Causeway Coast and Glens.

Members should note, that as with all funding which is given by central government, the timeline and other details included above are indicative only.