

<b>Title of Report:</b>	<b>Digital Transformation Flexible Fund Update</b>
<b>Committee Report Submitted To:</b>	Leisure & Development Committee
<b>Date of Meeting:</b>	17 October 2023
<b>For Decision or For Information</b>	For Information
<b>To be discussed In Committee</b>	No

<b>Linkage to Council Strategy (2021-25)</b>	
Strategic Theme	Local Economy
Outcome	Council contributes to increasing business start-up and survival rates
Lead Officer	Head of Service Prosperity & Place/ Business Development Manager

<b>Budgetary Considerations</b>	
Cost of Proposal	£60,938 previously approved
Included in Current Year Estimates	Yes
Capital/Revenue	Capital
Code	100141
Staffing Costs	Within budget

<b>Legal Considerations</b>	
Input of Legal Services Required	NO
Legal Opinion Obtained	NO

<b>Screening Requirements</b>	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:		
	EQIA Required and Completed:		
Rural Needs Assessment (RNA)	Screening Completed		
	RNA Required and Completed:		
Data Protection Impact Assessment (DPIA)	Screening Completed:		
	DPIA Required and Completed:		

## **1.0 Purpose of Report**

The purpose of this report is to provide an update to members on the new £7.5m Digital Transformation Flexible Fund to support small and micro businesses across Northern Ireland.

The Digital Transformation Flexible Fund (DTFF) has been in development since May 2020 and the business case has gone through a series of iterations as it has migrated through the City and Growth deal approval process. The project was approved by Invest NI and Department for Economy in June 2023 and more recently by Department of Finance, in September 2023.

DTFF is an important step forward for Councils in positioning their intent to drive their local economies – with an increasing focus on innovation support for local businesses.

## **2.0 Background**

DTFF is a new initiative developed by Belfast Region City Deal partners and all 11 local councils and is supported by the wider City and Growth Deals across the region. It is a unique project as it is one of the first cross-growth deal initiatives to be developed. It is delivered by all local authorities across Northern Ireland, under the Full Fibre Northern Ireland Consortium (FFNI) and supported by Invest NI. The project is jointly funded by the NI Executive, UK Government, Department of Agriculture, Environment and Rural Affairs (DAERA) and all local authorities in Northern Ireland.

## **3.0 DTFF Aims**

DTFF's key purpose is to support economic recovery and fast-track the progress of the micro and small business community to respond to the opportunities of digital transformation, using advanced and emerging technologies.

The programme seeks to address the financial barrier that many small businesses face when seeking to digitally transform, by establishing a capital grant fund that will support investment in equipment critical to their strategic digital transformation ambitions. This grant can assist those smaller businesses that do not have the necessary capital available to develop and trial new products and services using new and advanced technologies.

The DTFF capital investments are designed to enable business transformation and not improve the 'digitisation' of existing business models/operations. As such, the DTFF will fund advanced digital technologies projects which include the following:

- Smart technologies/ smart environments and the Internet of Things (IoT);
- Process automation via robotics/cobotics;
- Big-data and analytics;
- Immersive Technologies (AR/VR/MR/Haptics);
- Artificial intelligence and machine learning; and
- Distributed ledger systems/ blockchain technologies.

For full eligibility guidelines, please refer to the DTFF website: [www.dtff.co.uk](http://www.dtff.co.uk)

DTFF can offer a grant towards a Digital Transformation Project up to £20,000 costs at a 70% intervention rate with 30% match funding from the applicant business. The 70% intervention rate is highly unusual in government funded grants but is crucial to help stimulate innovation amongst local micro and small businesses.

The programme aligns with several other key projects in the Digital and Innovation Ecosystem including those offered through the City and Growth Deals and is supported by several key stakeholders operating in this space.

Newry, Mourne and Down District Council will manage and administrate the DTFF grant, with support from all local Councils. Marketing and PR activities will be coordinated across NI with local animation conducted by Economic Development teams in all local councils.

The first funding call is expected to launch in October 2023, and will include a series of face to face and on-line pre-briefing sessions in all council areas, for interested businesses.

Eligibility and Application guidance will be made available at these pre-briefing sessions and provided through the DTFF website, along with Expression of Interest documentation: [www.dtff.co.uk](http://www.dtff.co.uk)

The priority is to open the first funding call to allow businesses to apply, however a formal launch is being developed, in parallel, to further promote the scheme.

#### **4.0 Resource**

The revenue element of the programme is funded by local councils. Revenue contributions, totalling £60,938 to 31 March 2026 (final call anticipated Nov 2025), were approved by council in October 2022.