



Title of Report:	Digital Transformation Flexible Fund Update
Committee Report Submitted To:	Leisure & Development Committee
Date of Meeting:	21 April 2026
For Decision or For Information	For Decision
To be discussed In Committee	NO

Linkage to Council Strategy (2021-25)	
Strategic Theme	Local Economy
Outcome	Improvement and Innovation
Lead Officer	Head of Prosperity & Place

Estimated Timescale for Completion	
Date to be Completed	31/03/2027

Budgetary Considerations	
Cost of Proposal	£4,200 (contingency only) Council full programme contribution of £60,938 notified in March 2023
Included in Current Year Estimates	No
Capital/Revenue	Revenue
Code	30141
Staffing Costs	No

Legal Considerations	
Input of Legal Services Required	NO
Legal Opinion Obtained	NO

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	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 Report

To update Members on the £7.5m Digital Transformation Flexible Fund grant (DTFF) and seek approval for an additional contingency contribution should a programme extension be required.

This is a key project within the City and Growth deals digital ecosystem and is managed and administrated by Newry, Mourne and Down District Council on behalf of all 11 Councils within the FFNI Consortium.

2.0 Background

2.1 The Digital Transformation Flexible Fund (DTFF) concept was initially developed in response to the low levels of innovation and digital transformation taking place across the region, particularly among the small business community.

2.2 DTFF was designed to stimulate digital transformation and innovation in small and micro businesses. It helps address the financial barriers facing small businesses and social enterprises wishing to digitally transform, via provision of a capital grant fund to support investment in capital equipment considered critical to their strategic digital transformation ambitions (e.g., hardware, software, bespoke system development).

2.3 These types of businesses generally do not have the capital reserves or resources to start to experiment, prototype and deliver new products or services using emerging technologies. Grant funding levels range from £5,000 to £20,000 with a grant subvention rate of 70% total project costs.

2.4 Members are reminded that Council has been delivering DTFF since 2023 and local outputs across Calls 1-6 are as follows:

- 37 businesses / 42 awards (5 businesses received funding twice for different projects in different calls). Of these, 16 businesses are in urban locations, 15 in rural and 6 with mixed results.
- Total award value £720,374.
- Minimum match funding by businesses at 30% rate - £216,112.
- Average grant amount £17,151.

3.0 Proposal

3.1 Since launch, the programme has experienced substantial growth, with demand exceeding initial expectations, particularly across Calls 4–6. There has been a marked increase in Expressions of Interest (EOIs), full applications, Letters of Offer and subsequent claims. In later calls, claim values have risen significantly above the levels projected in the original business case, which has resulted in funding available for the final Call 7 being substantially reduced.

3.2 As the programme cannot commit expenditure beyond the approved capital budget, the DTFF Steering Group has agreed a consensus decision to manage the remaining funds for Call 7. Senior council representatives on the DTFF Steering Group have endorsed proceeding immediately with Call 7 applications, on the basis that applicants clearly acknowledge the risk associated with limited remaining funding.

3.3 Adopting this approach avoids any interruption to programme delivery. Should the programme extend beyond March 2027, each Council will be required to contribute towards additional associated revenue costs based on the original business case calculation as outlined below.

4.0 Resource Implications

4.1 A contingency is built into programme delivery to:

- Maintain the existing delivery team up to March 2027, with no additional cost unless the programme extends beyond that date.
- Allow for a potential three-month extension, if required, to complete any programme close-down activities.

4.2 If the programme extends beyond March 2027, an additional revenue contribution will be required from all Councils to support delivery and close-down. CC&G's contribution to revenue costs for this contingency equates to £4,200.

5.0 Recommendation

It is recommended that the Leisure and Development Committee recommends to Council approval of a contingency contribution of £4,200 should a programme extension beyond March 2027 be required.