

<b>Causeway Enterprise Scheme</b>	<b>8 August 2017</b>
<b>To: The Leisure and Development Committee For Decision</b>	

<b>Linkage to Council Strategy (2015-19)</b>	
<b>Strategic Theme</b>	Accelerating Our Economy & Contributing To Prosperity
<b>Outcome</b>	The Council will work with its partners to maximise business start-up opportunities and encourage existing enterprises to grow and prosper
<b>Lead Officer</b>	Head of Service, Prosperity and Place Business Development Manager
<b>Cost:</b> (If applicable)	£50,000 within the current financial year

**The purpose of the report is to seek approval on the scope and design of Causeway Enterprise Fund for the current financial year.**

### **Background**

The following notice of motion was brought before Council for action in May 2017:

“This Council recognises the incredible entrepreneurial spirit of many people across the Borough who have established businesses which contribute towards the economic prosperity of the area. In order to support a new generation of entrepreneurs we propose that Council establish an annual fund of £50k-£100k to support start-up businesses (including recent start-ups i.e under two years).”

Based on this notice, the following outline scheme is presented for consideration.

If members are content with the direction of the scheme as presented, the next stage will be to finalise guidelines, application forms and call periods. It is anticipated that a call could be made by the end of September.

The amount which has been included for consideration is based on available funding in the current financial year. Depending on the uptake and success of the scheme, members may wish to increase this amount in subsequent financial years.

### **Recommendation**

It is recommended that the scheme as presented, subject to any changes members may wish to suggest, is advanced with a view to roll-out in September of this financial year.

## Scheme outline

Linkages to Council Strategic Plan	<p><b>Accelerating our Economy and Contributing to Prosperity</b> The Council will work with its partners to maximise business start-up opportunities and encourage existing enterprises to grow and prosper.</p>
Linkages to Community Planning	<p><b>Population Outcome</b> 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.</p> <p><b>Outcome</b> The Causeway Coast &amp; Glens area provides opportunities for all to contribute to and engage in a more prosperous and fair economy.</p>
2017 pilot amount	£50,000 – this would allow for a test running of the scheme in 2017/18. Depending on available budget, this could increase for 2018/19.
Amount options	<p>4 “full” grants of up to £10,000 each.</p> <p>An additional 10 smaller grants of £1,000 to allow for market testing, additional market research or other training needs.</p> <p><b>Option: this amount can be reduced to allow for more assistance, for example, 8 grants of £5,000.</b></p>
Additional add-ons	Optional support from Alchemy, allowing three days of support through the programme, using partners from the Enterprise Agencies located in the Borough.
Mandatory Criteria	<p>Available to residents of the borough only – in the unlikely event of someone from outside the borough wishing to start a business in this borough, would have their own area resources to fall back upon.</p> <p>Must be under 2 years established as per the notice of motion – the starting date could be from when they complete their Start a Business course.</p> <p>Assistance aimed at those businesses requiring a capital “push” – for example, new equipment for new processes, enhancement of IT/software which engage in new markets or processes, businesses which require a new website for sales purposes (as opposed to establishing a new online presence).</p> <p>Funding must be spent within the financial year.</p> <p>Applications must be for projects which are not currently under consideration with other funders.</p>
Sectors	<ul style="list-style-type: none"> <li>• Creative, Digital, Tech, Media, Fin Tech, Health and Life Sciences</li> <li>• Tourism – business to enhance the local offer, but not attached to accommodation.</li> <li>• Food – but not cafés, eateries etc – aim at new product development.</li> </ul>

	<ul style="list-style-type: none"> <li>• Manufacturing.</li> <li>• Social Enterprises.</li> </ul> <p>The key here is seeking innovation and employment potential.</p> <p><b>Option: Members may wish to consider widening these sectors to basically take in all applicants.</b></p> <p>Equality considerations:</p> <ul style="list-style-type: none"> <li>• Part time and full time businesses are welcome.</li> <li>• Consider a welcome statement for women and young people, underrepresented in the start-up figures.</li> </ul>
What will Council support?	<ul style="list-style-type: none"> <li>• New equipment linked to creating new jobs or introducing innovative approaches.</li> <li>• Specialist Training pertinent to the business.</li> <li>• Software/IT.</li> <li>• Support towards a key member of staff integral to the development of the business – must demonstrate funding available for two years.</li> <li>• Marketing support.</li> </ul>
What will Council not support?	<p>Running costs; loan repayments; any business where there are ethical considerations – for example, betting shops, money lending, debt factoring, hire purchase financing; projects which have as their object the promotion of political or religious views; illegal or immoral activities.</p> <p>Also include a catch-all: “Any other business that the Council may from time to time deem to be ineligible.”</p>
Running the scheme	<ul style="list-style-type: none"> <li>• Application form – online only.</li> <li>• Business plan – either bespoke or through the enterprise agencies.</li> <li>• New business must have completed the Business Start-up Programme at the very least.</li> <li>• Permissions, licences, training, eg environmental health etc need to be in place or applied for, before any grant payment.</li> <li>• Evidence of match funding, where relevant, in the bank, or written assurance from funder that it is available.</li> </ul> <p>Opening and closing dates - an eight week period for application.</p> <p>Assessment criteria – these could include jobs sustained, jobs created, new markets entered, increase in turnover and profit, innovation or new approaches, based on a 0-5 scoring scheme.</p> <p>Funding is discretionary – panel’s word is final.</p> <p><b>Inclusion of an interview option</b></p> <p>Post award:</p> <ul style="list-style-type: none"> <li>• Monitoring for a two year period is mandatory, with a clawback option.</li> </ul>

	<ul style="list-style-type: none"> <li>• Publicity requirements.</li> <li>• Funding is given retrospectively, after activity has taken place.</li> <li>• De minimus declaration will be required.</li> </ul>
Other sources of finance	<p>It will be a requisite that this funding is considered – as far as possible - as an option of last resort. It will be obvious that some of the funding programmes and stakeholders listed below will not be relevant. However, the application form will allow candidates to demonstrate where they have applied or not been successful.</p> <ul style="list-style-type: none"> <li>• Rural Development Programme.</li> <li>• INI Innovation vouchers.</li> <li>• Export Start (financial support).</li> <li>• InterTrade (Go Innovate).</li> <li>• The Bank – anecdotally at the moment this is not proving to be an easy form of finance.</li> <li>• Occasionally, the credit union – but rarely makes business loans.</li> <li>• Loan funds designed for those who cannot access credit through normal means.</li> <li>• Friends and family.</li> <li>• Venture Capital/Business Angels.</li> <li>• Prince's Trust (primarily under 40's).</li> <li>• Causeway Enterprise – Venture Causeway – money and time given.</li> </ul>