

Vision Derbyshire Joint Committee

Shared Prosperity Fund Menu of Options – Vision Derbyshire Business Start-Up Programme

Date:	11 July 2022
Key ambition area:	Seize Innovation
Sponsors:	Cllr Tricia Gilby Emma Alexander Joe Batty
For publication:	Yes

1.0 Purpose of the report

- 1.1 To provide an overview and update the Vision Derbyshire Joint Committee on the progress of the Business Start-up Programme.
- 1.2 To discuss options for utilisation of the shared prosperity fund to support the next stages, and expansion, of the Business Start-up Programme.

2.0 Recommendations

- 2.1 Note the progress made since December 2021 on the Vision Derbyshire Business Start-up Programme.
- 2.1 Discuss the opportunity to utilise the Shared Prosperity Fund to support the next phase of the of the Vision Derbyshire Business Start-up Programme.

3.0 Reason for recommendations

- 3.1 To ensure that the Vision Derbyshire Joint Committee is aware of developments and progress that has taken place since December 2021 on the Vision Derbyshire Business Start-up Programme.
- 3.2 To ensure that funding is in place for the next phase of the Business Start-up Programme, from July 2023.

4.0 Report details

- 4.1 An officer workshop regarding the Shared Prosperity Fund (SPF) and Levelling Up Fund agreed to provide an overview to the Joint Committee of the Business Start Up programme, funded by retained business rates and delivered through Vision Derbyshire.
- 4.2 As part of the wider discussion, it was confirmed that the current Memorandum of Understanding (MOU) was due to expire at the end of June 2023. The significant level of demand for this type of work and bespoke support was also noted and it was agreed to present to the district, borough and city councils:
- An overview of the current offer
 - The level of impact of current delivery
 - Some indication of potential level of funding needed to sustain the programme over 2 years or so.
- 4.3 The Vision Derbyshire Business Start-Up programme was launched in July 2021 and recruitment to all posts was completed by December 2021. The full team comprises five dedicated Business Start Up Advisors and one Project Officer, responsible for monitoring, marketing, and communication. The Advisors are aligned to specific geographies (one adviser per two local authority areas on average with some additional capacity to respond to higher levels of demand).
- 4.4 The total project funding is £1m which includes a grant funding pot of £550,000. The current MOU expires at the end of June 2023 (NB: based on current profiled spend, it is possible the £1m will likely last until December 2023, but not guaranteed – dependent on grant demand).

Current Impact

- 4.5 Since December 2021, the project has gathered real momentum with increasing levels of demand being demonstrated through enquiry numbers – spread quite evenly across the D2 area. There have been several notable outcomes.
- 4.6 **Outcome 1: face to face business support**
A total of 403 clients have been enrolled onto the project. 229 are currently “Live” and are being actively supported. A further 69 ‘pending’ cases have received initial support and the clients are now taking time to develop their business ideas and plans, with regular check-ins on progress. This represents latent demand in the system. The remainder cases have been dealt with successfully, having received the necessary support and grant funding or being passported to other agencies and programmes. When businesses come to the end of their 1st year of trading, they are being introduced to the D2N2 Growth Hub to ensure a seamless wraparound support service is offered.
- 4.7 **Outcome 2: Grant Funding**

To date, 28 applications for grant funding have been received; 23 have been approved. The remainder are either due for review or awaiting further information. The total amount of funding approved from the Business Start Up pot is £71,210 but businesses have leveraged further investment of £145,828 and together, this investment is forecast to generate 1st year turnover totalling £1.7m - demonstrating the real value to the Derbyshire economy. When the same levels of return are extrapolated to the total grant pot of £550,000, this equates to total leveraged funds of £1.12m and total 1st year turnover of £13.5m, a significant contribution to the local economy. If this funding and support can be sustained for a further year or even two via utilisation of SPF, then the extrapolated benefit to the Derbyshire economy could be double or triple this amount

4.8 Outcome 3: added value through joint working

For many clients the real value of the project comes from the advice and support they are provided with, often over several months. By working alongside the individual district, borough and city councils, the team offers bespoke support at a local level including signposting to other key council services. Networking with other agencies has also been vital, and there has been a high degree of collaboration with the Push the Button project, the D2N2 Growth Hub, the University of Derby, Marketing Peak District and Derbyshire, the Chesterfield Digital High Street project, and the East Midlands Chamber of Commerce. Further connections have been made with the Department of Work and Pensions, the YMCA, the Federation of Small Businesses and Voluntary Sector Organisations. Given the move to develop a mayoral county combined authority, sustaining the Business Start Up project beyond December 2023 will mean this degree of joint working, collaboration and officer resources can be retained/ enhanced within D2 and will leave service provision in a strong place once a devolution deal has been secured.

4.9 Outcome 4: marketing and client engagement

Engagement events have been delivered to target groups, encouraging budding entrepreneurs to come forward. At Chesterfield College there was an audience of over 200 students and based on the success of this event a similar presentation has been made to the College's adult learners. Similar presentations are being rolled out to the other Derbyshire colleges and University of Derby under-graduates. Wider engagement with 'job changers' and unemployed people is also being developed and rolled out.

Future Offer: Utilising SPF Opportunities

- 4.10 To continue to provide this vital support to business start-ups and to secure their significant contribution to the local economy, it has been estimated that an additional £875K is required in total (D2-wide) to fund the period from July 2023 to March 2025 (SPF Funding Period End Date). This is broken down as follows:

Grant Pot (including administration costs)	£481,250
Salaries, Expenses, Marketing	£393,750
Total Project Cost	£875,000

4.11 A contribution of **£97,222** is therefore required per local authority area (all district, borough and city councils) for the period July 2023 to March 2025 (a monthly equivalent of **£4,629**).

4.12 If an additional total contribution of circa £50,000 (£5,555 each) the project could be extended to include further training workshops and set up peer networking groups.

Future Impact

4.13 With this additional commitment, it is anticipated that grants of **£481,250** issued from July 2023 to March 2025 would equate to leveraged funds of **£1m** and total 1st year turnover of **£11.8m**.

4.14 In addition to the success, we can evidence by the numbers, securing this extra funding will enable us to continue to deliver the following impacts in each of the local authority areas:

“The support you have given me has been absolutely life changing. To receive a grant is fantastic, but the business advice and support, linking with Derby University has been amazing and I’m so excited that everything is falling into place. I can’t thank you enough.”

“I’m grateful for all the support I’ve received. It has been brilliant to learn more about business plans and all finance related things. I found the Excel spreadsheet daunting at first but it’s a really useful tool and I’m looking forward to using it as part of my business.”

“Thank you so much for your time to talk to me. It was lovely talking to someone who understands. I have registered for the course, thank you for pointing me in the right direction.”

“Thanks for the info and research. We’ve been very busy with “queues out the door” so we’re hiring already. All looking good.”

5.0 Alternative options

5.1 Do nothing - A decision could be taken to not to expand the Start-up Programme beyond this first phase. This option has been rejected due to the current benefits and potential future impact outlined in the report.

5.2 Do not utilise the SPF – A decision could be taken not to utilise SPF funding to support the next phase of the Business Start-up Programme. This option has been rejected as the aims and impact of the project meet the criteria for the SPF and a budget would have to be identified from other sources if not agreed.

6.0 Implications for consideration – Financial and value for money

6.1 There are no implications for the Vision Derbyshire Programme budget linked to this report.

7.0 Implications for consideration – Legal

7.1 Within the articles of the Joint Committee, agreed at the 4 April 2022 Vision Derbyshire Joint Committee, ‘Section C’ under ‘functions and responsibilities’, Oversee the Vision Derbyshire Delivery Programme is delegated to the Joint Committee. Discussing and agreeing matters relating to the Business Start-up Programme falls under the remit of the Joint Committee.

8.0 Implications for consideration – Human resources

8.1 The Business Start-up Programme team comprises five dedicated Business Start Up Advisors and one Project Officer, responsible for monitoring, marketing, and communication. The continued employment of these officers and the support they provide is directly related to securing future funding of the programme beyond the initial phase.

9.0 Implications for consideration – Climate change

9.0 As part of the business support offered, advisors consider issues including sustainability, energy use and carbon emissions and encourage inclusion of these as part of their wider business plans. Where additional expert assistance and support is identified, clients are signposted to other programmes including Green Entrepreneurs and specific skills training workshops such as the Carbon Literacy webinars managed by the East Midlands Chamber.

10.0 Implications for consideration – Equality and diversity

10.1 Equality Impact Assessments (EIA’s) in relation to specific project and programme activities will form a key part of Vision Derbyshire Joint Committee considerations to ensure that appropriate mitigations are developed for potential negative impacts on people with protected characteristics, and positive impacts maximised.

11.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood

Document information

Report author
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Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.
None
Appendices to the report
None