



App 2 Derbyshire Business Support Grant scheme

Background - comments from Joe Battye – Derbyshire County Council

The 10 local authorities in Derby and Derbyshire have been successful in a bid to become one of Government's business rate retention pilots. Since the announcement, section 151 officers within the 10 local authorities have collaborated and advised the overall value of the pilot fund is approximately £27million and agreed an approach for its dissemination; 70% of the monies will be retained by the individual authorities and 30% (approximately £8.6 million at this stage) will be aligned to supporting economic growth, under the direction of the D2 Joint Committee. The final value of the pilot Business Rate Pilot (BRP) fund will not be known until this time next year and as a result, some flexibility is required in the allocation and planned commitment of funds i.e. up to 75% of the allocation is advised to be committed at this stage.

Derby City Council is the managing authority of the whole business rate pilot on behalf of D2 but Derbyshire County Council is the agreed accountable body for the £8.6m fund which has been set aside to help directly support economic growth. Broad objectives for the 30% element of the BRP are to:

- ***Ensure the pilot demonstrates alignment to the original business case and economic profile***
- ***Utilise the fund on an 'invest to generate' basis to bring about greater business rate benefit either quicker or to a greater extent (including medium to long term).***
- ***Protect, support and retain existing businesses (and consequential rates) alongside generating/ attracting new business.***
- ***Fund projects that other funding programmes, broadly, do not reach – the 'Heineken' approach. This may include supporting some longer term projects with potentially indirect benefits.***
- ***Create a methodology that will assess 'what uplift in business rates the project/ proposal will deliver' and endorse Green Book principles.***
- ***Ensure maturity, flexibility and proportionality in the application of assessment criteria, depending on the size and nature of projects – and is mature and flexible enough to cope with different sorts of projects.***





- ***Ensure a good geographical spread of projects across the county and across the rural/ urban dynamic so that all areas benefit from growth and enhanced business rate returns.***
- ***Make sure the 'right things got done', rather than creating a framework that only promotes/ supports certain types of projects. This includes using the fund to address some elements of current market failure (e.g. demand/ supply issues on business premises).***

Further to discussion between local authority leaders, chief executives and heads of economic development, it is proposed the 8.6m be divided to create three separate funding pots:

Strand 1: Business support grant – indicative proportion of 20% of the economic growth pool (proposed to be managed by Derby City Council)

Strand 2: Enabling Future Delivery (support to feasibility) – up to £1m initially (indicative proportion of 10% - proposed to be managed by Derbyshire County Council)

Strand 3: Economic Impact – supporting large and small capital projects (indicative proportion of 70% - proposed to be managed by Derbyshire County Council)

NB: funding allocations to each of the strands is indicative at this moment in time and subject to review via the Joint Committee depending on project take up etc.