

From the Office of the Minister



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Mr Joe Byrne  
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Stormont  
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**Our Ref: DETI SUB 574/2013**

19 February 2014

Dear Joe

### **REVIEW OF BUSINESS START PROGRAMME (AQO 2906/11-15)**

During Oral Question time on 20<sup>th</sup> November 2012 you had asked for an outline of the steps my Department is taking to implement an effective grant support system for start-up small and medium-sized enterprises.

I had agreed to look at the £400 grant element of the previous Business Start Programme and the evidence base to see if there is a need to reintroduce a small level of grant again.

As a result I instructed Invest NI to commission an independent Green Book Economic Appraisal of the case for the reintroduction of a business start grant to complement the current Regional Start Initiative (RSI).

KPMG were subsequently appointed and have considered information from a variety of sources with particular emphasis on analyses undertaken of previous similar schemes within Northern Ireland and on the data and information available from the current performance of RSI. This was supplemented by consultations with a number of stakeholders including ENI, Invest NI and DEL. They also benchmarked against other schemes across the UK and reviewed existing provision including the NI Small Business Loan, ENI Loan Fund, Prince's Trust and other Start-Up Loans.

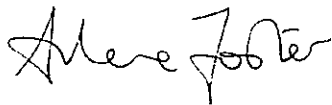
KPMG concluded that the additionality issue highlighted in previous reviews was still relevant and as such indicated that there is a likelihood of significant deadweight if a universal grant was reintroduced.

In conclusion I feel that there is not sufficient evidence at this stage to merit the reintroduction of a grant element to Regional Start Initiative (RSI).

However I have instructed Invest NI to continue to monitor and analyse performance of RSI and relevant data and I will also ensure that the issue of reintroducing the grant element will be reviewed again during the independent evaluation of RSI.

I am arranging for a copy of this letter to be placed in the Assembly Library.

Yours sincerely

A handwritten signature in black ink that reads "Arlene Foster". The signature is written in a cursive style with a large initial 'A'.

**ARLENE FOSTER MLA**  
Minister of Enterprise, Trade and Investment