

# Economic Incentive Scheme Report



2022

A summary of the background and results of the Waterford City & County Council Economic Incentive Scheme for Vacant Properties in Urban Areas 2021-2022.





# What is the Economic Incentive Scheme?

## A support for start-ups in Waterford.

The Economic Incentive Scheme is a support for new businesses that are being started in vacant retail units in City, Town or Village centres in Waterford County. The scheme has a duration of three years.

### The scheme provides two supports to businesses:

1. Rates grant for the business for three years.
2. A start up grant that totals to €6,000 over the three years. €3,000 in Year 1, €2,000 in Year 2 and €1,000 in Year 3. This start up grant covers fit out and overheads for the business.

<u>Budget:</u>	<u>2021</u>	<u>2022</u>
Rates Relief	€50,000	€100,000
Start Up Grant	€30,000	€50,000

# Background

The Economic Incentive Scheme (EIS) 2021–2022 replaced the previous Rates Incentive Scheme which operated over the period 2013–2020. 10 applicants from the Rates Incentive Scheme were still eligible for a rates grant in 2021 and 2022 and these commitments were made from the budget allocated to the EIS. All commitments from the original Rates Incentive Scheme end in 2022.

The previous Rates Incentive Scheme had 40 successful applications, supported 111 jobs and helped businesses to fill vacant units in urban centres.

So far, 19 businesses have joined the current scheme (see Table 1). This was done with limited promotion at the outset of the scheme (Retail Excellence Ireland Annual Retreat, Facebook post and adding the scheme to the council website). Generally, active promotion was word-of-mouth and referral from Rates Officers or the Local Enterprise Office. 4 applications have been rejected due to not being eligible business types or for commencing trading prior to the commencement of the current scheme.

This report outlines the impact of the EIS and the financial commitment to date and into the future given that successful applicants can participate on the scheme for up to three years and are entitled to both the rates grant and the start up grant over a three year period. A summary of the financial outlay to date and future commitments are summarised in Table 2 and Table 3 on Pages 6–7.

**Table 1: EIS Applicants\***

<b><u>Year:</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Number of Applicants	12	7

*\*There are also a number of draft applications which are expected to be completed in the coming months.*





# Eligible Businesses\*

1. Cosmetics / beauty products
2. Specialist Health Food shops
3. Shoe Shops
4. Toy Shops
5. Hi-tech / High-end Electronics
6. Music Shops
7. Specialist (Hobby) Stores
8. Artisan / Craft Shops Giftware/Interiors/Fashion businesses and shops
9. High End Retail - globally scaled
10. Shops offering a unique experience

# Ineligible Businesses

1. Arcades, bookmakers, betting shops
2. Catalogue shops
3. Discount shops
4. Restaurant/Café/Takeaways
5. Mobile phone/internet shops
6. Newsagents/convenience stores
7. Off Licences
8. Night club/pubs
9. Grow shops
10. Vape Shops
11. Adult shops
12. Hair/beauty/salon/nail bars/ tanning studios
13. Supermarkets

**\*Businesses must be located in a city/town centre, create employment and must be renting a unit that was vacant for a minimum of 1 month prior.**

# Key Benefits



## 01 Business & Vacancy

**19 businesses** are participating in this scheme meaning **19 enterprises supported** in Waterford and **19 properties taken from vacancy. 16 of these are retail businesses, 2 are offices and 1 is a service business** (See Table 6).

## 02 Jobs

Each business must commit to **employment creation** to join the scheme. Of the 19 businesses that have participated a **total of 187 jobs** are estimated to be supported over the three year period (see Table 4 & 5).

## 03 Supporting Local

This scheme is a support for urban centres and assists in maintaining the vibrancy, productivity and employment of city, town and village centres in Waterford. Of the participants 10 are in **Waterford**, 5 in **Dungarvan**, 2 in **Tramore** and 2 in **Lismore** (see Table 6).

## 04 Waterford Enterprise

By offering this scheme the Waterford City & County Council is **signalling to entrepreneurs** that Waterford is a supportive and welcoming **location to do business**. Whether an applicant is successful or not the presence of this scheme helps to advertise Waterford as a business **friendly location**.

# Rates Grant

When an applicant is successful in applying for EIS the Economic Development Department contacts Rates for their details. Rates provides the annual rates of each business in order to calculate the amount that needs to be covered by the grant. Where a business starts on the scheme partway through the year, rates are calculated accordingly.

The budget for the Rates Relief element was €50,000 in 2021 and €100,000 in 2022 to cover the rates grant. As the scheme is three years in total a budget will be required in 2023, 2024 and 2025 for those who began the scheme in 2021/2022 (see Table 2).

## Table 2: Rates Relief

<u>Year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
<b>Approved Budget</b>	€50,000.00	€100,000.00	€100,000.00* (Assumed)	€100,000.00 (Assumed)	€0.00	<b>€350,000.00</b>
<b>Committed Budget</b>	€49,114.88	€103,500.67	€84,007.48	€41,560.96	€2,422.08	<b>€280,606.07</b>
<b>Difference</b>	<b>€885.12</b>	<b>-€3,500.67</b>	<b>€15,992.52</b>	<b>€58,439.04</b>	<b>-€2,422.08</b>	<b>€69,393.93</b>

\*If the budget were to be €100,000 for 2023, with €87,073.82 already committed to existing participants, there would be limited scope for new applicants. With the average annual rates for a business in 2022 being €4,500 only c.3 more businesses would be able to join the scheme.





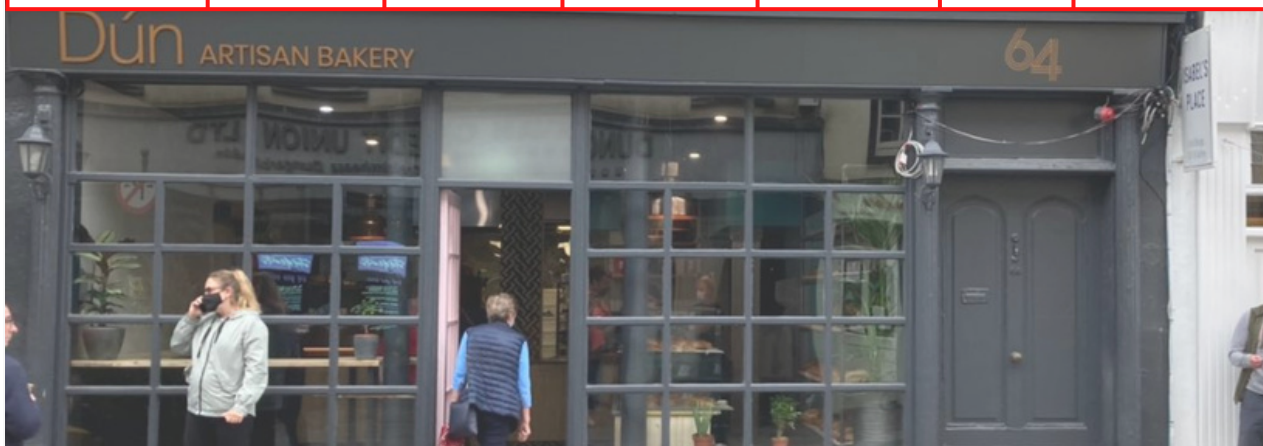
# Start-Up Grant

Every successful applicant to the scheme receives a start up grant for each year of the scheme. €3,000 in Year 1, €2,000 in Year 2 and €1,000 in Year 3. This grant covers fit out and overhead costs for the business. Ineligible costs were stock for resale, refundable costs, invoices funded by grant aid and invoices dated before the lease.

To continue the scheme a budget will be required over the period 2023-2025 (see Table 3). Those who started in 2021 will need to be paid their final grant in 2023. Those who began the scheme in 2022 will require their final grant payment in 2024. Once 2023 begins, those who start will need to be paid into 2025.

**Table 3: Start Up Grants**

<u>Year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
<b>Approved Budget</b>	€30,000.00	€50,000.00	€50,000.00 (Assumed)	€50,000.00 (Assumed)	€0.00	<b>€180,000.00</b>
<b>Committed Budget</b>	€36,000.00	€42,000.00	€20,000.00	€5,000.00	€0.00	<b>€103,000.00</b>
<b>Difference</b>	<b>-€6,000.00</b>	<b>€8,000.00</b>	<b>€30,000</b>	<b>€45,000</b>	<b>€0.00</b>	<b>€77,000</b>



# Businesses Supported\*

## Lovelndi

Jobs: 4

Waterford City's newest boutique clothing, jewellery and homeware store is supported by EIS, bringing trendy items to the Quays.

## Hive Education

Jobs: 16

Hive Education is a Dungarvan business that assists in the tutoring and caring of children through academic tutoring, wellbeing classes and mentoring. Through the support of EIS Hive Education was assisted in setting up in Dungarvan.

## Dún Artisan Bakery

Jobs: 4

EIS supports sustainable business practices through Dún Artisan Bakery. Featured in RTÉ News only recently for its next level commitment to the environment this Dungarvan bakery uses only Irish wheat. For their other ingredients they grow them on their farm in a 'no dig' manner. This means only harvesting from the top of the ground, using rainwater instead of irrigation and no electricity involved in farming.

## Seagull Bakery

Jobs: 12

Seagull Bakery was supported by EIS when they made the decision to open a branch in Waterford City. This support has allowed them to bring their delicious pastries to city residents and visitors alike.

## Vinilo Bakery

Jobs: 3

EIS helped to support Vinilo Bakery in Lismore, bringing further vibrancy and the smell of fresh baked goods to Lismore's main street. Using top quality, locally sourced ingredients as well as sustainable packaging this business prides itself on making great bread containing only four natural ingredients: flour, water, salt and time.

## Elya Interiors

Jobs: 6

Elya Interiors creates and sells custom wallpapers, blinds, splash-backs, lighting and furniture. Through their unique product design, Elya Interiors provides an opportunity for local artists to turn their works into commercial wallpapers for businesses.

## Sunfleck

Jobs: 6

Sunfleck is a unique wellness shop of indoor plants and Irish products. EIS supports Sunfleck's goal of combatting issues around physical and mental health through the provision of information as well as natural products.

## Mediterranean Deli

Jobs: 63

The most recent addition to the Stable Yard, EIS supports the Mediterranean Deli which sells fantastic Mediterranean products to the people of Waterford.

*\*This is a sample of the businesses EIS supports.*



# Why should this scheme continue?

The Economic Incentive Scheme encourages new start ups in Waterford County each year to **enliven town centres, create employment** for people living in Waterford and to create **Waterford business success stories**. This scheme offers the Local Authority an **opportunity to influence the retail mix in Waterford's urban centres** through deciding which types of business are eligible. The scheme also helps the Local Authority to **link new businesses with vacant units** in urban centres.

## Policy

The **Town Centre First policy** aims to create town centres that function as viable, vibrant and attractive locations for people to live, work and visit. By supporting these businesses this scheme assists in delivering this policy.

## Enterprise

New home grown business success stories that convey Waterford as an innovative, enterprise friendly city.

## Jobs Creation

This scheme has helped new businesses to generate jobs across Waterford.

## Involvement

A sense of continued growth in Waterford's urban centres facilitated by the Local Authority helps to strengthen relationships between businesses and the Authority. This improves interactions, the exchange of knowledge and local perceptions.



# CONSIDERATIONS FOR THE CONTINUATION OF THE SCHEME

- Given the success of the scheme to date in terms of supporting new businesses, reducing vacancies in urban centres and supporting employment it is recommended that this scheme is extended for a further period.
- The continuation of the scheme will demonstrate the Council's support of a number of national policies most notably the Towns Centre First Policy which references opportunities for towns and village centres to develop 'experience-led retail' to improve the vibrancy and vitality of the town centre.
- The Report of Night-Time Economy Taskforce includes an Action (No 4) to commence work to examine the 'meanwhile use[1]' legislation to support NTE activities. The extension of the EIS to include meanwhile uses could support this action. Consideration of how to ensure the premises are being used into the evening/ night-time would need to be considered. Under the current criteria pubs and night clubs are not eligible under the EIS.
- The applications received to date have been achieved with minimal promotion of the scheme. The main promotional tools are Waterford Council's and Waterford 2040's website and referrals from the Local Enterprise Office and the Rates Officers. Additional promotion has not been undertaken as the level of applications has already exceeded the budget.
- NOTE: Section 15 of the Local Government Rates and Other Matters Act 2019 (not yet commenced) enables local authorities to create a rates waiver scheme (waiving all or a portion of rates) to support policy objectives in specific plans.
- The scheme can also support remote working hubs establishing in town or village centres and has the potential to support other Council policies including the Roadmap to Carbon Neutrality.
- Without this scheme the number of supports for retail businesses becomes very limited. If so, it would be easier for a vacant unit to become a residential unit instead of a retail unit; impacting the vibrancy of town centres.



[1] The term 'meanwhile use' refers to the short-term use of temporarily empty buildings such as shops until they can be brought back into commercial use. It takes a potential problem and turns it into an opportunity and helps keep an area vibrant.



# Key Figures

**Table 4: Job Creation**

	2021	2022	2023	2024	2025	Total
<b>No. of Promise d Jobs</b>	57	61	58	11	0	<b>187</b>

**Table 5: Job Creation per Sector and Location**

Location	Retail	Office	Service	Frequency
<b>Waterford</b>	112	10	0	<b>122</b>
<b>Dungarvan</b>	26	0	16	<b>42</b>
<b>Tramore</b>	12	0	0	<b>12</b>
<b>Lismore</b>	11	0	0	<b>11</b>
<b>Total</b>	<b>161</b>	<b>10</b>	<b>16</b>	<b>187</b>

# Key Figures

**Table 6: Applicant Location and Business Type**

Location	Retail	Office	Service	Total
Waterford	8	2	0	10
Dungarvan	4	0	1	5
Tramore	2	0	0	2
Lismore	2	0	0	2
<b>Total</b>	<b>16</b>	<b>2</b>	<b>1</b>	<b>19</b>