

# Development Committee

Wednesday, 4th October, 2006

## MEETING OF DEVELOPMENT (ECONOMIC DEVELOPMENT) SUB-COMMITTEE

Members present: Councillor M. Browne (Chairman); and  
Councillors Convery, Crozier, D. Dodds, Jones,  
McCann and Stoker.

In attendance: Ms. S. McCay, Head of Economic Initiatives;  
Ms. S. Watson, Economic Development Manager; and  
Mr. N. Malcolm, Committee Administrator.

### Apologies

Apologies for inability to attend were reported from Councillors P. Maskey and Newton.

### Minutes

The minutes of the meeting of 6th September were taken as read and signed as correct.

### Northern Ireland Manufacturing Focus Group

The Sub-Committee agreed to receive at its monthly meeting in November a deputation from the Northern Ireland Manufacturing Focus Group regarding its recent campaign in relation to the abolition of industrial de-rating.

Arising from discussion in the matter, the Sub-Committee noted that the Secretary of State had established a Working Group which would be examining the issue of capping rates at the current level of 25% and that this Group would be submitting its report to him in November.

### Proposed Series of Business Development Programmes

The Sub-Committee considered a report regarding a series of proposed Business Development Programmes. A copy of the report, with the exception of the appendices referred to therein, is set out hereunder:

#### “Relevant Background Information

**Members will be aware that the SME sector plays a critical role within the local economy and is the economic engine of the region as a whole with 88% of businesses in Belfast employing less than 20 people. Therefore, ensuring that SME's are ready to meet the demands of a rapidly changing economy continues to be a priority for Council.**

In order to address the needs of the local SME's, the Council's Local Economic Development Plan has provided a range of business development programmes and activities. The recently completed LED plan (2002–2006) delivered a total of 42 business development programmes and the new plan for 2006–2010 aims to further develop this type of support for the sector in the following areas:

- Export Development
- Sales and Marketing
- Access to Finance
- Local Sourcing Initiative
- Business Improvement

#### Key Issues

Based on the performance and demand of previously delivered business development programmes and through engagement with the private sector, it is recommended that the following business development programmes would be delivered for the period April 07–March 08.

- Export to Europe
- Trade Mission to Cyprus
- Sales and Marketing Programme (2 programmes)
- Strategy and Business Programme (2 programmes)
- Access to Finance Programme (2 programmes)
- Local Sourcing (1 day event)

A full breakdown of the proposed methodology of each programme including targets and outputs is contained within Appendix 1.

#### Resource Implications

Economic Development Officers will be responsible for developing, delivering, monitoring and evaluating these programmes.

## Recommendations

### Financial Recommendations

Programme	Number of Programmes	Overall Cost
Export - All European Markets	1 x 10 companies	£30,000
Export – Cyprus	1 x 8 companies	£20,000
Sales and Marketing	2 x 10 companies	£40,000
Investment Programme	2 x 10 companies	£40,000
Local Sourcing	1 Day Event	£25,000
Strategy in Business	2 x 10 companies	£40,000
<b>TOTAL</b>	<b>9</b>	<b>£195,000</b>

It is recommended that Members:-

- (i) Note the contents of the report.
- (ii) Approve the budget of £195,000 to deliver these programmes for the period April 2007–March 2008.

### Abbreviations

LED – Local Economic Development

### Documents Attached

#### Appendix 1

Objectives and proposed methodology of 2007–2008 business development programmes.

#### Appendix 2

Programme Evaluations:

- a) Export Programmes
- b) Sales Development Programme
- c) Local Sourcing Initiative
- d) Strategy in Business”

After discussion, the Sub-Committee adopted the recommendation.

### Global Entrepreneurship Monitor

The Sub-Committee considered a report regarding the Global Entrepreneurship Monitor, a copy of which, with the exception of Appendix 1 referred to therein, is set out hereunder:

**“Relevant Background Information**

The Global Entrepreneurship Monitor (GEM) research programme is an annual assessment of the national level of entrepreneurial activity. It was initiated in 1999 with 10 countries participating and has now expanded to cover 34 countries in 2005 and all UK regions of which Northern Ireland is one.

Northern Ireland's participation in GEM helps us understand more fully the levels of entrepreneurial activity currently taking place, the barriers to businesses starting up and what policy developments might help to make Northern Ireland a more entrepreneurial place.

In the 2004 and 2005 study Invest NI funded a sample size of 3,000 throughout the region. This sample was boosted by an additional sample of 1,000 each by ENI and Council. The Belfast sample focuses on the City Council area.

**Key Issues**

The 2005 assessment is now complete and has now identified a number of key issues for Belfast including:

- In 2005 4.5% of the adult resident population in Belfast were engaged in early stage entrepreneurial activity - the index used in GEM to measure an area's scale of entrepreneurial capacity - which was slightly lower than for Northern Ireland as a whole (4.8%). This is an increase from 2004 where the rate was 3.7%
- Necessity entrepreneurship is the highest in Belfast of any sub-regions in Northern Ireland in 2005 (setting up a new business venture after exhausting all alternative opportunities of employment)
- There has been an increase in overall early stage entrepreneurial activity in Belfast between 2004 and 2005 and this would appear to be associated with opportunity-driven entrepreneurship.
- Around one-quarter (24.1%) of new business ventures are in transforming sectors which includes construction, manufacturing, transportation and wholesale distribution
- Belfast has one of the highest levels of graduate entrepreneurial activity in Northern Ireland even though the actual proportion of graduates in the city is lower than in many other UK cities.

- The importance of quality start-ups leading to enduring businesses and jobs, as well as, the growth of existing small businesses, should be essential ingredients of an overall strategy designed to increase the level of 'enterprise' in Belfast.

A Belfast synopsis of the GEM study can be found in Appendix 1. The full 2005 NI GEM report can be obtained from the Economic Development Unit.

From a UK regional perspective, Northern Ireland is currently placed 10th out of the 12 UK regions in terms of TEA, up from 11th in 2002. The highest levels of early stage entrepreneurship are to be found in the South and East of England, particularly in London. In Scotland and Wales the corresponding rates of early stage entrepreneurial activity in 2005 are 5.8 per cent and 5.2 per cent compared to NI's 4.8%.

Considering Belfast is a key driver and strives to become a more entrepreneurial city this Belfast study enables Council to gain clear insights as to where Belfast sits on a regional and global scale. It also provides clear insights into the specific areas where action is required to address the barriers which consistently hinder the efforts to make Belfast more entrepreneurial.

Members will also be aware that a key priority within the new LED plan 2006 – 2010 is Business Competitiveness and a key objective within that is to promote entrepreneurship within the City. It is important for Council to support such initiatives which assist in helping Council shape policy around enterprise and entrepreneurship, particularly in light of future additional responsibilities under RPA.

It is proposed that Belfast City Council participates on the GEM 2006 NI Survey by funding an additional sample of entrepreneurs. To enable a meaningful size it is proposed that Belfast City Council continues to fund an additional sample size of 1000. The costing for the sample is £10,025. Invest NI will cover the publishing costs.

#### Resource Implications

##### Financial

The financial implication is £10,025.

#### Recommendations

It is recommended that Members:-

- (i) Note the contents of the report.
- (ii) Approve the budget of £10,025

**Abbreviations**

**GEM – Global Entrepreneurship Monitor  
ENI – Enterprise Northern Ireland  
TEA – Total Entrepreneurial Activity**

**Documents Attached**

**Appendix 1 – Belfast Summary of the 2005 GEM report.”**

The Sub-Committee adopted the recommendation.

**Proposed Series of Business Seminars**

The Economic Development Manager reminded the Sub-Committee that, at its meeting on 6th September, it had approved the Draft Economic Development Plan 2006 - 2010. One of the key elements within the Plan was to host a series of seminars for small businesses in the City which would deal with issues facing small businesses and provide advice on finance, marketing, technology and export matters. It was intended that high calibre, influential key speakers from both the business support network and the private sector would address the seminars, which would take place in the City Hall. She indicated that it had been estimated that the seminars would cost in the region of £22,000 to arrange.

Following discussion, the Sub-Committee agreed that four Business Seminars be held at a cost of £22,000.

**Institute of Small Business and Entrepreneurship Conference**

The Sub-Committee deferred consideration of a report regarding a request that the Council provide £50,000 towards the costs of holding the Institute of Small Business and Entrepreneurship's 2008 Conference in Belfast to enable further information regarding the costs of organising the Conference to be obtained.

**Greater Village Regeneration Trust**

(Councillor Stoker declared an interest in this matter in that he was a member of the Greater Village Regeneration Trust and left the room whilst the matter was under discussion.)

The Sub-Committee was reminded that under Phase Two of the Neighbourhood Economic Development Programme the Greater Village Regeneration Trust had been awarded funding to implement a range of local economic development projects. One of these involved the development of a social economy business which would remove unwanted graffiti across the city. Whilst developing the business plan for the project, the Trust had ascertained that, following the purchase of the necessary equipment, a further charge of £2,000 would be levied to enable the organisation to access water from the mains supply. Having examined the matter, the Trust had decided that the most cost-effective method of dealing with this issue would be to purchase at an additional cost of £2,950 a machine which would contain its own portable water supply. Accordingly, the Trust had requested that the Council provide this amount to enable the project to proceed.

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Following discussion in the matter, it was

Moved by Councillor McCann,  
Seconded by Councillor Jones,

That the Sub-Committee agrees to provide additional funding of £2,950 to the Greater Village Regeneration Trust in connection with its proposed graffiti removal business project.

On a vote by show of hands five Members voted for the proposal and one against and it was accordingly declared carried.

Chairman