

# Development Committee

Tuesday, 31st October, 2006

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

Members present: Councillor M. Browne (Chairman); and  
Councillors Convery, D. Dodds, Empey, Jones,  
McClenaghan, Newton and Stoker.

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

### Apologies

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

### Minutes

The minutes of the meeting of 4th October were taken as read and signed as correct.

### Creative Industries Action Plan – 2007/2008

The Sub-Committee was reminded that, at its meeting on 6th September, it had approved the contents of a Local Economic Development Plan for 2006 till 2010. One of the aims of the Plan was to promote business competitiveness throughout the City, a key element of which was the Creative Industries sector.

Accordingly, the Sub-Committee considered the undernoted Creative Industries Action Plan:

<u>Project</u>		<u>£</u>
• Creative Industries Research	-	12,000
• Creative Industries Link Programme	-	40,000
• “Dare to be Digital 2007”	-	40,000
• Creative Outlook Export Programme	-	15,000
• Creative Start Programme	-	7,000
• Digital Media Creative Entrepreneurs Club	-	20,000

<u>Project</u>		<u>£</u>
• Thimble Programme (Fashion and Textile Industry)	-	10,000
• Film and TV Creative Entrepreneurship Programme	-	30,000
• New Designers Showcase 2007	-	5,000

After discussion, the Sub-Committee approved the Creative Industries Action Plan and authorised the associated expenditure in the sum of £179,000.

### **Business Needs Analysis**

The Sub-Committee considered the findings of a Business Needs Analysis consultation exercise which had been carried out on behalf of the Council by the Local Area Partnerships. It was reported that 562 surveys had been undertaken, representing approximately 6.3% of the total business community within the City. A summary of the main findings of the Analysis is set out hereunder:

- (i) 68% of respondees were businesses with less than 10 employees;
- (ii) 79% of respondees agreed that Belfast was a good place in which to do business; and
- (iii) 8% of businesses expressed the view that the Council's support services for small businesses was good, 25% responded that service was poor and 44% were not aware of the service.

A Member pointed out that the Council undertook a number of Business Development Programmes in the Belfast area and assisted a number of businesses, yet there seemed to be little acknowledgement of this fact within the survey.

After discussion, during which the Sub-Committee noted the information which had been provided, it was agreed that officers from the Department undertake further research in order to identify methods by which the Council's business initiatives might be promoted further.

### **Knowledge Industries**

The Sub-Committee considered the undernoted report regarding the Knowledge Industry Sector in Belfast:

#### **"Relevant Background Information**

**Members will be aware that the Knowledge Industries has been identified as one of the key priorities of the Local Economic Development Plan 2006-2010. In order to further develop an understanding of the sector Belfast City Council undertook in-house research into the emerging knowledge industries sector in**

Belfast. The purpose of this exercise was three-fold: to define what is meant by the phrase 'knowledge industries', to identify UK and EU policy background and to map existing provision of knowledge based activities in Belfast and identify future lessons for Council. The key findings of this research are contained for Members' information in Appendix 2. The most important message emerging from all research is that the 'knowledge economy' is dependant upon the successful exploitation of new ideas. It is the key to maintaining a competitive edge in an increasingly competitive global economy and is necessary to maintain economic growth and prosperity.

In defining the knowledge industries Council has adopted the OECD (2003) classification of technology and knowledge intensive industries as has been done for similar key sectors including the creative and environmental industries. This definition includes both high technology intensive manufacturing and knowledge intensive service industries, but excludes higher education and hospital based employment. The Standard Industrial Classification (SIC) codes defining the Knowledge Industries are listed in Appendix 2.

Policy interest in the UK and the EU has intensified in recent years owing to the competitive pressures of the 21st century global economy. The UK Government has made the knowledge economy its vision of Britain's future. It is also committed with other European regions, to delivering the Lisbon Summit (2000) goals of a successful knowledge economy across the EU by 2010 and the knowledge economy is written into the future round of European Structural Funds.

In order to assist with the further development of the knowledge based industry sector in Belfast, City Council has mapped existing provision of key delivery bodies including Investment Belfast Ltd, Northern Ireland Science Park, PricewaterhouseCoopers, Department of Enterprise, Trade and Investment, Belfast Institute, Queen's University Belfast, University of Ulster, Invest Northern Ireland and the Department for Employment and Learning. The key findings of this exercise are contained in Appendix 1 for Members' information. Belfast City Council needs to have an appreciation of the size, scale and scope of the knowledge industries sector in Belfast. It is therefore recommended that Council considers investigating a future means of creating a baseline picture of the geography and performance of this sector. Similar studies have been carried out throughout the UK by the Knowledge Economy Network (KEN) which is a Network of policy-makers, practitioners, academics and research institutes from around the world, with a shared interest in the knowledge economy. This would offer a useful comparison with other cities.

### Key Issues

The new economy – the knowledge driven economy – has at its cornerstones learning, skills, innovation and enterprise. There are therefore a number of existing linkages with City Council's current Local Economic Development Plan, namely with the Talent and Business Competitiveness themes.

Council's Local Economic Development Plan highlights that in order to stay competitive, Belfast must nurture those sectors which can create high-value added products and bring new wealth to the city. The key sectors best fitted to the strengths of Belfast's local environment include the Creative Industries, Environmental Industries, Advanced Manufacturing and Knowledge Industries. Through this plan Belfast City Council has made a commitment to promote and support the knowledge based industries by facilitating and brokering technology transfer between education and industry and through targeted support for small growth orientated businesses. The Knowledge Industries have also been identified as a priority area of support under the Lisbon Agenda and the Third Cohesion Report which means that significant funds will be made available from Europe to support this sector. It is therefore imperative that Council identifies key programmes of support which can attract EU funding. In order to drive this forward it is recommended that Belfast City Council undertakes the following activities to support the development of the Knowledge Industries sector:

- Become an active Member of the KEN – The aim of the KEN is to create an informed public debate on the knowledge economy as a force for development and changes by helping and supporting its members with advancing the knowledge economy agenda in their own stakeholder communities and developing more effective approaches to their knowledge economy strategies;
- Commission the Local Futures KEN to undertake a 'knowledge audit' of the knowledge industries sector in Belfast by mapping and measuring local area performance and assessing the knowledge intensity of our industries;
- Meet with knowledge based industry providers across the City to agree a range of support services that could be provided to the micro-enterprise;
- Work with Belfast's leading educational institutions to support the growth and development of the knowledge economy sector, and support businesses to develop and

strengthen their own knowledge base by promoting innovation and encourage businesses to invest in research and development opportunities;

- Provide a series of business networking opportunities to raise awareness of this emerging sector; and
- Identify programmes of support to assist the knowledge sector.

The identification of programmes of support will be presented to the Sub-Committee for consideration following the completion of the audit and consultation with the small business sector.

#### Resource Implications

##### Financial

- £20,000 to undertake a 'knowledge audit' of the Knowledge Industries sector.

#### Key to Abbreviations

**KEN – Knowledge Economy Network.”**

After discussion, the Sub-Committee adopted the recommendations and agreed to engage the Knowledge Economy Network to undertake a Knowledge Industry Audit of the City at a cost not exceeding £20,000.

#### Institute of Small Business and Entrepreneurship Conference 2008

The Sub-Committee considered the undernoted report:

#### “Relevant Background Information

Members will be aware that this proposal was presented to the Economic Development Sub-Committee of 4 October 2006. It was deferred subject to further information being requested regarding the financial breakdown of the running costs of the conference, in particular the breakdown of the event management fee. A revised proposal is enclosed in Appendix 1.

Belfast City Council has received this request from the I.S.B.E. 2008 steering group to consider supporting the 2008 conference which is to be hosted in November in the Europa Hotel in Belfast.

The ISBE is Britain's premier small business and entrepreneurship network for individuals and organisations involved with research, education and support for small business and entrepreneurship. The primary purpose of the ISBE is to promote knowledge and expertise in this field and the annual conference is a major national and international entrepreneurship event. Belfast has in the past hosted the event on two occasions and in 2003 the International Council for Small Business held its annual conference in Belfast. (ISBE is an affiliate organisation of ICSB) with sponsorship from the council.

It is intended that Belfast 2008 will be organised as an all-island event and marketed extensively in Ireland, Britain and internationally. The steering group are seeking to build support from sponsors in Britain and Ireland, primarily from the public sector.

#### Key Issues

The ISBE conference attracts leading small business researchers and academics, policy makers, educators, advisors and business support organisations from both the public and private sectors. It is anticipated that approximately 500-600 delegates will attend the three day event.

It is anticipated that total running costs will equate to £360k.

#### Benefits to Belfast:

- The estimated economic benefit to the local economy is £800k.
- Promotion of Belfast as a venue to deliver world class conferences.
- Opportunity to build networks and access international best practice contributing to policy and practice in Belfast.
- Strengthen and build the local business support networks.

The steering group are seeking sponsorship from numerous sources of funding, namely:

Invest NI	£50K
Belfast City Council	£50K
Intertrade Ireland	£50K
Enterprise Ireland	£25K
Small Business Service	£10K
Private Sector	£25K
Delegate Fees	£150k

The steering group would give Belfast City Council the opportunity to join the group's meetings and to shape the conference to ensure it reflects the concerns of the council. The council will be included as a sponsor in the marketing and promotional material, including the on-line marketing. There will be links from the ISBE site to the current site. The council will be given an opportunity to welcome delegates to Belfast.

Members will 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 shaping policy around enterprise and entrepreneurship, particularly in light of future additional responsibilities under RPA.

#### Resource Implications

##### Financial

Members are asked to support the conference to the sum of £50k subject to other funding sources being approved.

##### Human Resources

An officer will participate on the steering group and assist in shaping the conference.

#### Recommendations

It is recommended that Members:-

- i. Note the contents of the report.
- ii. Approve the request to sponsor the conference to the sum of £50k

#### Abbreviations

I.S.B.E. – Institute of Small Business and Entrepreneurship  
ICSB – International Council for Small Business  
LED – Local Economic Development.”

After discussion, the Sub-Committee agreed to adopt the recommendation.

**D  
1088**

**Development (Economic Development) Sub-Committee,  
Tuesday, 31st October, 2006**

**Northern Ireland Manufacturing Group**

The Sub-Committee was advised that, in pursuance of its decision of 4th October, Messrs. McComb, McCrea and Shaw, representing the Northern Ireland Manufacturing Group, were in attendance to provide a presentation regarding the campaign opposing Industrial De-rating and they were admitted to the meeting and welcomed by the Chairman (Councillor M. Browne).

Mr. McCrea outlined the aims and objectives of the Group and indicated that the Government's proposals for Industrial De-rating could endanger 30,000 jobs within Northern Ireland. He suggested that Northern Ireland should be treated differently to the rest of the United Kingdom, given the increased costs of exporting goods from within the region.

After discussion, the Sub-Committee noted the information which had been provided and agreed that officers from the Department meet with the Group to discuss matters of mutual concern and report back to the Sub-Committee.

Chairman