

Development Committee

Wednesday, 8th September, 2004

MEETING OF DEVELOPMENT (ECONOMIC DEVELOPMENT) SUB-COMMITTEE

Members present: Councillor C. McGimpsey (Chairman);
the Deputy Lord Mayor (Councillor O'Donnell); and
Councillors M. Browne, Crowe, Hutchinson, A. Maskey,
McCarthy, Newton, O'Reilly, Rodgers and E. Smyth.

In attendance: Ms. S. McCay, Head of Economic Initiatives;
Ms. S. Watson, Economic Development Manager; and
Miss L. Hillick, Committee Administrator.

Minutes

The minutes of the meeting of 4th August, which had been printed and circulated, were taken as read and signed as correct.

East Belfast Task Force

The Sub-Committee considered the undernoted report in relation to a proposal to establish an East Belfast Task Force:

“Purpose of Report

To update Members on proposals to establish an East Belfast Task Force.

Background

At the April Development (Economic Development) Sub-Committee Members were advised of an invitation from Castlereagh Council to participate in a working group to address economic decline in East Belfast. The move by Castlereagh Council was prompted by the closure of TK-ECC in February 2004 and the relocation of Victor Stationery to Estonia at the same time.

Belfast City Council were asked to consider the appointment of elected representatives to the Working Group. The Economic Development Sub-Committee agreed to welcome participation in the context that officers should explore engagement. An update on officers findings along with the current position regarding Castlereagh's proposed working group is presented below.

Current State of Play

Following the April Sub-Committee regular contact has been maintained between officers of Belfast and Castlereagh Council. Castlereagh have deferred the holding of the first meeting until this point pending the outcome of direct discussions between Castlereagh elected representatives and Government representatives who met them in the absence of the Economy Minister.

Belfast City Council have been invited to send 3 representatives to a special Council meeting on 9th September, 2004 at 8.00pm in Castlereagh's Civic and Administrative Offices to discuss how to address economic decline in the Greater East Belfast area.

Committee are asked to consider the nomination of the appropriate elected representatives.

In the interim period, officers of Belfast City Council have reviewed the economic position of East Belfast and held a working meeting to which all Councillors from East Belfast were invited. Three Members were in attendance at this meeting on 23rd June. Proposed actions suggested by Members present included actions to address issues of literacy and numeracy within the East, the need to hold East Belfast – specific events such as 'Meet the Buyer' and the role of the engineering sector in managing decline. The need for a specialist Task Force supported by Central Government was also raised as an option for the way forward.

Environmental Implications

None.

Equality Implications

None.

Capital City Strategy Reference

3.1 To drive the Economic Growth of Belfast.

LED Strategy Reference

To create strategic stakeholder and private sector partnerships to pursue and lead economic development.

Budgetary Implications

None.

Recommendation

To agree to the nomination of up to 3 Members to attend the special meeting hosted by Castlereagh and to consider any other actions as necessary.

Decision Required

To approve the foregoing recommendation.”

After discussion, during which the Head of Economic Initiatives answered various questions which were put to her by the Members in respect of the role of the East Belfast Partnership Board, it was

Moved by Councillor Newton,
Seconded by Councillor E. Smyth,

That the Sub-Committee agrees that the Council be represented at a meeting at the offices of Castlereagh Borough Council on 9th September by three Elected Representatives from the East Belfast Area.

On a vote by a show of hands five Members voted for the proposal and none against and it was accordingly declared carried.

Creative Industries – Digital Media Programme

The Sub-Committee was reminded that, at its meeting on 5th February, 2003, it had, as part of the Council's Creative Industries Plan, granted approval to develop and implement a Digital Media Programme.

The Head of Economic Initiatives pointed out that, research undertaken by the Council had indicated that the media and information sector encompassed approximately 40% of the creative business stock in Belfast, and comprised the fields of software, publishing, television, radio and film, advertising and multimedia and games. She reported that the Digital Media Programme aimed to develop a dynamic network of companies in the sector by offering a structured programme of management training and business development to address the needs of individual companies. It was envisaged that the Programme would focus on peer learning by enlisting key executives from the larger companies in each sector to work with participating companies on an individual and collective basis. She outlined the key objectives of the Programme as follows:

- (i) to facilitate management development opportunities for owners and managers of small businesses within an interactive, business-lead, group learning process;
- (ii) to provide a long-term sustained support structure of large companies for small business owners and managers in a local area;

- (iii) to stimulate business networking, commercial linkages and co-operation in order to promote a common identity within the business communities in the region; and
- (iv) to facilitate new forms of co-operation by small companies, thus leading to company growth and job creation.

The Head of Economic Initiatives reminded the Members also that the Sub-Committee had approved also the development of this programme for the sector in conjunction with the Northern Ireland Interactive Multimedia Association, the industry body for the sector in Northern Ireland, which was supported through membership fees and from financial assistance provided by Invest Northern Ireland. She reported that, on 19th July, the Association, together with Momentum, the Software Industry Federation for Northern Ireland, had joined to form one strategic body with a view to supporting the sector in Northern Ireland. As a result, Momentum was now the single focus group for the sector and would be responsible for collaboration between industry practitioners, assisting in export business creation, encouraging skills development and developing network opportunities to assist in establishing new business partnerships and clusters. Accordingly, she recommended that the Sub-Committee agree that the Digital Media Programme be developed and implemented in partnership by the Council and Momentum.

The Sub-Committee adopted the recommendation.

Independent Retail Action Plan

The Sub-Committee considered the undernoted report in relation to a proposal to develop an Action Plan for the Independent Retail Sector:

“Purpose of Report

The purpose of this report is to present a proposal for the development of an action plan for the Independent Retail Sector in the Belfast City Council area.

Background

Members will be aware that under the Local Economic Plan 2002-2006 one of the thematic areas is Fostering Neighbourhood Renewal, integrating area based initiatives with city development.

One of the priority actions of this theme was Independent Neighbourhood Businesses. The lifeblood of many communities is the localised business network which connects supports and sustains its population. Having faced a large-scale restructuring of the industry, independent businesses remain under threat from global forces.

To this end the LED plan set out to assist this key priority area of Independent Retail.

Rationale

Belfast City Council recognises the importance of the independent retail sector in the city and notes the impact of its decline on the social and economic fabric of the city. While our business development programme activities allow us to support companies in their efforts to be more competitive, it is important that we also address the needs of the sector in a more strategic manner. We can only do this if we have a reliable baseline assessment from which to work. To date there is no Belfast City Council area specific data regarding the size, sector, geographical locations or the state of independent retail in the City. Members have raised the importance of supporting local businesses especially in the context of neighbourhoods and a small traders programme was supported previously by Belfast City Council but with variable impact.

Proposal

Before specific programmes can be devised and implemented to assist the Independent Retail Sector, we propose to carry out detailed research into the Independent Retail Sector.

High level strategic objectives are:

- To assess the strategic importance (or otherwise) of the independent traders in the context of market economies and identify threats and opportunities for consideration when determining local interventions.
- To identify the characteristics of independent traders across key sectors of the Belfast economy and to assess the push/pull factors which affect independent status.
- To assess the strength of the independent retail sector in Belfast in the context of the region and the national /international economies.
- To review in depth the strength of the independent retail sector in the Belfast economy (food, clothing and crafts) and assessing their relationships with chain stores and multinational companies and identifying market opportunities.
- To consider the benefits of determining support for independent traders and particular retail, assessing the effects on market competition.

Other baseline data that needs identified are:

- Size of the Independent Retail Sector
- Employment and turnover of Independent Retail Sector
- Number of Independent Retail Businesses in Belfast City Council area
- % of Belfast workforce working in the Independent Retail Sector, compared to the total workforce in Belfast City Council area
- Geographic concentration of Independent Retail Businesses and what the key sub-sectors are
- Formulate baseline data
 - Business size
 - Employment profile
 - Turnover profile
 - Business churn
 - Components of change
 - Growth and decline of Independent Retail Businesses
 - Formation of new Independent Retail Businesses
 - Job losses and gains

The crucial aim of the research is to identify key issues Independent Retail Businesses face and formulate a way forward for this sector.

Environmental Implications

None.

Equality Implications

None.

Capital City Strategy Reference

To drive the economic growth of Belfast.

LED Plan Reference

Fostering Neighbourhood Renewal

Budgetary Implications

To allocate maximum of £30,000 for the development of an action plan for independent retail sector purposes.

Recommendation

It is recommended that members:

- i. Note the contents of the report
- ii. Approve the budget

Decision Required

To approve the foregoing recommendation.”

A Member sought clarification as to the appointment of consultants to carry out work in respect of the Action Plan and expressed the view that work in this regard might more appropriately be carried out by Council staff. In response, the Head of Economic Initiatives stated that, whilst the majority of the work in this regard would be undertaken by staff of the Section, it was necessary for consultants to be appointed in order to provide an additional resource which was within the consultants' field of expertise.

After discussion, during which several Members welcomed the development of the Action Plan, the Sub-Committee agreed to adopt the recommendations contained within the report.

Investment Belfast Limited

Special Meeting

The Sub-Committee was reminded that, at its meeting on 4th August, grave concern had been expressed in relation to Investment Belfast Limited's objections to the Council's direct engagement with the private sector and that it had agreed to reject the paper submitted by the Company in relation to Political/Business Interfaces. In addition, the Sub-Committee had agreed that a special meeting, to which representatives of Investment Belfast Limited would be invited to attend, be held to consider the organisation's response.

The Head of Economic Initiatives outlined the proposed agenda for the special meeting and informed the Sub-Committee that it had been scheduled to be held on 21st September. However, Investment Belfast Limited had contacted the Chairman (Councillor C. McGimpsey) and requested that an alternative date be arranged.

After discussion, the Sub-Committee agreed the above-mentioned agenda for the special meeting and agreed also that an alternative date be sought in this regard.

Marketing Plan

The Sub-Committee agreed to defer consideration of a request for financial assistance which had been received from Investment Belfast Limited in relation to its marketing plan to enable it to be considered subsequent to the above-mentioned special meeting.

Promotional Event

The Head of Economic Initiatives reported that correspondence had been received from the Right Honourable the Lord Mayor of the City of London, Alderman Robert Finch, inviting the Chairman (Councillor C. McGimpsey) to attend a reception being organised by Investment Belfast Limited to recognise and build upon the economic, social and cultural links between Belfast and London.

She reported that the event would be held in London on 22nd September and accordingly, she recommended, in view of the importance of the event in promoting the linkages between both Cities, that the Chairman be authorised to attend.

The Sub-Committee adopted the recommendation and authorised the payment of the appropriate travelling, subsistence and attendance allowances in connection therewith.

State Aid

The Sub-Committee considered a report in relation to the European Commission's proposals to amend the guidelines governing Regional State Aid. A copy of the report, with the exception of the appendix referred to therein, is set out hereunder:

"Purpose of Report

To advise Members of European Commission proposals to amend the guidelines governing Regional State Aid.

Background

State aid is a specific term which relates to forms of assistance, from a public body, or publicly-funded body, or body under public sector control, granted with the potential to distort competition and affect trade between member states of the European Union.

The 'state aid rules' encompass various European regulations, frameworks, articles and guidelines. The European Commission governs Member States' compliance with these rules and must be notified of all schemes involving state aid. State aid granted without Commission approval is viewed as unlawful.

The current list of regions eligible for state aids will expire at the end of 2006. To this end, the European Commission has published proposals for the new Regional State Aid Guidelines for 2007-13 and invited Member States' views.

In June, the UK Government issued a consultation paper on the Commission's proposals, co-ordinated by the DTI. It asked for views on other ways of determining the Assisted Areas; on ceilings on aid; and on how best to provide flexibility to give aid outside the Assisted Areas where it is needed. Initial comments were requested by 28th June, 2004 and final comments by 6th September, 2004. The Government will take account of the comments in the discussions it will be having with the Commission about the revision of the Regional Aid Guidelines.

Regional aid - Aid to Assisted Areas

Article 87(1) of the Treaty establishing the European Community (the EC Treaty) provides that, except as otherwise provided in the Treaty, any aid from Member States which distorts or may distort competition is, so far as it affects trade between Member States, incompatible with the common market.

Article 87(2) and (3) specifies aids which are compatible with the common market.

In particular, Article 87(3)(a) provides that aid granted 'to promote the economic development of areas where the standard of living is abnormally low or where there is serious unemployment' is compatible with the common market. Also compatible, under Article 87(3)(c), is 'aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest'.

The Commission sets Guidelines for regional aid provided under Article 87. Among other things, the Guidelines include an Assisted Areas map and specify ceilings for the proportion of the cost of projects which Member States may contribute.

Position of Northern Ireland

The Current Regional Aid Guidelines (RAG) covering the 2000-2006 period include a specific reference to Northern Ireland and the region has been eligible for regional aid under Article 87.3(c) with a ceiling of 40% for the proportion of the cost of projects which member States may contribute.

Schemes in Northern Ireland which have been approved under the guidelines include:

- Selective Financial Assistance
- Northern Ireland Tourism Development
- Shortfall Guarantee Scheme
- Urban Development Grant Scheme

Current Position

In 2002, the Barcelona European Council called on Member States: 'to reduce the overall level of State aid as a percentage of GDP by 2003, and onwards, and to redirect such aid towards horizontal objectives of common interest, including economic and social inclusion, and target it to identified market failures'. Less and better-targeted State Aid is a key part of effective competition. Horizontal objectives refer to improving an area's general competitiveness by investing in vocational training or environmental improvements for example.

In February 2004 the Commission published its Third Cohesion Report. The report sets out the Commission's proposals for the Community's regional and cohesion policies for 2007-13. It proposes that, from 2007, there should be three priorities for the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Community's Cohesion Fund:

- **Convergence — the promotion of economic growth and job creation in the least favoured regions of the European Union. Regions with a per capita GDP of less than 75% of the average of the 25 Member States (the EU 25) would be eligible for funding from the ERDF and the ESF. Regions of the older Member States which have per capita GDP of less than 75% of the average of the EU 15 but more than 75% of the average of the EU 25 would be eligible for transitional funding to recognise the 'statistical effect' of the accession of the ten new Member States.**
- **Regional competitiveness and employment — funding from the ERDF to help regions deal with industrial or urban decline and to help rural areas with a highly dispersed or ageing population; and funding for national programmes to assist labour market reforms and strengthen social inclusion.**
- **European territorial cooperation — support for inter-regional, cross-border and transnational cooperation to promote joint solutions to common problems.**

New Proposals

The Commission says that its review of the Regional Aid Guidelines (RAG) provides the opportunity to align the Guidelines with the proposals in the Third Cohesion Report and to give effect to the Barcelona European Council's call for state aids to be 'less

and better-targeted'. The Commission proposes that the new RAG should be consistent with the three priorities for funding from the ERDF and ESF after 2006: namely, convergence, regional competitiveness and employment, and European territorial cooperation.

The Commission proposes that the following areas should be eligible for state aids under Article 87(3)(a) or (c):

- Regions with a per capita GDP of less than 75% of the average of the EU 25;
- Regions which had received State aids because they had per capita GDP of less than 75% of the average of the EU 15 but, after the end of 2006, will have per capita GDP of more than 75% of the average of the EU 25 ('statistical effect' regions);
- Regions which had per capita GDP of less than 75% of the EU 15 average but have more than 75% of the EU 25 average after the end of 2006 because of economic growth; and
- 'Outermost regions' with per capita GDP of more than 75% of the EU 25 average after 2006 for either 'statistical effect' or economic reasons.

In summary the proposals should be seen against the background of EU enlargement and European Council decisions to move towards less and better targeted state aid. The proposals would result in reductions in eligibility for such aid in the UK though additional levels of aid would be permitted for SMEs outside the assisted areas.

Position of NI under the new proposals

Under the criteria for assisted areas contained in the current proposals Northern Ireland would not automatically be eligible for assisted area status. However the current Commission proposals state in a footnote that the specific position of NI needs to be reassessed. The UK Government has written to the Commission requesting that Northern Ireland maintain its present status within the areas eligible for regional state aid in the post 2006 period on the basis that this will help meet the challenges of building political stability and creating the conditions for self-sustaining growth.

Specifically they argue that:

- The potential shock to Northern Ireland's economic structure arising from loss of assisted area status could have a destabilising effect on the peace process.
- It is vital that a restored devolved government has local decision making flexibility and the necessary tools to address both the economic and community divisions of the conflict.
- Under the current proposals the Border Counties of the Republic of Ireland will have continued access to regional aid despite that regions better performance on per capita GDP¹
- The Commission's proposed method of determining disadvantage treats NI as a single entity but this masks disparities within NI. Specifically the GDP in Belfast City Council area is very nearly double that of the four other NUTS III areas that make up NI as a region. This gives a misleading picture of Northern Ireland's overall economic position.
- Northern Ireland has historically had the weakest economy of all the regions in the UK, lagging behind in terms of productivity, manufacturing investment and rates of economic activity. Removal of access to regional aid in the post 2006 period will reduce the range of tools available to address these endemic difficulties.
- There is a fundamental need for Northern Ireland to continue to have the tools that bring benefit to the local economy through the ability to attract foreign direct investment (FDI) with the resulting benefits to Northern Ireland's SMEs. The withdrawal of an important means by which NI can attract new FDI would be a significant obstacle to future economic development, particularly at a time when the market for FDI projects has become increasingly competitive
- NI has shown strong growth in recent years so it would be regrettable if this progress were jeopardised by the loss of eligibility for regional aid.

¹ THE Border, Midlands, Western area NUTS 2 area has a per capita GDP of 93.7% of the EU25 average. Northern Ireland is a NUTS 2 area and has a GDP of 90.4% of the EU 25 average (2001 figures in the 3rd Cohesion report

To this end a Belfast City Council response has been prepared and is presented for Members' consideration. This document supports the objective of seeking the continued eligibility for Regional State Aid. The response is contained within Appendix I.

Environmental Implications

None.

Equality Implications

None.

Capital City Strategy Reference

- 3.1 To drive the economic growth of Belfast
- 4.4 To ensure sustainable development

To foster and maintain international alliances.

LED Plan Reference

To sustain competitive advantage in Belfast.

Budgetary Implications

None.

Recommendation

Members are asked to

- (i) note the above report
- (ii) approve the BCC response to the UK Consultation"

The Sub-Committee adopted the recommendations contained within the report.

Young Enterprise Primary Programme

The Sub-Committee considered the undernoted report in relation to the Young Enterprise Primary Programme:

"Purpose of Report

The purpose of this report is to update Members on the year 1 achievements of the Young Enterprise Primary Programme in the Belfast City Council area and to put forward a proposal for Year 2.

Background

YENI's Primary Programme delivers to young people aged 4-12 in primary schools throughout Northern Ireland, with almost a quarter of activity taking place within the Belfast City Council area.

The Primary Programme aims to:

- Introduce economic awareness programme to children aged 5-12 in recognised areas typified by long term unemployment, poverty and lacking in business tradition
- Provide early knowledge of and contact with the world of business and some understanding of the roles of the entrepreneur in the community
- Foster personal qualities that contribute to the development of an entrepreneurial attitude which will prove useful in life and all working activity

Members will recall that, at the Development (Economic Development) Sub-Committee of Wednesday 7th May, 2003, approval was granted to provide financial assistance towards the costs of extending the coverage of the Young Enterprise Primary Programme in the Belfast City Council area. A financial allocation of £63,000 was agreed. This complemented an allocation of £15,000 from British Telecom and £20,000 in kind support. It was also recommended that Members agree the support the programme in principle for a period of 3 years.

The Primary programme has six modules that build upon each other, from primary one to primary seven and are based on economic concepts designed for primary children of all abilities.

The programmes are delivered by business advisers from the local business community over a six-week period of one hour per week. All activities are interactive and focus on the following themes:

- Ourselves – A basic introduction to personal economic issues (5-6yrs old)
- Our Family – An overview of families and their economic responsibilities (6-7yrs old)
- Our Community – A study of the responsibilities of, and opportunities available to, community members (7-8yrs old)

- Our City – An examination of career opportunities and interdependence of businesses in a city (8-9yrs old)
- Our Nation – An analysis of business operations (10-11yrs old)
- Our World – An examination of international trade (11-12yrs old).

Recruitment for mentors and programme participants got under way in summer 2003 and the programme has been operational since September 2003. It ran for the whole academic year i.e. September 2003-June 2004.

Year 1 Results

- i) Target: Recruitment and matching of 160 classes (4,500 pupils)

Two Hundred classes were recruited for the first year, seventy-three of which are new classes to Young Enterprise in the Belfast region. This equated to 4,465 pupils being trained. Each class was matched with an adviser from the Belfast area. Over 85% of the classes were classified NTSN areas.

Term	Number of classes in NTSN Areas	NTSN Achiever numbers
1	27	560
2	93	2008
3	53	1161
Total	173	3729

- ii) Target: Recruitment and Training of 160 Advisers

One hundred and eighty-two business advisors were recruited and trained as business advisors to deliver the Primary Programme. Forty five per cent of the volunteers were recruited from the local business community; twenty two percent were recruited from the local universities and thirty three per cent were recruited from the Northern Ireland Civil Service.

The different primary programmes have provided early knowledge of and contact with the world of business and also an understanding of the roles of the entrepreneur in the community. Both teachers and volunteers have reported high levels of satisfaction and cited the following benefits of participation;

- Improves student understanding of teamwork, decision-making, communication and the purpose of business in the community.
- Excellent course of personal development for business volunteers, and the opportunity to gain insight into the needs of young people.
- Improves teachers' understanding of the local business community.

Proposed Activity 2004-05

Target area

YENI propose continuation of support for activity in primary schools in Belfast. The project will target schools that fall into the most marginalized catchment areas as defined by level of free school meal entitlement by the Department of Education statistics and endeavour to recruit an equal number of schools in the controlled and maintained sectors.

Due to the success of last years programme, the proposed target for 2004-05 is 5000 participants, 4500 to be funded by Belfast City Council and 500 to be funded by BTNI. This is complimented by an allocation of £31,900 of in-kind support. The funding allocation for Belfast City Council for 4500 pupils is £63,800

Primary Graduation Event

An annual event bringing together the younger students of Belfast and across Northern Ireland will take place in June 2005

This would involve a competition for Primary 7 students taking part in the Young Enterprise Primary School Programme.

In addition, to this a competition would be run for younger students, which would work in conjunction with the broad themes of enterprise and entrepreneurial skills.

BTNI have provided the materials for the students and schools in Belfast and across Northern Ireland. Programmes have been running across all classes (age 4-12) and students from both community backgrounds are involved.

Purpose of Event

- To highlight the enterprising skills that younger students have and to enhance their understanding of entrepreneurs and free enterprise.

- To celebrate their success and highlight their learning of enterprise.
- Local businesses already support the programme and act as role models to the students; they would be invited to work with students and would attend the event.

Event Programme

- Hosted by local celebrity
- Judged by Belfast City Council, and BTNI.
- Students from both communities will take part and meet at the event.
- Anticipated guests – 300 students from Primary 7s and representative winners from younger categories. 100 adult guests.
- A local entrepreneur from Belfast will share their success with the students.

The financial budget for the primary event is £5,500.

Environmental Implications

None.

Equality Implications

None.

Capital City Strategy Reference

To drive the economic growth of Belfast.

LED Plan Reference

To promote an entrepreneurial culture within the city.

Budgetary Implications

£63,800 for the Primary Programme September 04 – June 05
£5,500 for the Primary Graduation event.

A total budget of £69,300 is required.

Recommendation

It is recommended that members agree to allocate up to £69,300 to support the primary programme and graduation event.

Decision Required

To approve the foregoing recommendation.”

After discussion, during which the Economic Development Manager confirmed that the Programme would be open to all Primary Schools throughout Belfast, the Sub-Committee adopted the recommendation contained within the report.

Stepping Stone Project

The Sub-Committee considered the undernoted report in relation to the possible funding of the Stepping Stone Project:

“Purpose of Report

The purpose of this report is to present to Members a proposal aimed at developing relationships with key employers in the East Belfast area and to request funding approval for this proposal.

Background

Members will be aware that as part of Belfast City Council's Local Economic Development Plan a key priority under the theme 'Driving Economic Change' is to identify opportunities for further Intermediate Labour Market Initiatives and to implement these in other parts of the city. Members will be aware that funding approval has been given to support Belfast GEMS in the South of the city. Work is ongoing with North Belfast Partnership Board to develop a similar initiative in the North of the city. This has been developed as part of their Service Level Agreement with Belfast City Council and it is anticipated that a report will be brought to Committee in the coming months.

In addition to this, Council is also represented on the Employment Services Board which oversees the Department of Employment and Learning's Targeted Initiatives Programme in the West Belfast and Greater Shankill area. The Employment Services Board (ESB) oversees the Job Assist Centres and Transitional Employment Programme. The ESB has also submitted an application to the Integrated Development Fund for additional resources to support its delivery in the West and Greater Shankill area.

At the Economic Development Sub Committee of Wednesday 3rd March, 2004 Members were advised of a Department for Employment and Learning (DEL) tender to identify and support labour market intermediary (LMI) projects in North, South, and East Belfast. After a competitive tendering process three organisations were informed in March 2004 that they had been successful in their tender submission for the parliamentary constituencies of North, South and East Belfast. They were as follows:

- North - North Belfast Employment Centre in partnership with the Ashton Centre
- South – Belfast GEMS
- East – Stepping Stones

The LMI contracts commenced on 1st April 2004 and the pilot phase runs for a period of two years to 31st March 2006.

Labour Market Intermediary

Services currently provided under the LMI contract

The LMI contract currently being funded by DEL provides a client-focused and mentoring service not only to assist clients into employment, but also to help them make progress where employment is not an immediate option.

The LMI providers are required to work in partnership with Jobs and Benefits Offices/Job Centres, the voluntary and community services and others to address the specific needs of those furthest from the labour market. This client priority group includes:

- Jobseekers Allowance claimants
- Other benefit claimants e.g. Income Support, Incapacity Benefit, Bereavement Benefit, Severe Disablement Allowance
- Status Zero (age 16-25)
- Partners of the unemployed
- Unemployed non-claimants, especially women

Each LMI contract states that with regard to employer liaison the activity will be focused on supporting the client priority groups through the provision of an advice and mentoring service.

Gaps that exist in the provision of an LMI Contract

DEL recognises that the LMI contract does not go 'far enough' in its liaison role with employers and is therefore encouraging LMI delivery agents to seek alternative sources of funding to compliment the LMI provision.

At present several gaps have been identified in the employer liaison role in East Belfast. The LMI will not provide:

- Recruitment Services (including Jobfairs)
- Vacancy taking services for employers
- Employment matching service or mentoring for those furthest removed from the labour market
- Provision of a local Employability Task Force
- Provision of an East Belfast Employers' Forum

To ensure co-ordination of activity the LMI's have each been asked to present and agree an action plan for working with employers. Stepping Stones are therefore seeking funding from the council to bridge these gaps with regard to employer liaison. This assistance would enable the organisation to establish relationships with local employers and to increase access to employment opportunities for local people, particularly those experiencing disadvantage.

Proposal

Given the gaps in provision outlined above a proposal has recently been developed by Stepping Stones to establish an employer liaison service in the East of the city through the financial support of Belfast City Council.

Historically Stepping Stones has engaged in a range of activities that now fall outside of the core activities funded by DEL under the LMI contract. These include:

- Advising employers on recruitment procedures /practices
- Screening / shortlisting potential candidates for employers
- Offering employers use of facilities to interview candidates

- Essential Skills support offered to clients with literacy /numeracy difficulties
- Working with clients who are not eligible for LMI e.g. employed clients

The Stepping Stone proposal plans to address the problem by developing a specialised Employer Interface with the aim of removing many of the artificial and inappropriate barriers to those furthest removed from the labour market (i.e. LMI participants).

To achieve this they propose to develop an Employer Liaison Team to work with local employers to increase access to employment opportunities for local people, particularly those experiencing disadvantage. The proposal provides salary costs for two Employer Liaison posts and associated office and running costs.

The work of the Employer Liaison Team will include:

- Initiating and developing relationships with local employers
- Marketing the service to local employers and gaining their commitment to its ethos and objectives
- Entering into a formal service agreement with local employers
- Providing advice to employers in relation to the artificial barriers to the long term unemployed caused by current recruitment procedures.
- Creating and maintaining a comprehensive database of local employers for interface use
- Screening and matching LMI participants to suitable employment opportunities
- Providing interview facilities and administrative support and connecting LMI participants with employer contact
- Facilitating discussions between LMI participants and employers
- Negotiating Work Trials where appropriate

- Providing on-going employee/employer mentoring support to assist job-retention
- Providing a Training Needs Analysis and Individual Action Plan service for job-specific competencies and sourcing relevant training interventions
- Maintaining close contact with the Laganside Employment and Employability Consultant, David Lockhart
- Meeting with the North and South Belfast providers on a regular basis to co-ordinate activities and to look at good practice

Outputs

The project will provide the following qualitative outputs:

- Produce a database of East Belfast employers
- Continue to work with existing employers such as Halifax Call Centre and Laganside Corporation
- Participants to undertake assessment and agree an Individual Action Plan.
- Participants to undertake an individually tailored job search programme.
- Establish new contact with all local employers and develop relationships with larger employers such as Tesco, Sainsbury, B&Q, Shorts and the new development around the Titanic Quarter
- Match local people with multiple barriers with suitable employment
- Assist employers to source local employees for vacancies including hard to fill vacancies
- A comprehensive strategy to provide local employers and LMI participants with an effective and efficient matching service
- An information, advice, guidance and mentoring service to local employers and employees to assist job-retention

- Awareness-raising and training sessions to local employers and LMI participants
- Evaluate the work of the Employer Liaison Team and disseminate models of good practice.

As a direct result of assistance from Belfast City Council it is anticipated that the following quantifiable outputs will be achieved during the 18 month period:

- To register 375 participants per year through the LMI programme.
- Organise Work Trials for 75 participants.
- Broker training courses for 75 participants.
- 37 participants to gain an accredited qualification.
- 150 participants to find employment.
- 75 participants to sustain employment for more than 13 weeks.
- Recruit at least 50 new / major employers.
- Develop close working relationships with at least 20 of these employers.

Environmental Implications

None.

Equality Implications

None.

Capital City Strategy Reference

To drive the economic growth of Belfast.

LED Plan Reference

Driving economic change.

Budget

The funding required for the 18 month period covering October 2004-March 2006 is:

Cost	Amount (£)
Employer Interface Co-ordinator	25,000
Employer Interface Support Worker	20,000
Running Costs	15,000
Total cost for 12 month period	60,000
Total cost for 18 month period	90,000

The source of funding will be as follows:

Source	Details	Amount (£)
Public Authority	Belfast City Council	82,500
Private Sector		
Others	Stepping Stones	7,500
Total		90,000

A maximum of £82,500 available from Belfast City Council and ERDF during the period October 2004 – March 2006.

Recommendation

It is recommended that members:

- (i) Note the contents of the report
- (ii) Approve the budgetary implications as outlined above

Decision Required

To approve the foregoing recommendations.”

After discussion, the Sub-Committee adopted the recommendations contained within the report.

Shopmobility Belfast

(Councillor Crowe, declared an interest in this item in that he was a Trustee of Shopmobility.)

The Head of Economic Initiatives advised the Sub-Committee that Shopmobility Belfast was an initiative whereby people with limited mobility were assisted to shop and to use the social, commercial, cultural and artistic facilities throughout the City. Assistance was provided in the form of electrically powered and manual wheelchairs, scooters and the provision of personal physical help. The Service was offered free of charge and no membership fee was required.

She pointed out that Shopmobility operated from two locations within the City, with two satellite offices operating from the Park and Connswater Shopping Centres. The Organisation was a Charitable Company Limited by Guarantee and received revenues from the Community Fund, the Council, the Department for Regional Development and from other sources. The ongoing development of Shopmobility had been part of the Council's Economic Development Strategy since 1995, under the theme of Community Economic Development, and, to date, it had received approximately £122,000 towards its ongoing development costs. She stated that the Council had received a high level of promotional coverage in respect of its support for the project.

The Head of Economic Initiatives reported that Shopmobility had approached the Economic Development Unit for a financial contribution of £25,000 in connection with its running and ancillary costs during the period 2004/2005. She recommended, as the Council was committed to the development of the City Centre and strove to ensure that it was accessible for all citizens, that the Sub-Committee agree to provide financial assistance in the sum of £25,000 towards the ongoing development costs of the project.

The Committee adopted the recommendation.

Washington-Ireland Programme – 10th Anniversary Conference

The Economic Development Manager reported that the Washington-Ireland Programme, formally known as the Young Leaders Programme, had, since its inception, enabled more than 300 young people from Northern Ireland and Ireland to experience summer internships in Washington DC. The programme organised internships in the offices of over forty US Senators or Members of the House of Representatives.

The Economic Development Manager reported that a Conference, entitled 'Conference TEN: A Celebration of Young People in Leadership', providing the alumni of the programme the opportunity to interact with business and political leaders to explore how the commitment and vision of the young could be cultivated, would be held in W5 on Friday, 17th September. The event had been endorsed by the United States Congress and the Office of the First Minister and Deputy First Minister. She reviewed the list of speakers at the event and stated that approximately 250 young people would attend the Conference, with representatives from local business, academia, the media and politics also in attendance. Approximately sixty local school children from secondary and grammar schools throughout the Province had also been invited.

The Economic Development Manager recommended, in view of the prestigious nature of the event for the City and the potential opportunities to develop high level links with Senior US Congressmen and Senators, that sponsorship in the sum of £5,000 be provided in respect of the venue costs and the provision of a wine reception, to be hosted by the Chairman of the Sub-Committee.

After discussion, during which several Members expressed concern in relation to the late submission of the request, the Sub-Committee agreed to provide financial assistance in the sum of £2,000 in relation to the provision in the Belfast Waterfront Hall of a wine reception to be hosted by the Chairman (Councillor C. McGimpsey).

Local Economic Development Plan – Year 1

The Sub-Committee was reminded that, at its meeting on 4th August, it had agreed that an event in connection with the launch of a report outlining the success of the Local Economic Development Plan be held in the City Hall or at an alternative Council venue.

The Economic Development Manager reported that it had been ascertained that it would not be possible to obtain a suitable Council-owned venue for the holding of the event. Accordingly, the Chairman (Councillor C. McGimpsey) recommended that, on this occasion, the event be held in The Edge on Thursday, 23rd September.

After discussion, during which several Members expressed the view that Sub-Committee and Committee events should have priority in being accommodated in the City Hall, the Sub-Committee adopted the recommendation and instructed the officers of the Department to take all steps necessary to ensure that such future events be held in Council-owned venues.

Belfast First Stop Business Shop and
Investment Belfast Limited

The Sub-Committee agreed that a special meeting be held on a date to be agreed in conjunction with the Chairman (Councillor C. McGimpsey) to consider the progress achieved in respect of the targets contained within the operational plans 2004/2005 of the Belfast First Stop Business Shop and Investment Belfast Limited.

Chairman