

Strategic Policy and Resources Committee

Friday, 11th October, 2013

MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE

Members present: Alderman Robinson (Chairman), Alderman Browne, M Campbell and R. Newton;
Councillors Attwood, Carson, Clarke, Corr, Haire, Hargey, Hendron, McCabe, McCarthy, McVeigh, Mullan, A. Newton, Reynolds and Spence.

In attendance: Mr. P. McNaney, Chief Executive;
Mr. C. Quigley, Assistant Chief Executive/Town Solicitor;
Mr. R. Cregan, Director of Finance and Resources;
Mr. S. McCrory, Democratic Services Manager; and
Mr. J. Hanna, Senior Democratic Services Officer.

Apologies

Apologies for inability to attend were reported from Councillors Jones, McCarthy and Mac Giolla Mhín.

Minutes

The minutes of the meetings on 6th and 20th September were taken as read and signed as correct. It was reported that those minutes had been adopted by the Council at its meeting on 1st October.

Declarations of Interest

No declarations of interest were reported.

Democratic Services and Governance

Wreath-Laying at the Cenotaph

The committee reminded that, at its meeting on 24th August, 2012, it had agreed a set of recommendations concerning the laying of wreaths at the Cenotaph at the City Hall during the Remembrance Day event.

The Democratic Services Manager reported that the recommendations which had been agreed were to set in place a policy for dealing with additional requests from Honorary Consuls wishing to be included in a list of those entitled to lay a wreath during the Remembrance Day event. The Royal British Legion had, at that time, expressed concerns at the number of organisations included in the event, which resulted in a particularly long ceremony which some of the more elderly participants had found to be arduous. The Committee had agreed that, in order

to accommodate new requests, a single additional invitation would be issued to the Honorary Consuls on a strictly rotational basis, ensuring all Consuls were fairly treated, and the attending Honorary Consul would be asked to lay a wreath on behalf of all the other Honorary Consuls in Northern Ireland.

The Democratic Services Manager advised that a request had been received from the Honorary Consul of Saint Vincent and the Grenadines for the Committee to reconsider the policy and allow him, as a representative of a sovereign country which had participated in the Allied Forces during the War, to lay a wreath on behalf of Saint Vincent and the Grenadines. A meeting had been held with the President of the Royal British Legion and the position of the Legion had changed from that in 2012 when the Committee has established the existing policy. The Legion would now request the Committee to consider permitting the Honorary Consuls of both Saint Vincent and the Grenadines and of Malta to participate in the Remembrance Day event in their own right and not to form part of a policy of rotating such privilege amongst a number of Honorary Consuls. The Legion was of the opinion that to accede to the request would only add a few minutes to the overall length of the service and that that was reasonable given the accredited service of people from those Countries during the War.

He pointed out that, should the Committee be minded to accede to the request, that could set a precedent should further requests be received from other Honorary Consuls, although the Royal British Legion had indicated that the view of the Northern Ireland Consular Association was that such requests were unlikely to be forthcoming.

The Committee agreed to accede to the request from the Honorary Consul of Saint Vincent and the Grenadines, which was supported by Royal British Legion, and to amend the existing policy to allow the Honorary Consuls from Saint Vincent and the Grenadines and from Malta to be included in future Remembrance Day events.

Cross-Cutting Issues

Northern Ireland European Union Programmes - Draft Consultations Responses

(Mr. J. McGrillen, Director of Development, attended in connection with this item)

The Committee considered the undernoted report:

“1 Relevant Background Information

- 1.1 In the course of the last two months, consultations have been issued on the draft EU structural funds programmes for the new programming period (2014-2020). These are the Investment Growth and Jobs Programme (European Regional Development Fund (ERDF) and European Social Fund (ESF)); and the Rural Development Programme. The deadline for responses to these consultations is 21 October 2013.**

- 1.2 The consultations for the Peace and Interreg programmes have not yet been issued. It is understood that these consultations are likely to be issued in the coming month.
- 1.3 Members will be aware that Belfast City Council, through the EU Unit, has been lobbying to maximise the drawdown of the future NI EU mainstream funds for the period 2014-2020. These programmes offer huge potential to the council as a means of resourcing corporate priorities identified in successive strategies and plans including the Investment Programme, the Masterplan and the forthcoming Integrated Economic Strategy and Skills and Employability plans.
- 1.4 Chief Officers have asked for work to be undertaken to identify a pipeline of projects to form a draft integrated plan for submission to government departments, in order to try and secure ring-fenced EU funds at the outset of the new programming round. A meeting took place with a range of partner organisations on 23 September 2013 to discuss draft project ideas and additional work is now being carried out to substantiate these proposals. Copies of the proposed activities will be presented to Members for endorsement before any formal submission to DFP and other departments.
- 1.5 Lessons learned from the current programme include the need to invest in management resources to develop and deliver successful projects as well as the need for early engagement with partner organisations in order to ensure that activities complement wider offer and do not duplicate existing provision. There is also significant focus on demonstrating the need and demand for proposed activities and on ensuring value for money.

2 Key Issues

- 2.1 Proposed responses to each of the following programmes are outlined in appendices I, II, III;
- 1) European Regional Development Programme (ERDF)
 - 2) European Social Fund (ESF)
 - 3) Rural Development Programme (RDP)
- 2.2 There are a number of common themes across all the responses. These include:
- Identifying the opportunity within the programmes for integrated, area-based activities aligned to EU, national, regional and local strategies to promote and support economic regeneration. The leadership role of councils in developing these plans is highlighted

- Support for integration across separate funding streams in recognition of the multi-faceted nature of the economic challenges in the region
- Support for greater simplification and alignment of administration systems across the programmes
- The need to put in place mechanisms to encourage and support access to the range of interventions by SMEs, given the complex and confusing range of provision that is potentially available
- A proposed 'commissioning' approach for the European Social Fund which will address the issue of duplication and lack of targeting that has been identified within the existing programme
- A perceived gap in references to exporting and entrepreneurship in the European Regional Development Fund consultation – both of which the council will play a much greater role in as a result of the transfer of functions.

2.3 Members will be aware of the ongoing engagement with DFP and the other managing authorities for the programmes (DETI, DEL and – to a lesser extent – DARD) with regard to the proposed ring-fencing of support for integrated, area-based plans to be coordinated by local authorities, as part of this funding round. To this end, DFP have asked for details of these draft "pipeline" projects to be submitted to them for consideration in October 2013. It is expected that they will provide feedback on these and that this will form the basis of the scale and scope of any delegation of funding directly to councils for economic regeneration activity under the new programme.

3 Resource Implications

3.1 No specific staff resources at this time. It should be noted that, if projects are successful, staff costs can be built into the overall programme budgets.

4 Equality and Good Relations Considerations

4.1 There are no specific equality or good relations implications.

5 Recommendations

5.1 It is recommended that Members consider and approve Belfast City Council draft responses on the ESF, ERDF and RDP programmes, for submission to the respective managing authorities for the programmes by 21 October 2013.

Appendix I

Consultation on the Northern Ireland 2014-2020 ERDF Investment for Growth and Jobs Programme

Draft Belfast City Council response for consideration by CMT – October 2013

Introduction

Belfast City Council welcomes the opportunity to respond to the consultation on the Northern Ireland 2014-2020 ERDF Investment for Growth and Jobs Programme. The council and its residents have benefitted significantly from previous ERDF programmes and we are keen to maximise the opportunities for investment that are presented in this programme.

We would urge the Department to move ahead with programme development and implementation as quickly as possible in order to ensure that there is a seamless transition between the current Sustainable Competitiveness Programme and the introduction of this new initiative.

We are currently working with our partners Invest NI in developing an integrated economic strategy (IES) for the city of Belfast. This work has created a strong baseline identifying the key strengths and areas of challenge for the city. It is also helping identify a number of interventions which are critical for the city's future economic growth. This work will inform our future corporate priorities and approach to economic regeneration in the city and will help us target our resources and identify opportunities for collaboration to maximise the return on investment. We would be keen to share the findings of this work with the department.

In responding to the current consultation, we identify the opportunities for greater collaboration across EU funds (particularly ESF and ERDF) in order to identify integrated support programmes that will stimulate competitiveness, growth, skills development and innovation in our key sectors. We would encourage the managing authorities to give careful consideration to how this might happen and we consider that this will be an important factor in determining the success of the respective interventions.

We are currently working closely with the government departments to explore opportunities for area-based, targeted

interventions to support economic competitiveness through the various EU funding programmes. We consider that these will provide a mechanism for improving the effectiveness of local delivery and enhancing programme outcomes. We are hopeful that the managing authorities will give careful consideration to this proposed approach and consider that, aligned with the proposed transfer of functions as part of Local Government Reform, it presents a unique opportunity to create a cohesive, integrated approach to local economic development.

Finally, we support the proposal to concentrate spending on priority areas to maximise results, rather than spreading funding too thinly. We consider that we can work with the managing authority to identify those priorities and develop targeted interventions that can achieve measurable impacts, ensuring that our mutual objectives can be achieved.

Question 1: Do you agree that we should focus on the selected Priorities 1, 3, 4?

We agree with the three selected priorities. The themes align with the emerging Belfast Integrated Economic Strategy (IES) that Belfast City Council is producing in partnership with Invest NI and will naturally align with the Northern Ireland Economic Strategy.

We acknowledge that the majority of the investment will focus on priority 2/thematic objective 3 – enhancing the competitiveness of SMEs – and we agree with this approach. Our recently completed Belfast Business Survey indicates that 73% of businesses expected to stabilise or grow in the coming year, with 41% expecting an increase in turnover. However only 33% of businesses surveyed had exported their products or services in the last year – and 25% of those were to the Republic of Ireland^[1]. This demonstrates the scale of the challenge for local small businesses and reinforces the need for targeted support to address this issue.

We also welcome the ongoing support for strengthening research, technological development and innovation (thematic objective 1). Recent research by Centre for Cities suggests that Belfast is 25th out of 64 cities in terms of patents per head of population. Given that the University of Ulster will locate to the city within the next programming period, we consider that there is significant potential to improve this performance by promoting greater access to further and higher education research and expertise.

With regard to the thematic objective around 'enhancing access to and use and quality of ICT' (thematic objective 2), Belfast City Council is currently working with the Department for Culture, Media and Sport (DCMS) to roll out superfast and ultrafast connectivity to businesses across the city through a range of interventions. This will complement the DETI-funded rural broadband scheme that has been available across Northern Ireland. We will support this roll-out by investing in demand stimulation support which will improve the take-up of services by small businesses and will help them transform their business by looking at new processes and considering ways of working that are achievable as a result of the investment in new technologies. This, in turn, will support the broad objectives of thematic objective 1 by encouraging SMEs to invest in product and service development activities and stimulating innovation.

Our work with partners across government and in the private sector suggests that there is much untapped potential in looking at ICT applications for e-government, e-learning, e-inclusion and e-health, as identified within this investment priority. We therefore consider that there is still much work to do to maximise the social and economic potential of investment in this field and, while this is not explicitly a focus within the draft programme, we would encourage ongoing investment by government to exploit the recent investments in telecoms infrastructure to maximise economic benefit and support social cohesion across Northern Ireland.

Question 2: Are the programme proposals sufficiently focused given the limited resources likely to be available for NI?

Belfast City Council believes the focus on Research & Development and Innovation, Business Growth and developing the Low Carbon Economy is right on the basis that it aligns to the existing policy and strategic framework, particularly through the NI Economic & Draft Innovation Strategy priorities and the emerging Belfast City Council Integrated Economic Strategy priorities. Whilst we understand and appreciate the need for prioritisation due to the limited nature of resources available, we feel the Programme proposals contain insufficient emphasis on two key issues for the redevelopment and growth of the economy:

- Exporting and the important contribution exporting will make towards rebalancing and rebuilding efforts; and
- The identified need to encourage greater quantity and quality of new start businesses to improve on the relatively low baseline vis a vis other UK and European regions and to enhance the survival rates of start ups (Belfast is currently ranked 63 out of 64 cities in terms of business start-up rates according to recent Centre for Cities research).

We feel that these two issues are fundamental to the future sustainability of the regional economy and, with increased responsibility for enterprise and early stage business growth envisaged to transfer to Councils under Local Government Reform, we feel that an increased emphasis should be placed on these two issues within the Programme proposals.

The establishment of clear targets for each of the priority areas is a useful mechanism for focusing effort and we would suggest that these should be maintained across all service delivery associated with this programme.

Question 3: What are your views on the proposed interventions identified under each of the three priorities?

With regard to the specific themes, we would make the following comments:

Theme 1: Strengthening research, technological development and innovation

In light of the recent announcement of the consultation on the Draft Innovation Strategy for Northern Ireland 2013-2025, we feel that activity under this theme should align closely with the priorities in the emerging strategy. This document acknowledges that 'a complete step change in its culture, priority and performance in respect of innovation' is required if the vision of the Economic Strategy is to be realised.

Historically, Innovation & R&D have been the preserve of larger firms with SMEs experiencing considerable and often insurmountable barriers to engaging in innovative related activity. This is more prevalent in the manufacturing sector with SMEs accounting for less than 20% of manufacturing R&D. In order to generate the 'step change' identified previously, we feel that particular emphasis should be placed on enhancing SME capacity and capability in this regard and

in seeking to simplify the processes by which SMEs can access this funding. With SMEs accounting for over 95% of the local business base, there is much potential to make a significant impact on the innovation related targets identified in the Northern Ireland Economic Strategy and the Draft Innovation Strategy. Key deterrents for SMEs in terms of their propensity for engaging in R&D include the financial risk (which can be mitigated through the provision of grant support) and the bureaucratic logistical processes involved in accessing the funding. In our experience, larger businesses find it easier to access bank financing than SMEs plus the larger businesses tend to have internal resources not available to SMEs to engage in R&D projects and innovation work.

We feel that there needs to clarity at the outset of the ERDF programme in relation to what will be funded for business under this theme, and how it differs or indeed complements what is available from the forthcoming Horizon 2020 research programme (SME element) and Interreg V Cross border programme which will also have the thematic objective 1 as a pillar. Our 2011 business survey suggests that 84% of businesses in the city had availed of no government support in the previous year, despite the range of services that are available from a number of agencies. Our experience of working with SMEs – and particularly micro businesses – suggests that they find it difficult to navigate the spectrum of agencies and programmes on offer and therefore tend to avoid getting involved in many support initiatives which are created for them. We welcome, therefore, the proposed single gateway covering the R&D continuum from industrial research through to experimental development.

Whilst a lack of large firms and an over-reliance on SMEs is cited as a constraint on regional R&D performance, we believe that the SME segment offers significant potential for enhancing the growth of R&D and Innovation locally if appropriate support is available. As noted previously, support for innovation and R&D has traditionally been geared towards larger businesses and the Universities with little attention paid to the specific needs of SMEs. In this regard we welcome the commitment to making the financing grant for SMEs available but we would reiterate the need to address the existing barriers in the roll-out of this initiative.

Given the transfer of functions that will take place under Local Government Reform (LGR), Belfast City Council would welcome the opportunity to work with government

departments and agencies to look at how access to innovation and R&D for small businesses could be enhanced. Aligned to the other support services for which we will be responsible, we would be keen to look at how communications to small businesses can be improved, ensuring that they are aware of and able to avail of the range of support services that are being developed to help them grow their businesses, in line with the overall targets identified in this programme.

We strongly support the proposed investment in a Design Service for businesses due to the strong link between design, innovation, productivity and quality. Notwithstanding Invest NI's recent commitment to engaging across the business base, we believe that design support services, particularly the Design Advice and Design Development Programmes should be accessible by all businesses across the region. In the absence of universal accessibility to design support services, Local Authorities, through their respective local economic development plans, should be free to develop and deliver their own project offering in this field, complementary to what is proposed in the Programme proposals.

We also welcome the focus on sectoral specialisms and, in particular, the focus on sustainable energy. However, we would suggest that resource efficiency/waste technology sectors also offer significant opportunities, particularly given the focus on recycling and landfill diversion and the associated emerging EU targets. We identified this as a missed opportunity in the Northern Ireland economic strategy and would re-iterate this point in relation to the current consultation.

Theme 3 – Enhancing the competitiveness of SMEs

Belfast City Council welcomes the introduction of EU-backed financial investments to maximise public and private sector leverage for SMEs. We see these as being critical in growing the core of export-focused businesses in the region, given the scale of the challenge alluded to previously.

Belfast City Council would welcome early discussions with DETI and Invest NI with respect to these and to look at lessons from the current programming period in relation to the use of Jessica (urban regeneration), Jeremie (small business intervention) and the Progress micro financing initiative, which have had varying degrees of success across other member states.

Access to finance is constantly cited as one of the key obstacles faced by small businesses in trying to grow beyond their current structure. In our recent business survey, an average of one third of businesses was finding it difficult to access finance and to maintain cashflow. We believe therefore that, should the right funding mechanisms be made available, there would be significant take-up from small businesses. As suggested earlier, consideration needs to be given to how the message is communicated to small businesses so that they are aware that the funding is available and that they know how and where they can access it. We would be keen to work closely with the government departments in this activity, alongside our other business support initiatives, ensuring a seamless approach to meet business needs.

We welcome the continuum of funding outlined within the programme. However, we note the lack of any reference to funding of a value of less than £50,000 and consider that there is a need for intervention in this field. Many SMEs still face difficulty in accessing bank lending, despite a range of government initiatives to address this situation. Micro businesses, in particular, often need relatively small amounts of support which, coupled with their own investments, can lever jobs and growth. We would welcome some consideration of how access to lending for these companies can be enhanced: if this does not happen, we consider that the Access to Finance objectives around enabling SMEs to have easier access to finance, helping rebuild and rebalance the economy and driving private sector growth may not be fully achieved.

We fully support the proposal to specifically target support to the Creative Industries sector, and in particular the emphasis placed on TV & Film production and digital content. While we recognise the value of attracting additional productions to the region, we consider that there is also a need for targeted investment in the indigenous business base in order to maximise the opportunities that these additional investments may bring about. We consider that there are opportunities to develop innovative approaches to both skills development and business growth within the sector, which will require some consideration to be given to how ESF and ERDF funds can align better to make this happen in a more seamless manner than is currently the case.

We also consider that there is significant potential to explore opportunities for targeted investment in other sectors, including renewable energies. We welcome the recent decision to establish a Centre for Advanced Sustainable Energy (CASE) but recognise that there are substantial barriers to local SMEs taking advantage of the opportunities that larger scale developments in sustainable energy, particularly the DONG Energy project in Belfast Harbour, the recent announcement of the First Flight Consortium as the preferred developer for an offshore wind project off the South East coast of County Down and the establishment of a MoU between the Irish and UK Governments for the export of significant quantities of renewable energy from Ireland to the mainland UK. We believe that these developments offer significant opportunities for new, innovative start ups and spin outs, for growth within our existing SME base and for diversifying the manufacturing and service industries. It is also recognised that the demonstration of local capacity and capability in this sector can lead to longer term export opportunities and international development for our SME base. We feel that without the appropriate support mechanisms being put in place, these opportunities may not be realised.

Belfast City Council considers that there should be greater emphasis under this priority on exporting. Export-led growth is the key to economic recovery and efforts to rebalance the local economy in favour of the private sector. Whilst recent evidence (DETI's export survey 2012 indicating a 6.1% increase in manufacturing exports and a return to the peak levels experienced in 2009) suggests that this is gradually taking place, particularly in Belfast, there is scope for provision of an additional impetus in this field. In our recent Survey of Belfast Businesses, only one third of business respondents had experience of international trade with a quarter of these having only experienced trading with the Republic of Ireland.

We fully support the proposed investment in the tourism sector and the key delivery role that NITB will have in the delivery of this. We believe that the strong working relationships between NITB and local authorities, developed through previous funding programmes, offer a useful template for the roll-out of similar activity, with the aim of improving the quality of the product and building the capacity of the sector.

We are about to embark on the development of a new tourism strategy for the city and we expect that NITB and DETI will be

key partners in the development and delivery of this. As one of the nine tourism destinations identified by DETI in the 2020 strategy for tourism, we welcome the potential that this provided for channelling funding towards priority interventions and we would hope that this policy can continue under the new programme.

The Council fully welcomes the proposed continuation of a local economic development dimension for Council delivery. We have been working closely with DETI and other government agencies for some time now to look at how the effectiveness of this approach can be enhanced, recognising the complementary roles of a number of agencies working in this field. We would urge that councils, as strategic partners, can also have access to funding under themes 1 and 4, particularly to support the ongoing lobby by Belfast City Council and the local government sector as a whole to be able to have EU funded, integrated economic development plans as the outset of the programming period. We note that there is still some intensive work ongoing with regard to the potential devolution to councils of funding for agreed programmes of economic activity within their areas and we trust that this engagement will lead to a productive outcome that will help meet the objectives of this programme.

Theme 4 – Supporting the shift towards a low carbon economy

Belfast City Council welcomes the focus here and feels that the council, in conjunction with key partner organisations, can play a significant role in progress towards the targets under this priority. We feel that there are particularly strong linkages between this theme and the other thematic priorities in that local SMEs can play an important part in the development of a viable and cost effective supply chain for emerging sustainable energy projects and recognise that investment in R&D, technology transfer and innovation will contribute to the development of new technologies in this field. Additionally, Belfast City Council has submitted an application to the current round of ERDF under the Sustainable Competitiveness Programme for the development of the infrastructure necessary to develop a Cleantech business park on the North Foreshore site in North Belfast.

We also feel that there is significant merit in pursuing an integrated approach to the low carbon agenda, particularly across the ESF and ERDF programmes. The sector is poised to be the fastest growing sector of the economy over the

coming decade according to BIS and the OECD. If growth estimates in this market are to be realised and an innovative, export-focused Northern Ireland cleantech sector is to be established, the availability of a range of professional and technical skills will be crucial to this success. Recent demand in terms of applications for courses in manufacturing engineering, a key discipline for the cleantech industry, has been falling despite the creation of more specialist courses. We feel that integrating the approach across ERDF and ESF, particularly under this theme could offer substantial opportunities locally, and could assist in the establishment of a significant number of new jobs across the spectrum.

We support here the reference to the growing potential of the maritime economy especially given the opportunities outlined in the recent Irish Sea plan and the emerging Atlantic Area Strategy.

Question 4: Are the proposed delivery mechanisms appropriate?

Belfast City Council welcomes the intention referenced in the programme proposals for an enhanced role for local councils through the delivery of plans, allowing for delegation of project selection using four of the five Northern Ireland EU funds. Local Government Reform and the proposed transfer of major functions back to Local Government in 2014/15 provides a real opportunity to rethink how Central and Local Government in Northern Ireland can work in a more integrated manner, aligning both policy and resources to address identified priorities and shape places for the future. There is potential for Local Government to integrate key functions such as planning, regeneration and economic development to address local priorities identified as part of the Community Planning process.

This new EU programming round provides a timely opportunity to adopt a more integrated approach to the delivery of EU funding, and we would directly support local government's place shaping role for their cities, towns and neighbourhoods. We are currently working with DFP to explore opportunities for the allocation of ring-fenced budgets for councils in two stages 2014 – 2017 and 2017 – 2020, to allow for the development and delivery of strategic, integrated plans using ERDF, other EU funds, council, and private sector investments. This approach would allow for a much greater impact locally and would support the delivery of concrete results tied to local and regional strategies.

Question 5: How might the implementation of the programme be simplified and streamlined?

Belfast City Council believes that the approach of local delivery through strategic integrated council plans in 2 phases 2014-2017 and 2017-2020 would lead to simplified delivery and clear results-based outcomes. We are wholly supportive of the work underway within and between departments to try and create a simplified system with regards to programme administration and consider that this will provide a better opportunity to improve the quality of service delivery on the ground.

We would welcome a consistent monitoring system across all ERDF and ESF funded programmes to make implementation effective, simple and streamlined. While all programme interventions now have targets, these are often around programme participation (inputs/outputs) as opposed to outcomes and longer-term impact. Equally, the outcomes vary from initiative to initiative and it is therefore difficult to gain a cumulative perspective on the impact of interventions across a range of partners and programmes. We welcome the commitment to programme-level targets and would be keen to see that these are maintained throughout the programming period and across funding programmes.

Question 6: Related issues not specifically addressed in the consultation

Belfast City Council as the regional driver and urban centre welcomes the new focus on sustainable urban development and would urge NI Government to identify both Belfast and Derry-Londonderry as specified urban authorities within the NI Chapter of the UK Partnership Agreement. Both authorities have been part of a sustained lobby at the European level alongside the Eurocities network for the last two years, in support of Commissioner Hahn's 'ambitious urban agenda'. Belfast as the capital city and Belfast and Derry-Londonderry as both regional drivers, as referenced in the Programme for Government, should benefit from this new 5% initiative, over and above what they would normally have sourced from the NI ERDF programme, in recognition of the specific challenges and opportunities presented within the cities in terms of socio-economic issues.

Belfast City Council commends and agrees with the Executive's restated commitment to make the economy the

top priority in the Programme for Government and believe that the programme proposals demonstrate a cohesive approach to addressing some of those economic priorities. We consider that some prioritisation and additional emphasis should be placed on issues such as exporting and increasing the volume of start ups, given their relative importance for the future development of the economy locally and for growth amongst the micro-business sector and considering the scale of the challenge associated with this issue – as referenced in this response.

Belfast City Council has extensive experience in the successful delivery of NI, Inter-regional and Transnational EU competitive programmes and has developed an evidence base and city- wide partnership of stakeholders to develop and deliver integrated plans using EU and non EU funds. We are currently developing an Integrated Economic Strategy for the City and there are very obvious parallels between the emerging findings from the Strategy and the programme proposals presented in the consultation document. In conjunction with our partner Invest NI, we would welcome the opportunity to discuss the emerging findings and to identify areas for collaboration to help achieve our mutual objectives.

We consider that the coalescing of Local Government Reform (and the accompanying Transfer of Functions and enhanced responsibility for Economic Development and Community Planning) and the 2014-2020 ERDF Investment for Growth and Jobs Programme presents an opportunity for the reformed Local Authorities to play a more significant role at a local level in developing the local economy. We feel that lessons can be learned from the proposed approach in England with the Local Enterprise Partnerships (LEPs) who will have responsibility for designing and delivering strategies on how to use the new Structural Funds. The respective LEPs will receive a notional allocation from the funds and will have responsibility for:

- Coming up with an investment strategy for spending their allocation
- Finding projects to deliver that strategy, using a mixture of commissioning, bidding and co-financing as best meets local need
- Finding match funding for those projects
- Ensuring those projects deliver their targets
- Making sure their allocations are spent on time
- Monitoring how well they are delivering against their strategies and the programme priorities.

Finally, we feel that Council has the capacity to deliver the resources to provide the match funding required to bring forward these initiatives. We have strong governance and project management arrangements in place and have a track record in drawing down funds for capital and revenue projects under previous programmes.

Appendix II

Department for Employment and Learning's (DEL) consultation on the Northern Ireland 2014-2020 European Social Fund (ESF) Investment for Growth and Jobs Programme

Draft Belfast City Council response for consideration by CMT – October 2013

- 1) Belfast City Council welcomes the opportunity to respond to the above consultation. Through the Council's 2012-2015 Investment Programme, we are committed to a range of employability-related initiatives, both as an employer and as a funder of external projects to address key sectors including:
 - i. Working with local partners to deliver targeted employability initiatives across the city, providing pre-employment support for 1,200 people and helping around 400 into employment (through ESF projects);
 - ii. Committing over 400 work placement, internship and apprenticeship opportunities within the Council with a focus on graduates, young long-term unemployed and people with disabilities
 - iii. Creating 200 employment opportunities at no additional cost to the ratepayer;
 - iv. Providing a £300,000 bursary fund to help 16-24 year-olds move into further education, training and employment.

- 2) The implementation of Local Government Reform in 2015 provides an important context for the development of the 2014-2020 ESF Investment for Growth and Jobs programme. This will result in significant changes for local government in terms of the geographic boundaries and population as well as the transfer of functions such as planning and regeneration from central to local government. In addition, community planning will provide a framework for councils and other partners to improve the social, economic and environmental well-being of their area. It will ensure effective and co-ordinated service delivery that meets community needs by engaging all key stakeholders, including the community.

- 3) As the overarching strategic framework for an area, the community plan and associated local area plans have the potential to connect central government and local government commitments ensuring greater alignment of the regional and local priorities and delivery. An effective, strong community plan has the potential to connect the region to the local therefore enhancing the effectiveness of decision-making and delivery by creating real alignment policy and resources to address identified priorities and shape areas for the future. In this context, it considered that there is significant potential to maximise the impact of ESF and other EU funded interventions by ensuring that they are aligned to wider, locally-agreed priorities.
- 4) Our responses and comments on the questions posed in the consultation document are included below:

Q1 Do the selected thematic objectives and investment priorities demonstrate best use of ESF funding?

Priority 1 - Thematic Objective 8 - Promoting employment and supporting labour mobility

Priority 2 - Thematic Objective 9 - Promoting social inclusion and combating poverty

Priority 3 - Thematic Objective 10 - Investing in education, skills and life-long learning

		□		
Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree

- A1 The Council understands and agrees in principle with the focus on economic inactivity among young people (Priority 1). However, we note that at present, this is to receive the smallest percentage of funding available (28.5% compared with 30% and 40% for Priorities 2 and 3 respectively). We consider that this figure should be revised upwards to take account of the ongoing employability and skills challenges. Despite the fact that the Government's Economic Strategy identifies Belfast as the key driver for economic growth in the region and the NI Executive references the importance of Belfast to regional prosperity, the following challenges remain within the city:
- Inactivity in the labour market is currently the biggest drag on the Belfast's competitiveness, according to recent

- research commissioned by the Council. Benchmarked against 10 other cities, Belfast had the lowest levels of economic activity (41.6%) and considerably below that of Dublin (22.9%). This research shows there are 16 wards in Belfast with less than 50% of residents in employment;
- Belfast has relatively highly skilled residents but also has a high proportion of people with no formal qualifications. The Centre for Cities comparative analysis of Belfast with 63 other UK cities placed the city at the bottom of the group;
 - Obtaining a level two qualification is out of reach for many Belfast residents. The Integrated Economic Strategy for the city (currently at draft stage) recognises the progress made between 2001 and 2011 in skills attainment, where the proportion of Belfast's population with no qualifications decreased from 41% to 30.4%. In some parts of the city, the level increases to almost 90% of the working age population; and
 - An additional 15,000 people with no formal qualifications will come under Belfast city's jurisdiction in 2015. Finding a solution to these issues is key to maximising economic prosperity and we call for fair balance in funding allocation among the three priority areas.

In relation to Thematic Objective 9 (Priority 2), Belfast City Council welcomes the fact that ESF will support actions to promote social inclusion and combat poverty and that the allocation to this priority goes beyond the draft legislation recommendation. The need to tackle poverty and exclusion is demonstrated by the fact that <http://poochie:9070/documents/s72447/Appendix II.html?CT=2> - [ftn3](#):

- Poverty and deprivation has been concentrated, historically, in certain parts of the city. Many of the deprived areas in Belfast in 2011 are the same areas that were the most deprived in the city in 1991 (Ardoyne, Shankill, New Lodge, Falls, Crumlin appear in successive studies of multiple deprivation). Most of these areas are those in and around interfaces.
- 46% of Belfast's population live in the most deprived Super Output Areas in Northern Ireland
- 35% of the population in Belfast are income deprived; compared to 25% in NI as a whole
- 16% are employment deprived in Belfast compared to 13% in NI as a whole.
- Whiterock is ranked as the most deprived ward in Northern Ireland

- A recent report by the Child Poverty Action Group revealed that the cost of dealing with child poverty in Northern Ireland has reached £1bn. Estimates provided in the report revealed that there are around 97,979 children in Northern Ireland defined as living in poverty, with the cost estimated at 1,065bn. In Belfast around 21,186 children are considered to be living in poverty with an estimated annual cost of 230 million.

Belfast City Council's Framework for Tackling Poverty and Social Inequalities is currently being reviewed in light of the Delivering Social Change Framework and Belfast Strategic Partnership's Framework for Action to Address Life Inequalities (2011-15). These frameworks for Belfast recognise multi-faceted nature of poverty which impacts on life opportunities and social inclusion in terms of employability, education, health, housing, community relations etc. As is the case across the UK, there is also growing trend of in-work poverty in NI, therefore facilitating access to employment opportunities requires a more co-ordinated and holistic approach to tackling poverty, improving social inclusion and increasing aspirations. The most recent figures on workless households in the UK regions positions Northern Ireland in second place (22%), narrowly behind the North East (23%). Belfast City Council would therefore request that the forthcoming ESF Programme takes a holistic approach and does not restrict project activity to combating poverty through facilitating access to the labour market alone, but supporting individuals to overcome obstacles and cyclical patterns which prevent them from leading a satisfying and fulfilling life.

While recognising the scale of the economic inactivity challenge, the Council would also contend that the skills challenge is a significant one for Belfast and the wider region. We support a sustained focus on skills based on the following evidence:

- It is estimated that over 85% of jobs in Belfast in the next 10 years will require a degree qualification or equivalent. Currently, 26% of the resident population in the city has qualifications of level 4 and above; and
- A report commissioned by Belfast City Council in 2009 identified the scale of the skills challenge across the city and its potential to impact adversely on the city's economic growth due to issues of skills mismatch and also due to the geographical concentration of those with low skills levels, which risked widening the social divide in

the city. It noted that, while some areas of the city had large volumes of residents with 'low or no skills' levels and 6 out of 7 jobs in the future would require qualification levels in excess of this.

We welcome the fact that Priority 3 (investing in education, skills and life-long learning) is to receive the largest percentage of funding available but we would ask that consideration is given to making this funding additional to mainstream provision, as opposed to supporting existing mainstream activity.

Under the 2007-2013 ESF programme, there was an open call for applications under which in excess of 80 projects were supported and more than 50 were based in the Belfast City Council area. While many of these projects were doing invaluable work, it is difficult to measure their impact. We consider that a more focused approach detailing specific targets may have improved the overall programme's effectiveness.

To make the best use of ESF funding under the thematic objectives, the Council believes that economic prosperity and growth can be achieved by developing a locally based employability and skills strategy to address long standing employability and skills issues within Belfast. This commitment is outlined in the Northern Ireland Economic Strategy. We would be keen to work with DEL on the development of a city-wide strategy which would promote greater coherence between supply and demand with the aim of improving city competitiveness and supporting access to employment.

The Council has already met with DEL and Belfast Metropolitan College to explore the potential for developing an Employability and Skills strategy for the city. We would welcome further engagement with these and other relevant partners with a view to establishing creative and collaborative solutions to addressing these challenges.

The Council acknowledges that ESF is a regional initiative but we believe that a local response to local issues is required and we recommend a city strategy partnership model which operates successfully in other parts of the UK. This partnership approach could also contribute to:

- Improvement in the quality of life, health and education for people in areas of greatest need;
- More cohesion of services to boost and develop confidence within communities;
- Improved life chances for children and young people.

Evaluation of the city strategies model identified a number of key lessons that may be relevant to any Belfast-specific approach. These include:

- The importance of giving initiatives time to make a difference, given the scale of the challenges to be addressed;
- The need for national policy to work in the same direction as local policy and vice versa – to reinforce each other’s aims;
- Recognition that different geographical scales are important for different types of interventions;
- Discretionary funding can play an important role in helping partnerships to provide services to address local needs; and
- The importance of looking at the role of demand as well as supply in tackling worklessness.

Q2 Is the proposed programme funding sufficiently focused, given the limited resources likely to be available for Northern Ireland?

Yes

No

A2 Broadly, the Council welcomes the new objectives proposed and notes the similarity between the proposed and former programmes.

We would not however be supportive of the current process of allocating funding by an open call, The Council believes there is a substantial risk of the activity not focusing on those groups and locations in most need of support. We would therefore recommend that the allocation model prioritises those population groupings and communities which are in greatest need of support. We would also advocate an area based ‘commissioning approach’ based on measurable outcomes. This will encourage collaborative applications as opposed to a large number of stand-alone projects, where a disproportionate resource is used to cover administrative overheads and dissipates impact.

The Northern Ireland Economic Strategy commits government to employment and skills strategies for Belfast and Derry/Londonderry and the Council believes this approach would create a framework within which funds could be allocated more effectively.

The case for developing a locally based strategy, with clearly defined targets and outcomes to address long standing employability and skills issues within Belfast have been documented in question one. There are substantial long-term gains to be made by setting targets to overcome the high number of people disengaged from the labour market or those with no formal qualifications. This strategy must include an examination of DEL's existing commitments and programme activities and re-focus resources to address the challenges identified below:

- While Belfast is the economic driver of the region, it is also the location of the 9 out of the 10 most deprived electoral wards (using the Northern Ireland Multiple Deprivation Measure (NIMDM));
- The current claimant count for the Belfast (July 2013) sits at 7.9%, joint second highest with Strabane among district council areas and but below Derry (8.5%). There are significant variations in claimant numbers within Belfast wards ranging from 17.2% of working age population in Waterworks to 2.1% in Stormont. 32.2% of those claiming benefits have been unemployed for more than a year compared to 29.6% in the region. The youth claimant count sits at 26.5% which is down 2.7% compared to the previous year, but still unacceptably high; and
- The welfare reform programme is likely to have a significant impact on the employability arena and the levels of poverty in society, with a focus on 'making work pay' as opposed to staying on benefits. Universal Credit – bringing together all income-related social security benefits (Jobseekers' Allowance, Employment and Support Allowance and Income Support) as well as housing benefit and working and child tax credits will be introduced in April 2014. The low levels of skills and the concentration by population in certain areas of the city means that, unless specific and targeted interventions and support mechanisms are put in place, future employment opportunities will remain out of the reach of many Belfast residents. Macro level changes such as the welfare reform agenda are likely to lead to an increase in those with low or no skills levels seeking employment in a declining market. The timeframe for introduction of this programme means that the Welfare Reform changes will be starting to impact, particularly on certain groups and/or geographical areas.

Q3 Implementation arrangements

What are your views on the extent to which the proposed interventions identified under each of the three Priorities (see Chapter 6) will address those Priorities?

	<input type="checkbox"/>	
Completely	To some extent	Not at all

A3 The Council welcomes proposed interventions outlined in paragraphs 6.1 to 6.4 and the socio-economic analysis provided in paragraph 6.2.

Belfast City Council's Investment Programme 2012-2015 supports the need for specific, targeted interventions to ensure that the city's residents have the opportunity to develop the skills necessary to apply for and secure jobs, with a particular emphasis on young people who have been badly impacted by the economic downturn. However, investment in skills and training will be minimised unless there are relevant employment opportunities.

We believe that the actions under Priority 2 do not adequately address the underlying issues within Northern Ireland that impact on poverty and social inclusion. We believe that greater emphasis should be placed on issues raised in 'Together Building a United Community' and the need to ensure all our communities, especially those most affected by the legacy of 'the Troubles' are supported.

The extent to which the actions will actually address the priorities identified will be dependent on the quality of programme implementation, monitoring and review. We recognise that actions proposed in paragraph 6.28 will help to address this.

We welcome DEL's focus on the economic sectors relating employment and skills provision (paragraph 2.29). This correlates to joint research commissioned by Belfast City Council and Invest NI http://poochie:9070/documents/s72447/Appendix II.html?CT=2 -_ftn8 which shows:

- An increase in the proportion of employment taken up by sectors such as administration and support, professional, scientific and technical and information and communication;**

- An increase in the employment between 2002 and 2012 in the finance and insurance sector. Employment in the sector has remained relatively steady in Belfast, despite the expectation of contracting in the financial crisis;
- The average growth rate in the manufacturing sector from 2008 – 2012 was 3.1%. It reflects the national trend of moving towards high-value added manufacturing, as the Western World struggles to compete with emerging nations on a cost basis;
- The presence of arts facilities in conjunction with TV programming and broadcasting, suggests the emergence of the creative industries sector in Belfast. Computer programming, the creative industries and the wider renewables or green industries present significant clustering opportunities for Belfast in the future;
- Employment levels in the number of people employed in art, entertainment and recreation sector have increased. This trend is estimated to continue, with employment rising on average by 1.6% each year between 2012 and 2022, taking the number from 3,800 to 4,600 employees within the Art, Entertainment and Recreation sector; and
- The accommodation and food sector has a sizable opportunity to increase its productivity with an average growth of 2.0%. This sector has a vital role within the economy of Belfast, accounting for 5.8% of total employment with over 12,000 employees.

Across all the priority areas, we consider it critical that there should be a focus on ensuring that funded activities meet the needs of both employers and programme participants. While the focus of the programme is on supply-side measures to address the challenges of economic inactivity and low skills levels, we consider that there is a need to work closely with businesses – particularly SMEs – to understand their employability and skills requirements and to provide solutions that meet their needs in a way that helps them improve their business productivity.

In order to improve the effectiveness of the interventions, we would strongly advocate the establishment of a single area based fund, bringing together ESF and other employability-focused resources from central government departments including the Department of Social Development (DSD) and the Office of the First and deputy First Minister (OFMdFM). This fund could be managed by a programme board to oversee the commissioning of programmes which would target support on those communities and locations in most need of employability and skills investment. This approach fits with the following initiatives:

- DSD's Neighbourhood Renewal strategy which aims to tackle disadvantage in the areas of highest deprivation. A mid-term review ⁹¹ of this strategy recommends linking regeneration policies with wider policies, particularly economic development; and
- OFMdfM's Delivering Social Change framework which aims to co-ordinate key actions across Departments to take forward work on priority social policy areas.

The creation of a single fund would negate the need for delivery agents seeking to secure 35% of their funding from other sources, ensure that projects are fully funded from the outset, substantially ease the administration and reduce the time taken to get projects off the ground.

Q4 Do you think that a more strategic approach should be taken to the selection of projects - for example, commissioning by themes rather than open call?

<input type="checkbox"/>		
Completely	To some extent	Not at all

A4 Belfast City Council believes that the city strategies model proposed in the answer to question one is a more strategic approach.

The Council acknowledges and commends the valuable role played by community-based projects in tackling employment and skills issues. However, a locally agreed framework would create priority areas of focus with associated targets in order to ensure that all activities are contributing towards agreed goals. One way to achieve this is to create a framework using the city strategy model where activity can be commissioned against agreed priorities and themes (see above).

The Council believes this strategy should focus on a longer-term approach. Training and employment projects cannot be delivered in isolation of each other and a framework is required to bring all training and employment providers, funding bodies and employers together to set targets and determine outcomes.

Currently there are over 50 ESF projects being delivered in Belfast. We believe that the overall effectiveness of the programme can be improved by commissioning projects to meet a common agreed strategy and outcome related targets.

While we would encourage partners to explore opportunities for commissioning, we recognise that this change would require effective communication and capacity building to support access to funds and to ensure quality in the implementation of subsequent projects.

Q5 How might the implementation of the 2014-2020 programme be simplified and streamlined?

A5 The Council has called for a joined up city-wide strategy in the answer to question one, together with the need to reduce the proliferation of individual projects outlined in the answer to question four.

Post-2015, consideration should be given to the development of area based 'Single Outcome Agreements' in the new 11 Council areas linked to the Community Plan. It is recognised however that there will still be programmes which are best delivered at a regional level.

We believe that the 2014-2020 programme can be simplified and streamlined by ensuring consistency across all EU-funded programmes and determining how funds can complement each other (for example ERDF). DEL should use this opportunity to review administration and monitoring arrangements across all EU funded projects and with organisations that provide match funding.

The Council calls for a consistent monitoring system to be put in place across all ESF funded programmes to make implementation effective, simple and streamlined. While all programme interventions now have targets, these are often around programme participation (inputs/outputs) as opposed to outcomes and longer-term impact. Equally, the outcomes vary from initiative to initiative and it is therefore difficult to gain a cumulative perspective on the impact of employability initiatives across a range of partners and programmes.

To this end, it may be appropriate to consider establishing clear baseline information for any target intervention and to create appropriate Key Performance Indicators (KPIs), targets and outcomes measurements for all three priorities that can be reviewed on a regular basis to note the progress made. This would mean a move away from the programme-based approach towards a target for a specific group or location, with consideration of the wider impact on issues such as health and deprivation levels.

Outputs should not only include the number of programme participants but also qualification attainment, whether or not the qualification was useful in the labour market and whether or not job starts have been sustained or led to job progression and should track pay rates and pay progression of participants.

The Council's experience of the flat rate approach for indirect costs and a simplified regime for procurement below the EU threshold values implemented over the course of the European Regional Development Fund (ERDF) PEACE III Programme has been positive. We welcome a continuation of this approach in all EU Structural Funds for the next programming period, with a continued focus on the costs directly related to project delivery, and limits on the levels that can be claimed as overheads.

Q6 We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to set them out:

A6 Belfast City Council is keen to be an active partner with DEL and other agencies in addressing the employability and skills challenges that impact on the economic and social wellbeing in our area. We do not necessarily see our role as a delivery agent for ESF projects; however, the Council is preparing for new powers of regeneration, place-shaping and wellbeing under the Reform of Local Government in 2015 and is seeking to agree initial priorities for Belfast's development. We will have community planning powers requiring us to work with partners to develop local services to meet the needs of the relevant localities. While the statutory responsibility for employment and training is outside our remit, we are keen to promote greater co-ordination of employment and training activities to maximise opportunities for economic growth and to promote social inclusion in the city.

We note that DEL is working closely with the Special EU Programmes Body (SEUPB) to ensure the ESF programme and the proposed PEACE IV programme (paragraph 1.8) complements each other and we support DEL's cross-departmental engagement with local government on implementation arrangements (paragraph 7.10). We would encourage similar collaboration with OFMdfM and DSD to ensure that we maximise the use of all resources aimed at addressing employability and skills provision.

At an operational level, we would welcome greater ongoing engagement to ensure mutual understanding of challenges facing the city in the area of employability and skills and to develop practical solutions to address these.

At present, Belfast City Council is match funding five projects – three of which have sought council funding as they have failed to secure match funding from other sources. Due to the nature of the application process we have not been able to plan for these resource requests and do not see this as a sustainable approach going forward.

The ongoing community tensions in Belfast and other areas across Northern Ireland highlight that social cohesion, and specifically addressing the legacy of conflict within Northern Ireland, remains a key challenge. Although it is recognised that other programmes and funding are specifically designed to address these issues, it is important that the ESF takes more account of this underlying issue. A strong, stable and cohesive society will be essential to attracting inward investment and building a strong economy – without this the investment in skills and employment opportunities could be seriously undermined.

The consultation document mentions some funding being held for a performance reserve which would be distributed at the mid-term point of the programme. Further clarification is required as to whether this is on a financial basis or not. Belfast City Council suggests that it would be more beneficial to focus on outcomes rather than compliance and administrative process. We believe this review and reserve funding should be held to support a more joined-up outcomes based approach using the new community planning process post 2015.

We understand from early engagement in the consultation process for this new programme that DEL is likely to require project partners to be accredited training organisations. Belfast City Council welcomes this proposal from the point of view of maintaining quality of provision. We would also support the creation of an MIS system for the overall programme to allow project promoters to share information in a controlled manner and in compliance with all relevant legislation. This would allow instances of repeat training episodes to be flagged at an early stage and would allow programme managers to focus on identifying the appropriate intervention from the outset, thereby improving the experience for both the project promoter and the participant.

We note the equality impact assessment and the steps proposed to ensure compliance with Section 75, the commitment to mainstream equality considerations and the proposed evaluation framework and reporting arrangements. The shared future policy screening (paragraph 3.22) is also to be welcomed.

Having considered the mid-term evaluation of the ESF report [http://poochie:9070/documents/s72447/AppendixII.html?CT=2 - fn10](http://poochie:9070/documents/s72447/AppendixII.html?CT=2-ftn10), the Council recommends that DEL improve the information provided to ESF programme participants (and where relevant their parents) in a range of accessible formats and in plain English. Given the number of training and employment initiatives on offer, it can be difficult and confusing for users to navigate and make informed decisions on their career paths. Success rates of obtaining employment or gaining a relevant qualification from a training or employment provider must be made publicly available. A lack of clear information can create unnecessary barriers for the hardest-to-reach particularly at transition points in their lives and increases the risk of dropout. This also is relevant to those statutory and community partners, who inform, advise and guide programme participants.

To ensure that programmes have a strong customer focus, the Council recommends that potential programme participants should be involved in the programme design, content and evaluation processes. This could be achieved via focus groups and would strengthen redress systems where programmes are failing to meet their expectations. Evaluation systems must not only capture successful outcomes but identify and track people at risk of early disengagement, and provide wrap-around support to help those at greatest risk to secure sustainable employment or gain meaningful qualifications.

Appendix III

Consultation on the Northern Ireland 2014-2020 Rural Development Programme

Draft Belfast City Council response for consideration by CMT – October 2013

Background

DARD is inviting written responses to the consultation paper on the Rural Development Programme 2014-2020. Given that only certain elements of the programme are relevant to Belfast City Council, the appendix sets out the proposed answers to those specific questions.

The key targets for the 2014-2020 Rural Development Programme includes measures to improve the competitiveness of our agri-food industry as well as the natural environment alongside measures to develop and improve rural areas. There are 6 priority measures: the one of most relevance to Belfast City Council is Priority 6: Rural Development.

The consultation document features a series of questions related to priority 6. Proposed answers to the key questions in this section of the consultation are detailed below.

The consultation document makes some reference to the potential for the 'Leader' model of delivery which has happened under previous rounds of the programme. Leader is a bottom-up approach to rural development activity. It involves devolving funding to local level to allow the delivery of agreed programme of work against a set of objectives. At present, the EU requires at least 5% of the funding to be distributed in this way. Under the current programme, Belfast is part of a cluster with Lisburn and Castlereagh. There are seven of these clusters at present: they were established in 2006 in anticipation of aligning with the proposed 7 council area model that at that time. However the lack of progress in RPA meant that this did not happen.

While the current consultation does not define the geographies to be associated with the Leader approach, it suggests that there are a number of principles for service delivery that need to be considered, namely:

- Effectiveness
- Equality focused
- Capable

- **Accountable**
- **Local.**

It is proposed that our response includes a request to ensure that the Leader model is based on the 11 council structures and that, therefore, the new Belfast City Council boundary is designated as a Leader area in its own right.

Proposed answers to questions asked in the consultation document:

Question 31 - How effective do you think the proposed priority 6 schemes (Rural Business Development, Rural Business Investment, Rural Tourism, and Combating Poverty and Social Isolation – Basic Services, Village Renewal) will be in meeting the needs of the sector? Please provide reasons / evidence to support your views.

The above-mentioned activities are aligned to the EU priorities for smart and inclusive growth. The document sets out well the rationale for measures envisaged within this priority: the need to support and maintain rural SMEs, dependence on rural tourism (both as a main and supplementary income), reducing isolation through the provision of adequate basic services and the renewal of villages as community hubs.

Whilst Belfast City Council agrees with the focus of the proposed schemes, the operational delivery of these initiatives should take into consideration the challenges experienced by project promoters in terms of accessing match funding finance, securing planning permission and the timescales of this activity.

The proposed Rural Business Development and Rural Business Investment Schemes are both welcome additions to support business start up and growth in eligible areas. However both schemes appear to have prerequisites which impact on a company's ability to access support under the scheme. We have some concerns about placing potential barriers such as this which may prevent access to vital support services for rural businesses and would recommend that this issue is looked at again. If this does not happen, we consider that it could impact negatively on the ability to realise grant spend targets under this measure.

Question 32 – How might these schemes (Rural Business Development, Rural Business Investment, Rural Tourism, and Combating Poverty Social Isolation – Basic Services, Village Renewal) be improved upon to meet the needs of your sector? Please provide reasons / evidence to support your views.

Belfast City Council's Integrated Tourism Development Framework, which was developed in partnership with the Northern Ireland Tourist Board (NITB) has identified 10 Tourism Destinations for the city – two of which are directly located in or link into rural areas. These are Belfast Hills and Lagan Canal.

Tourism in Belfast was worth £416million in 2012 in direct visitor spending, and the industry supports 10,000 FTE jobs in the city. Belfast City Council's tourism strategy is focussed on spreading this benefit across the city. However, with particular regard to Belfast Hills and the Lagan Canal, there are a number of factors which impact on their ability to gain proportionate access to the economic benefits generated.

With regard to the Belfast Hills, baseline research has been undertaken by various groups in the hills and at the fringes of the hills. Current efforts have allowed pockets of sustainable development to take place but wider development has been hampered by limited access into the hills and within the wider hills network. Belfast City Council, with partner organisations, will continue to consult with private landowners and the National Trust to enable the maximum potential of the hills to be achieved and facilitate enjoyment of the natural assets by the public. These actions will greatly increase the potential of the Belfast Hills to realise its share of the overall Belfast tourism dividend. We would therefore encourage the Department to delineate the eligible hills boundary and increase the funding threshold for tourism projects to enable strategic, sustainable and inclusive projects to be delivered.

With regard to the Lagan Canal, Belfast City Council is working with several partners including the Lagan Canal Trust and landowners. However progress has been limited due to the need for large-scale investment. The funding limits in place in the current programme have supported only piecemeal investment in the site. If any strategic tourism development schemes are to take place, we would recommend that the Department considers removing the current funding cap to allow a number of these 'flagship' projects to progress.

It is also important to consider the impact of Local Government Reform which will affect local government boundaries, bringing in and transferring areas across Council boundaries. How this transfer is managed without disruption to the scheme and any live projects needs to be taken into account.

A key element of the Local Government Reform Programme is the requirement for the new Councils, in partnership with other stakeholders, to develop Community Plans for their areas. The NIRDP has the potential of becoming a significant resource stream to support the delivery of social, economic and environmental development projects within those Community Plans.

Belfast City Council proposes that the Leader elements of the programme should therefore be managed on a council area basis and the new Belfast City Council boundary should be designated as a Leader area in its own right. We consider that this would have a number of benefits:

- Allow for the alignment of rural development projects with the Belfast City Council Community Plan
- Support the development of the community led local development approach: we are currently working with DFP, DETI and DEL to look at opportunities for providing ring-fenced funding to address identified socio-economic challenges in the locality. Inclusion of Leader funding into this model would allow a holistic yet targeted approach to addressing these challenges and would reduce duplication of funding, allowing Belfast to maximise the impact of the EU resources
- Belfast City Council has many years of experience in drawing down EU funding for use in social and economic regeneration projects, including some significant schemes under the current Rural Development Programme. We have a track record of delivering results and ensuring funding drawdown, in line with programme commitments
- The council's governance processes ensure that there is compliance with all relevant equality legislation. This would provide appropriate assurances for the Department in this regard
- The council has significant profile at a local level as a key delivery body. Through our elected members, we are able to reflect the issues addressing local communities and deliver tangible projects to make a difference at local level.

To support business growth, we would further suggest reconsidering the eligibility requirements for this programme to include small businesses with up to 20 employees. The majority of businesses in Northern Ireland are micro-businesses and will fall into this category. This would align with the requirements of other programmes being run by the council and would therefore make it easier for companies to understand the nature of the offer.

Question 33 – On which issues should the proposed All Island Cooperation scheme focus in order to address deprivation and disadvantage in rural areas most effectively? Please provide reasons to support your views.

We consider that this measure should focus on shared learning, networking and exchange of best practice. Given that the council boundary is at a distance from the border, there are challenges in developing collaborative activities. While the opportunity for collaboration exists within the current programme, this has been difficult to realise in practical terms.

Question 34 – Should a scheme to address deprivation and disadvantage through North/South Co-operation focus only on those regions in the north adjacent to the border, or should it cover all rural areas in the north? Please provide reasons to support your views.

We recommend that it could operate on the same principle as the INTERREG Programme; namely those areas not contiguous to the border are eligible for 20% of the total priority budget.

Question 35 – How much of the programme budget should be allocated to the Leader approach, and why?

The Lagan Rural Partnership has fully allocated its available budget through the current NIRD. This demonstrates the potential of the Leader approach to achieve spend targets. We would therefore suggest that the Department considers going beyond the minimum 5% allocation to Leader projects and allocates a budget that is closer to the current programme (19% of programme budget).

In addition, it should be noted that Councils were able to design and deliver strategic projects only at a very late stage in the current Programme's lifespan. This demonstrates councils' flexibility and ability to design projects which meet localised needs and which contribute to the overall

programme aims and objectives. We would encourage the Department to maintain this element of the Programme as we consider that there is additional potential for significant projects of this nature which can make a positive impact on the rural economy. Any reduction in budget to this element of the programme would have a significant impact on the ability to deliver projects of strategic impact and scale.

Should this approach be adopted for the 2014 programme, we would recommend that strategic projects with a value in excess of £250,000 of grant funding should be eligible for funding earlier in the programme in order to allow for time to build the potential landmark projects and facilitate early acceleration of grant spend.

Given the change of boundary as a result of Local Government Reform, Belfast City Council will have a more significant footprint in the designated rural boundary. We have seen the benefits of engagement under the current programme, albeit that our rural population is limited in size. Under the future programme, we would be a willing partner in a Leader-type approach and would be keen to look at how we could work with the Department to develop rural regeneration schemes which will impact positively on the quality of life for rural residents within our boundary.

Question 36 - Which measures/schemes should be delivered through the Leader approach, and why?

We believe that the draft Operational Programme is accurate in terms of what is envisaged to be delivered through Leader. There is however potential for Local Action Groups to also deliver activity related to knowledge transfer and innovation (priority 1) and we would support a revision of the programme to take account of this. This is in line with our proposals under the ERDF consultation.

Question 37 – Which measures should be delivered by bodies (including Councils) other than Local Action Groups and why?

Belfast City Council believes that it has a key role to play in the delivery of the outlined measures in Priority 6. In particular, we consider that local authorities, in partnership with the Local Action Groups, have a key role in delivering:

- Village renewal activity: notably where the rural community lacks the community infrastructure to develop plans and then map out and develop the delivery of initiatives contained therein

- Strategic flagship initiatives which deliver a lasting legacy and sustainable outputs for an area, including tourism infrastructure schemes.

As previously mentioned, cognisance should be given to the likely transfer of functions to Councils through the Reform of Local Government e.g. business development and enterprise support initiatives. Belfast City Council would encourage the Department to work closely with councils in the development and implementation of any related measures, in order to minimise any negative impact on the end user.

We consider that, while the focus of the programme is on development of the physical space and its communities, it is also important to consider linkages with the adjacent urban areas. Many of the communities who use and 'own' rural parts come from outside the designated area.

Additional comments

Whilst Belfast is principally an urban area, we welcome the opportunity to engage in the NIRD and provide support to its rural visitors and population. Cities across the EU are recognising the importance of linking urban-rural and actions to support this should be welcomed within the functions of the Programme.

From our experience in the current programme, we would also make the following comments:

- Village Renewal Scheme (p80): one of the key lessons from the current programme is that the success of this measure is dependent on the social fabric existing in the village. Where a community infrastructure does not exist the Programme should facilitate community development and accommodate the time needed for this work within the profile of the Programme's lifespan.
- The Department should recognise that, if it is envisaged that communities themselves are responsible for the development of these plans, the communities may not be able to access match funding. In the current Programme, local authorities undertook this responsibility. However, in line with the principles of community regeneration and in order to ensure that the community has ownership of the Programme, we would encourage communities to take the lead in this process. This however raises a number of issues including availability of funding and variances in capacity levels across local communities. The programme should consider how these issues can be addressed.

- **We consider that there is a significant opportunity in the new programme to focus on support for the social economy in rural areas – both in terms of raising the awareness of its potential amongst rural communities and in providing resources to develop the sector**
- **We would encourage the department to look at how the administration and bureaucracy associated with Programme delivery can be reduced. A possible consideration for this may be the creation of a one tier robust corporate body, rather than the two tier (Strategic Joint Committee/Local Action Group) management system in the current programme**
- **We consider that the Leader structures should be co-terminous with the new council boundaries. This will ensure alignment with both Community Plans and the proposed integrated programme approach that has been discussed with DFP as part of the new EU funding programming period 2014-2020.”**

The Committee approved the forgoing comments as the Council's responses to the consultation documents.

Chairman