



Belfast City Council

Report to:	Development Committee
Subject:	Economic Development Update
Date:	21 February 2008
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Relevant Background Information

Co-financing for European Social Fund (ESF) applications

At the January 2008 meeting of the Development Committee, members received an update on European funding. They were reminded of council's successful application for funding from the European Social Fund (ESF). It aims to provide training to help those not currently in employment to find jobs within the hospitality and retail sectors. ESF projects are 65% funded and project promoters are expected to find the 35% co-financing from other sources.

Belfast City Council has been approached to provide co-financing to a number of other organisations who have made applications under the European Social fund programme.

Ulster Community Investment Trust (UCIT) Social Economy Event

At the December 2007 meeting of the Development Committee, members asked that consideration of a report on the proposal for sponsorship of the UCIT All-Island Social Enterprise Trade Show be deferred for consideration at a future date.

Collaboration with Northern Ireland Science Park (NISP)

Members will be aware that the Northern Ireland Science Park (NISP) delivered a range of activities last year which were co-financed by Belfast City Council. NISP has now submitted a proposal for additional activity in the next financial year and has asked Belfast City Council to make a financial contribution towards this work.

BITES (Business Improvements through Environmental Solutions) Tender: Request for delegated authority to accept tender

At the 8 August 2007 Development Committee, members approved an action plan for the development of the environmental industries in the city. This included the second phase of a programme to support business improvements through environmental solutions (BITES). A tender for the development and delivery of this programme was issued in January 2007.

Shopmobility – request for support

Members will be aware that the Shopmobility scheme has been supported by council since 1995 as part of its local economic development plan. A proposal for financial support of £25,000 for the current year of operation has been submitted for consideration.

Key Issues

Co-financing for European Social Fund (ESF) applications

The European Social Fund (ESF) provides funding for training measures to help people get into employment and enhance their career prospects. In October 2007, a call for projects under Priority 1 of the Northern Ireland ESF Programme – Helping People into Employment – was launched. The call closed in November 2007.

A number of organisations approached council to ask for support in advance of making their submissions. These were:

- LEAP (north Belfast): project to enhance employer and client engagement in north Belfast with a view to increasing employability of local people. The project aims to place around 300 local people in employment over the three year period of the programme.
- Stepping Stones (east Belfast): project to enhance employer and client engagement in east Belfast, focusing on addressing the needs of small businesses. The project aims to place around 220 local people in employment over the three year period of the programme.

Both organisations are part of the Citywide Employability Consortium (CEC) which has been supported by Belfast City Council since 2006.

These organisations have now been informed that their applications have been approved, pending economic appraisal by Department for Employment and Learning (DEL).

The financial support requested from Belfast City Council as co-financing is:

- LEAP: £48,684 per annum
- Stepping Stones: £32,665 per annum.

In the previous year, the funding allocated to each of these organisations as part of their work with the CEC was:

- LEAP: £48,506
- Stepping Stones: £42,500.

It is proposed that any co-financing offered to these ESF projects by Council would replace any future Council contribution to the CEC work for both organisations.

Belfast City Council has also been approached by Women in Business to co-finance a "Women Returners Network". This group will provide services such as e-mentoring, discussion forum and networking opportunities, work placement opportunities and newsletters to encourage women back into the labour market. The projects aims to:

- Direct 110 women to further course in enterprise/business start-up
- Direct 110 women to further educational courses
- Help 55 women find employment.

Women in Business have asked for co-financing from Belfast City Council of £30,419 in year 1. It is understood that they also intend to approach four other councils for co-funding, namely Newtownabbey Borough Council, Ards Borough Council, Castlereagh Borough Council and Lisburn City Council.

To date, Belfast City Council has not engaged in female-only business support activity given that this has not emerged as a priority within the Global Entrepreneurship Monitor (GEM) research and it was an issue that had traditionally been led by Invest NI and organisations such as Women in Business.

Members should be aware that, given that this ESF is funded by the EU, any agreement to co-finance these projects will preclude the draw-down of monies from DETI (i.e. the money for co-financing will have to come from rates monies only).

Members are asked to consider co-financing the first year of the three projects as follows:

- LEAP: £48,684, providing that specific targets are met
- Stepping Stones: £32,665, providing that specific targets are met
- Women in Business: £30,419, on condition that the other named councils also approve co-financing of the project to an agreed level.

It has been confirmed with DEL that agreement to co-finance these schemes will have to be renewed on an annual basis. If Members are to agree on co-financing support for all three projects the total contribution will be £111,768.

Ulster Community Investment Trust (UCIT) Social Economy Event

Members are reminded that UCIT had requested sponsorship of £14,000 from Belfast City Council for its All-Island trade fair and conference in June 2008. Other confirmed sponsors include:

- International Fund for Ireland (IFI) – sponsorship of £43,000
- Co-operation Ireland – sponsorship of £43,000
- Invest NI – sponsorship of £12,500.

UCIT have asked Belfast City Council to contribute £14,000 towards the event. The funding will be used to cover costs of venue hire (St George's Market) and the gala dinner (Belfast Castle).

The event will be attended by up to 200 exhibitor delegates, 30 buyers, 60 statutory representatives and around 300 additional operators within the social economy sector in Ireland. It is expected that up to 40 of the exhibitor delegates will be from Belfast.

Members are asked to agree to sponsorship of this event, up to a value of £14,000.

Collaboration with Northern Ireland Science Park (NISP)

NISP has submitted a funding proposal to Belfast City Council to support the development and delivery of four programmes aimed at consolidating the knowledge industry in the city. A copy of the proposal is attached as **Appendix 1**. The key components are:

- Springboard – a year-round, flagship programme that assists technology-based companies and entrepreneurs refine their business and financial strategies through a group mentoring process
- Frameworks – a series of 23 half-day workshops targeted at entrepreneurs and the research community. Content is delivered by experts from service providers (law firms, IP, accounting). Workshops are delivered onsite at the universities.
- Evening Series – Case studies of successful ventures from inside and outside of the region or leading innovation breakthroughs from established European

- technology companies delivered at the Innovation Centre
- 25K award – continuation and expansion of the successful programme to stimulate action around the identification of the most promising ideas from our research base

Each of these components is interrelated and, when combined, they create a rounded package of support for the most promising knowledge-based research or early stage ventures.

Belfast City Council support will be used towards Belfast-based companies and will predominantly cover costs related to the Frameworks initiative. However it is accepted that there is a win-win situation if all initiatives can be offered as a package to target businesses.

It is therefore recommended that members agree to the allocation of up to £60,000 towards the development and delivery of the NISP-CONNECT model, pending confirmation of additional support from the other identified public and private sector sources.

BITES (Business Improvements through Environmental Solutions) tender: request for delegated authority to accept tender

The deadline for submission of tenders for the delivery of this programme was 29 January 2007. In order to expedite the procurement process, members are requested to delegate authority to the Director of Development, in consultation with the Chair of the Development Committee, to accept the most advantageous tender for the works, within the overall available budget.

Shopmobility – request for support

Shopmobility currently operates from five locations within the city and, with the opening of its new location in Victoria Square, this will increase to six. It is also working to extend its facilities to a number of other venues including Belfast City Council parks, Belfast Zoo and the local hospitals. The service currently provides 44 scooters, 3 electric wheelchairs and 86 wheelchairs at events and venues all across Belfast.

The charity's annual operating budget is around £200,000. Income to support the scheme includes:

- Department for Regional Development - £75,000
- Belfast Trust - £26,000
- Environment and Heritage Service - £24,000
- Department for Social Development - £25,000
- Wheelchair hire - £6,000
- Private/other income – £20,000

Members are asked to approve a request for £25,000 funding to support the current year's activities. This will cover costs relating to ongoing development as well as marketing and promotional activity.

Resource Implications

ESF applications:

- £48,684 towards LEAP project
- £32,665 towards Stepping Stones project
- £30,419 towards Women in Business project.

Ulster Community Investment Trust (UCIT) Social Economy Event: Request for

£14,000 sponsorship.

Collaboration with Northern Ireland Science Park (NISP): financial contribution of £60,000 towards programme delivery requested.

Shopmobility: Request for £25,000 funding.

Recommendations

It is recommended that members:

- Agree to co-finance the LEAP ESF application up to a maximum of £48,684 for one year, providing that specific targets are met and as a replacement for any contribution towards CEC activity by LEAP
- Agree to co-finance the Stepping Stones ESF application up to a maximum of £32,665 for one year, providing that specific targets are met and as a replacement for any contribution towards CEC activity by Stepping Stones
- Agree to co-finance the Women in Business ESF application up to a maximum of £30,419, on condition that the other named councils also agree to co-finance the project
- Agree to sponsorship of the UCIT Social Economy trade event, up to a maximum of £14,000
- Agree to the allocation of up to £60,000 towards the development and delivery of the NISP-CONNECT programme, pending confirmation of additional support from the other identified public and private sector sources
- Give delegated authority to the Director of Development, in consultation with the Chair of the Development Committee, to accept the most advantageous tender for the BITES programme, within the overall available budget
- Approve a request for £25,000 funding to support the current year's activities for Shopmobility.

Key to Abbreviations

ESF	- European Social Fund
UCIT	- Ulster Community Investment Trust
NISP	- Northern Ireland Science Park
BITES	- Business Improvements Through Environmental Solutions
LEAP	- Local Enterprise Action Programme
CEC	- Citywide Employability Consortium
DEL	- Department for Employment and Learning
GEM	- Global Entrepreneurship Monitor
DETI	- Department of Enterprise, Trade and Investment

Documents Attached

Appendix 1: Northern Ireland Science Park – NISP CONNECT proposal

Appendix 1

Northern Ireland Science Park: proposal to Belfast City Council for development of NISP-CONNECT: 2008-2009

Background

NISP CONNECT will act as the catalyst between the region's entrepreneurs, research institutions, investors, technology corporations and service providers by linking entrepreneurs with the resources they need for success. The programmes will create the networks which break down social and professional hierarchies and support knowledge transfer. While our role is not to pick winners, the end result is in an increase in the quantity of science and technology businesses and their chances of success.

CONNECT is an internationally-recognised model which was created in San Diego. It was built upon a model of networking and business assistance that has been pivotal to the growth of hundreds of innovative technology companies in the region, both in IT and the Life Sciences. Since 1985, CONNECT has assisted in the formation and development of over 1,200 companies and is widely regarded as the United States' most successful regional economic development program. CONNECT-supported companies have been twice as likely as other entrepreneurial companies to be successful and in business after five years. Global CONNECT seeks to work with regions around the world to understand and further develop their innovation systems. The Global CONNECT membership network then applies the principles of the regional CONNECT model to an international matrix of regions and companies to achieve similar benefits on a global scale. Today the CONNECT model has been replicated in Scotland, Yorkshire, Midlands UK, Sweden, New Zealand, Jordan, Seattle, Estonia, Norway, Denmark and Taiwan.

NISP CONNECT will be a member and active participant in the Global CONNECT network and will engage Global CONNECT to consult and help tailor operations and services during the start-up phase of operations.

Programme Overview

NISP CONNECT is a business accelerator that helps to customise regional and inter-regional support for the most promising knowledge-based research or early stage ventures in Northern Ireland.

There are four main themes of activity:

Education <ul style="list-style-type: none">• For Entrepreneurs: inexpensive half day seminars and workshops on the issues most critical to new venture creation. Targeted at scientists and engineers, content is delivered by leading service providers (law firms, accounting firms, etc)• Case Study Presentations: Leading edge content for the whole community that the CEOs of any organization in the region would want to attend.	Collaboration <ul style="list-style-type: none">• Assisting technology based companies and entrepreneurs refine their business and financial strategies through a group mentoring process.• Helping ventures to become "investor ready"• Accessibility of experienced entrepreneurs as "role models" helps to break down "I could do that" gap• All at no cost to the entrepreneur
Facilitation <ul style="list-style-type: none">• Events for knowledge transfer between the research community, the business community and investor community.• Events to promote the region's promising ventures that require funding• Events showcasing leading edge research from the local community or leading edge successes from the global community	Recognition <ul style="list-style-type: none">• Celebrating innovation success stories within the region helps to showcase what is possible to up and coming entrepreneurs• Providing valuable PR coverage for products that have a chance at success

Additional key elements:

- Knowledge Industry focus: Knowledge Industry innovations have the greatest potential commercial value and the greatest potential returns to investors and the wider economy in job creation and higher wages.
- The quality of event content is key: It is accepted that business networking is a crowded arena. However NISP considers that the key part of CONNECT's value to the individual or corporate user is the quality of the content they experience or learn as the result of attending a CONNECT event. Collaboration programmes create new relationships and trust between the experts which further enhances creativity and innovation
- Available to anyone: Services will be available to anyone - public or private sector, research or industry - with a high growth venture or idea as long as their venture will be based in Northern Ireland.
- Create the eco-system: Part of the role is to help to build and cultivate the regional innovation eco-system: connecting people and ideas that lead them to challenge accepted norms or explore the borders of their respective fields of expertise.
- Failure is a positive metric: if we are to create an admired innovation system in Northern Ireland we have to fully embrace failure as a positive outcome.

Key differentiators between NISP CONNECT and the region's incumbent programmes:

- Independent organisation: NISP CONNECT is the private sector's vehicle to engage in the process of new venture creation. This support is channelled through the programmes and directed to the region's most promising ventures
- Pro-bono basis: private sector involvement depends on altruism and the understanding that everyone will benefit if we create an environment that provides ventures from our region with a competitive advantage over ventures from other regions.
- The Wisdom of crowds: recognising that each venture we support is different, support will be customised leveraging the virtual organisation of between 500-1000 domain expert volunteers rather than static panels of "expert mentors".
- Inter-regional networks: as part of the Global CONNECT network we will leverage relationships from other regions to benefit ventures from NI

Programmes

Going forward, we immediately focus on and deliver four key programmes on a year round basis:

- Springboard (formerly Enzyme) – a year-round, flagship programme that assists technology-based companies and entrepreneurs refine their business and financial strategies through a group mentoring process.
- Frameworks (formerly Innovonet) – a series of 23 half-day workshops targeted at entrepreneurs and the research community. Content is delivered by experts from service providers (law firms, IP, accounting). Key themes are demystifying the Venture capital process or intellectual property basics. Workshops are delivered onsite at the Universities which will further promote NISP to the local audience.
- Evening Series – Case studies of successful ventures from inside and outside of the region or leading innovation breakthroughs from established European technology companies delivered at the Innovation Centre

- 25K award – continuation and expansion of the successful programme to stimulate action around the identification of the most promising ideas from our research base

Springboard (Formerly Enzyme)

Springboard provides free assistance for knowledge industry companies in all stages of development, including concept, start-up, challenge and opportunity. Entrepreneurs accepted into the program spend 3 to 8 weeks in coaching sessions with one of NISP CONNECT's Entrepreneurs in Residence. Upon completion of this process, the entrepreneur is invited to make a presentation of their business model to a select group of experts. This group will usually include a venture capitalist, seasoned entrepreneur with domain expertise, accountant, corporate and patent attorneys, marketing professional, and an executive from a successful company in the same industry. Experts will also be drawn from insurance, real estate, human resources, and other areas as needed. The panel of experts is tailored to the individual needs of each company. The goals of the panel presentation are to provide the entrepreneur with candid recommendations for the refinement of their business plan and to help identify next steps to achieve the company's goals. Following the panel presentation, the entrepreneur meets with their Entrepreneur in Residence to identify next steps, incorporate the feedback from the panel, and implement a strategic plan for the next six to twelve months.

The Springboard programme operates in parallel with the halo Business Angel programme, with Springboard clients being referred to halo and vice-versa. Springboard provides investor readiness support to potential halo participants.

Targets for 2008/09

- 100 Leading business people supporting the network
- 6 Springboard meetings with leading entrepreneurs
- 5 Entrepreneurs in Residence
- 20 Advisory, mentoring and business development meetings
- 6 Investment Ready Presentation Training

Evening Series

The purpose of this series is to educate entrepreneurs in an informative and entertaining environment in front of adverse audience of Northern Ireland's business leaders and technologists, as well as capital and service providers. Content will be topical and leading edge and the event will be open to anyone which will create a first class networking environment. The most popular events will become annual.

Example titles:

- The next big thing
- Pitchfest: a competition
- International corporation
- MIT Enterprise Forum: Venture backed company's live issues

Targets 2008/2009 for each event

- 4 events
- 50 Participating
- 70% Satisfaction
- 350 Distribution List.

Frameworks

Entrepreneur workshops offer content-rich, targeted educational programs that help young to mid-staged companies build a business around their promising science or technology. Subject matter expertise is provided by knowledgeable top-tier professionals. Program attendees gain valuable business vocabulary and tactical skills, and underwriters gain credibility with our future business leaders.

Entrepreneurs attending the workshops include technology and biotech founders, CEOs and top management, and the workshops will attract people from a wide range of disciplines including technology, communications, software, life sciences and business services.

The Workshop program includes 23 subjects in four categories: Business Development Basics, Funding and Finance Basics, Intellectual Property Basics and Operations Basics:

Business Development Basics	Funding and Finance Basics	Intellectual Property Basics	Operations Basics
1. Getting started legally 2. Commercializing Innovation 3. Human Resources 4. Compensation 5. Governance 6. Product Development 7. Marketing 8. Branding and Sales 9. Employment Law 10. Regulatory & Reimbursement Issues	11. Government Grants Overview 12. Start-up Accounting and Tax Issues 13. Preparing for Investment 14. The Art of Term Sheet 15. Partnerships and Alliances- Technology 16. Partnerships and Alliances-Life Science 17. Mergers & Acquisitions 18. Licensing-Life Science 19. Licensing- Technology	20. IP Overview 21. Building your IP Portfolio-Life Science 22. Building your IP Portfolio- Technology	23. Selecting and Managing Production Facilities

The incumbent InnovaNET network consists of over 300 members of the local business and academic network. Feedback is strongly positive from events.

Targets for 2008/09

- 8 Entrepreneur workshops

For each event: -

- 15 Participating
- 70% Satisfaction
- 350 Distribution List

The 25k Award

The programme builds upon the lessons learned from running the successful £25k Award, the student business plan competition, for the past eight years. The Award evolved from simple awareness creation to an increasing number of business starts. Over that time, twenty three companies were started with over £750k invested. Seven of the then 2007 finalists have incorporated and are live ventures.

The programme is targeted at members of our research community with products and services that have potential for commercialisation. It enables market-based entrepreneurs to work with the technology base and vice-versa.

Budget

NISP have estimated that the cost for the delivery of the four initiatives is approximately £290,000.

The proposed breakdown of funding is as follows:

Invest NI	£200,000
Belfast City Council	£60,000
Private sector	£30,000

NISP's aspiration is that NISP CONNECT will one day become 100% funded by private sector membership and events revenues. However it is felt that, without public sector grant, it will not get started and may never be able to survive.

With this in mind, NISP CONNECT aims to grow private sector funding support by 5% per annum, reducing public sector support in the process aiming to achieve the following funding ratios:

Year	Public Sector Funding	Private Sector Funding
1	90%	10%
2	80%	15%
3	70%	20%

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