



Belfast City Council

Report to:	Development Committee
Subject:	Economic Development Unit Update
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Key Issues

To update members on the following Economic Development items:

1. Co-financing for European Social Fund (ESF) Applications:
 - a. Local Employment Action Programme (LEAP)
 - b. Stepping Stones
 - c. Women in Business
2. NI Rural Development Programme.
3. UK Business Incubation (UKBI) conference Sponsorship request.

1. Co-financing for European Social Fund (ESF) applications

Members may be aware that the European Social Fund (ESF) supports activities relating to training and access to employment. A call for projects was launched in October 2007 and 74 projects were approved for funding, 47 of which are located within the Belfast area.

ESF projects are funded to a level of 65% from DEL and the European Union and project promoters must find the remaining 35% from another public sector source.

Belfast City Council made a successful application for funding under ESF for the HARTE programme (Hospitality and Retail Training for Employment). This project was launched in late January 2009 and, at present, 60 unemployed people are undertaking training with a view to finding employment in the hospitality and retail sectors. 200 people will take part over the life of the programme, with a target of 140 people finding sustainable employment.

The Council was also approached to request co-funding support for a number of projects. At the February 2008 meeting of the Development Committee, three requests for co-funding of European Social Fund (ESF) projects were approved. The project promoters of each of those projects have now asked Belfast City Council to consider funding their projects for year 2 (starting April 2009). All ESF projects are of three years' duration.

In the context of these requests, Members are reminded that, at the December 2008 meeting of the Development Committee, they agreed to a proposal to open discussions with DEL and other key skills and employability partners in order to develop an agreed skills and employability strategy for the city. This would be similar to the model developed in many Scottish and English cities whereby joint priorities and targets for skills and employment issues are agreed and monitored on a regular basis in order to avoid duplication. City Strategies do not require lots of new funding but they do require partners to re-prioritise their funding towards agreed activities rather than funding a range of disparate activities, making it difficult to assess the real impact of any intervention.

At the same meeting, Members approved the development of a programme of targeted interventions to help people recently unemployed or at risk of becoming unemployed to get back into the labour market. Work on this programme of activities is progressing and we are currently finalising the detail with DEL and a range of potential delivery bodies.

Finally, Members are reminded that the funding for these projects must come from Council finances alone, i.e. these projects are not eligible for the match-funding provided to Belfast City Council by the Department for Enterprise, Trade and Investment (DETI).

The three projects requesting co-financing from Belfast City Council are:

1a. LEAP (Local Employment Action Programme)

This project is based in north Belfast. It aims to deliver a coordinated employability service in the north of the city, providing an interface between employers, the unemployed and those deemed economically inactive. LEAP differs from other DEL funded programmes such as LEMIS (Local Employment Intermediary Service) and Steps to Work (New Deal's replacement) in that its primary focus is in employer facing work, aiming to bridge the gap between the employer and those who are unemployed.

The focus of LEMIS and Steps to Work, on the other hand, is to provide tailored assistance to help clients overcome personal barriers to employment. Both these programmes focus on those clients who are likely to be furthest removed from the labour market and who may not otherwise interact with the statutory sector on employability matters e.g., those who are inactive or seeking incapacity benefit and/or income support. LEMIS and Steps to Work cannot work with those in receipt of Job Seekers Allowance (JSA) – for example those made redundant or recently unemployed – but LEAP can do so. Steps to Work and LEMIS clients must have been in receipt of JSA for six months or more. LEAP, on the other hand, can work with clients who are recently unemployed - they do not need to be claiming JSA for a period of six months. This is particularly critical in the current economic climate where redundancies have increased significantly.

In year 1 (April 2008-March 2009), the project had a target of registering 76 clients and placing 72 clients into employment. However, the project start date was delayed given staffing issues (project started October 2008).

As a result, the targets were revised downwards to 44 people registered and 18 clients into employment. To date (February 2009), 67 clients have been registered (152% of target) and the project has helped secure employment for 4 clients (22% of target). Employment opportunities have been gained with large employers including Allstate NI as well as small local employers including the construction firm PCBS.

The match-funding requested by LEAP for year 1 was £48,684. Given the delay in the start date, this was revised downwards to £41,615. Not all of this money has yet been claimed.

In year 2 of the project (April 2009-March 2010), 170 clients will be registered and the project will help secure employment for 84 clients.

Resource Implications

LEAP have requested Belfast City Council match-funding of £44,848 for their project in the financial year 2009-2010.

1b. Stepping Stones Work 4u

This "Work4u" project is based in east Belfast. It supports activities to extend the employment opportunities of unemployed, long-term unemployed and inactive people by helping them enter, remain in and make progress in sustained employment. Like LEAP, Work4u engages primarily in employer facing work. Those clients seeking support via Work4u generally require less counselling and employability training than those individuals registered on other programmes such as LEMIS and Steps to Work. Clients registered on the latter two schemes are likely to be the furthest removed from the labour market and subsequently in need of significant amounts of one to one mentoring before they would be in a position to make progress into sustained employment.

In year 1 (April 2008-March 2009), the project had a target of registering 75 clients and placing 17 clients into employment. The project started in July 2008 and, to date, has registered 28 clients (37% of target) and secured employment for 5 clients (29% of target). Employment opportunities have been gained with large employers including Shoe Studio (Concession of House of Fraser) as well as small local employers including Smyth Enterprises (cleaning materials and supplies). The match-funding provided by Belfast City Council for year 1 was £32,665.

In year 2 (April 2009-March 2010), the project will provide employability support (training, mentoring, guidance) for 150 clients, of whom up to 35 will enter employment, 30 will gain NVQ level 2 or above; 30 will gain Essential Skills and 50 will gain other relevant qualifications.

LEAP and Stepping Stones are both part of the network of delivery agencies planning to work with Belfast City Council on the response to the economic downturn, as noted above.

Resource Implications

Stepping Stones have requested Belfast City Council match-funding of £50,192 for their Work 4u project in the financial year 2009-2010.

1c. Women into Business

The Women into Business project aims to help women to enter or re-enter the workforce, either by finding a job or by setting up their own business.

The focus of the project is on developing a social networking community between programme participants by creating an online information portal: www.womenintobusinessni.com.

Users will mainly access the service through the website and will then become Members of the network. It is estimated that the network will have 260 Members by March 2010, the majority of whom are from the Belfast City Council area. In addition to online services, Members will be supported by undertaking work placements, participating in networking events and cross-border visits, undertaking mentoring and business visits. The project also receives an element of match funding from Invest NI.

Work carried out to date has focused on the development of the website. The work programme for years 2 and 3 will focus on the recruitment of women to participate in the network and on delivering the mentoring and other support services to help women get into work for the first time or consider re-entering the labour market. The match-funding provided by Belfast City Council in year 1 was £30,419.

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

Resource Implications

The Women into Business project is being part resourced by Invest NI. They have contributed 50% of the co-funding requested and have asked Belfast City Council to contribute the remaining 50%, i.e. £27,605.

Recommendations

Members will be aware that, last year, the Committee received a number of requests to co-fund ESF projects – not just these three projects. Following a meeting with the Minister on this issue, they agreed that the resources were not available within the financial year to support any additional initiatives. Given that all projects have to re-confirm their match-funding year-on-year, it is not certain how many additional projects may approach Council to request co-funding for the financial year 2009-2010.

Members will also be aware of the current budgetary situation across all Departments. Within Economic Development, this is made more difficult given that the match-funding available from Europe through DETI covers a narrower range of activity and specifically excludes employability support. This means that match funding for these projects must come from rates monies only.

Finally, Members will be aware that there is an additional paper on this agenda which proposes a range of measures to deal with the recession. One of those measures relates to a joined-up programme of employability activity to address the downturn. In the longer-term, it is proposed that we will work with partners to develop and deliver a coordinated, city-wide strategy on skills and employability issues.

In the absence of this strategy, it is recommended that members decline the request to match fund the LEAP, Work 4 u and Women into Business ESF projects. We may seek to work with these and other partners on both strategies noted above but this will be in the context of an agreed work programme, not as stand-alone ESF projects.

2. NI Rural Development Programme

At the January 2008 meeting of the Development Committee, Members were reminded that, for the first time, Belfast was eligible for support under the Northern Ireland Rural Development Programme (NIRD). Working in a cluster with two other Councils – Lisburn and Castlereagh – a Rural Development strategy was developed and submitted to the Department for Agriculture and Rural Development (DARD) in early Summer 2008.

This was approved in early 2009. While the budget requested was around £13million, the final amount awarded by DARD was £8,691,556.

The Rural Development programme available to council clusters consists of a number of measures. These are as follows:

- 3.1 – Farm diversification
- 3.2 – Business creation and development
- 3.3 – Encouragement of tourism activities
- 3.4 – Basic services for the economy and rural population
- 3.5 – Village renewal and development
- 3.6 – Conservation and upgrading of rural heritage

Calls for projects under the Farm diversification (3.1) and Business creation and development (3.2) measures will open on 2 March 2009 and will be publicly advertised. Expressions of interest for the four remaining measures will also open in early March although a call for projects under these measures will not open until April/May. Those interested in submitting projects can contact the council representatives responsible for the programme in the period March-June to get some help in working up their project ideas.

A number of information sessions to promote the programme are taking place in the coming weeks across the cluster area. The Belfast event will take place on 5 March in Belfast Castle from 7-9 pm.

Resource Implications

There are no financial implications for Belfast City Council from their engagement in this programme – apart from the staff resources involved in the programme management and member involvement in the project appraisal and approval process.

Recommendations

It is recommended that Members note this new funding stream and help encourage draw-down within the Belfast City Council area.

3. UKBI Conference Sponsorship request

UKBI (UK Business Incubation) is the umbrella organisation responsible for business incubation support in the UK. The organisation seeks to support best practice and exchange of experience among practitioners. It does this by, among other things, holding events and conferences and producing publications on key themes relating to business incubation.

UKBI is planning to hold its 2009 international conference in Belfast in November this year. It is anticipated that the event will draw up to 250 practitioners from all across the world to Belfast. The conference will look at the future of business incubation in the UK and worldwide through innovation and entrepreneurship and, in particular, the

challenges and opportunities facing business support organisations during the economic recession.

This discussion is particularly relevant for Belfast from a number of perspectives at the present time. The plans for the development of a business centre on the North Foreshore are likely to make progress in the coming year. It would be useful to get specialist guidance and support from experts in this field to consider the most appropriate approach in this work. Secondly, the Review of Public Administration and the associated transfer of economic development powers and responsibilities is bringing to the fore the debate on linkages with the local enterprise agency network as well as wider issues of business land and property within council areas. Again, the best practice and learning from international experience may provide a useful context to these discussions.

The drive to hold the event in Northern Ireland is being led by Enterprise Northern Ireland (ENI) – the network of local enterprise agencies in the region. They are currently seeking sponsorship support from a number of agencies including banks, Invest NI and Intertrade Ireland and have also approached Belfast City Council in this regard.

Resource Implications

UKBI have asked that up to £10,000 be made available to support the organisation of two workshops as well as some hospitality for the event.

Recommendations

It is recommended that Members consider the request from UKBI for sponsorship of up to £10,000 towards the event, on condition that other funding support of up to £50,000 is identified.

Key to Abbreviations

DETI- Department for Enterprise, Trade and Investment
DEL- Department for Employment and Learning
UKBI- UK Business Incubation
ESF- European Social Fund
HARTE- Hospitality and Retail Training for Employment
LEMIS- Local Employment Intermediary Service
JSA- Job Seekers Allowance
LEAP- Local Employment Action Programme
GEM- Global Entrepreneurship Monitor
NIRDP- Northern Ireland Rural Development Programme
DARD- Department for Agriculture and Rural Development
ENI- Enterprise Northern Ireland