



## Belfast City Council

Report to:	Development Committee
Subject:	Economic Development Unit Update
Date:	20 April 2009
Reporting Officer:	Marie-Thérèse McGivern Director of Development ext. 3470
Contact Officer:	Shirley McCay, Head of Economic Initiatives ext 3459

### Relevant Background Information

Members will be aware that, at the March 2009 meeting of the Development Committee, it was agreed that a decision on the recommendation not to proceed with year two funding for three European Social Fund (ESF) projects would be deferred and that officers should bring back a report to April 2009 Development Committee exploring options for funding these projects.

### Key Issues

At the February 2008 meeting of the Development Committee Members agreed to three requests to match fund European Social Fund projects.

The approval was for one years funding only and was subject to each of the parties meeting targets as indicated in their applications.

The financial requests and targets were as follows (all figures from February 2009):

#### LEAP (Local Employment Action Programme):

Match-funding of £48,848 requested (but subsequently revised downwards to £41,615 due to a delay in the start date).

Target: 44 clients registered and 18 people into employment.

Actual performance: 67 clients registered (152% of target) and four people into employment (22%) of target.

#### Stepping Stones Work 4 U:

Match-funding of £32,665 requested.

Target: 75 clients registered and 17 to find employment.

Actual performance: 28 clients registered (37% of target) and five clients found employment (29% of target).

### Women into Business

Match-funding of £30,491 requested.

Targets included: 505 women to join the network over a three year period; 2,000 hits on the website and 200 women to receive mentoring.

Actual performance: the project start date was delayed and therefore the focus of year 1 activity has been on recruiting the coordinator and setting up the website therefore no targets have been met.

Members should be aware that Belfast City Council did not launch a call for match-funding requests. The project call for ESF applications was launched by the Department for Employment and Learning (DEL) in October 2007 and it was the responsibility of the project promoter to ensure that they had match-funding in place. At the project submission stage, we were only aware that two of these projects, LEAP and Stepping Stones Work 4 U, had intended to identify Belfast City Council as a possible match-funder. Both projects were aware that this commitment was subject to Committee approval.

All ESF projects are of three year duration. Match-funding is requested on a year by year basis. To date the projects have indicated that the Belfast City Council match contribution spend by March 2009 is:

LEAP: £26,959.45 (underspend of £14,656)

Stepping Stones Work 4 U: £32,665 (no underspend)

Women into Business: £22,814 (underspend of £7,605)

The three projects have now approached Belfast City Council to ask for continued match-funding for 2009-2010. The figures requested are as follows:

- LEAP: £44,848
- Stepping Stones Work 4 U: £50,192
- Women into Business: £27,605

Members should be aware that the match-funding for the Women into Business project is only 50% of the match-funding (or 17.5% of the overall) budget for this financial year. The other 17.5% will be met by Invest NI.

### Commitment beyond year one- legal advice

We have been advised by our Legal Services Department that we have no legal commitment to fund the organisations beyond year one, given that the original commitment was for one year only, up to a maximum amount. It has also been confirmed that, as the approval was subject to the projects meeting their agreed targets, none of which have done so, we would have some justification in withholding payment, if we chose to do so.

### Additional request for support

At the March 2009 Development Committee Members were reminded that there were 47 ESF projects in total in the Belfast area and that we could not rule out the possibility that some of these projects would not approach us for year two funding. Since that meeting, we have received a request for match-funding from Training for Women Network (TWN). Their Advancement of Women programme is a Northern Ireland-wide initiative but they have asked Belfast City Council to match-fund three elements of the Belfast region's costs. These are as follows:

- Provision of Employability training - target of 500 women in Belfast City Council area to undertake employability training. The match-funding request is for £17,500.

- Training Development - development and delivery of bespoke training programmes for a range of specific groups e.g. Migrant Women Employability programme, Women Survivors of Conflict programme, Women Returning to Work programme.  
Match-funding request: £3,500
- Young Women's Inspirational Conference 2010 - aimed at young women from disadvantaged areas aged 16-18. This event helps signpost delegates towards vocational careers and training and provides general advice to encourage continued education and training. Match-funding of £12,500 sought towards the event.

The total match-funding contribution sought by TWN for their Advancement of Women ESF project is £33,500 for the financial year 2009-2010. This brings the total ESF match-funding requests received to date to £156,145.

At this time we cannot be certain that another project may or may not make a funding request to us.

At this stage no provision has been made in the budget beyond year one.

#### Options for identification of funding

As requested by Members at the March 2009 meeting of the Development Committee, we have sought to identify a number of activities in the draft 2009-2010 Economic Development Business Plan that Members may wish to review in order to allow these projects to progress.

##### 1. Citywide employability and skills plan

At the December 2008 Development Committee, Members agreed to a proposal to open discussions with DEL and other key skills and employability partners in order to develop an agreed strategy for the City. Contacts have commenced and the first meeting of the citywide group had been scheduled for 21 May 2009. However it is clear that there is an imperative to advance some joint activity to address the more immediate effects of the downturn and we are working with partners on this as well.

Within the 2009-2010 EDU budget, £190,000 has been set aside for the work on citywide employability and skills plan. It is intended that these resources will be used to both pump-prime activity and to lever in additional, more significant support from other partners. Although the nature of the activity is yet to be defined, it is anticipated that this will contribute towards activities as part of a short term response to the economic downturn as well as a range of pilot actions to address worklessness.

##### 2. Enterprise Support

At present, a sum of £140,000 has been included in the EDU business plan for enterprise support activity in the financial year 2009-2010. This is planned to be spent on a range of activities such as BEN (Belfast Entrepreneurs Network) workshops and networking events (up to 30 events), support for Young Enterprise NI, a primary programme initiative for pre-enterprise in the social economy sector and enterprise outreach work in community venues and localities, as well as mentoring support for up to 40 new companies to help them through the initial start-up phase and a student graduate mentoring initiative to offer one-to-one specialist support to complement the training received as part of the certificate of Entrepreneurship and the new MSc in New Venture Creation which is scheduled to start in the 09-10 academic year.

The new Small Business Support Programme contract has just been awarded to Enterprise NI - an umbrella grouping of the Local Enterprise Agencies across the region. This programme will be implemented from April 2009 and the target for the Greater Belfast area is around 500 participants.

A recent report on Belfast undertaken by the Centre for Cities indicated a disjointed enterprise framework and identified the need for greater collaboration in this regard. The GEM (Global Entrepreneurship Monitor) report for the region indicates that entrepreneurial activities here remain lower than all other UK regions. Female entrepreneurship remains lower than the UK average while the number of 25-34 year olds displaying entrepreneurial activity was above the UK average for the first time since 2002. Graduates here are almost at the bottom of the league when it comes to business start levels. This indicates the need for a focused, coordinated programme of activity in the coming year, bearing in mind the challenging economic conditions. We have organised a meeting with Enterprise NI to agree such an approach for the coming year.

The remainder of the EDU budget has been allocated towards sectoral development initiatives (e.g. Creative Industries, manufacturing, environmental and retail) as well as generic business development initiatives focusing on issues such as strategic development, sales growth and export development. A recent survey of 500 businesses in the Belfast City Council area has identified these as priority areas of support for local companies.

#### **Resource Implications**

Total amount requested from four projects: £156,145

#### **Recommendations**

Members are asked to consider how they wish to proceed with this matter and deal with the four applications for match funding.

#### **Abbreviations**

ESF- European Social Fund  
LEAP- Local Employment Action Programme  
TWN- Training for Women Network  
BEN- Belfast Entrepreneur Network  
GEM- Global Entrepreneurship Monitor  
DEL- Department for Employment and Learning