



Belfast City Council

Report to:	Development Committee
Subject:	Review of Enterprise Agencies: Publication of Report
Date:	12 January 2011
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1	Relevant Background Information
1.1	<p>In late 2009, Invest NI commissioned BDO to carry out a review of the Local Enterprise Agency (LEA) Network. Members may be aware that there are six LEAs in Belfast which are members of the umbrella group Enterprise Northern Ireland (ENI). These are:</p> <ul style="list-style-type: none">- East Belfast Enterprise- North City Business Centre- Ormeau Business Park- Ortus- Townsend Enterprise Park- Workwest.
1.2	<p>These agencies provide workspace for a range of small businesses. They are also involved in the delivery of a range of business support services, including the mainstream business start up programme – Enterprise Development Programme – which is contracted by Invest NI.</p>
1.3	<p>There are also a number of enterprise agencies which are not part of the network as well as privately-run business centres which do not come under the ENI umbrella.</p>

2	Key Issues
2.1	<p>The purpose of the LEA review was to consider a number of issues, namely:</p> <ul style="list-style-type: none">- The origins and historical development of the LEA network- The current situation- The impact of RPA in LEAs- LEAs' future role- What success will look like- Recommendations on next steps.
2.2	<p>The report was overseen by a steering committee comprising representatives</p>

	<p>from the LEA network, LED forum (council representatives), Enterprise Northern Ireland and Invest NI.</p>
2.3	<p>The methodology for the work comprised four key stages including:</p> <ol style="list-style-type: none"> 1. Why were LEAs established 2. How successful have they been? 3. How will LEAs succeed under RPA 4. What needs to change – and how?
2.4	<p>In the course of this work, Minister Poots confirmed that the RPA process as planned would not proceed. However the report took account of the general commitment by Invest NI to ensure that local authorities were placed at the “hub of the wheel” in terms of local enterprise support – regardless of whether or not RPA progressed – and suggested that it was important to create “an effective enterprise pipeline...where LEAs support local council imperatives, which in turn align with the Invest NI strategy – where LEAs stimulate entrepreneurship at a local level in support of local council economic development activity, who in turn ensure a “pull through” of indigenous, export-oriented, growth businesses to avail of Invest NI assistance”.</p>
2.5	<p>The report concluded with a number of recommendations regarding the future of the enterprise agencies and the agency network. These included:</p> <ul style="list-style-type: none"> – Need to embrace a development vision and plan to respond to the findings of the study. In particular, challenges were identified around the topics of the LEA “USP”, product and service offering, corporate governance and stakeholder engagement – Need for LEAs to reconnect with their original ethos and re-invent for tomorrow’s entrepreneur. The report identified a degree of “drift” from the original ethos and suggested that it would be important for the network to apply its original values to the current and anticipated needs of local entrepreneurs in a way that not only engages them but also demonstrates best practice and takes account of creating greater synergy – Need for LEAs to engage with Enterprise NI in a debate and discussion about structures, roles and responsibilities to underpin success. The report provides a development framework for the network and suggested that ENI commits to delivering on this in order to secure the future role and development of the LEAs.
2.6	<p>In response to the report, ENI produced an appendix in which they noted that they accepted the challenges raised and committed the network to working with enterprise support stakeholders to provide best value support interventions. The network also called on government not to reduce its support for small business development in the current economic climate and drew attention to its particular expertise in this regard. A copy of the full report is available from the Economic Development Unit.</p>
2.7	<p>Since the completion of the report, ENI have sought to engage with councils on a regional level in order to explore opportunities for collaborative business development support. At a Belfast level, we have been engaging with the Belfast agencies in order to deliver joint enterprise events and to promote good news stories around new business starts.</p>
2.8	<p>In light of Invest NI support for collaborative working in the enterprise development field, there has been significant engagement between the council(s) and Invest NI in recent months to agree on a range of business support activities which will help existing businesses become more competitive, particularly focusing on increasing exports outside of the region. Invest NI have indicated that they will match-fund some of these activities, with additional funding available through the EU Structural Funds programmes. This will mean that £1</p>

2.9	<p>committed by councils will attract £3 match funding from other agencies. While the LEA network may be involved in the delivery of some of these activities, they will have to engage in a public procurement exercise and therefore cannot be guaranteed that they will be the successful bidder.</p> <p>In the absence of any contractual arrangements, we will continue to work with the collective LEA network in Belfast – and with individual LEAs – in order to ensure a more coordinated approach to enterprise development in the city, particularly in the current climate.</p>
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3	Resource Implications
3.1	<p><u>Financial</u> No specific financial implications at this stage.</p>
3.2	<p><u>Human Resources</u> Ongoing engagement between Economic Development Unit team and LEAs/Invest NI.</p>

4	Equality and Good Relations Considerations
4.1	<p>Any potential programmes will be equality proofed as part of the funding approval process.</p>

5	Recommendations
5.1	<p>It is recommended that the Committee notes the completion of the LEA review report and its key conclusions.</p>

6	Decision Tracking
<p>No specific decision tracking required.</p>	

7	Key to Abbreviations
<p>ENI – Enterprise Northern Ireland LEA – Local Enterprise Agency RPA – Review of Public Administration</p>	