



## Belfast City Council

<b>Report to:</b>	Development Committee
<b>Subject:</b>	EDU Business Programmes: Update
<b>Date:</b>	15 February 2011
<b>Reporting Officer:</b>	John McGrillen, Director of Development, ext 3470
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<b>1.</b>	<b>Relevant Background Information</b>
1.1	Members will be aware that the Economic Development Unit delivers a range of support initiatives to support business start-up and growth as well as a range of employability activities. These are approved by members on an annual basis as part of the Departmental Plan and at other stages during the year, as new initiatives are developed.
1.2	At present, over 200 companies are taking part in a range of programmes to support issues such as sales growth, strategic development, franchising, marketing, procurement and sustainable development. We are also delivering a range of sectoral development initiatives in the independent retail, creative industries, advanced manufacturing and environmental technologies sector. We are about to launch a range of new programmes focusing on export development, access to finance and supply chain development, related to some of the major investment programmes in the city. Last year, we supported 1400 companies through 50 business programmes and 70 events.

<b>2.</b>	<b>Key Issues</b>
2.1	<u>Smarter Procurement Programme</u> Members will be aware that, at the Development Committee of 13 May 2009 and 9 March 2010, approval was given to develop and deliver initiatives to support enhanced access to public and private sector procurement opportunities through the Smarter Procurement Programme.

2.2	Two waves of the programme have been delivered to date supporting 23 small businesses and social enterprises in the council area with little or no experience of trading within the public sector.
2.3	An interim evaluation undertaken amongst participating companies on the programme has identified a total of £250,500 of new contracts secured to date and job creation resulting in one full time and one part time post. The programme was delivered at a cost of £15,000 to Belfast City Council.
2.4	Previous waves of the programme have been match funded by Department for Enterprise, Trade and Investment (DETI), using European funding. An application for two further waves of the programme was recently submitted to DETI for match funding and this has been approved.
2.5	Demand for this programme has been high with both waves of the programme delivered to date being oversubscribed. In addition, a further seven businesses have since expressed their interest in participating in a future wave of the programme, without any promotional activity being undertaken to date.
2.6	Findings from our 2010 business survey highlights the demand for procurement initiatives within the council area, with 44% of respondents requesting support to assist them in selling to the public sector. Survey findings also identified 50% of respondents were interested in initiatives aimed at developing their sales. It is therefore proposed that an additional two waves of the programme be commissioned from April 2012 onwards, targeting up to 24 new companies.
2.7	<p><u>Exploring Export and Access to Finance programmes</u></p> <p>Our business survey identified the need for targeted support for first-time exporters to help them identify new markets and provide support to attend promotional events and undertaken market visits. In conjunction with Invest NI, we developed an application for support which was submitted to DETI. This application has recently been approved.</p>
2.8	A tender has been developed for the delivery of two waves of the programme (the second wave to proceed only on satisfactory completion of wave one). The budget for the two waves of the programme is £70,000 (includes export subsidy support for up to 10 companies per wave).
2.9	Our business survey also identified the current difficulties experienced by local companies who are trying to raise finance within a business. Lending by banks has slowed up and businesses are struggling to identify alternative forms of support.
2.10	As a result, we have developed the Business of Finance Initiative. This programme will help companies explore alternative mechanisms of funding for their business and to improve their financial management skills. The total budget for two waves of the programme (involving thirty businesses) is £69,000.
2.11	Approval was sought and granted by the Development Committee in June 2010 for the delivery of wave one of both programmes within the current financial year. In order to gain maximum value for money and to ensure consistency of delivery, it is proposed that the two programmes be tendered for two waves (with a clause inserted into the respective contracts to confirm that delivery of wave two will be subject to satisfactory completion of wave one).

2.12	It is also proposed that delegated authority be given to the Director of Development, in consultation with the Chair and Deputy Chair of Development Committee (or nominees), to approve the most economically advantageous tender, subject to the completion of a contract by the Legal Services section.
2.13	<p><u>BITES programme</u></p> <p>Members may be aware of the BITES programme (Business Improvements through Environmental Solutions) which was developed to help local businesses to enhance their economic competitiveness by identifying environmental improvements including waste management, use of water and energy and green procurement. Wave one of this programme has just completed, with 12 companies taking part. The participating businesses, on completion of the programme, estimate that they have saved a total of £240,000 through a series of cost-saving mechanisms that they have introduced. They have also diverted 148 tonnes of waste from landfill to recycling, avoided 35 tonnes of waste, identified over 800MWh of energy savings (on gas and electricity) and reduced by 183 tonnes the amount of waste to landfill. All participating businesses have been awarded the IEMA (Institute of Environmental Management and Assessment) Foundation Certificate in Environmental Management.</p>
2.14	A new wave of the programme will recruit companies from February 2011 and 12 small businesses will take part. Approval for this programme was granted by the Development Committee in June 2010.
2.15	The BITES programme has been shortlisted for the Best Sustainable Development initiative at the NILGA Awards which will take place on 10 February 2011.

<b>3.</b>	<b>Resource Implications</b>
3.1	<p><u>Smarter Procurement Programme</u></p> <p>Financial commitment - £29,900 total of which Belfast City Council will be required to commit up to £14,000 of match funding for waves 3 and 4 of the Smarter Procurement Programme. Participating companies will pay a total of around £2,000 towards the costs. DETI will provide match funding of £14,000.</p>
3.2	<p><u>Exploring Export and Access to Finance programmes</u></p> <p>The budget for the Exploring Export programme is £70,000. DETI will contribute up to £35,000 and Belfast City Council will be required to commit up to £35,000. The company contribution will be used to support in-market visits. The budget for the Business of Finance programme is £69,000. DETI will contribute up to £33,000 and participating companies will pay a total of £3,000. Belfast City Council will be required to commit up to £33,000. Both programmes to be delivered over two financial years.</p>
3.3	<p><u>BITES programme</u></p> <p>The delivery of wave 2 of the programme will require a financial commitment of £27,000 from the Development Committee. £10,000 will be provided by Waste Management Unit and participating companies will pay a total of £3,000 towards the costs. This budget was approved by the Development Committee in June 2010.</p>

<b>4.</b>	<b>Equality and Good Relations Considerations</b>
4.1	No specific equality and good relations considerations – TSN reports on all programmes completed.

<b>5.</b>	<b>Recommendations</b>
5.1	<p>Members are asked to:</p> <ol style="list-style-type: none"> <li>1. Approve the commissioning of two waves of the Smarter Procurement Programme, at a total cost of £29,900, of which up to £14,000 will be provided by Belfast City Council and £14,000 from EU funds (funding already secured from EU funds)</li> <li>2. Note the tendering of the Exploring Export programme at a total cost of £70,000 of which £35,000 to be contributed by Belfast City Council</li> <li>3. Note the tendering of the Business of Finance programme at a total cost of £69,000 of which £33,000 to be contributed by Belfast City Council</li> <li>4. Agree to grant delegated authority to the Director of Development, in consultation with the Chair and Deputy Chair of Development Committee (or nominees), to approve the most economically advantageous tender for the delivery of the Exploring Export and the Business of Finance programmes, subject to the completion of a contract by the Legal Services section</li> <li>5. Note the nomination of the BITES programme for the NILGA Sustainable Development award and agree to attendance at the event by the Chair (or nominee) and one officer.</li> </ol>

<b>6.</b>	<b>Decision Tracking</b>
	Programme progress reports to be provided to Development Committee as part of Departmental Plan update.

<b>7.</b>	<b>Key to Abbreviations</b>
	<p>DETI – Department for Enterprise, Trade and Investment  BITES – Business Improvements through Environmental Solutions</p>