



**Report to:** Development Committee

**Subject:** Enterprise Support Initiatives Funded by ERDF

**Date:** 13 December 2011

**Reporting Officer:** John McGrillen, Director of Development, ext 3470

**Contact Officers:** Shirley McCay, Head of Economic Initiatives, ext 3459

<b>1</b>	<b>Relevant Background Information</b>
1.1	Members will be aware that the Council's business and economic development support activities may be match funded by the European Regional Development Fund (ERDF). This requires an application for funding to be submitted and, if successful, a letter of offer is issued containing range of conditions which must be met before the funding can be drawn down.
1.2	Funding of up to 75% of overall project cost can be drawn down from Invest NI and Department for Enterprise, Trade and Investment (DETI) to support eligible activity, which complements other programmes and activities. The funding is provided under a measure which is ring-fenced for local council-led applications.
1.3	At the 10 October meeting of the Development Committee, Members were reminded of the opportunities offered by the support and were informed that a number of locally-based enterprise proposals had been presented to Council officers for consideration. Members agreed to officers working with local partners to develop appropriate enterprise development initiatives and submitting feasible projects for ERDF funding by the end of October 2011.
1.4	There is a rolling deadline for the submission of projects under this measure and the turnaround time from application to approval is generally up to 6 months.

2	Key Issues
2.1	As agreed by the October Committee, officers have engaged with some local partners to consider appropriate locally-based enterprise support initiatives and have also engaged in discussion with Invest NI to confirm that the proposed activities are potentially eligible for support and complement existing provision, subject to further assessment.
2.2	Invest NI have confirmed that, while some of the proposed activity may be eligible, the application – if successful – would be subject to relevant public procurement stipulations. This would mean that all activities and programmes would have to be tendered (as is currently the case for all Council-led activity in this field).
2.3	The implication for the locally-based schemes is that any funding being sought for local consortium-building or for establishing a local resource to manage the scheme would also have to be open to procurement or public advert. This is because the measure is a ring-fenced Council measure and any other delivery agent must be recruited through a public procurement exercise.
2.4	Much of the discussion with local partners to date has focused on the potential to establish a local resource to develop and manage a coordinated programme of delivery over a 2-3 year period.
2.5	At present, we have received an application from a Shankill-based enterprise consortium to support a range of enterprise development and social economy initiatives. We are also aware that an application is being prepared by a consortium group in west Belfast.
2.6	In order to progress these locally-based approaches, it is proposed that a joint application for local enterprise development activities be developed for the west Belfast and greater Shankill Task Force area. The content of this proposal will be developed by Council staff, in conjunction with relevant local partners in the respective areas – including Elected Members. This can then be submitted to Invest NI for funding. Members should be aware that this application process is currently taking around six months. The decision as to whether or not support can be granted is made by a panel consisting of Invest NI personnel. If approved, the programme elements would still be subject to public procurement.
2.7	This process is contrived because the ERDF measure is for Council-led projects only. There may be other funding sources that would be explored e.g. Social Investment Fund, Neighbourhood Renewal Funding, where the organisations or consortia can apply directly for funding. If relevant, Belfast City Council could consider providing match funding to these initiatives, instead of making the ERDF application.
2.8	In the current climate, it is clear that there is a need for focusing of resources in the areas of most need. The government departments – including Invest NI – have refocused their offering and the Council is planning to do the same through the proposed Stimulus Investment Package. However the administrative stipulations of some programmes often mean that a package of resources from a range of sources is required to address a specific challenge.
2.9	In the interim, there is still a programme of enterprise development activity under way by Council and other partners and there is always an opportunity to consider

	how this can be better targeted to get results and contribute to addressing the current challenges, including area-specific issues. However consideration does have to be given to the available resources for this work – both revenue and human resources – given that there are significant administrative and monitoring requirements involved in these programmes.
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<b>3</b>	<b>Resource Implications</b>
3.1	<u>Financial</u> Financial implications for Council dependent on scale of activity proposed and agreed. Up to 75% of project costs potentially available from Invest NI and DETI – for ERDF applications.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	There are no specific equality and good relations considerations.

<b>5</b>	<b>Recommendations</b>
5.1	Members are asked to: <ul style="list-style-type: none"> <li>- Note the update on the locally-based enterprise development activity</li> <li>- Note and agree proposed way forward to progress this issue.</li> </ul>

<b>6</b>	<b>Decision Tracking</b>
	There is no specific decision tracking attached to this report.

<b>7</b>	<b>Key to Abbreviations</b>
	ERDF - European Regional Development Fund DETI - Department for Enterprise, Trade and Investment SIF - Social Investment Fund