



Report to: Development Committee

Subject: Economic Development – support for business growth

Date: 21 May 2013

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

Contact Officers: Shirley McCay, Head of Economic Initiatives and International Development, ext 3459

1	Relevant Background Information
1.1	Members will be aware that the Economic Development Unit delivers a range of support initiatives to stimulate business start-up; improve business competitiveness and productivity and help companies explore new markets. In addition, the unit is involved in supporting a range of employability activities to address challenges faced by those furthest from the labour market and to invest in skills development support particularly in areas where new employment opportunities are likely to emerge.
1.2	At present, the Council is able to draw down up to 75% match-funding for eligible business support activities by making funding applications to Invest NI to attract a combination of Invest NI and EU support. Not all activities are eligible for match-funding (e.g. retail support) and therefore these must be funded from Council budgets only or by seeking additional sources of match-funding.
1.3	In general, the business support is provided through a range of tailored workshops and targeted mentoring to meet the requirements of the individual businesses. Impact is measured by recording employee numbers and turnover before and after participation in the support activity, as well as other variables when relevant e.g. business efficiencies generated from reduced energy costs or amount of new investment in the business.
1.4	While the programme activity is endorsed as part of the annual departmental plan, there is a requirement to ensure that annual financial approval is received for many of the activities to ensure their compliance from an audit perspective.

2	Key Issues
2.1	As part of the reform of local government, there are likely to be a range of additional economic development and regeneration functions, programmes and budgets that will transfer to the Council.
2.2	In anticipation of this, and taking account of the range of provision in the market, we have been working to focus activity on areas of greatest impact and to look at the management arrangement for our activities. As part of this process, it is planned to rationalise some of the current support programmes into a wider programme of flexible, targeted mentoring following a baseline assessment of company needs. An application for funding for this “Go for Growth” programme has recently been submitted to Invest NI and it is anticipated that it will be operational in the new calendar year (following appraisal of the application and commissioning of the service). Once operational, it is likely that up to 150 companies and social enterprises a year will avail of this support. Many additional companies will also be supported through our range of business events; workshops; seminars and networking events. Additional targeted business support programmes will also be developed as part of the demand stimulation work for the Super-connected Belfast programme as well as the proposed creative hub project.
2.3	In the interim – and in order to ensure continuity of support to the small businesses in the city – it is planned that there are a range of business support initiatives which will continue to run. As part of the audit requirements – and to comply with funder stipulations around match funding – it is essential that the Committee agrees the match funding support for the activities annually.
2.4	A list of programmes along with the associated budgetary requirement (both total budget and commitment required from Council) is attached to this report as Appendix 1. All of these have been previously approved by the Development Committee (mostly in financial year 12/13). If these activities progress, it is anticipated that the Council will support 1200 businesses over the course of the year; help create 180 new jobs and support 1100 people to improve their skills.
2.5	Members will be aware that a number of additional business support and employability measures have already been approved by the Committee and are currently in planning or are operational. These include the Belfast Tech Mission; Destination Belfast Programme for the hospitality sector; Procurement support information sessions and workshops; social economy outreach programme; support for independent retailers and a range of European Social fund match funded projects. There are also a number of capital projects (Innovation Centre, Digital Hub) that are under way as well as the super-connected Belfast programme to stimulate investment in ultrafast broadband and promote uptake among small businesses.

3	Resource Implications
	The resource implications for each of the programme activities are set out in Appendix 1. The total match funding requirement for the current financial year from Council is £191,600 out of a total budget of £967,000.

4	Equality and Good Relations Considerations
	No specific equality and good relations implications. All programmes open to small businesses all across Belfast.

5	Recommendations
	<p>Members are asked to:</p> <ul style="list-style-type: none"> – Approve the annual budgets for the identified programme activity – Note the proposal to rationalise business growth support in the coming year in order to improve impact and to move towards an enhanced remit as part of local government reform – Give delegated authority to the Director of Development, in association with the Chair of Development Committee, to approve the most economically advantageous tenders for new programme activity, subject to a form of contract being drawn up by Legal Services.

6	Decision Tracking
	Update reports will be presented to Committee on a quarterly basis, as part of the Departmental plan updates.

7	Attachments
	Appendix 1 - Overview of business growth support programmes requiring approval of financial support from Council.