



Subject:	Support for Business Start-up and Enterprise Awareness
Date:	8 June 2016
Reporting Officer:	Donal Durkan, Director of Development, ext 3470
Contact Officer:	Colin McCabrey, Economic Development Manager, ext 3805

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report
1.1	<p>The purpose of the report is to:</p> <ul style="list-style-type: none">– Update Members on the progress of transferring functions including Business Start and Enterprise Support from DETI/Invest NI– Update Members on the ongoing work to develop a Regional Business Start programme– Update Members on proposed initiatives aimed at increasing Enterprise Awareness and supporting Student Entrepreneurship.– Note that in addition to these programmes the Council will undertake a full review of how it can further improve the support for small business start up and growth over the coming months
2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none">• Note the achievements of Business Start support activity from April 2015 to date• Note the work undertaken to date to develop a Regional Business Start programme and secure ERDF funding for this programme, including the indicative timeframe for a new programme• Approve the principle of working with other lead Councils to support the management and implementation of a new Regional Start programme

	<ul style="list-style-type: none"> • Approve the proposals presented for future Pre-Enterprise and Student Entrepreneurship support, including a total budget allocation of £55,000 for this work in the current financial year (£20,000 for Pre-Enterprise support and £35,000 for Student Enterprise support).
3.0	Main report
3.1	<p>As Members will be aware, a number of economic development functions transferred from DETI/Invest NI to local authorities in April 2015. These include Enterprise Awareness (with a particular focus on under-represented groups, such as women’s entrepreneurship, and targeting areas of disadvantage), Start a Business activity, Social Enterprise and Youth Enterprise.</p>
3.2	<p>It is important to recognise that the functions transferred rather than the specific programmes through which DETI/Invest NI chose to deliver services to entrepreneurs, principally the Go For It Programme (for generic Business Start support) and Social Entrepreneurship Programme (focused on new and early stage Social Enterprises). As a result of this transfer, local authorities are responsible for the associated job promotion targets identified by the Northern Ireland Executive, through the Programme for Government, and these must be reported annually. However the programme design and the level of support available is the responsibility of the individual Councils to decide, based on their respective budgets (and taking account of the budgets transferred from Invest NI for this activity).</p>
3.3	<p>These new functions are additional to the range of Enterprise and Business Growth services which Belfast City Council’s Economic Initiatives Section has been delivering for many years. The LGR transferring functions complement a wider range of Council provision towards supporting new, micro and existing businesses as well as potential and current investors. Members will be aware that one of the key strands of the Belfast Agenda is “Business and Economy” and this includes a number of commitments to grow the private sector and make Belfast an attractive and cost-effective location for their business. The Employability and Skills Framework – which will be presented to the June meeting of the Strategic Policy and Resources Committee – also identifies Business Start as a central pillar of collaborative efforts to increase employability in the city. In this context, the prepared programmes of work can contribute to improvements in employment levels as well as business productivity and competitiveness and city attractiveness.</p>

3.4	<p><u>Interim and New Business Start Provision from October 2016 onwards</u></p> <p>Whilst the NI Executive job promotion targets for Councils for the current financial year have not yet been set by central government, the assumption is that the targets and associated transferring budget will be the same as those for the 2015/2016 year. If this is the case, the job target for the Belfast City Council area will be 325 new jobs supported through the Business Start-up programmes. The budget available from central government for this work is £411,984.</p>
3.5	<p>In April 2015, Belfast City Council entered into a Service Level Agreement (SLA) with Invest NI to continue delivery of the Go for It Business Start programme until the end of the contract period, i.e. October 2016. In the period since April 2015, the Go for It Business Start programme has supported 440 new jobs in the Belfast City Council area. This is significantly ahead of the Programme for Government target.</p>
3.6	<p>The 11 Council areas have been working together for some time to develop a successor programme to the current Go for It initiative. They have undertaken an appraisal and business case to inform the new provision. This has recommended a Regional programme (i.e. available in all Council areas). It has also recommended that there should be more direct support offered to the Start-Up Business than is the case through the current programme. This will mainly involve additional workshops on topics such as marketing and financial management as well as dedicated 1-2-1 mentoring support, tailored to the business needs. The appraisal also recommended centralised management structures to govern the delivery of the Regional programme on behalf of the 11 Councils.</p>
3.7	<p>In November 2015, the 11 Councils submitted a funding application to Invest NI to secure European Regional Development Fund (ERDF) funding for the new programme. If successful, this will lever up to 80% of match funding towards eligible costs. The application is currently at Economic Appraisal stage with a decision expected by July 2016. Early indications suggest that, whilst delivery costs and third party marketing are expected to be eligible costs, other overheads such as staffing and the Customer Relationship Management (CRM) database system are expected to be ineligible. This will mean that the full costs for these activities will have to be met by the Councils themselves.</p>
3.8	<p>If the funding application is successful, a procurement exercise will need to be undertaken to appoint a delivery organisation for the new programme. The timescale for this means that a new Council-led Business Start programme is unlikely to be operational until April</p>

2017 at the earliest.

- 3.9 In order to achieve the NI Executive targets and to avoid a gap in delivery, Councils are individually developing contingency arrangements for their areas. In Belfast, officers are developing an interim solution providing business planning support services to new business starts. This will mirror provision currently provided through Go for It and costs will be met from the transferred budget. Derry City and Strabane District Council will lead on a Regional promotional campaign on behalf of all Council areas to promote the programme and ensure that targets are met, and the Councils will make contributions towards this activity.
- 3.10 Members should note that the programme will represent the “first tier” of Business Start-Up support. It will not be sector-specific; instead it will be available to anyone with a business idea that wishes to secure support to move forward from concept into an existing business. Taking account of the fact that Business Start-Up rates in the city are very low at present, it will be only one of a range initiatives that will be developed by the Council, in conjunction with its partners, to encourage an increase in Business Start-Up rates and to support existing businesses to grow and increase both their employment and productivity levels. These will include additional support for businesses that have high growth potential as well as new opportunities to package business accommodation and support services through initiatives such as the Innovation Factory and sector-specific activities in key growth areas, including the creative and digital sector. A report will be brought back to a future meeting of the Committee to outline the range of existing and proposed activity and to seek Committee approval for any new areas of work.
- 3.11 Pre-Enterprise, Student Enterprise and Social Enterprise support
Belfast City Council continues to provide a range of high quality Enterprise Awareness and Enterprise Support initiatives that have gained national and international recognition from bodies such as the European Training Foundation and now through the 2016 MJ Local Government Awards (Belfast Enterprise Academy is a finalist in the Awards to take place in June this year).
- The support available covers:
- Pre-Enterprise: including outreach engagement, ideas generation activity, targeted work with specific groups. Since 2011, Belfast City Council has delivered an Enterprise initiative called *Start by Doing*. This initiative stimulates levels of entrepreneurial activity across the city with a focus on targeting underrepresented

groups including youth, young people not in employment, education or training, migrants, people with a disability and females. When the programme ends in June 2016 it will have supported 200 entrepreneurs to take forward sustainable business ideas. Subject to evaluation, it is proposed that the pre-enterprise support activities are commissioned for a further three year period, engaging at least 200 individuals per annum. This work will be linked to wider Council activity to support regeneration and economic growth across the city and will also support the work on Employability and Skills. The indicative budget for this work is around £20,000 each year. The allocation for this year has been included within the Economic Development Unit budget, which was approved as part of the overall Departmental budget.

- Student Entrepreneurship: a recent Global Entrepreneurship Monitor (GEM) report for Belfast identified the potential to work with universities and colleges to encourage more high-level business starts to address the city's productivity level challenges. Belfast Enterprise Academy is a successful partnership programme with Queen's University, Ulster University and Belfast Metropolitan College. Each of the institutions provides complementary support for students to help fast-track their business ideas. Over the last 7 years, the programme has supported 150 participants engaged and helped create more than 50 businesses. Subject to an evaluation of the programme in June 2016, it is proposed that the programme is expanded for another three years, to engage at least 70 individuals each year. The indicative budget for this work is around £35,000 each year. The allocation for this year has been included within the Economic Development Unit budget, which was approved as part of the overall Departmental budget.
- Social Enterprise and Co-operatives: encouraging new enterprise models such as social enterprise and co-operatives which can not only support economic growth but also address social cohesion issues in the city. The Council is currently supporting a programme to increase the number of social enterprises across the city. It has a target of engaging a minimum of 50 participants per year through skills workshops and 1-2-1 mentoring. A separate Committee paper regarding opportunities to support the development of the Co-operatives sector will be presented to the Committee in August 2016.

3.12

Financial Implications

The cost for the business start-up activity will continue to be delivered from within existing Economic Development budgets, inclusive of the budget associated with transferring DETI/Invest NI functions (£411,984). The cost of the new programme will not be known

	<p>until the conclusion of the procurement exercise. A report will be brought back to the Committee when this is concluded.</p>
3.13	<p>The proposed cost of continuation of the pre-enterprise programme is around £20,000 annually. The proposed cost of continuation of the student entrepreneurship programme is approximately £35,000 annually. These amounts have been set aside within Economic Development Unit budgets for the current year.</p>
3.14	<p><u>Equality and good relations implications</u></p> <p>Programmes have been designed to help remove barriers to participation and promote equality of opportunity.</p>
4.0	Appendices – Documents Attached
	None