



Subject:	Economic outlook and overview of business support services
Date:	13 October 2021
Reporting Officer:	John Greer, Director of Economic Development
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

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

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to give members an insight into business sentiment as we move towards economic recovery and to set out some of the support activities that are being delivered by the Council and partners to help local companies at this time.
2.0	Recommendations
2.1	The Members of the Committee are asked to,

	<ul style="list-style-type: none"> • Note the findings of the recent Belfast Business Survey which is to be undertaken every six months, in conjunction with the Belfast Chamber, and which will inform our future areas of work • Note the outcomes of the activities undertaken over the last six months, particularly in the areas of business start-up, growth and investment • Note the planned activities in these areas in the coming months.
3.0	Main report
3.1	Members will be aware that, at the City Growth and Regeneration Committee meeting on 12 May 2021, approval was granted for a range of activities aimed at enhancing the level of business start-ups, growing existing businesses and supporting new investment in the city.
3.2	As a result of the COVID-19 pandemic, officers have been working closely with local residents, businesses and delivery partners across the city to adapt the support available to ensure that it remains relevant and effective. This report takes account of the work that has been further developed to support the city to deliver our economic ambitions in supporting city recovery plans, focusing on job retention and creation and business support. A separate report focuses on our employability and skills development activities.
3.3	In partnership with Belfast Chamber of Commerce, the Council undertook a large-scale survey of Belfast businesses survey this summer. This is the first of a series of bi-annual surveys that will be undertaken, covering a minimum of 400 businesses each time. The survey will act as a “barometer” of business sentiment. Its purpose is to build intelligence on how businesses are performing, identify their immediate challenges and get a feel for the outlook and future prospects of local companies. The findings will be used to inform and shape interventions by the Council and its partners to support business, employment and economic activity in the city.
3.4	<p>Some of the high-level findings of the survey were:</p> <ul style="list-style-type: none"> • Businesses feel positive about the future trading environment, with more businesses expecting turnover to improve than expecting it to worsen over the next six months. Businesses also show optimism about future profitability • Just over half of businesses believe that economic prospects will get better for their business (54%). Low optimism is evident however within the accommodation sector and food services sector

- Business performance was balanced with 41% saying turnover increased in the past 6 months, 41% indicating a decrease and the remainder saying it stayed the same. Businesses operating in the accommodation and food services sector were the most common sector to say their turnover decreased (75%), with more than half of the respondents from the professional, scientific and technical sectors reporting an increase in turnover
- Most businesses indicated that staffing levels have stayed the same over the past six months and only 6% are planning redundancies. Six in ten businesses said they have had difficulties recruiting staff over the past two years
- When asked to select their biggest business challenges, the most frequently mentioned was staff recruitment (38%). Other main challenges included lack of customers/footfall and supply chain issues
- Half of the businesses who responded have invested in their business over the last 12 months and IT has seen the biggest investment. 41% of micro businesses said they had not invested in innovation and R&D in the past 12 months.

3.5 Despite the challenging operating environment, the survey suggests that businesses here remain positive. More than 75% of businesses surveyed indicated that they would be keen to access business advice and support, particularly in areas of improving staff skills, recruitment and marketing, business expansion and innovation and R&D.

3.6 These findings provide a very useful insight to guide our work in the coming months and we have already been engaging with partners to look at how we can address some of the challenges identified and ensure that the businesses get access to the support services that they need in a timely manner, in order to support the Council's commitments to city recovery.

3.7 While the survey is helpful in guiding our conversations with partners around areas of future priority investment, we continue to deliver a range of interventions to support business start-up, encourage further growth of existing companies and ensure that the city remains open for investment. This work has been informed by additional research and engagement with partner organisations. Over the last six months, some of our priority activities have included:

- Engaging with more than 450 individuals to help them test and develop new business ideas. We ran a competition for the Belfast Business Idea Award. This was won by Network Fit. They received £2,500 and a business support package worth over £3,000. Four runners up also received the same support package including: one-

year Innovation Factory membership, access to free online resources and six months free accountancy services

- Through our start-up support, we have engaged 306 individuals and already 120 additional jobs have been created in new businesses. A quarter of these new companies have progressed to further support from the council, including accessing £1,500 financial incentives to bring forward their business
- Through our Social Enterprise and Co-operative Programme, we have supported 40 organisations with one to one mentoring, advice and guidance. Four of the organisations were new co-operatives. We have been working with the co-operative development organisations to enhance engagement and have delivered 6 outreach events which attracted 120 attendees. Future activities for October include two additional engagement events and a best practice visit. On 14 October, we will launch the Social Economy Fund to further support the sector. The fund will provide financial support of up to £10,000 to organisations that have engaged with us on our support programmes. Applicants must demonstrate clearly how the fund would contribute to their start-up or growth journey and they will be required to pitch for the funds
- Through our business growth support, we have worked with 370 businesses through workshops and one to one engagement to help them to implement growth strategies and become more resilient. The type of support offered includes enhancing their digital and online presence, improving tendering skills and specialist support for businesses with high growth potential
- We continue to deliver our EU exit support to businesses. This year to date we have supported 26 businesses across a number of sectors including retail, construction, ICT and manufacturing. Support is generally required to help navigate new processes and administration requirements, staff concerns and the impact on supply chains
- The Innovation Factory is now at 60% occupancy and the operator has ambitious plans to increase those numbers in the coming months. The centre has seen a high level of interest from new firms in sectors including TV/film, digital, engineering and green tech. The team continues to deliver a range of masterclasses for tenants and external businesses: the next event will take place on the 21 October focussing on new food innovations and how to attract and secure business with large retailers. As part of their social and economic regeneration activity, 8 work placements have been facilitated by IF customers over recent months, and a series of school engagement activities are underway

- In recognition of the need to generate more scaling businesses, we have once again supported the Way to Scale programme, in conjunction with Catalyst Inc and Invest NI. The programme bootcamp launched in August and has engaged 20 Belfast based businesses (out of a total of 37 participants). Ultimately, 10 of the companies with the highest growth potential will be invited to take a place at MIT's Entrepreneurship Development Programme in Boston in early 2022.

3.8

Over the remainder of the financial year, we will continue to build on the achievements highlighted above, engaging with local businesses and partners to ensure that our support is informed and impactful, in addition to putting in place support based on the recommendations of the survey. Some key areas of work areas will include:

- Working with the other councils across the region, Invest NI and DfE to bring forward plans to revamp the approach to business start-up post-2023. Work is currently underway to develop a business case for future support. The Council's ambitions in this regard extend beyond delivery of our statutory obligations. We consider that there is an opportunity to significantly rescope the support to ensure that it attracts more people into the "pipeline" and helps more growth-focused start-ups to get the help they need to grow and scale
- Ensuring that our enterprise and business support reaches some of the more under-represented groups across the city, and working with them to overcome the barriers to starting and growing a business, including enabling test trading opportunities through our markets and other facilities across the city. We are continuing to deliver our Enterprise Pathway pilot, focusing on those furthest from the labour market and exploring how we can align our support with other government interventions e.g. the opportunities for enhanced Advisor Discretionary Support through the Jobs and Benefits Offices which will help with the costs associated with starting a business for those in receipt of benefits
- In November we will launch our Digital Transformation initiative in partnership with the 10 other councils across the region. The programme is designed to support over 1,000 businesses across Northern Ireland to achieve a significant shift in their ability to transform their business operations by investing in digital processes and deploying new ways of working, based on new technology
- We continue to build on our support for Social Enterprises and Co-operatives at this time and are working with our procurement team to understand how we can better support the sector to access public procurement opportunities, including taking account of the work around social value procurement. This is particularly important

	<p>given that the social value procurement policy is currently open for consultation. This year we also hope to be recognised as the first Social Economy Place in the region</p> <ul style="list-style-type: none"> • We have developed an approach to support vibrant business destinations across the city by working with local business associations outside of the city centre. Additional information is provided in a separate committee paper. We will also engage with the City Regeneration team in developing and implementing activity to address vacancies, focusing initially on the city centre • Earlier this year, we secured funding to partner with Fintech NI on the development of a Fintech Action Plan for the region. The Fintech cluster now estimated to be worth a significant £392million per year to the NI economy. The emerging action plan identifies a route map to further growth, focusing on addressing barriers to skills and talent, supporting the sector to make greater connections with investors, and helping develop networks that will enable new Fintech businesses to scale quicker • We continue to work with our seven partner councils along the Dublin-Belfast Economic Corridor to identify business and new collaborative opportunities. Belfast City Council is leading on the development of the strategy and action plan for the partnership, and this work is to commence in early October 2021.
3.9	<p><u>Financial & Resource Implications</u></p> <p>The activities outlined within this report will be resourced from the 2021/22 Enterprise and Business Growth budgets that have already been approved as part of the departmental estimates.</p>
3.10	<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>Each of the proposed projects referenced in this report is informed by statistical research, stakeholder engagement and complementary policies and strategies. The unit is currently undertaking a process of equality screening on the overall work programme, this will ensure consideration is given to equality and good relation impacts throughout the delivery of each project.</p>
4.0	<p>Appendices – Documents attached</p>
	<p>N/A</p>