



Subject:	Consultation on The Local Government (Performance Indicators and Standards) (Amendment) Order (Northern Ireland) 2022
Date:	9 February 2022
Reporting Officer:	John Greer, Director of Economic Development
Contact Officer:	Cathy Keenan, Enterprise and Business Growth Manager

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	Members will be aware that, as part of Local Government Reform in 2015, responsibility for business start-up and support for under-represented groups in the field of enterprise support transferred to councils.
1.2	The Department for Communities (DfC) has recently launched a consultation on The Local Government (Performance Indicators and Standards) (Amendment) Order (Northern Ireland) 2022. This consultation outlines proposed changes to how business start-up activity is measured. The purpose of this report is to provide members with an update on the consultation, identify the impact for Belfast City Council and set out a proposed

	<p>response to the consultation on behalf of the council.</p> <p>The response will be submitted, subject to full Council approval.</p>
2.0	Recommendations
2.1	<p>The Members of the Committee are asked to:</p> <ul style="list-style-type: none"> • Note the current consultation process and the implications for Belfast City Council • Approve the outline response to the consultation on The Local Government (Performance Indicators and Standards) (Amendment) Order (Northern Ireland) 2022, as set out in section 3.8.
3.0	Main report
3.1	Members will be aware that, as part of the transfer of functions and Local Government Reform, responsibility for business start-up and support for under-represented groups in terms of enterprise support transferred to councils. With the transfer of responsibility came a nominal financial allocation deemed appropriate to support delivery of the relevant services and based on existing budget allocations.
3.2	At this time, DfE set the job targets based on the 2011-2015 Programme for Government (PfG) target for the existing start-up programme ("Go for It"). This was to create 6,500 local jobs, or 1,625 jobs per year. These jobs were then split across each council area, based on an economic appraisal carried out at that time. These job targets have remained in place since that date. For Belfast City Council, the annual performance target through the Go For It programme is 325 jobs created through the development of a client-led business plan.
3.3	The Department for Communities has now launched a consultation on The Local Government (Performance Indicators and Standards) (Amendment) Order (Northern Ireland) 2022, to take account of proposed changes to these targets. The consultation period runs to 28 February 2022. The purpose of this consultation is to align targets with activity being delivered through the Regional Business Start-up Programme 2021-2023.
3.4	For Belfast City Council, there is no amendment to the annual job target figure, with the target remaining as 325. This is in line with the current annual programme targets in the Go for It Programme. As such, we have no specific objection to the current proposal, on the understanding that it is a short-term measure that will be reviewed in 2023. However we consider that there is an opportunity to use the existing consultation exercise to formally raise a number of concerns about the methodology associated with target setting, in order to

	<p>ensure that there is alignment with the work underway across all councils to take a new approach to business start-up support when the current programme ends in March 2023.</p>
3.5	<p>Members will be aware that, as a council, we have acknowledged the shortcomings of the current start-up support programme. Among the issues that we have identified is the mechanism for measuring impact. Success is currently measured through a jobs outcome approach and the methodology for assessing the job outcome is to count the number of business plans generated through the Regional Business Start-Up Programme (“Go for It”) and apply a proxy to determine the likely number of jobs created as a result. In our view, this approach is significantly flawed.</p>
3.6	<p>In May 2021, we presented to this Committee our vision of a future model of support that had the potential to drive more people towards self-employment, increase business survival rates and help more businesses to grow and scale. Building on that model, we have been working with the other 10 councils to develop an options appraisal that can demonstrate how a revised approach can help us achieve a substantial shift in business start up activity aligned with our Enterprise Framework, the Belfast Agenda, the Belfast Region City Deal and the 10x Economic Vision. In November 2021, we secured funding from Invest NI to develop a business case based on this model and this will be used as a basis to engage with DfE, Invest NI and other funding bodies in order to support delivery post-March 2023.</p>
3.7	<p>In parallel with this work, we have also commenced our engagement with DfE on the findings of the research, given that they are working on an Entrepreneurship Strategy aligned to 10x.</p>
3.8	<p>In light of this work and the commentary around the shortcomings of the current methodology for target setting, it is recommended that officers develop a brief response to the consultation that focuses on a number of key points:</p> <ul style="list-style-type: none"> • Identifies the inappropriateness of using business plans as a proxy measurement for jobs created • Recommends a wider range of metrics alongside jobs created, (e.g. total early-stage entrepreneurial activity, levels of female engagement in entrepreneurship, number of registered start-ups, 1 and 2 year business survival rates and numbers of scaling businesses) • Identifies the need for the targets to reflect those identified in 10x – rather than being seen in isolation of wider government ambitions

	<ul style="list-style-type: none"> • Need for government to review the financial settlement around the statutory functions transferred to councils – ensuring that it is reflective of changed economic circumstances and an articulated ambition around a globally-competitive economy. The financial transfer needs to acknowledge that councils have statutory responsibility for this area of work • Consider how the targets are aligned to performance – with a degree of accountability built in to make the link between resources allocated and delivery • Acknowledges that, given the timings, a more radical review is not appropriate at this point but asks that early consideration is given to the above points in order to ensure a more appropriate approach to standards and performance targets from the financial year 2023.
3.9	At a recent meeting of the SOLACE Economic Recovery Group, council officers agreed that there was considerable consensus across all council areas on these issues and that it would be appropriate to produce a joint response to this consultation. The commentary broadly reflects the points identified above. The response recommends that a longer-term review is carried out on the targets, including removing the link to a business planning programme and having a consistent approach across councils for allocating the target, taking account of the work that is ongoing to develop an approach to future delivery as highlighted above.
3.10	<u>Financial & Resource Implications</u> No specific financial implications associated with this report.
3.11	<u>Equality or Good Relations Implications/Rural Needs Assessment</u> The Enterprise and Business Growth team 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 this project.
3.12	Equality and Good relations will be considered as part of the business case development and a rural needs assessment will also be factored into this work.
4.0	Appendices – Documents attached
	Appendix 1 Consultee Letter for the Draft Local Government (Performance Indicators and Standards) (Amendment) Order (Northern Ireland) 2022 and; Appendix 2 Consultant - the Local Government (Performance Indicators and Standards) (Amendment) Order (Northern Ireland) 2022.