

Public Document Pack

**Democratic Services Section
Chief Executive's Department
Belfast City Council
City Hall
Belfast
BT1 5GS**

11th April, 2016

MEETING OF CITY GROWTH AND REGENERATION COMMITTEE

Dear Alderman/Councillor,

In addition to those matters previously notified to you, the following item(s) will also be considered at the meeting to be held at 5.15 pm on Wednesday, 13th April, 2016.

Yours faithfully,

SUZANNE WYLIE

Chief Executive

AGENDA:

- (b) Small Business Strategy development (Pages 1 - 10)

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Subject:	Support for business start-up and small businesses
Date:	13 April 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	The purpose of this report is to provide Members with an overview, for information purposes, of the support provided by the Council to new and existing businesses.
1.2	Members will be aware that, on 1 April 2015, Councils assumed statutory responsibility for a range of enterprise functions. This meant that the budget attached to a number of programmes and activities previously run by Invest NI was allocated to the 11 Councils. Belfast City Council attracted around £411,000 of that funding to support activity to encourage enterprise and these resources are being used – along with Council funding and possibly EU funds – to develop a range of new initiatives to help address the current deficit in business start up rates. At regional level, these are below both UK and Ireland and, within Northern Ireland, business start-up rates in Belfast rank 9 out of the 11 Council areas.
1.3	The majority of the direct support is provided through the Development Department but the Council also interacts with and supports businesses across a range of operational areas including food health, licensing, building control and planning.
1.4	There is a range of business support available through the Council from pre-enterprise (thinking about starting a business) through to support for start up and then support for the business once operational, depending on its growth needs

	<p>(export development, marketing support etc.) in order to enhance business competitiveness and sustainability.</p>
1.5	<p>The Council is only one player in this field and Officers work very closely with a range of organisations such as Local Enterprise Agencies (LEAs), Invest NI, Northern Ireland Science Park, Universities and Colleges and specialist/sectoral business support organisations in order to maximise the impact of the collective effort to support business start-up and growth. This is particularly important in the context of constrained public finances. It is also important in terms of signposting businesses to relevant support to meet their development needs and also in making the service more customer-focused.</p>
1.6	<p>Given the scale of the challenge to increase business start-up rates and to make local businesses more competitive, Officers have been working to put in place a number of support programmes, in conjunction with these other organisations. It is important to acknowledge that changing the business start-up figures and improving growth rates is a long-term ambition which will require a range of interventions. These will include promoting the enterprise culture from an early age through school-based interventions, creating and profiling more positive role models working in small business and making the business support system easy to access. The range of proposals in this paper is a starting point: in order to make incremental improvements in start-up and business competitiveness rankings, it will be important to work closely with partners to elevate the levels of support available for these initiatives and to focus on activities that will have the best opportunity of creating positive outcomes.</p>
1.7	<p>By way of context, there are more than 10,000 businesses in Belfast (9,000 of which are VAT registered). More than 80% of these are micro businesses (less than 10 employees) and around 95% have 50 employees or less. Current business start-up rates in Belfast are estimated at around 900 each year.</p>

2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> – Note the suite of support currently available from the Council to support entrepreneurs and small businesses across the city and; – Note the plans to develop this activity further in order to address the start-up deficits and business competitiveness challenges for local companies – Note that the targets, outcomes and timescales for some of the programmes outlined below are still subject to change following the outcome of ERDF and Invest NI funding applications – Note that the Belfast Enterprise Academy is short-listed as one of the 7 finalists at the MJ Awards 2016 for the Innovation in Education, Employment and Training for young people category and consider attendance by the Chair of Committee or their nominee and officer representation at the awards event on 16 June in London – Agree to provide total sponsorship of £10,000 to the Digital DNA events in June and December 2016 as part of the Council support for the digital sector, subject to agreement with the organisers around opportunities to maximise the value for return on the Council's investment.
3.0	Main report
3.1	<p>A summary of the current support available to businesses from the Council is detailed below. A presentational overview of this information is provided in Appendix 1.</p>
3.2	<p><u>Pre-enterprise support</u></p> <p><i>Start by Doing Initiative:</i> This programme will help 400 potential entrepreneurs annually to identify and define a business idea and will refer 200 of these onto the business start programme (below). Support is available to all residents in the Belfast City Council area; however there will be specific support allocated to under-represented groups. Officers from the Economic Development Unit are working with groups across the city to develop workshops and practical sessions. Three sessions are planned in the coming two months: 12 April at FabLab; 26 April at Work West and 17 May at East Belfast Enterprise.</p> <p><i>The Belfast Enterprise Academy:</i> This programme is open to degree students from Queen's, Ulster University and Belfast Metropolitan College. During this enterprise support programme, participants work in cross-disciplinary teams to develop viable</p>

business ideas and business plans. It supports 25 participants annually and has a target to refer a minimum of 10 participants to the business start activity noted below. Each year, a high percentage of Enterprise Academy participants go on to start their own business when they complete their education. The Belfast Enterprise Academy has already won a number of awards and is short-listed as one of the 7 finalists at the MJ Awards 2016 for the Innovation in Education, Employment and Training for young people category.

3.3

Business start-up support

Go For It Programme: As noted above, Councils now have statutory responsibility for business start-up support. The Regional Start Initiative, or “Go for It” programme, is being delivered in its current form to October 2016. In Belfast, the programme is delivered through the Enterprise Agency network and there are agencies based across the city. The 11 Councils have submitted a joint application secure Invest NI and ERDF funding towards a replacement “Go for It”-type programme. This is currently undergoing economic appraisal and is still subject to funding award and public procurement. The programme will roll out as quickly as possible after October 2016. The annual target for Belfast will be around 400 new business starts.

It is proposed that the new programme will provide a range of workshop-based learning, business plan development and 1-2-1 mentoring support for participating individuals (the current programme focuses on business plan development only).

3.4

Business Growth support: generic

Business Growth Programme: This programme is aimed at all business sectors but will be specifically targeted towards micro and small businesses currently trading for 1-2 years+, predominately within the local market and not in receipt of Invest NI assistance. Within this programme an average of 135 businesses per year will be supported, creating around 70 jobs per year. Participants can avail of up to 2 days 1-2-1 mentoring support. Participating businesses are allocated a specific mentor to meet their business growth needs. This support is also open to social enterprises. Participants may also be referred on to other sources of support such as Invest NI, Northern Ireland Science Park or the Universities and Colleges.

Procurement Support Initiative: This programme is aimed at micro and small businesses (including social enterprises) that have little or no experience of selling

to the public sector. An average of 30 businesses per year will participate on this programme. At present, most of the public sector bodies are working with the Council on this initiative and, as it progresses, we will work to look at how we can bring on other partners to create additional supply opportunities e.g. the key anchor institutions in the city.

Innovation Factory: the Innovation Factory is a new business centre based on the Springfield Road and funded through Council, Invest NI and ERDF resources. Once operational (from September 2016), the centre will provide business accommodation, business growth and business innovation services to support more than 100 small businesses. Innovation Factory tenants will work with an expert business support organisation to constantly review their business' growth prospects and they will be able to access expertise and business support to help grow their business in terms of employment numbers, productivity and new markets.

Links to employability activity: Members will be aware that the Council supports a range of employability programmes, currently focusing on those furthest from the labour market. The principal objective of these programmes is to help participants to find employment. There are opportunities to look at how small businesses in particular might benefit from work placements by some of these employability participants, subject to training organisations being able to make the right fit between the candidate and the job needs.

Belfast Entrepreneurs Network (BEN) is a successful network of like minded entrepreneurs. The network is administered by Council officers with events attended by upwards of 30 individuals and businesses.

3.5

Business growth support: sector specific support

High Growth sectors: A targeted programme for new-start businesses (0-1 year trading) demonstrating high growth potential or requiring specific, specialist business start-up and early stage growth support will be delivered (funding still subject to EU approval). The programme is aligned to the needs of key growth sectors in Belfast such as professional services, health and life sciences, green technology, advanced engineering, creative, digital and ICT. Once operational, the programme will support 40 businesses or participants per year and has a target of creating 84 jobs. It is important to note that a range of other providers can also potentially provide support to these businesses so there will be a focus on signposting to other relevant provision, as appropriate, post programme completion

Social Enterprise: Support is available to new and emerging social enterprises/social

entrepreneurs and cooperatives through a programme tailored specifically to their needs. The programme will engage a minimum of 50 individuals/groups per annum and recruit a minimum of 30 participants to receive intensive support through workshops and 1-2-1 mentoring. This programme will be operational from May 2016.

Creative and Digital Industries: There are currently two programmes in operation to support 50 companies from the Creative and Digital Industries sector to increase their competitiveness through product development and expand their geographical markets. The first of these (“The 140 Second Club”) involves 30 pre-start and early stage businesses. Run by Ulster University, the programme provides participants with 10 workshops, helping them hone their business idea, with the aim of creating at least 10 new business starts. The second programme (“10x20”) helps 20 high-growth CDI businesses to access new markets. All businesses receive a range of business interventions and, following a Dragon’s Den event, 10 companies are selected to receive more intensive mentoring.

In addition 15 CDI businesses have also participated in the South by South West Trade Mission aimed at developing business linkages with the American market. The majority of these businesses have already been active in international markets so the challenge is to look at how the Council can help move more businesses into export markets, through business missions and international events, in conjunction with Invest NI.

The Council has recently received a request to support the Digital DNA conference which will take place in Belfast (at St. George’s Market) on 7-8 June 2016. There will also be a schools event in Belfast City Hall on 5 December 2016. It is proposed that the Council agrees to financially support the event to a value of £10,000. In return, we will secure significant promotional opportunities for Belfast City Council (this aligns well with the “Energy Unlimited” message of the city positioning work) as well as opportunities for 30 local businesses to attend the event, a ring-fenced number of places on a business pitching competition and opportunities for collaboration on a business mission to San Francisco in February 2017 as well as opportunities to prioritise Belfast schools’ engagement in the 5 December 2016 “Digital Futures” event at Belfast City Hall.

Retail: The Council supports retail businesses through a number of mechanisms. Retail businesses can participate on the mainstream business support programmes. Independent retailers outside of the city centre are supported under the umbrella of the local business associations. These groups generally develop a range of

3.6	<p>activities to support additional spend and footfall in local areas. In addition, the Council supports a number of organisations in the city centre who are working to support retail and other businesses. These include Belfast City Centre Management, Belfast One, Visit Belfast and the emerging Destination CQ Business Improvement District in the Cathedral Quarter.</p> <p><u>Financial Implications</u></p> <p>The approximate cost for providing this combined range of activities outlined is around £1.1 million annually. This is funded through the transferring budget from Invest NI (£411,000) along with Council resources and EU funds (decisions are still outstanding on a number of funding applications).</p> <p>The sponsorship request for the Digital DNA event is for an allocation of £10,000. Subject to Members' agreement, we will work with the organisers to maximise the return for the Council's investment in the event, including the activities outlined above.</p> <p>Funding for all activities will be met within existing budgets.</p>
3.7	<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	<p>Appendices – Documents Attached</p>
	<p>Appendix 1 - Current support available to businesses from the Council</p>

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State of development (start-up/growth)	Pre-enterprise	Business start-up	Business Growth support (generic)	Business Growth support (sector specific)
Council support activity	"Start by Doing": city-wide programme open to 400 participants with the objective of signposting 200 to start-up activity	"Go for It" programme: mainstream start-up programme to be delivered across all of Northern Ireland. Target of around 400 business starts annually in Belfast through this programme	Business Growth Programme: multi-sector support programme for businesses in the early stages of development (including social enterprises). Indicative participant numbers each year: 135. Indicative new job creation target: around 70 additional new jobs each year	High growth sectors: support programme for 40 companies at early stage of development, focusing on job creation and new market development
	Belfast Enterprise Academy: 25 participants annually, target of 10 participants to take part in business start-up support on completion		Procurement Support Initiative: 30 businesses (including social enterprises). Helping companies to secure new business opportunities from public sector tendering	Social enterprise: support available for up to 50 new/existing businesses, including intensive 121 mentoring support for up to 30 participants
			Innovation Factory: £9million investment opening by September 2016. Accommodation space for up to 382 employees: capable of housing more than 100 small businesses. Tenants will also receive intensive business support to help them grow	Creative and Digital Industries: currently supporting 50 companies across two programmes aimed at early stage and more advanced businesses. Focus on creating new business and growing markets for existing businesses. The Council also supports a number of events in this sector (including the Digital DNA proposal - June and December 2016)

State of development (start-up/ growth)	Pre-enterprise	Business start-up	Business Growth support (generic)	Business Growth support (sector specific)
			Link to employability support: exploring opportunities to provide work placements and employment within small companies for individuals on our employability programmes	Retail: targeted support for neighbourhood-based independent retail groups (representing over 600 local businesses) as well as support for city centre retail groups through Belfast One, BCCM etc.
			BEN (Belfast Entrepreneurs' Network): monthly events on a range of topics of interest. Attendance by +30 micro businesses and those interested in starting a business	
Annual participant targets	425 participants, of whom 210 to take part in start-up support	Target of around 400 business starts in Belfast each year (subject to final appraisal by Invest NI)	Working with up to 300 businesses annually through targeted support interventions and more than 400 businesses annually attend BEN and other business events	Targeted interventions to support around 140 companies in key growth sectors. Also supporting more than 600 traders through local business associations outside of the city centre