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| <b>Subject:</b>           | Update on Council and partner support for business start-up and growth |
| <b>Date:</b>              | 10 January 2018  |
| <b>Reporting Officer:</b> | Donal Durkan, Director of Development                                  |
| <b>Contact Officer:</b>   | Colin McCabrey, Economic Development Manager                           |

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| <b>Restricted Reports</b>                                |   |
| <b>Is this report restricted?</b>                        | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| <b>If Yes, when will the report become unrestricted?</b> |   |
| <b>After Committee Decision</b>                          | <input type="checkbox"/>  |
| <b>After Council Decision</b>                            | <input type="checkbox"/>  |
| <b>Sometime in the future</b>                            | <input type="checkbox"/>  |
| <b>Never</b>   | <input type="checkbox"/>  |

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

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| <b>1.0</b> | <b>Purpose of Report or Summary of main Issues</b>  |
| 1.1        | The purpose of this report is to update Members on the work of the Council and its partner organisations to increase entrepreneurship levels in the City and support new business start-up and growth.  |
| 1.2        | The report outlines how these activities are delivering against Key Performance Indicators (KPIs) identified in the Programme for Government (PfG), Industrial Strategy for Northern Ireland, the Belfast Agenda and the Employability and Skills Framework 2016-2020. Primarily, these indicators relate to Job Creation and Business Productivity.<br>Members will be aware that the Belfast Agenda four-year stretch goals to 2021 include the |

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| 1.3 | creation of 15,000 new jobs and supporting 4,000 new business start-ups. Supporting new business start-ups and indigenous business growth is a sustainable means to developing a sustainable local economy and promoting inclusive economic growth. In the year to date, the Council has directly helped 344 individuals consider starting their business and has provided 300 companies with business growth support. In total, 313 jobs have been created. |
| 1.4 | Following the transfer of some economic development powers as part of Local Government Reform (LGR) in April 2015, entrepreneurship activity is now a statutory function of the Council. As such, there is an additional responsibility on the Council not only to ensure that it invests resources to encourage start-ups but also that it convenes the work of partner organisations active in this field.   |

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| <b>2.0</b> | <b>Recommendations</b>  |
| 2.1        | <p>The Committee is asked to;</p> <ul style="list-style-type: none"> <li>• Note the work that is being undertaken by the Council and its partners to address the deficit around business start-up rates and to support indigenous companies to become more competitive and improve their productivity.</li> <li>• Note that enterprise, business start and business growth activity <b>has created 313 jobs to date this financial year</b>. The breakdown of these jobs is “Go for It” Programme 190 jobs, enterprise support for under-represented groups 6 jobs, Innovation Factory 85 jobs and “Go Social” Programme for social entrepreneurs and co-operatives 32 jobs created).</li> <li>• Note the performance for “Start a Business” and “Grow a Business”, as summarised in the infographics in Appendices 1 and 2.</li> </ul>   |
| <b>3.0</b> | <b>Main report</b>  |
| 3.1        | <p>At the December 2017 meeting of the City Growth and Regeneration Committee, officials from Invest Northern Ireland provided an updated analysis of the performance of the Belfast economy. This included references to key growth sectors as well as areas in which the City’s performance was lagging behind. This included start-ups levels and business productivity. Some of the key messages include:</p> <ul style="list-style-type: none"> <li>• Levels of entrepreneurship: Belfast continues to lag behind the NI average for early-stage entrepreneurial activity with a TEA (total entrepreneurial activity) rate of 4.4% compared to the NI average of 6.3%. Belfast ranks 9<sup>th</sup> out of the 11 Councils in terms of Total Entrepreneurial Activity;</li> <li>• Self-Employment rates: the self-employment rate in Belfast is 6% of total employment.</li> </ul> |

This is half the figure for Northern Ireland;

- Rebalance the economy: the City is too reliant on the public sector which accounts for around one third of all employment. There is a need to rebalance the economy by creating more private sector businesses and employment; and
- Business Base: the total number of VAT-registered businesses in Belfast is 9,015. This represents around 13% of the Northern Ireland total. 81% of those are micro businesses with up to nine employees. The majority of businesses (93%) are in the services sector.

3.2

To address these challenges, Council Officers have been working in partnership with Invest NI and other local economic development stakeholders to design and develop a range of programmes and initiatives to increase the levels of entrepreneurial activity, self-employment and business start-up across the city. There is a further suite of initiatives designed to support small businesses to scale up and grow, increasing employment opportunities and improving their competitiveness.

3.3

The Employability and Skills Framework for Belfast outlines the specifics of the employability and skills challenges for Belfast and identifies how a collaborative, outcomes-based, long-term approach could bring about a step change in employment rates and skills levels in the city. The framework recognises that entrepreneurship and business start activity offers another option for individuals to enter employment and delivers against one of the aims of the Framework, namely “to develop a culture of entrepreneurship at all levels”.

3.4

Since the transfer of entrepreneurship and business start-up functions from Invest Northern Ireland in 2015, Officers have developed a pipeline of business support incorporating early-stage entrepreneurial activity (thinking about starting a business), business start-up initiatives, high growth support for key sectors and interventions for existing businesses and social enterprises. This has enabled us to provide a continuum of support from initial business idea generation right through to supporting businesses when they are established and successfully trading.

3.5

The business start-up and business growth support landscape is a complex one. Our engagement with business has identified the need to simplify the messaging and provide better signposting across relevant services in order to meet the needs of the businesses as opposed to the targets of the individual support organisations. Taking account of this, Officers have worked with our Corporate Communications Team to develop a simplified messaging for would-

be entrepreneurs, new businesses and growing businesses. This will use the banner “Belfast: City for Business”. It will be launched across the City in January 2018 and will be supported by an overarching communications and marketing plan aimed at increasing further our level of engagement and support to participants and employers. This is in line with the Committee’s ambition to promote more good news stories about the work that is being undertaken to support economic growth in the city.

3.6

In order to ensure that there is alignment of activity, Council Officers have established an Entrepreneurship and Business Growth Working Group. This is an informal advisory and co-ordination group that engages 30 stakeholders across the city with the aim of supporting the achievement of the city’s strategic aspirations and economic priorities set out in the Belfast Agenda around business start-up and growth. The group has collectively agreed to progress with the development of an Enterprise Framework which will identify strategic longer-term interventions to address some of the barriers to enterprise and business start-up across the city and which will address the deficits set out above. The intention is that this Enterprise Framework will be ambitious in its aspirations, delivering on the Belfast Agenda commitment to making Belfast a great place to start and grow a business.

3.7

In order to provide Members with assurances around the level of investment and support for business start-up and growth, details of some of the Council and partner activity for the current financial year are set out below. In summary, the key activity plus the overall impact in terms of participation and job outcomes includes:

- Enterprise outreach and engagement: engagement of up to 300 people by April 2018 through a range of informal settings (youth groups, community groups, one to one interventions, enterprise awareness sessions) with a commitment to ensuring that 200 of these participants are from under-represented groups (including those with a disability, women, those from areas of disadvantage)
- Starting a Business: support provided to 331 individuals and organisations (particularly cooperatives) to set up a business. 228 jobs have been created to date through the start-up support. In addition, new interventions planned to start in new financial year to support start-ups with high growth potential. A target of 250 jobs over two years to be created. This new element of the programme will commence in March 2018.
- Growing a Business: at least 418 companies to be supported to improve their business competitiveness, develop new products and expand to new markets. 85 jobs already created to date through Innovation Factory.

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| 3.8  | <p><u>Enterprise outreach and engagement</u></p> <p>Belfast is home to residents of many differing backgrounds, cultures and abilities. Our enterprise outreach support recognises this, providing interventions to help those with greater barriers to starting a business. Through the Council's Equality Consultative and Migrant Forums, we are delivering a series of interventions to promote enterprise to a range of groups to enable them to explore the idea of starting their own business and support them to access further Council start-up support. Through all of this support we aim to engage with 300 individuals across the city by April 2018 of which at least 200 will be from under-represented groups.</p>  |
| 3.9  | <p>To date a specific programme of support was developed to target refugees from the Syrian community who were interested in starting a business. This programme successfully engaged 20 individuals from the Syrian community supporting 2 to start a business which created 6 full-time jobs and 10 training roles, and helping 6 to access further training or employment opportunities.</p>  |
| 3.10 | <p><u>Starting a Business</u></p> <p>A range of support activities are available to help individuals to start a business. These include:</p> <ul style="list-style-type: none"> <li>• Belfast Enterprise Academy: providing support for student entrepreneurs and start-ups. Last year (2016/17), 9 new businesses started trading as a result of the programme. 32 new student entrepreneurs have been engaged on the programme since September 2017 and they are currently receiving support from mentors to develop their business idea and test its viability – while they are still in full-time education.</li> <li>• Go For It: This initiative provides individuals with advice and support to start a business through the development of a business plan. The new Programme was launched in September 2017 in partnership with the 10 other Councils. This initiative is being delivered by the Enterprise Northern Ireland Local Enterprise Agency Network. Since April 2017, the initiative has supported 265 individuals to develop a business plan supporting the creation of 190 jobs in Belfast.</li> <li>• City Start Up Programme: this is a joint initiative with Derry City and Strabane District Council. It provides enhanced support to individuals who have accessed the Go For It programme and targets start-ups in the Fashion, Tourism, Food and Retail sectors. The programme has just launched and aims to engage 30 businesses in the Belfast City Council area, providing sector-specific mentoring and access to financial incentives to</li> </ul> |

enable them to overcome barriers to starting their business.

- Go Social: this programme aims to help increase the number of new social enterprises and cooperatives in the City. This year, the programme has supported the development of 34 social enterprises and 10 cooperatives, 9 of which have already started trading and which have created 32 jobs. Officers are currently working on a proposal for a test-trading facility in the City Centre. This will be used by the social enterprises supported through the Go Social programme as well as participants on our other initiatives. It will be a facility to test their product and services in the local market.
- High growth potential start-up support: given the productivity challenges identified in the research, the Council has secured additional European Regional Development Fund (ERDF) support to assist those businesses with high growth potential to achieve their business goals. Support will be available for up to 120 participants, creating a minimum of 250 jobs. This programme will commence in March 2018
- Start-up World Cup support: on 16 January 2018, the Northern Ireland qualifier event for the Start Up World Cup will take place in Belfast. This is a global event and it is the first time that a heat has been held in Northern Ireland. Other heats will take place in twenty global locations including Taiwan, Singapore, Australia and Egypt. Winners of this initiative can accelerate their ideas into reality with the help of \$1 million in funding and global recognition. The Council is supporting this event, in partnership with Belfast Global Shapers, Ulster University, Ormeau Baths and a number of other public and private sector partners. 10-15 local start-ups will pitch for a place in the grand final in San Francisco in May 2018.

3.11

#### Growing a Business

- MassChallenge Belfast: MassChallenge is a no-equity accelerator which started in Boston but now runs a network of global engagements. Programme participants receive mentor support, access to investment and are exposed to business networks that can provide them with the opportunity to achieve global growth ambitions. The Committee has previously agreed to support the participation of up to 10 local companies in a week-long programme, based in Boston. Planning work is currently under way but it is likely that this programme will be launched during the civic visit to Boston in February 2018.
- SXSW 2018: in partnership with Invest NI, Generator NI and Digital Catapult, the Council will provide the opportunity for local digital entrepreneurs to attend SXSW 2018 – the world’s largest music and digital convergence event. Participation by 6 local

entrepreneurs will be supported by Council.

- Immersive Lab: Supported by Belfast City Council, the Department for the Economy (DfE), Innovate UK and Digital Catapult NI, the Immersive Lab gives organisations of all sizes the opportunity to get hands-on experience with the latest immersive technology enabling them to demonstrate, innovate and test their own business ideas and research. The lab is part of a number of Immersive labs across the UK with other locations including London, Brighton and Gateshead.
- Innovation Factory: The Innovation Director at Innovation Factory provides a range of business growth and innovation initiatives aimed at centre users and tenants. Current tenant occupancy is 27% representing 85 jobs and 29 business tenants. To date support has been delivered to 85 businesses. Topics include new product development support, leadership development master-classes and support for business to business collaborations.
- Access to procurement: Delivered in partnership with InterTradeIreland, this support enhances the capacity and opportunity for local small businesses to benefit from public sector procurement opportunities. Running for three years, the programme focuses on 3 areas of delivery; Introduction to Tendering sessions, 'Go-2-Tender' sessions and specific 'Supplier Engagement' or 'Meet the Buyer' events. In the year to date, 115 businesses have been supported through this activity.
- Business Mentor Support: this support aims to increase a business' growth and employment potential by providing one to one mentoring, networking sessions and seminars on a range of business-related topics. From 2017 to 2020, 533 participants will be supported, creating at least 269 new jobs. In this year to date, 80 participants have received support. In addition, hospitality and retail businesses can avail of additional customer service improvement support. At present, 15 businesses are in receipt of this support.
- Export and international trade: A specialist international prospecting service has been commissioned by Council. The contractor will undertake international prospecting for business clients, develop an export plan and support them to enter new markets. The contract is for 15 participants on average per year. The type of support is flexible to meet the bespoke needs of clients.

A full service evaluation will be commissioned in the coming financial year to measure impacts of enterprise, business start and growth activity in line with the targets in the

