

<b>Title of Report:</b>	<b>New NI Council-led Entrepreneurship Support Service</b>
<b>Committee Report Submitted To:</b>	The Leisure and Development Committee
<b>Date of Meeting:</b>	21 February 2023
<b>For Decision or For Information</b>	For Decision

<b>Linkage to Council Strategy (2021-25)</b>	
Strategic Theme	Local Economy
Outcome	Council contributes to increasing business start-up and survival rates
Lead Officer	Head of Service - Prosperity & Place

<b>Budgetary Considerations</b>	
Cost of Proposal	£123,755 indicative per annum 2023-2025. Note: The 2023/2024 period, Council has previously agreed funding totalling £113,059.
Included in Current Year Estimates	n/a
Capital/Revenue	Revenue
Code	TBC
Staffing Costs	Within budget

<b>Screening Requirements</b>	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:		
	EQIA Required and Completed:		
Rural Needs Assessment (RNA)	Screening Completed		
	RNA Required and Completed:		
Data Protection Impact Assessment (DPIA)	Screening Completed:		
	DPIA Required and Completed:		

## **1.0 Purpose of Report**

**The purpose of this report is to inform members of the new Northern Ireland (NI) Council-led Entrepreneurship Support Service being developed to replace the existing European-funded model that expires on the 31<sup>st</sup> March 2023. Council's statutory responsibility for enterprise development will continue beyond March 2023.**

## **2.0 Background**

The end of European Regional Development Fund (ERDF) in March 2023 is an opportunity to identify a new NI business support service that may be more conducive to the future ambitions of local Councils in the business start/growth arena. There is a considerable case for change. Shortfalls in NI's business start-up performance relative to other UK regions create the need to review/ re-position the business support infrastructure, with the aim of a step change in performance. Furthermore, the current enterprise ecosystem is complex and difficult to navigate meaning that those seeking support often find it difficult to get the right help at the right time.

All 11 Councils across NI worked together to develop an Outline Business Case (OBC) to assess the financial and operational implications of moving forward with a new NI Council-led Entrepreneurship Support Service. In line with Council's statutory remit; and the Department for Economy 10x Economy Vision and Economic Recovery Action Plan; the OBC proposed a new delivery model for the entrepreneurship support service.

## **3.0 Future Delivery Model**

The Department for Levelling Up, Housing and Communities (DLUHC), under the auspices of the UK Shared Prosperity Fund, has ring-fenced £17m for supporting NI businesses from 2023 to 2025, via a Council-led Entrepreneurship Support Service. UKSPF resources must be additional to statutory obligations or Council responsibilities for Local Economic Development, and the funding currently received by Councils to carry out this role (£241,116 annually from Central Government). The optimum delivery model specified is via one lead NI Council acting as a grant recipient on behalf of the 11 Councils, with associated Collaborative Agreements and governance arrangements in place.

DHLUC will support collaboration across all 11 Council areas on business support services for which they have policy responsibility. The UKSPF funding will augment Councils' core funding and start up offer, creating a simpler, joined up inter-face with businesses. Entrepreneurship support services will be flexible to meet the needs of each Council area, including demographics, urban/rural needs, sectoral priorities and local partnership arrangements.

Across NI, the project is expected to utilise £12m for the main entrepreneurship support service, with a further £5m for grants to enterprises, across the 2 years 2023-2025. Outputs required include the number of:

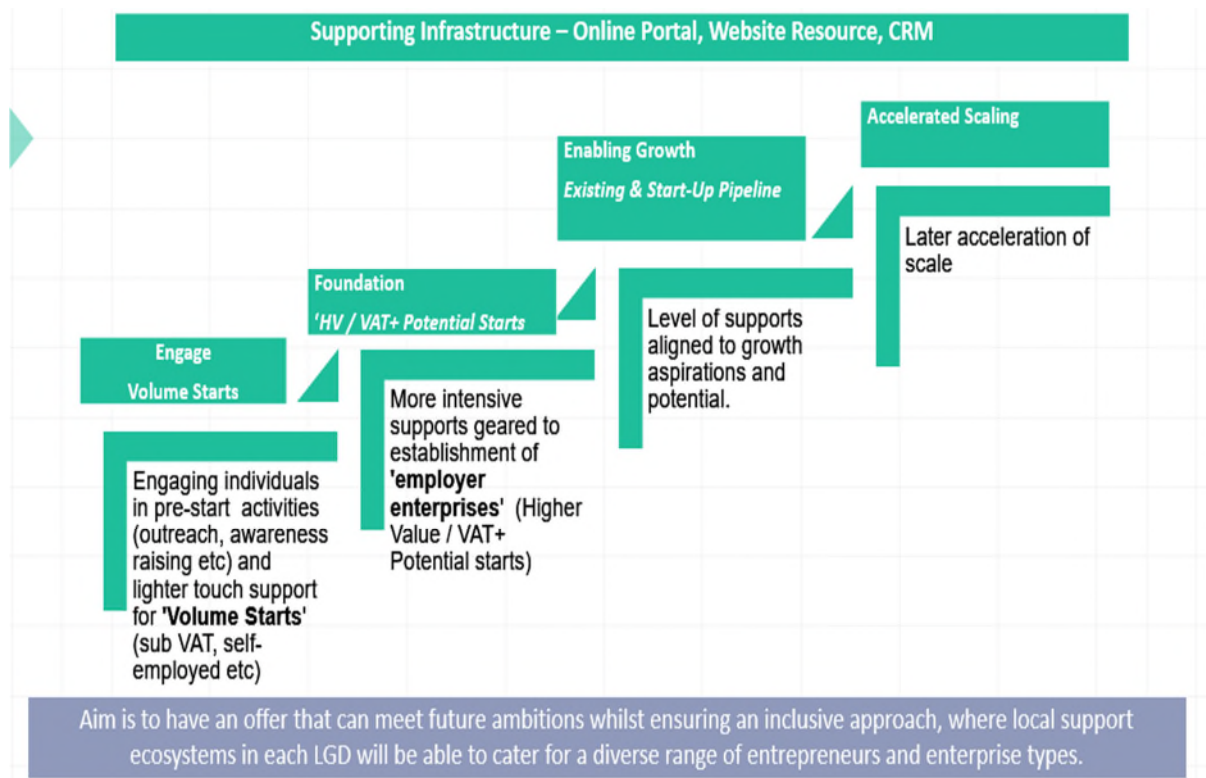
- Jobs created and safeguarded;
- New enterprises created;
- Businesses entering new markets;
- Businesses adopting new technologies;
- Businesses demonstrating improved productivity; and
- Businesses accessing grants and other financial support.

The proposed service aims to see businesses of all sizes supported to embrace innovation and new green technologies. UKSPF can contribute to this by investing in R&D grants, concept testing and acceleration, and wider knowledge exchange activities to foster a more innovative culture, particularly within SMEs across the region.

As detailed in Table One below, the proposed delivery model for the new Entrepreneurship Support Service consists of four pillars i.e.:

1. Engage;
2. Foundation;
3. Enabling Growth; and
4. Accelerated Scaling.

The proposed new entrepreneurship support service represents a continuum of support from pre-start support, through start-up and the growth journey thereafter. This may lead to transition to Invest NI support and/or acceleration of high-growth potential at any point.



**Table 1: Proposed Delivery Model for the new Entrepreneurship Support Service**

Pre-Market Engagement has taken place with economic development stakeholders from across NI, to collate their feedback on the proposed delivery model. The delivery model envisages contracts being allocated across five geographical areas based on the Invest NI Regional Office model. This will see Causeway Coast and Glens Borough Council in a geographical lot with Derry City and Strabane District Council. Members should note that, while the contracting will happen at the sub-regional (five area) level, all councils will engage on an individual council level with the Preferred Supplier for their area, to develop an annual service plan that reflects their local needs and ambitions – and is in line with the overall regional targets as agreed with the funder.

Procurement will commence in April 2023 and mobilisation expected from September 2023 for period 23/24 and 24/25. DHLUC will also provide funding for the delivery of a grant scheme to businesses and the working assumption, at this point, is grant amounts of between £1,000-£3,000 would be available to those businesses identified through the foundation or growth stages of the support service.

Work continues around the identification of parameters in relation to budget, with the expectation that the indicative annual contribution by Council will be in the region of £123,755.

**Members should note that budgets are indicative due to multiple variables within the new service and that additional funding options will be scoped with partners e.g., Department for Economy, Invest Northern Ireland.**

In relation to programme costs in 2023/2024, Council has already approved a budget totalling £113,059 in October 2022 based on a 12-month extension of the 'Go for It' Business Start programme. The programme extension has now been reduced to six months with the expectation that the new service will be operational mid-year and will include support for business start. The surplus of the 'Go for It' budget in-year would transfer to the new service to cover the majority of anticipated year one costs with a shortfall of approximately £10,700. Members are reminded that budgets are indicative.

At present, the workplan for the new service covers a number of strands of activity including:

- Marketing;
- Supporting architecture (MIS; portal; call handling);
- Funder engagement;
- Stakeholder engagement; and
- Management and governance.

Members should be aware that delivery will continue under the "Go for It" banner up until September 2023. This represents a six-month extension on the initial contracting period which has now been agreed with Enterprise NI via CPD.

#### **1.0 Recommendation**

It is recommended that the Leisure & Development Committee recommends to Council participation in the future NI Council Entrepreneurship Support Service funded by UK Shared Prosperity Fund over 2 years, 2023 to 2025, to meet statutory obligations in relation to supporting businesses to start and grow.