

<b>Report on</b>	Business Programmes – Updated Proposals to EU Growth & Jobs Programme
<b>Date of Meeting</b>	Thursday 10 May 2018
<b>Reporting Officer</b>	Fiona McKeown, Head of Economic Development
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<b>Is this report restricted for confidential business?</b>	Yes	
If 'Yes', confirm below the exempt information category relied upon	No	X

<b>1.0</b>	<b>Purpose of Report</b>
1.1	To provide Members with an update on key activities as detailed below.
<b>2.0</b>	<b>Background</b>
2.1	<p><b>Business Programmes – Proposals to EU Growth and Jobs Programme</b></p> <p>Four business support programme(s) have been developed for Members consideration, to seek support from the EU Growth and Jobs Programme (managed by Invest NI) over the next 4 years (to December 2022). Up to 80% funding is available under this Programme (60% from the ERDF Investment for Growth and Jobs Fund and 20% from Invest NI) with 20% contribution required from Council. While 80% is a significant funding contribution, in order to access this funding, Council must commit to Programmes achieving the main objective of creating 1 job for approximately £1,000 spend, (applications must have a minimum value of £250,000) which will be extremely challenging.</p>
<b>3.0</b>	<b>Main Report</b>
3.1	<p><b>Business Programmes – Proposals to EU Growth and Jobs Programme</b></p> <p>Approval is sought to submit the following business focused applications to the EU Investment for Growth and Jobs Programme (IGJ).</p> <p>Previous proposals included combined Programmes for 'Growth' and Digital Growth'. This has now been revised and it is recommended to submit two separate proposals, a 'Gearing for Growth Programme' and 'Digital First Programme', as this will maximise the benefits and impact for businesses.</p> <p>A third application is included for a new 'Tender Ready Programme' to help local companies identify, prepare and submit tenders to win new work.</p> <p>The fourth and final application is a 'Transform Programme' which will provide advice and guidance to businesses on what actions they need to take to both recruit and retain a workforce to meet the demands for new orders / sales. It is anticipated that, while this will be open to all sectors it will be in particular demand from agri-food and engineering businesses who are currently experiencing difficulties with finding ways to attract, recruit and retain employees.</p>

<b>Programme Name</b>	<b>Total Costs 100%</b>	<b>ERDF /Invest NI 80% Funding</b>	<b>Mid Ulster Council 20% Funding</b>
<b>Gearing for Growth Programme</b> <p>There is currently no dedicated support to help Mid Ulster businesses (both recent starts and existing companies) which have the capacity to grow and create jobs. This programme will provide a wrap-around service to drive business growth and support companies at one of the most important stages in their life cycle. The need for this Programme is evidenced within Mid Ulster's Community Plan.</p> <p>(250 businesses)</p>	407,100	325,680	81,420
<b>Digital First Programme</b> <p>This Programme aims to build the digital capacity of local businesses and provide support to businesses to increase their use and adoption of digital technology to increase sales, become more efficient, productive, and competitive and ultimately create new jobs.</p> <p>(150 businesses)</p>	269,700	215,760	53,940
<b>Tender Ready Programme</b> <p>This Programme will build the capacity of local businesses by helping them identify new work opportunities, prepare professional tender bids and get the necessary pre-qualification documents in place to become 'tender ready'.</p> <p>(130 businesses)</p>	261,200	208,960	52,240
<b>Transform Programme</b> <p>This Programme seeks to adopt an innovative approach to tackling the workforce issues currently affecting Mid Ulster businesses by providing tailored advice and guidance to</p>	264,200	211,360	52,840

businesses on measures they need to adopt to maximise recruitment potential and minimise attrition levels. This will require a robust review of the issues impacting on the business's employment difficulties and assistance to address these e.g., improving the efficiency and effectiveness of their recruitment processes, actions to increase the 'attractiveness' of the business to potential employees.			
<p>This intervention (if Application is successful) is designed to complement other initiatives addressing local workforce issues, adopting a partnership approach, with Council taking the lead and collaborating with local employers, education providers, business development bodies/ agencies and sectoral bodies to identify key issues and develop solutions to address the labour shortages in local companies which is impeding their growth prospects and presenting problems in meeting customer orders.</p> <p>(130 businesses)</p>			
<b>TOTAL</b>	<b>£1,202,200</b>	<b>£961,760</b>	<b>£240,440</b>

**These proposed programmes, if approved by Invest NI, will be delivered over an estimated 4 year period (to complete December 2022) and provide good value for money with Council expenditure of £240,440 accessing 80% ERDF and Invest NI grant in the region of £961,760 (£721,320 ERDF).**

However, including the Business Start grant element, this still means that Council will be accessing approx 64% of its 'allocated' ERDF amount, This is primarily due to the restrictive criteria of the IGJ Programme, including the requirement to create a job for every £1,000 spent, the minimum Programme value threshold of £250,000 and the significant subsidising required by Council for these (staff resources, marketing and evaluations etc).

The delivery of these Programmes, if applications are successful, will require significant resources and input from the economic development team. The current cost per job criteria also means that the Council will be required to achieve the creation of potentially in the region of 1,200 new jobs over 4 years.

Given these limitations and constraints, the submission of these 4 applications currently represents the best option for Council to facilitate the delivery of our economic plan.

	<p>Should any future opportunities arise which align with the actions in Council's economic plan arise, these will then be considered by Council.</p> <p>Members will be updated on the progress of the development of these submissions.</p>
<b>4.0</b>	<b>Other Considerations</b>
<b>4.1</b>	<p><b>Financial, Human Resources &amp; Risk Implications</b></p> <p>Financial:</p> <p><b>Business Programmes – Proposals to EU Growth &amp; Jobs Programme</b> Council funding of £240,440 over a period of 4 years to support four programmes; Gearing for Growth Programme, Tender Ready Programme, Digital First Programme and Transform Programme.</p> <p>Human:</p> <p><b>Business Programmes – Proposals to EU Growth &amp; Jobs Programme</b> The management of the delivery of these Programmes will require the allocation of a significant level of staff resources from the economic development section.</p> <p>Risk Management:</p> <p><b>Business Programmes – Proposals to EU Growth &amp; Jobs Programme</b> If Council's funding applications to the EU Investment for Growth and Jobs Programme are successful these carry a risk in terms of achieving the number of jobs created.</p> <p>Any offer of funding will be made on the basis that for each £1,000 of funding awarded, one job must be created. There is no other funding stream that attributes such a heavy burden to create jobs, however, in order to avail of the ERDF funding available to support Mid Ulster's economic needs, there is a need to accept that some level of risk does exist in terms of creating the number of jobs. Council officers will put in place steps to attempt all 'reasonable endeavours' to create the required jobs from the four programmes detailed in this report at section 3.1. The jobs requirement is as follows:</p> <ul style="list-style-type: none"> <li>• <b>£1,202,200 cumulative value of Programmes will require the creation of in the region of 1,200 jobs</b></li> </ul>
<b>4.2</b>	<p><b>Screening &amp; Impact Assessments</b></p> <p>Equality &amp; Good Relations Implications:</p> <p><b>Business Programmes – Proposals to EU Growth &amp; Jobs Programme</b> These Programmes will be open to all micro and small businesses throughout Mid Ulster; participant selection will be on set criteria based on the business not being eligible to receive similar support from elsewhere and having the capacity to implement the support to create at least one new job.</p> <p>Rural Needs Implications:</p> <p><b>Business Programmes – Proposals to EU Growth &amp; Jobs Programme</b> These Programmes will be open to micro and small businesses throughout Mid Ulster; participant selection will be on set criteria based on the business not being eligible to receive similar support from elsewhere and having the capacity to implement the support to create at least one new job. Delivery agents will be required to monitor the urban/rural profile of beneficiaries to report to Council.</p>

<b>5.0</b>	<b>Recommendation(s)</b>
5.1	<p><b>Business Programmes – Proposals to EU Growth &amp; Jobs Programme</b></p> <p>It is recommended to Members to;</p> <ul style="list-style-type: none"> <li>• Approve the submission of 4 applications for Business Support programmes (Gearing for Growth Programme, Tender Ready Programme, Digital First Programme and Transform Programme) requiring a contribution from Council's economic development budget of up to £240,440 over a four year period.</li> </ul>
<b>6.0</b>	<b>Documents Attached &amp; References</b>
	N/A