

EnterpriseZine Issue 1 May 2016

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Welcome to **EnterpriseZine** – a new bulletin from Enterprise Northern Ireland, the representative body for the network of Local Enterprise Agencies and the small business sector.

We'll be giving you information on news, events and policy that impact on the enterprise support sector and on the thousands of entrepreneurs, microenterprises and small businesses who look to the sector for guidance, help and advice.

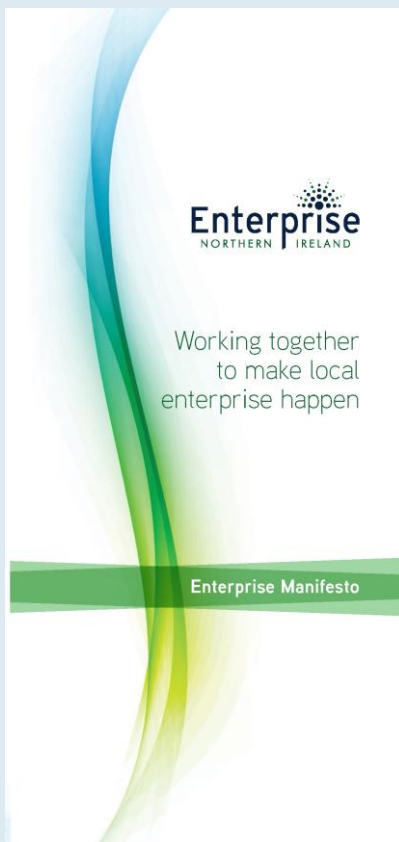
**EnterpriseZine** focuses on the policy and lobbying role within Enterprise Northern Ireland. For further information on this remit, please contact [Dr Caroline O'Kane](#), Information & Policy Officer.

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## **Enterprise Northern Ireland - Enterprise Manifesto**



2015 was a busy year for the Information & Policy Unit, with a number of key publications launched. This year is similarly gearing up to be as busy for the Enterprise Northern Ireland team. Future issues of **EnterpriseZine** will keep you updated regarding events and publication launches.

The first publication of 2016 was [Enterprise Northern Ireland's Enterprise Manifesto](#), which was launched in early March.

The Enterprise Manifesto called for entrepreneurship to be put at the heart of the new Department for the Economy and to be made an explicit priority within the new Programme for Government for the first time since 2002-2005, amid concerns that, despite being a prerequisite for delivering economic development and growth, entrepreneurship and enterprise have slipped down the Northern Ireland Executive's agenda. This focus will help give Northern Ireland the best possible chance at navigating challenging economic conditions through a growing private sector, sustainable job creation and an enhanced entrepreneurial culture.

The Enterprise Manifesto was based upon consultation with the Local Enterprise Agency network throughout Northern Ireland as to what they wished to be addressed by Enterprise Northern Ireland within the document. As well as calling for enterprise to be put at the heart of the new Department for the Economy, the document covers key areas of concern, including a need for politicians to focus attention on the microenterprise and SME sector and for improvements in the entrepreneurial culture of the region. The Enterprise Manifesto also calls for better broadband provision and reduction in the costs of doing business, both of which are known to dampen entrepreneurial spirit and limit business growth.

Northern Ireland is a small business economy and it is this sector that will drive forward our region's economic recovery and growth. With the Enterprise Manifesto, Enterprise Northern Ireland is

calling upon the incoming Executive to focus on growing the private sector by prioritising sustainable business formation and job creation through the SME sector – the backbone of the economy.

Enterprise Northern Ireland asks that all those standing for election to the Assembly show support for Enterprise Northern Ireland and the LEA network by adopting and enacting the recommendations made within the Enterprise Manifesto, and calls upon the next Executive and all incoming Assembly Members to work collaboratively with Enterprise Northern Ireland and the LEAs to set the small business policy agenda for the future, to help transform the business environment for the thousands of small businesses who seek our support annually and to work with us for a more prosperous society through the development and growth of the small business sector.

## **Corporate Partnership with Ulster Bank**

**EnterpriseZine** is brought to you in partnership with Ulster Bank. Enterprise Northern Ireland is delighted to have established a corporate relationship with Ulster Bank, who have a number of products and services available to help new business start-ups and existing businesses develop and grow.

**EnterpriseZine** represents just one element of the partnership. Building on a number of Access events during 2015, which brought would-be entrepreneurs, existing business owners and enterprise support providers together with representatives from Ulster Bank to talk about the financial considerations involved in starting, running and developing a small business, we plan to roll out a number of events during 2016.

Full details will be provided in further issues, but we plan to hold regional events which will give attendees the opportunity to engage in in-depth discussions with Ulster Bank staff with a view to resolving financial management issues associated with their business. Attendees will also be given access to local role models in the shape of successful business owners who have started their business and overcome obstacles with support of the LEA network.

In the past, both attendees and Ulster Bank representatives have welcomed the opportunity to engage in full and frank discussions around what business owners expect from a bank in a safe, facilitated environment. We envisage that future events throughout 2016 will provide the same opportunities for discussion and engagement.

### **Survey**

Enterprise Northern Ireland and Ulster Bank have used Access events in the past as way of determining what small business owners want from a bank. To promote this dialogue further, Enterprise Northern Ireland and Ulster Bank plan to launch a research report focusing on this hugely-important issue.



The report is drawn from a survey of small business owners conducted during February 2016. Short questionnaires were issued, with a solid response rate. Data analysis is currently being undertaken and we plan to launch the report over the coming weeks.

Survey participants were also invited to enter a draw to win an iPad Air, donated by Enterprise Northern Ireland. The lucky winner was picked at random and was Kim MacKenzie, owner of Seventh Heaven and provider of yoga and meditation classes at several venues across Belfast and to a number of corporate clients. Kim developed her business plan with support from North City Business Centre and was full of praise for the help and guidance she received from her business adviser.

Future issues of **EnterpriseZine** will profile Ulster Bank products and services, as well as relating key pieces of information relevant to the small business sector, allowing the enterprise support and small business sectors identify Ulster Bank products and services that help them meet their needs.

## **NI Assembly Departmental Restructure**

The Stormont House Agreement led the way for the Northern Ireland Executive to reduce the number of government departments from 12 to 9 after the 2016 Assembly Elections. The legislation needed to effect the change has been completed which makes general provision for the transfer of all assets and liabilities, including contractual rights, associated with a transferring Departmental functions.

The changes will take effect on **8th May 2016**, with the dissolution of three existing Departments, the renaming of most of the others and a reallocation and transfer of some departmental functions.

Details have now been confirmed around the reduction and the changes brought about by the transfer of functions between Departments. Of most interest and relevance to the enterprise support and small business sectors will be the new **Department for the Economy**, which will combine all the functions of DETI (with the exception of debt advice) and most of the current DEL (with the exception of the Employment Service and the Economic Inactivity Strategy).

The latter functions transfer to the new **Department for Communities**, along with all DSD functions plus:

- All functions from DCAL, including PRONI, with the exception of inland fisheries and inland waterways
- From current DOE: Local Government including 'Built Heritage' from Northern Ireland Environment Agency
- From current DETI: debt advice and Financial Capability Strategy
- From current OFMdFM: Social Investment Fund; Minority Ethnic Development Fund; policy responsibility for Older People and Active Ageing Strategy; policy responsibility for Disability Strategy, Anti-Poverty and Child Poverty; policy responsibility for gender and sexual orientation; Sponsor branch for Commissioner for Older People and Commissioner

for Children & Young People with the exception of the appointment of either Commissioner

This restructuring is being promoted as offering the potential to better promote the needs of business, highlight barriers to business creation and growth, and ensure joined-up working.

The transfer of functions to the other new Departments is also detailed below:

The new **Department of Agriculture, Environment and Rural Development** will take responsibility for:

- All functions of current DARD with exception of Rivers Agency
- From current DOE: environmental functions with exception of Built Heritage
- From current DCAL: inland fisheries
- Will also assume responsibility for the Sustainability Strategy

The new **Department for Infrastructure** will take responsibility for:

- All functions of current DRD
- From current DOE: vehicle registration, road safety and DVA functions; Strategic Planning
- From current DCAL: inland waterways
- Regenerations sites team

The new **Department of Education** retains all the responsibilities of the current Department in addition to taking charge of a range of children's services, which remains in DHSSPS and policy responsibility for the Childcare Strategy.

The new **Department of Finance** retains responsibility for all the functions of the existing DFP.

The new **Department of Justice** retains responsibility for all the functions of the existing Department as well as getting responsibility for Planning Appeals Commission and Water Appeals Commission from the current OFMdFM.

The new **Department of Health** retains its current functions, including responsibility for the Northern Ireland Fire & Rescue Service.

Under the restructuring, **OFMdFM** will be renamed the **Executive Office**. As detailed earlier, a number of functions have been removed from the current OFMdFM and transferred elsewhere. The new Executive Office will assume responsibility for the Strategic Policy and Innovation Unit.

The changes will come into effect on **8th May 2016**, following the Assembly elections on **5th May 2016**, when the new Ministers will be appointed. Although it is unknown which party will seek which Departmental portfolio, the new Permanent Secretaries for each of the new Departments

have been named: as follows:

<b>Department of Agriculture, Environment and Rural Affairs</b>	<b>Noel Lavery</b>
<b>Department of Communities</b>	<b>Leo O'Reilly</b>
<b>Department for the Economy</b>	<b>Andrew McCormick</b>
<b>Department of Education</b>	<b>Paul Sweeney</b>
<b>Department of Finance</b>	<b>David Sterling</b>
<b>Department of Health</b>	<b>Richard Pengelly</b>
<b>Department for Infrastructure</b>	<b>Peter May</b>
<b>Department of Justice</b>	<b>Nick Perry</b>
<b>Executive Office</b>	<b>Malcolm McKibbin</b>

### **Assembly Elections 2016 - Manifesto Pledges on the Economy**

With NI Assembly elections taking place on 5th May 2016, each political party has now issued their respective manifesto. **EnterpriseZine** highlights the key issues from each of the main party's manifestos with regard to the economy and the small business community.



The DUP's manifesto is built around a five point plan, one of which is the commitment to create more jobs, increase incomes and align skills provision from colleges and universities to match the needs of industry.

Recognising that some sectors and some parts of Northern Ireland have seen lower levels of job creation and slower economic recovery than others, DUP also want to see economic prosperity achieved and shared across Northern Ireland.

In order to move the economy forward by creating more and better jobs, DUP pledge action on corporation tax, an upscaling plan, a rural jobs focus and investment in skills, in order for the region to keep its most talented people and attract back those who have left, as follows:

- Commitment to delivering the 12.5% Corporation Tax rate in 2018, with consideration to eventually lowering this to 10%;
- Devolving to Councils the power and ability to lower business rates in their area by up to 3%, enhancing the Small Business Rates Relief Scheme and maintaining Industrial Derating;
- Commissioning a plan that will examine factors limiting the ability of small companies to

expand and employ more people, enabling them to make the step change to larger employers and added value;

- Ensure that Northern Ireland receives in full what is paid in by Northern Ireland companies under the new Apprenticeship Levy, with the flexibility to spend this resource on a broader skills agenda with FE colleges;
- Align the skills provision from colleges and universities to match the needs of indigenous companies and FDI and fully realise the potential of an integrated Enterprise and Skills Department;
- Put the development of the manufacturing base at the centre of economic strategy with focus on how to support the sector to ensure it can continue to grow, increase the number of employees and increase the value of exports;
- Encourage Innovation UK to establish a Northern Ireland base, to provide indigenous entrepreneurs within high growth sectors with support and linkages to the wider UK network;
- Implement the Innovation Strategy, with a focus on cross-cutting initiatives.



Sinn Féin were the last to launch their Assembly Manifesto, just a week before the election takes place, and have gone for a minimalist approach, presenting a list of simple pledges backed up by a list of their achievements to date. The party present a ten point plan, one of which centres on the economy and the pledge to create 50,000 new jobs through:

- Developing and implementing a Programme for Government that builds economic growth and jobs;
- Delivering an affordable and harmonised Corporation Tax by 2018;
- Addressing sub-regional inequalities in investment and job creation;
- Supporting the public sector by becoming a Living Wage employer;
- Ensuring Universities are funded to deliver the skills needed by the economy;
- Seeking the devolution of income tax, national insurance and other duties to the Northern Ireland Assembly
- Reducing commercial vacancy rates by placing a time limit on rates relief for empty premises.



The SDLP Manifesto pledges around the economy stem from recognition of an under-developed private sector, an over-reliance on the public sector and government subsidies. The manifesto pledges to ensure a fair regional balance with regard to investment in infrastructure, inward investment, training and skills and to refocus existing skills provision to ensure the future needs of a modern fast moving global economy are met.

SLDP believes that the Northern Ireland economy can only grow more rapidly if it adopts a number of key policy priorities, as follows:

- A focus on job creation – economy can only grow if it generates more employment and focuses on securing better paid jobs – and on rebalancing employment in favour of the highest value-added sectors.
- Investment in further education, apprenticeships and skills, to ensure that young people have the skills so that the Northern Ireland can compete for highly mobile, high value-added lucrative FDI. Will be achieved by refocusing support for third level education toward the STEM subjects and areas where graduates can add maximum immediate value to employers and the economy;
- Establishment of a Digital Technology and Coding Academy to facilitate training young people in skills of the future;
- Encourage greater co-operation between employers and the education system to enhance the attractiveness of apprenticeships and promoting them as an attractive alternative to FE, thus improving the economy, stimulating work and delivering new economic success;
- Prioritising key economic sectors – supporting traditional primary, manufacturing and services sector while prioritising new sectors where there is potential for growth and export – for instance, agrifood, tourism and ICT.
- Gaining control of further economic levers – although SDLP support the devolution of corporate tax powers, the manifesto states the party’s need to get control of more economic levers including new tax-raising and borrowing powers; support for Northern Ireland Executive to draw down European funds and implement new approaches to financing infrastructure investment;
- Ensure that Northern Ireland becomes a hub for exports, by leading a refocus of FDI and exports efforts to Europe and North America.
- Ensure that Invest NI and local economic development agencies strengthen and co-ordinate existing links abroad, and build new links through the Republic’s IDA and UK Trade & Investment;
- Support for SMEs, by enhancing broadband provision across Northern Ireland, reducing government payment terms to 14 days and ensuring that all public sector contracts are advertised on Central Procurement;
- Ensure that Invest NI, UK Trade & Investment and Local Enterprise Agencies strengthen support provided to small businesses wishing to trade here and abroad.

The logo for the Alliance party, featuring the word "Alliance" in a black serif font centered within a yellow rectangular background.

“Invest in jobs, skills and the economy” is one of five steps presented in the Alliance Manifesto, focusing on:

- The development of a “robust inter-Departmental economic strategy” which focuses on short-term job creation and growth, and longer-term strategies for increasing productivity and competitiveness;



- Investing at least an additional £85m each year in skills and infrastructure as key economic drivers in order to maximise opportunities arising from corporation tax reductions;
- Producing a strategy to support town centres and high streets and the businesses that are based there;
- Creation of a Prosperity Panel, comprising local and international experts tasked with examining international best practice and benchmarking Northern Ireland against other counties and regions, in order to transform the economy in terms of increasing productivity, raising employment levels, creating jobs and tackling disadvantage;
- Attract inward investment by committing to increases in investment in skills, innovation and infrastructure in order to maximise opportunities arising from lower levels of corporation tax and ensure a targeted approach to inward investment which targets key industries and sectors that will support the growth of local business, build on our competitive strengths and create high value jobs.
- Support the growth of entrepreneurial local businesses by reviewing the business support infrastructure to ensure it is sufficient for its purpose; work with local banks and financial institutions to facilitate easy access to finance; promote easier access to venture capital; streamline regulations; develop a SME integration strategy to ensure that local SMEs are integrated into the supply chain of larger companies; encourage greater export-led growth; support the development of incubation and cluster zones by working with businesses and councils to identify suitable sites; ensure the continued roll-out of high-speed internet to support small businesses;
- Support small businesses and enabling them to succeed by developing a comprehensive strategy to rejuvenate high streets and town centres; working with Councils to ensure they establish a formal mechanism to hear the voice of businesses in their new community planning process; supporting reform of the rates system, including the potential expansion of the Small Business Rate Relief Scheme and making it easier for businesses to set up in vacant premises and promote growth; consider amendments to procurement rules that make it easier for small businesses to bid; and ensuring economic policy is assessed for its impact on small businesses;
- Kickstarting wider government support for small and independent businesses including improving access to finance and promoting entrepreneurship to young people;
- Developing Business Improvement Districts whereby businesses fund regeneration in their area through a levy on business rates;
- Support the social economy and social enterprises by pushing for a comprehensive approach to the social economy with a dedicated Social Economy Strategy and examining other public finance arrangements which provide greater scope for social enterprises and development trusts;
- Investing in the skills infrastructure in order to maximise the efficiency of the economy and meet Northern Ireland's estimated skills requirements of 2020 by investing at least an additional £85m each year over the course of the next mandate of the Assembly. This will involve: addressing the funding deficits in higher education and investing for future demands; increasing the resources available to a business-focused Further Education sector; implementing the new Apprenticeship Strategy; and expanding the Assured Skills programme that directly addresses the needs of investors;
- Review of the cross-Departmental STEM Strategy;
- Mainstream the Assured Skills Programme;

- Implement the outcomes of the DEL Review of Management and Leadership;
- Commit to the provision of a revised Youth Employment Scheme, and for fresh resourcing of the Pathway to Success strategy.



The Ulster Unionist Party sees the new Department for the Economy as the achievement of a longstanding policy goal. The Party's Manifesto highlights the following as priority areas in terms of the economy:

- Development of a joined-up and deliverable action plan to grow the Northern Ireland economy, placed at the centre of the next Programme for Government;
- Implementation of the Economic Inactivity Strategy;
- Prioritise defeating long-term and youth unemployment;
- Support a Northern Ireland Social Value Act
- Develop and implement a bespoke, long-term manufacturing strategy for Northern Ireland;
- Re-commit to a lowering of Corporation Tax of 12.5% in April 2018, the earliest possible start date.

## Consultations

**EnterpriseZine** will include information on relevant Government consultation exercises which impact on the enterprise support and small business sectors.

At present, the Department of Finance & Personnel is consulting around alternatives for the Small Business Rate Relief Scheme.

The Small Business Rate Relief Scheme was introduced for a five year period on 1st April 2010 to support small businesses at a time of economic downturn. Since then, 111,000 awards have been made to non-domestic ratepayers at a cost of £61.5m.

In 2014, DFP commissioned a report into the effectiveness of the SBRR scheme which concluded that despite the scheme's popularity, it provided little economic benefit in terms of increased employment or additional investment. The report's authors – Ulster University's Economic Policy Centre – recommended that the scheme should be phased out as economic conditions improve, and that any replacement scheme should take a more targeted approach focusing on economic growth, to ensure value for money was maximised.

The scheme was extended from its initial five year time frame in 2015. Further provision has been made for the continuation of the SBRR scheme during 2016/17 in order to allow for further research into its potential replacement whilst avoiding a sudden increase in rates bills for those adversely

affected by the district rates convergence process as well as the revaluation exercise introduced in April 2015.

A discussion paper has been published, setting out the case for change to the SBRR scheme and presenting alternative ways in which the budget provision for the scheme from 2017/18 onwards could be used. The discussion document also seeks views and opinions on a number of options:

1. Do nothing – maintain the SBRR scheme in its current form
2. Phase out SBBR with no replacement scheme
3. Match funding for Business Improvement Districts
4. Rate relief to encourage:
  - investment and regeneration
  - town centre living
  - occupation of vacant premises

These options are not considered exhaustive and DFP and DSD are willing to consider any other ideas that are suggested.

The engagement process ends on 13th May 2016. The discussion document can be accessed at <https://www.dfpni.gov.uk/consultations/small-business-rate-relief-discussion-paper> and responses should be sent to:

**Rating Policy Division**  
**Department of Finance and Personnel**  
**Carleton House**  
**1 Cromac Avenue**  
**Gasworks Business Park**  
**Belfast**  
**BT7 2JA**

Or by email to : [ratingpolicy.cfg@dfpni.gov.uk](mailto:ratingpolicy.cfg@dfpni.gov.uk)

## **Events**

Ulster University Business School Business Institute is hosting a one day conference entitled 'Perspectives on the creation and development of effective entrepreneurship ecosystems in Northern Ireland' on Thursday 16th June 2016 at W5 in Belfast, 9.30am – 4.30pm.

The conference aim is to contribute to the development of the entrepreneurial capacity of Northern Ireland, achieving this through the bringing together of key entrepreneurship stakeholders to examine ways in which the entrepreneurship ecosystem in Northern Ireland can be further developed.

Speakers include representatives from Ulster University Business School, EY, Invest NI and LEDCOM with international input from Denmark and Sweden. Workshops will focus on regional development, harnessing the power of the private sector, education and clusters development.

Register for this free event at:

<https://getinvited.to/ulsterbizschool/uubs-entrepreneurship-conference/>

## **Promoting Second Chance Entrepreneurship with the Value of Failure Project**



Enterprise Northern Ireland is one of five partners involved in an EU-funded research study focusing on improving the environment for second chance entrepreneurship by addressing a number of financial, cultural and educational barriers which limit their chances of success. Our partners are The VisionWorks (Germany), Canice Consulting (NI), CreoMind (Poland) and project leaders, University of Szczecin (Poland).

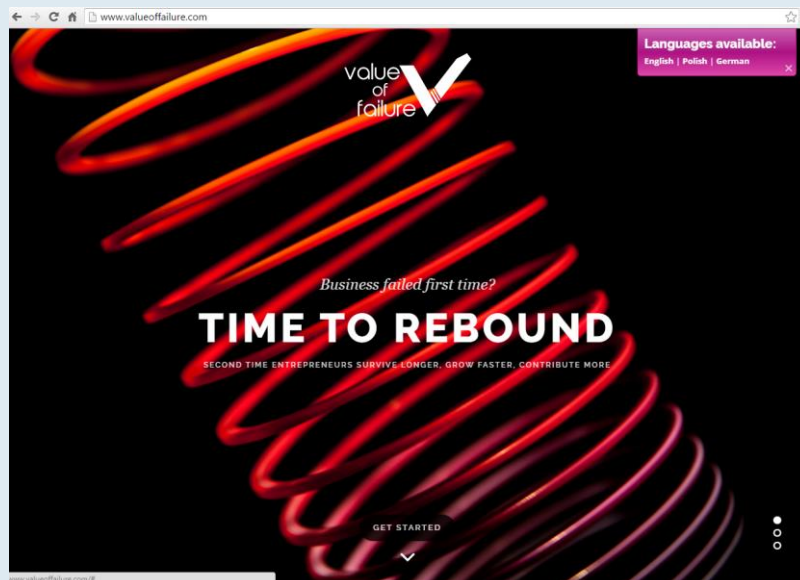
The project has seen the formation of Alliances in each partner's region comprised of a range of stakeholders with an interest in changing the environment for second chance entrepreneurs. In Northern Ireland, stakeholders come from the enterprise support, business development sector, banking and education sectors as well as a number of would-be business owners, entrepreneurs and second chance entrepreneurs. Following a series of plenary meetings, the Northern Ireland Alliance identified the need to improve access to finance, enterprise education and negative cultural and social attitudes to failure as priority areas in order to encourage more entrepreneurs with a previous failure experience try business ownership again.

There are a number of contributions of the Value of Failure project, which is approaching its final few months. For instance, a strategy document in the form of a Second Chance Entrepreneurs Alliance Toolkit was developed to guide the framework for the project. Partners are encouraging interested individuals and organisations to use the Toolkit to form their own Alliances in different EU regions and countries.

However, the principal contribution of the project has been to kickstart the development of a comprehensive and integrated international approach to second chance entrepreneurship by constructing tailor-made training and support for entrepreneurs with a previous failure

experience. High quality training and educational materials have been developed and recently pilot-tested. Once finalised, these will be available for HET and VET providers to use, free of charge, to encourage greater levels of entrepreneurial activity amongst students and second chance entrepreneurs.

We would encourage you to visit the project website and to contact Dr Caroline O’Kane if you require further information on setting up your own Alliance: [www.valueoffailure.com](http://www.valueoffailure.com)



## Contact Us

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