

19 March 1996

To: Liz Young

From: Malachy McKernan
EC Branch

LEDU PROPOSALS IN THE EU PEACE PROGRAMME

I attach, for information, copies of formal 'Application Forms' prepared by LEDU for 2 of their proposals under the Peace Programme:

Seed Capital Fund

Business Information Bureau

If you have any comments on either of these proposals I would be glad to hear of them.

You may already be aware that we are due to make a presentation to the DED Board on 1 April describing all the proposals put forward for the utilisation of DED's share of the Peace funding.

Malachy

LEDUFACSIMILE
TRANSMISSION
SHEET**MAKING THE DIFFERENCE**

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APPLICATION FOR FINANCIAL ASSISTANCE UNDER THE SPECIAL SUPPORT PROGRAMME FOR PEACE AND RECONCILIATION

(See Part II of the Notes for Guidance)

1. **Sub-programme** under which you are applying
S : Productive Investment and Industrial Development
2. **Measure** under which you are applying
2
3. **DETAILS OF APPLICANT** - See Notes for Guidance Part II Question 3

Name Local Enterprise Development Unit
Address LEDU House, Upper Galwally
Belfast

Telephone No. :	01232 491031	Postcode	BT8 4TB
Name of Contact :	David Greer/Eleanor Butterwick	Fax No.	01232 69432
Legal Status	Company Limited by Guarantee		

If applying on behalf of an organisation please summarise its aims and objectives

LEDU's goal is to play a leading role in the development of the small firms' economy within Northern Ireland. The organisation's objectives are as follows :

- To assist in the profitable growth of client businesses.
- To increase the number of business start-ups with particular emphasis on those with export growth potential.
- To play a leading role in the creation of an environment conducive to the establishment and growth of small business in Northern Ireland.
- To enhance economic activity within those areas designated as disadvantaged.
- To improve customer service levels through the operation of an efficient and effective organisation.

The project proposed within this application will assist LEDU to achieve its goal and objectives specifically in relation to generating higher levels of economic activity within disadvantaged areas. It will also contribute towards achieving greater levels of co-ordination between the diverse range of organisations involved in local economic development, enabling them to effectively target and deliver a comprehensive information service at local community level.

4. **DETAILS OF PROJECT** - See Notes for Guidance Part II Question 4

Title Establishment of a Business Information Bureau for Northern Ireland
Location Belfast

	Postcode
District Council/Local Authority Area	Belfast

4(a) **Project description** - please describe the project referring in particular to the background to and need for the project, its aims and objectives, potential benefits and timescales. For proposals which concentrate on the provision of vocational training, details should be given of the anticipated numbers of trainees/participants by year and the expected outcomes of the project e.g. numbers into employment, further/higher education, qualifications gained.

Background

To develop their competitiveness small companies need to be aware of the opportunities and threats to which they are exposed. The lack of ready access to timely, relevant, and accurate business information has often put small companies on the periphery of Europe at a relative competitive disadvantage. The need to address this has been clearly identified by the DTI in their report, 'Small Firms in Britain', 1994 :

'There are three main areas in which the need for direct assistance from government for small businesses has been identified :

- access to finance
- training and management skills
- *business information and advice*'

'Small firms have a wide range of information needs and few internal resources for meeting them.'

The findings from a recent survey by CBI/Price Waterhouse into exporting by small firms in Northern Ireland also reveals :

'the main problems small firms face in exporting their goods and services are a lack of resources and expertise to develop export markets, currency fluctuations, *lack of market information* and availability of finance/credit.'

The environment for the delivery of business information is rapidly changing. New technologies such as Internet, e-mail, file transfer and video conferencing offer new ways of delivering business information, and Northern Ireland has a well developed telecommunications infrastructure which offers quality, clarity, speed and reliability for both service provider and customer. Many influential bodies have supported the view of a society in which information becomes a key commodity to be traded and used as the means to achieving competitiveness in business. The European Commission set up a high level group of experts in 1994 to establish an action plan to address the implementation of the Information Society objectives as defined in the Bangemann Report and there are now programmes established to implement these objectives. The growth of Internet to 25000 interconnected networks and 40 million users of which more than 60% are businesses changes the balance of the competitive performance objectives for many market sectors and has led to the emergence of a new industry exploiting the opportunities which this medium opens up.

The Need

For most small businesses, information-seeking is a haphazard affair. Most want a fast and reliable response to queries. This is rarely possible, given the number and range of available sources. In this light, it is considered appropriate to have a coherent access network which will help businesses cut through the 'information maze'.

In addition new technologies such as Internet offer new marketing opportunities, to which SMEs in Northern Ireland have been slow to respond. The project aims to develop pilot projects for Internet marketing and to raise awareness of the opportunities created through this new communication medium.

Due to the increasing number of organisations involved in local economic development, there is a growing threat of fragmentation and service duplication, resulting in an ineffective use of financial and human resources. Providing these organisations with up to date and relevant local economic data from a central source will assist in the co-ordination of this network. Doing so will provide local economic development players with the information they require to effectively direct and target their resources.

Objective

This project proposes to establish a **Business Information Bureau for Northern Ireland** which will act as the 'hub' from which business information will be delivered through local providers ('business information shops') based in, for example, LEDU Regional Offices, Local Enterprise Agencies, District Councils, and other relevant local economic development organisations. In addition, businesses could have direct on-line access to the bureau network through a computer/modem connection. This would also enable them to access external markets through the use of the Internet as a marketing platform.

It is believed that such a resource will strengthen the competitive advantage of small firms, and enhance their potential to develop export markets. Using advanced technologies to enable this information to be delivered at local level allows the targeting on those areas which are designated as disadvantaged, and which have suffered most from the conflict within Northern Ireland.

In addition, due to the growing interest of district councils, and other local interest groups in economic development, there is a recognised need to co-ordinate the efforts of all players to avoid duplication and to ensure an effective delivery of services in response to local needs.

The establishment of a centralised **Business Information Bureau for Northern Ireland**, which is responsible for acting as the supplier of information to these local players will assist in reducing duplication of effort, and ensure a level of co-ordination otherwise unobtainable within a potentially fragmented marketplace.

Potential Benefits

The benefits resulting from the establishment of such a centre are summarised as follows :

- The delivery of business information at local level, thereby enabling the targeting of areas which are economically disadvantaged.
- Higher levels of co-ordination and co-operation between agencies involved with local economic development.
- The provision of a comprehensive information infrastructure within Northern Ireland.
- The avoidance of duplication of effort on the part of economic development agencies operating across Northern Ireland.
- The provision of relevant business information in a timely and cost effective manner in response to the needs of local businesses and potential business start-ups, thereby encouraging the development of enterprise, particularly in those areas which have suffered most due to the conflict within Northern Ireland. Encouraging enterprise within these local communities will assist in addressing the destabilising influences caused by economic and social deprivation, resulting in reinforcing the peace process currently taking root within Northern Ireland.
- The information infrastructure which this service will create will also encourage and facilitate communication between the users of the system, thereby improving dialogue and relationships between different geographical areas within Northern Ireland.
- The technology used by the project will provide more businesses within Northern Ireland with access to the Internet, and enable them to use this as a marketing platform to sell their products to export markets.
- The provision of economic information to assist in directing the activities of local economic development organisations.

Timescale

This project will commence in March 1996, and will run to end of 1999. Initial estimates of the financial implications are detailed in Section 6. The timing of major events is outlined as follows :

- 1996 Appointment of a Project Team
Development of a detailed Action Plan
Formation of the Bureau and development of branding concept
Development of databases
Establishment of IT infrastructure
Initiation of business information partnerships
- 1997 High profile communication exercise
Implementation of strategy through local economic development organisations
Implementation of monitoring procedures

Once the **Business Information Bureau for Northern Ireland** has become established it is expected that it will generate revenue from those organisations which use its services. This will contribute towards ensuring its long term relevancy and survival.

4 (b) How would the project meet the objectives and selection criteria of the relevant measure of the Special Peace and Reconciliation Programme ? You should also comment on the relevance of the project to the overall strategic aims of the Programme and relevant Sub-programme

This project will put in place a business information service within Northern Ireland which will provide a direct and local response to the needs of those currently in business and to individuals seeking to establish a business.

It will assist LEDU in achieving its objectives of encouraging enterprise and developing the competitiveness of existing businesses. In addition it will contribute to ensuring higher levels of co-ordination between agencies, resulting in a more effective delivery of services, leading to effective long term job creation within the Northern Ireland economy.

This service will initially be targeted at those geographical areas within Northern Ireland which have been most affected by conflict and those which have suffered most due to economic disadvantage. The service proposed will stimulate higher levels of economic activity within these areas, thereby assisting in the reinforcement of long term peace and reconciliation.

4(c) Estimated start date : March 1996

4(d) Estimated end date : December 1999

4(e) Estimate how many jobs will be created (if appropriate) N/A

(I) Permanent Full-time

Permanent Part-time

(ii) Temporary Full-time

Temporary Part-time

Monitoring systems will be put in place to measure service uptake levels and to assess the impact of awareness strategies. Independent reviews of the service will also be conducted to monitor user satisfaction levels.

4(f) Give details of the relevant functions/activities currently provided in the area that are similar to those offered by the project. How will your project complement these activities ?

Northern Ireland currently has in place several business information providers, one of which is the European Business Information Centre (EBIC), which are geographically and financially restricted in their ability to meet all the business information needs of users throughout Northern Ireland. This project sets out a wider vision of information provision for Northern Ireland, considerably adding to existing levels of service provision, through the application of advanced information technologies, and enabling greater Internet and database access.

The service provided by the **Business Information Bureau for Northern Ireland** will not only compliment the activities of those organisations involved with local economic development, but will also contribute towards achieving a much needed co-ordinated approach.

It will also compliment LEDU's strategy of focusing resources on the most economically disadvantaged areas, by putting in place an information infrastructure capable of targeting these areas directly.

4(g) *In the case of projects which offer a service give details of the expected level of use.*

A central aim of the project will be to simulate local economic development through i.e. provision of relevant and timely information. Generating higher levels of awareness of the benefits offered by the service will be crucial to its success. It is intended to achieve a target of 90% awareness by existing companies of the service, and to set an access target of 50%.

4(h) *Give details of those groups (e.g. community, women, youth) which the project will target and say how they will benefit.*

The project will initially be targeted at the most economically disadvantaged areas within Northern Ireland. Working in close co-operation with local councils and enterprise agencies will ensure effective focused delivery. The provision of the service will stimulate enterprise and entrepreneurial activity, resulting in job creation, and a reduction in the levels of economic disadvantage.

4(i) *Will the project have any effect on the environment ?*

Yes ☐ No ☒

Note: Planning permission is required for infrastructure projects. An environmental impact assessment will also be carried out on projects as appropriate.

If 'Yes' please give details

4(j) *Is this application*

(i) *Relevant to Northern Ireland only ?*

Yes ☒ No ☐

(ii) *Relevant to the Border Counties of Ireland only ?*

Yes ☐ No ☐

(iii) *A joint cross-border project ?*

Yes ☐ No ☐

If (iii) give the identity of the lead parties on both sides of the border

5. *(See Part II Notes for Guidance Question 5)*

Have you received, applied for, or intend to apply for financing for this project from another sub-programme/measure under this Programme, any other European Programme or other funding source (e.g. IFI) ?

Yes ☐ No ☒

If 'Yes' please state

(i) *Received/applied for/intend to apply (delete as applicable)*

(ii) *Programme/Initiative/Sub-programme/Measure under which the application was made:*

(iii) *To whom the application was made*

(iv) *Date of application*

(v) *Was the application approved?*

Yes ☐

No ☐

Decision Awaited ☐

(vi) *Details (amount approved, date paid, etc.)*

6. **FINANCIAL DETAILS** - See Notes for Guidance Part II Questions 6

6(a) *What is the estimated total cost of the project?* £1.42m

6(b) *How much Structural Funds grant are you seeking under the Special Support Programme for Peace and Reconciliation? For what will these funds be used?*

£1.32m to be used to develop the technical and information infrastructure necessary to provide the service described, and to enable its implementation and acceptance within the Northern Ireland economic development arena.

6(c) *Please provide details of all sources of funding.*

Possible sources of funding	Amount £			% of total amount		
	Capital	Recurrent	Total	Capital	Recurrent	Total
Special Support Programme	990			70		
Central Government	330			23		
Local Government	100			7		
Other European programmes						
Own Resources*						
Other e.g. IFI (please specify)						
Total	1420			100		

*Applicants must be able to demonstrate that these resources are available

6(d) *Please provide details of the anticipated phasing of the expenditure.*

Year	EC Grant	Central Govt	Local Authority	Own Resources	Other	Total
1995						
1996	450	150				600
1997	395	130	50			575
Residual expenditure	145	50	50			245

6(e) Please provide a detailed breakdown of the total cost of the project (e.g. administrative costs, premises, salaries, consultancy fees, land costs etc.).

Administrative :	£70,000
Consultancy :	£200,000
Database Development :	£350,000
Promotional Costs :	£50,000
Equipment :	£250,000
Salaries :	£150,000
Premises :	£250,000

7. OTHER INFORMATION

Please provide any other information which you consider relevant to your application and list any reports etc. relating to your organisation and/or the project which you have enclosed with this application.

'Few things so stimulate economic growth as the rapid development of information, whether telecommunications, computer data, computer networks or entertainment media.' These are the words of business guru, Peter Drucker. Northern Ireland, today lags behind other parts of the UK and Europe in of information technology to deliver information to businesses.

Being able to respond quickly to the demands of the marketplace is a key determinant of business success. The provision of an infrastructure to make business information more accessible to businesses within Northern Ireland will support their efforts to achieve competitive advantage. LEDU believes that the project outlined within this proposal will make a vital contribution to the establishment of more enterprising and dynamic economy within Northern Ireland, especially within those areas at most economic disadvantage.

8. DECLARATION - See Notes for Guidance Part II Question 9

- I declare that all the information provided is true and correct.

Signed

on behalf of the organisation

Date

Name in capitals :

David Greer

Position held

Senior Strategic Planning Executive

Signed

on behalf of the organisation

Date

Name in capitals :

Eleanor Butterwick

Position held :

Senior Information Executive