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20th February 2012

Dear Joe,

At oral questions on Monday 6th February I undertook to come back to you on a number of questions you had raised. Answers to your queries are provided as follows.

1. What consideration has been given to returning to some sort of start-up grant?

The grant was removed from the Start a Business Programme (SABp) in 2008 following an independent evaluation in 2006 which highlighted that 75% of participants would have participated on the programme even if no grant element had been available. This gave rise to concerns in respect of the additionality of the grant finance and associated value for money issues. The evaluation identified that the start-up grant was a motivating factor in participants undertaking the programme but not in starting up a business.

A further review was carried out in 2009 looking at SABP participant trends pre and post the grant era. A key focus of this research was to establish the influence of the removal of the grant assistance. The report also noted that over half (57%) of those interviewed stated that the absence/removal of a grant was not important. The report concluded that the level of grant funding (£400) was not sufficient in the main to alter the position of an individual starting a business.

As I highlighted at the session, as part of the new Jobs Fund Invest NI has introduced a start up incentive for those starting new businesses in Neighbourhood Renewal Areas and for those individuals Not in Employment Education or Training. The grant available is £1,000 and £1,500 respectively.

On the issue of the reintroduction of a more widely available start up grant, this is an area that does require some further analysis and review and I have asked Invest NI to consider how best to take this forward. I will of course keep members informed of progress.

2. How much is being invested in the Boosting Business campaign?

You will recall that I informed The Assembly that 3,214 new enquiries had been received by Invest NI since the start of the Boosting Business campaign on 14th November 2011. This is well in excess of the campaign target of 2,500 enquiries.

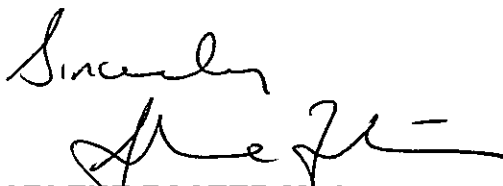
It is important to point out that the vast majority of these enquiries were dealt with successfully by experienced Invest NI staff, operating within a newly-formed Enquiry Handling Team. These call advisers provide a range of business advice, guidance and information, which includes directing enquirers to other Government departments and sources of useful information (e.g. DEL, www.nibusinessinfo.co.uk and the other services provided by the wider enterprise community).

The total cost of the promotion and advertising campaign for the Boosting Business initiative is £498,770. Only three months into the campaign, 488 projects have been added to Invest NI's work in progress with a further 83 projects added to work in progress via The Jobs Fund. These projects have the potential to create approximately 1,000 new jobs and lever investment of £71m. I am also pleased to report that as a result of two promotional campaigns by Invest NI to encourage applications from businesses to support their R&D projects, as at 8th February 2012, 28 applications have been received with grant offered totaling £380,353.

The excellent attendances at the nine 'Focus on Finance' workshops that took place during December and January has, to date, resulted in 126 businesses being offered up to five days business consultancy support totaling £393,120 with a further 65 offers of support totaling £202,800 currently awaiting approval. The success of these workshops has led to a further three workshops being designed, under the banner of 'ABC of Selling'. These workshops will take place over the next two months and will provide participants from a broad cross-section of businesses with practical advice and guidance on how to promote and sell their products and services.

Invest NI will continue to monitor and review the impact of the Boosting Business campaign and will be proactive in designing new initiatives, as appropriate, to meet the needs of our customers and the wider business base. While our local businesses continue to operate in a challenging and difficult economic environment and there is much work still to do, I am assured that Invest NI's Boosting Business campaign is making a real contribution 'on the ground' and good progress is being made.

I will arrange for a copy of this letter to be sent to the Speaker's Office and that a copy will be placed in the Assembly Library



ARLENE FOSTER MLA

Minister of Enterprise Trade & Investment