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Support for Entrepreneurship in NI and ROI

Key points

- The Northern Ireland Executive Programme for Government (PfG) 2002-2005 made entrepreneurship a priority, recognising that 'promoting competitiveness requires focus on entrepreneurship, innovation and creativity' and committing the Executive to take action to in these areas.
- By contrast subsequent PfG have not included an explicit commitment to promote entrepreneurship.
- The 2008-11 PfG references entrepreneurship in the context of the tourism industry only. The PfG 2011-15 makes passing reference to NI's 'strong entrepreneurial tradition'.
- Promoting entrepreneurship does form part of the NI current Economic Strategy. It is identified as a historic weakness. The strategy sets targets to promote '6,500 jobs in new start-ups', support 60 start-ups to sell outside the UK and 440 to sell to the UK and to support 160 social economy start-ups.
- Northern Ireland's innovation strategy seeks to double the business start-up rate from 7% to 14% by 2020.
- In the Republic of Ireland, the recently published National Policy Statement on Entrepreneurship (2014) places entrepreneurship at the centre of the country's

economic strategy. It recognises that *‘growing the number of successful entrepreneurs and start-ups is, and will continue to be, hugely important for Ireland’s economic development and wellbeing’*.

- The National Policy Statement has set out ambitious medium term targets which are aimed at encouraging entrepreneurship. These include increasing the number of start-ups by 25% over five years (representing an additional 3,000 start-ups each year) and increasing the survival rate of start-ups by 25% (representing an additional 1,800 start-ups each year).

1 Introduction

This paper compares the range of support for entrepreneurship in Northern Ireland (NI) and the Republic of Ireland (RoI). It examines these supports against the background of the recently published RoI policy framework, the *National Policy Statement on Entrepreneurship in Ireland*. The paper provides an overview of the relevant schemes and initiatives delivered in NI and RoI. It also highlights the tax based incentives provided to entrepreneurs and initiatives that specifically target High Potential Start-Ups (HPSUs).

2 Policy Background

2.1 Northern Ireland

The Department of Enterprise, Trade and Investment (DETI) has primary responsibility for overseeing the promotion of enterprise and entrepreneurship in NI. However, Invest NI (INI) is tasked with the actual delivery of DETI's policies and strategies. This includes stimulating entrepreneurial activity and providing development support to new and emerging businesses. The current INI Corporate Plan includes a commitment to: ‘encourage entrepreneurship and new business development and growth’¹

In 2003, INI published *Accelerating Entrepreneurship Strategy: a Strategy to Increase the Levels of Entrepreneurial Activity in Northern Ireland*.² This was in response to a Programme for Government (PfG) 2002-2005 commitment to address the historically low level of entrepreneurial activity in NI. Under Priority 5: Sub-priority 4, the NI Executive recognised that “promoting competitiveness requires focus on entrepreneurship, innovation and creativity” and committed to continue to take action to promote these.³

¹ Invest NI *Corporate Plan 2011-2015* (2011) p.17 <http://secure.investni.com/static/library/invest-ni/documents/corporate-plan-2011-2015.pdf>

² Invest NI *Accelerating Entrepreneurship Strategy: a Strategy to Increase the Levels of Entrepreneurial Activity in Northern Ireland* (2003) <http://secure.investni.com/static/library/invest-ni/documents/accelerating-entrepreneurship-strategy-first-edition.pdf>

³ NI Executive *Programme for Government 2002-2005* (2002) p.48

INI's strategy sought to accelerate entrepreneurship, increase the number of business start-ups and provide a responsive network of support to meet the needs of all new business start-ups.⁴

The Strategic document was accompanied by the *Entrepreneurship and Education Action Plan*. This inter-departmental initiative aimed to meet the NI Executive's commitment to promote entrepreneurial activity by embedding entrepreneurship in the school curriculum. The *INI Corporate Plan 2008-2011* also acknowledged the importance of a co-ordinated approach to entrepreneurship education, pledging to:⁵

Liaise with DETI, DEL and DE to ensure that entrepreneurship is embedded effectively at all levels of the education system.

Subsequent PfGs have not featured an explicit commitment to promote entrepreneurship. PfG 2008-2011 references entrepreneurship only in the context of the tourism industry⁶, while PfG 2011-2015 makes only a passing reference to NI's 'strong entrepreneurial tradition'⁷.

Invest NI set out a number of relevant targets in their 2011-2015 Corporate Plan: promote 6,500 new jobs through local business starts; support 160 Social Economy start-ups; support 60 start-ups selling outside UK markets; and support 440 new start-ups selling to GB.⁸

The *Northern Ireland Economic Strategy* (March 2012) identified 'low levels of entrepreneurship' as a historic weakness in the NI economy and acknowledged the important role of the NI Executive in:⁹

Setting the framework for growth and outlining the necessary actions to stimulate growth in areas such as innovation, R&D, skills, education, exports, FDI and entrepreneurship.

The strategy sets targets to promote '6,500 jobs in new start-ups', support 60 start-ups to sell outside the UK and 440 to sell to the UK and to support 160 social economy start-ups.

Similarly the *Innovation Strategy* (2014-2025) acknowledges the need to encourage 'higher levels of entrepreneurship' and to 'examine ways to encourage our young people to be more entrepreneurial', noting that:¹⁰

⁴ Invest NI *Accelerating Entrepreneurship Strategy: a Strategy to Increase the Levels of Entrepreneurial Activity in Northern Ireland* (2003) p.5

<http://secure.investni.com/static/library/invest-ni/documents/accelerating-entrepreneurship-strategy-first-edition.pdf>

⁵ Invest NI *Corporate Plan 2008-2011* (2008) p.17 <http://secure.investni.com/static/library/invest-ni/documents/corporate-plan-2008-2011.pdf>

⁶ NI Executive *Programme for Government 2008-2011* (2008) p.33 <http://www.northernireland.gov.uk/pfgfinal.pdf>;

⁷ NI Executive *Programme for Government 2011-2015* (2011) p.13 <http://www.northernireland.gov.uk/pfg-2011-2015-final-report.pdf>

⁸ Invest NI *Corporate Plan 2011-2015* (2011) p.17 <http://secure.investni.com/static/library/invest-ni/documents/corporate-plan-2011-2015.pdf>

⁹ Northern Ireland Executive *Economic Strategy: Priorities for Sustainable Growth and Prosperity* (2012) p.30 <http://www.northernireland.gov.uk/ni-economic-strategy-revised-130312.pdf>

Developing this entrepreneurial spirit will be important in achieving our vision of Northern Ireland becoming a highly innovative region, we will therefore examine how we can increase the support offered to our young people to engage in entrepreneurial activity.

A number of indicators were identified in order to measure the success of the *Innovation Strategy* in delivering on its overarching vision. However, the only target that relates directly to entrepreneurial support in NI is the goal to double the business start-up rate from 7% to 14%¹¹ by 2020.¹²

2.2 The Republic of Ireland

The *Entrepreneurship in Ireland* report (also known as the 'Goodbody Report'), published in November 2002,¹³ was commissioned with a view to making policy recommendations aimed at encouraging entrepreneurship in RoI.¹⁴ Forfás published a second report identifying the need to improve the entrepreneurial culture in RoI in 2007.¹⁵ Despite these earlier interventions, the first comprehensive national strategy for entrepreneurship in RoI was not published until October 2014, with the release of the *National Policy Statement on Entrepreneurship in Ireland*.¹⁶ This document draws on the report of the Forum on Entrepreneurship published in January 2014. This *Action Plan for Jobs 2014* committed the Government to develop and implement "A clear strategy with medium term actions for entrepreneurship through a National Entrepreneurship Policy Statement."¹⁷

The National Policy Statement includes a series of targets covering a five-year period. These are:

- Increasing the number of start-ups by 25 per cent (representing 3000 more start-ups per annum);
- Increasing the survival rate in the first five years by 25 per cent (1800 more survivors per annum); and

¹⁰ Northern Ireland Executive *Innovation Strategy for Northern Ireland 2014-2025* (2014) p.35

http://www.detini.gov.uk/innovation-strategy-2014-2025_2.pdf

¹¹ Rate is expressed as a percentage of the total active business base.

¹² Northern Ireland Executive *Innovation Strategy for Northern Ireland 2014-2025* (2014) p.59

http://www.detini.gov.uk/innovation-strategy-2014-2025_2.pdf

¹³ Goodbody Economic Consultant *Entrepreneurship in Ireland* (2002)

http://www.competitiveness.ie/media/ncc021101_entrepreneurship_in_ireland.pdf

¹⁴ The report was commissioned by Forfás, the National Competitiveness Council, Enterprise Ireland and the Department of Enterprise, Trade and Employment.

¹⁵ Forfás *Towards Developing an Entrepreneurship Policy for Ireland* (2007)

http://www.forfas.ie/media/forfas071023_entrepreneurship_policy.pdf

¹⁶ Department of Jobs, Enterprise and Innovation *National Policy Statement on Entrepreneurship in Ireland* (2014) p.8

<http://www.enterprise.gov.ie/en/Publications/National%20Policy%20Statement%20on%20Entrepreneurship%20in%20Ireland.pdf>

¹⁷ Department of Jobs, Enterprise and Innovation *Action Plan for Jobs 2014* (2014) p.11

<http://www.djei.ie/publications/2014APJ.pdf>

¹⁷ Entrepreneurship Forum *Entrepreneurship in Ireland: Strengthening the Start-up Community: Report of the Entrepreneurship Forum* (2014) <http://www.djei.ie/enterprise/smes/EntrepreneurshipForumReport2014.pdf>

- Improving the capacity of start-ups to grow to scale by 25 per cent.

Its strategic objectives are set out under six themes:

- Culture, human capital and education;
- Business environment and supports;
- Innovation;
- Access to finance;
- Entrepreneurial networks and mentoring; and
- Access to markets.

The strategic objectives include:¹⁸

- New mentoring services for start-ups, including a national database of mentors;
- Entrepreneurship programmes in schools, third and fourth level education, and in new apprenticeships systems;
- New targets for government agencies, including a 12 per cent increase in start-ups supported by Enterprise Ireland by 2015;
- New marketing plan to promote Ireland abroad as a location for international start-ups;
- Measures to promote entrepreneurship among under-represented groups, including women, young people, migrants and older people;
- Specific reductions in the administrative burdens facing start-ups, including the length of time it takes to register a new business and the burden of applying for licences;
- Doubling the volume of funding to start-ups in Ireland from business angel investment; and
- An annual report to the Minister for Jobs, Enterprise and Innovation analysing Ireland's performance in entrepreneurship against domestic and international benchmarks.

The *National Policy Statement* also considers a range of taxation issues which, if addressed, could improve the prospects for start-ups in Ireland. The following aspects of the taxation system may be considered by the Minister for Finance in the context of future Budgets:¹⁹

- Share-based remuneration in private companies;
- Seed Capital Scheme and Employment and Investment Incentive;
- Capital Gains Tax; and

¹⁸ Department of Jobs, Enterprise and Innovation *National Policy Statement on Entrepreneurship in Ireland* (2014) pp.12-13
<http://www.enterprise.gov.ie/en/Publications/National%20Policy%20Statement%20on%20Entrepreneurship%20in%20Ireland.pdf>

¹⁹ Department of Jobs, Enterprise and Innovation *National Policy Statement on Entrepreneurship in Ireland* (2014) pp.26-27
<http://www.enterprise.gov.ie/en/Publications/National%20Policy%20Statement%20on%20Entrepreneurship%20in%20Ireland.pdf>

- Income tax.

The specific objectives to be achieved in 2015 are set out in the Government's current *Action Plan for Jobs*.²⁰ The ROI Government intends to progress the actions from the *National Policy Statement* during the current year by:²¹

- Utilising the New Frontiers Programme to support emerging entrepreneurs;
- Delivering a pilot of a new Entrepreneur Partnering Programme²² (the programme will match entrepreneurs with host enterprises, allowing them to house their business for a period of one year); and
- Developing an action programme of support for pre-investment HPSUs.

The *Action Plan* also includes details of 'The Start-up Gathering', a new weeklong networking initiative that will be led by the not-for-profit organisation Start-up Ireland. Using the successful model of 'The Gathering' (2013), a series of events and projects will be held during the week of 05 to 10 October, themed around entrepreneurship, start-ups and existing industry clusters present in Dublin, Cork, Limerick, Galway and Waterford.²³

Annex 1 outlines further information on the specific actions outlined in the 2015 *Action Plan*.

3 Support providers

This section briefly outlines the various bodies providing support for entrepreneurship in both jurisdictions.

3.1 Northern Ireland

As noted above, DETI has primary responsibility for the promotion entrepreneurship in NI. There are a range of support providers:

- **Invest NI** – INI provides a portfolio of support to potential and existing entrepreneurs in NI. The suite of programmes developed by INI, which includes advisory services and grant support, aims to create a supportive environment for indigenous start-ups as well as attract overseas entrepreneurs to start their business in NI.

The schemes and initiatives provided by INI are constantly evolving as sector priorities, target audiences and strategic goals change. Currently, the most high

²⁰ Department of Jobs, Enterprise and Innovation *Action Plan for Jobs 2015* (2015) p.86
<http://www.djei.ie/publications/2015APJ.pdf>

²¹ *Ibid.*

²² Department of Jobs, Enterprise and Innovation *Action Plan for Jobs 2015* (2015) p.85
<http://www.djei.ie/publications/2015APJ.pdf>

²³ Department of Jobs, Enterprise and Innovation *Action Plan for Jobs 2015* (2015) pp.90 -92
<http://www.djei.ie/publications/2015APJ.pdf>

The Start-up Gathering was officially launched on 04 March 2015. <http://startupireland.ie/a-big-day-for-irelands-startup-sector-the-startup-gathering-has-its-call-for-proposals/>

profile schemes aimed at supporting and promoting entrepreneurial activity in NI include:²⁴

- Propel Programme;
 - Regional Start Initiative; and
 - Social Entrepreneurship Programme.
- **Other Government Departments** – entrepreneurship support is not confined to DETI and INI. Other Government Departments have also overseen relevant initiatives. The Department of Agriculture and Rural Affairs (DARD) funds the Rural Youth Entrepreneurship (RYE) Programme, targeting entrepreneurial young people aged between 16 and 30 years²⁵ as part of its Tackling Rural Poverty and Social Isolation framework. The framework supports a package of measures worth up to £16 million to support vulnerable people in rural communities and target the root causes of social isolation.²⁶

The Department of Education (DE) provides funding to a number of organisations to deliver enterprise, employability and entrepreneurship education to primary and post-primary pupils either in school or at larger regional events.²⁷ These organisations include Young Enterprise Northern Ireland (the organisation engages with school pupils across NI via a portfolio of primary and post-primary programmes focusing on employability, enterprise and entrepreneurship)²⁸ and a number of Business Education Partnerships (programmes that enable local teachers to develop and deliver employability and enterprise projects to meet the specific needs of their pupils).²⁹ ‘Enterprise and Entrepreneurship’ is a statutory component of the ‘Employability’ strand of the ‘Learning for Life and Work’ area of learning for post-primary curriculum.³⁰

- **Local Authorities and Local Enterprise Agencies** – Local Authority support in NI has been tailored to the needs of the local area. For example, schemes such as the Business Boot Camp Programme (a cross border initiative for supporting young entrepreneurs)³¹ and Belfast City Council’s ‘High Growth Pre-enterprise Programme’ and the ‘Belfast Enterprise Academy’³² are designed to complement the more regional programmes provided by INI. Since of 01 April 2015, the 11 new councils

²⁴ Further details of these programmes are provided in Section 2.3.

²⁵ Rural Development Council *News Release: Rural Youth Programme extended* (30 July 2014) <http://www.rdc.org.uk/news/Latest-News/Rural-Youth-Programme-extended>

²⁶ Department of Agriculture and Rural Affairs, Rural Development, tackling rural poverty and social isolation framework <http://www.dardni.gov.uk/index/rural-development/rural-poverty-and-social-isolation.htm>

²⁷ The recent DE Draft Budget proposed significant cuts to the Business Education budget. This is likely to result in a reduction of funding to bodies tasked with delivering entrepreneurial skills, including YENI and Business Education Partnerships. Department of Education *Draft Budget 2015-16: Equality and Human Rights Screening: Reduction in Funding to* (1) *Business Education* (2) *STEM* (2013) http://www.deni.gov.uk/draft_budget_2015_16_-_equality_screening_-_stem_business_education.pdf

²⁸ CBI *Evaluation of Education and Employer Partnerships in Northern Ireland* (2014) p.53 http://www.cbi.org.uk/media/2588820/item_5_-_cbi_business-education_report-final.pdf; <http://www.yeni.co.uk/>

²⁹ Assembly Question AQW 19455/11-15 (06 February 2013)

³⁰ Northern Ireland Curriculum *Statutory Requirement for Employability* (2007) http://www.nicurriculum.org.uk/docs/key_stage_3/areas_of_learning/statutory_requirements/ks3_employability.pdf;

³¹ Enterprise NI, Business Boot Camp <http://www.enterpriseni.com/pages/33/business-boot-camp>

³² <http://www.belfastcity.gov.uk/business/businessinformation/startabusiness.aspx>

will have responsibility for developing local economies and nurturing enterprise as part of the transfer of powers to local government.

In 2014, the Northern Ireland Local Government Association (NILGA), with the support of DETI and INI, successfully applied for European Entrepreneurial Region status (EER). The Committee for the Regions awards EER in recognition of outstanding regional strategies that foster entrepreneurship and promote innovation among small and medium enterprises (SMEs). NI earned its EER status for its work on social entrepreneurship, the Food Network initiative and the Aspire programme.³³

Entrepreneurial activity has also been supported by Local Enterprise Agencies. All 32 LEAs in NI deliver a suite of pre-start, start-up and business development interventions, including access to low cost accommodation and financial support in the form of the Enterprise Northern Ireland Loan Fund and the NI Small Business Loan Fund.

- **Private sector providers** – A number of private sector providers offer entrepreneurial support in NI. Whilst the Northern Ireland Science Park is amongst the most prominent of these, other companies, such as Advantage NI³⁴ and Enterprise NI³⁵, collaborate with the public sector to deliver entrepreneurship programmes, as well as developing their own initiatives.

³³ Committee for the Regions, Lisbon, Northern Ireland and Valencia win "European Entrepreneurial Region of the Year 2015" (25 June 2014) <http://cor.europa.eu/en/news/Pages/european-entrepreneurial-region-award-winner.aspx>

³⁴ Advantage NI <http://www.advantage-ni.com/Public/Public-View/Other-Advantage-Programmes>

³⁵ Enterprise NI <http://www.enterpriseni.com/>

3.2 The Republic of Ireland

The following bodies have responsibility for promoting entrepreneurial activity in the RoI:

- **Government agencies** – Enterprise Ireland (EI) is the government organisation responsible for the development and growth of enterprise in RoI. It works with entrepreneurs and business people across the full business development spectrum.³⁶ The range of support available to entrepreneurs includes funding, advisory services, mentoring and networking opportunities and incubator space. Key programmes include:

- New Frontiers Entrepreneur Development Programme;
- Innovation 4 Growth Programme;
- Enterprise START Workshops; and
- Enterprise START2.

The agency is also focussed on addressing gaps in the the entrepreneurship landscape. For example, a Female Entrepreneurship Unit was established to deal with the under representation of female-led start-up businesses that achieve considerable scale.³⁷ Initiatives put in place to tackle this under representation include specifically targeting female entrepreneurs in a number of Competitive Start Fund (CSF) calls. The CSF offers equity investment in exchange for an equity stake in the business. In addition, an experienced business mentor supports each start-up.³⁸

EI also aims to attract international entrepreneurs to RoI, offering a range of supports to high potential, export-focused entrepreneurs and companies. In 2011, a €10 million fund was created specifically to attract entrepreneurs to relocate to Ireland and establish their start-ups here.

Bord Bia, the Irish government agency charged with the promotion, trade development and marketing of the Irish food, drinks and horticulture industry, offers a number of supports to start-up food businesses, including the Food Academy and the Food Works entrepreneurial programme.

- **Local Enterprise Offices** - Responsibility for providing support to locally traded service companies and micro-enterprises in RoI lies with the Local Enterprise Offices (LEOs). Working across the local authority network, LEOs provide a number of supports for entrepreneurs, including:
 - Start Your Own Business Programme;

³⁶ http://www.enterprise-ireland.com/EI_Corporate/en/About-Us/Our-Clients/

³⁷ Enterprise Ireland *Call for Proposals for Initiatives to Support Female Entrepreneurship* (2013) <http://www.enterprise-ireland.com/en/start-a-business-in-ireland/startups%20led%20by%20ambitious%20women/female-entrepreneurship-call-for-proposal.doc>

³⁸ Enterprise Ireland *Annual Report and Accounts 2013* (2014) p.31 http://www.enterprise-ireland.com/EI_Corporate/en/Publications/Reports-Published-Strategies/2013-Annual-Report-and-Accounts-English.pdf

- Priming Grant³⁹; and
- Accelerate Management Development Programme.

LEOs also work to include entrepreneurship in the education system as a means of ensuring the future development of small business in Ireland. A number of initiatives are run by the LEOs at both primary and secondary level culminating in their flagship programme, the Student Enterprise Awards.⁴⁰

- **Private sector providers** - A collaborative approach has been adopted between the private sector and the public sector in ROI to promote entrepreneurial activity. This includes:
 - Four European Business Innovation Centres (BICs) which support new high growth potential start-ups. BICs operate as public-private partnerships, combining both government funding (via Enterprise Ireland) and private contributions.⁴¹
 - The Rubicon Exxcel Female Entrepreneurship Programme, based at the Cork Institute of Technology (CIT) campus, is a six-month, part time programme which provides women with a business idea related to the science, technology, engineering and mathematics (STEM) sectors with the opportunity to explore and develop their idea. The programme is a joint initiative of the Rubicon Centre and Enterprise Ireland.⁴²
 - Going for Growth, which is funded by Enterprise Ireland, the Department of Justice and Equality, KPMG and the European Social Fund (ESF), is a peer-support based programme to promote female entrepreneurship in ROI.⁴³
 - Dublin City University's Ryan Academy for Entrepreneurs offers a variety of schemes to develop entrepreneurial capabilities, with specific programmes focusing on women, young people, social enterprise and farm entrepreneurship.⁴⁴

4 Support measures

The tables that follow compare support schemes offered in both jurisdictions. The measures have been organised along the six themes outlined in the ROI's *National Policy Statement*.

³⁹ <https://www.localenterprise.ie/Discover-Business-Supports/Financial-Supports/Priming-Grant/>

⁴⁰ <http://www.studententerprise.ie/>

⁴¹ http://www.corkbic.com/enterpriseirelandandthebic_s

⁴² <http://www.rubiconcentre.ie/launch-exxcel-female-entrepreneurship-programme-stem-rubicon-centre/>

⁴³ <http://www.goingforgrowth.com/>

⁴⁴ <http://www.ryanacademy.ie/>

4.1 Culture, human capital and education

Table 1: Culture, human capital and education support measures in NI

Measure	Body	Detail
Step 'n' Zones	INI	Step'n'Zones are part of INI's engagement around youth entrepreneurship. The target audience for these events is Key Stage 3 school students (age 11-14). ⁴⁵
Global Entrepreneurship Week	INI	An annual student enterprise competition for young people aged 11-13 as part of a worldwide campaign to promote entrepreneurship within the education sector.
Student Entrepreneur Awards	INI/ EI	The EI Student Entrepreneur Awards, co-sponsored by INI, Intel, Cruickshank Intellectual Property Attorneys and Grant Thornton, are an annual business planning competition for young people in the higher and further education sectors throughout NI and ROI. ⁴⁶
Young Enterprise Northern Ireland (YENI)	DE (funding)	This business and enterprise education charity is funded by DE and delivers over 100,000 pupil engagements annually in NI. This represents 80% of post-primary schools and 20% of primary schools across NI. YENI delivers a portfolio of 17 primary and post-primary programmes focusing on employability, enterprise and entrepreneurship. ⁴⁷
Employability strand of Learning for Life and Work (Post-primary)	DE	'Enterprise and Entrepreneurship' is a compulsory element of the 'Employability' strand and provides pupils with the opportunity to find out what makes an entrepreneur and to develop strategies to promote an entrepreneurial spirit. ⁴⁸
Rural Youth Entrepreneurship (RYE)	DARD	RYE is an entrepreneurship awareness raising and developmental programme for young people aged between 16 and 30 years. The programme is funded by the Department of Agriculture and Rural Development through the Tackling Rural Poverty and Social Isolation Framework. By Summer 2014, over 500 young people had been engaged in the initial RYE pilot phase. ⁴⁹
Business Education Partnerships (BEPs)	DE (funding)	BEPs are voluntary organisations made up of staff from local schools within a particular geographic area, together with staff from local employers and members of the business and wider community. ⁵⁰ They have as their aim the development and facilitation of business education activities, aligned to the revised curriculum, and is designed to develop a range of pupils' skills including employability and enterprise. DE currently funds 13 BEPs to run a variety of employability, enterprise and careers type events. ⁵¹

⁴⁵ <http://stepnzones.investni.com/about>

⁴⁶ <http://studententrepreneurawards.com/about-the-awards/>

⁴⁷ CBI *Evaluation of Education and Employer Partnerships in Northern Ireland* (2014) p.53 http://www.cbi.org.uk/media/2588820/item_5_-_cbi_business-education_report-final.pdf

⁴⁸ Northern Ireland Curriculum *Statutory Requirement for Employability* (2007) http://www.nicurriculum.org.uk/docs/key_stage_3/areas_of_learning/statutory_requirements/ks3_employability.pdf

⁴⁹ Department of Agriculture and Rural Development *Rural White Paper: Action Plan: Annual Progress Report 2014* (June 2014) pp.13-14 <http://www.dardni.gov.uk/annual-progress-report-2014-final.pdf>

⁵⁰ Assembly Question AQW 19455/11-15 (06 February 2013)

⁵¹ Confederation of British Industry *Evaluation of Education and Employer Partnerships in Northern Ireland* (2014) p.52 http://www.cbi.org.uk/media/2588820/item_5_-_cbi_business-education_report-final.pdf

Measure	Body	Detail
Business Boot Camp Programme	Local Authorities	The Business Boot Camp Programme, initiated and run by local authorities, is a cross border programme for 16 to 25 year olds. It is due to run until March 2015. The programme has two phases: Boot Camp START and Boot Camp GROW. ⁵²
Bright Idea Programme	Local Authorities	This youth entrepreneurship programme, created by the councils in the South East region of NI, is a business start-up programme targeting 18 to 29 year olds. ⁵³ The project is part financed by INI, the European Regional Development Fund (ERDF), and the local authorities of Ards, Armagh, Banbridge, Craigavon, Down and Newry & Mourne.
Generation Innovation	Northern Ireland Science Park	Generation Innovation, established by the Northern Ireland Science Park, is a network for entrepreneurial young people. It offers young entrepreneurs the opportunity to finance the development of their business product/idea and access the support and expertise that is required to set up a company, develop a business plan and take the product to market. ⁵⁴

Table 2: Culture, human capital and education support measures in ROI

Measure	Body	Detail
Ireland's Best Young Entrepreneur	LEO and Department of Jobs, Enterprise and Innovation (DJEI)	Supported by the DJEI, this nationwide competition forms part of the <i>Action Plan for Jobs 2014</i> . The competition was open to individuals aged 30 and under and an overall investment fund of €2m was awarded to county winners and national winners. In 2014, all 31 Local Enterprise Offices ran the competition locally and organised regional boot camps for over 400 participants.
National Women's Enterprise Day	LEO	The aim of National Women's Enterprise Day is to encourage more women to set up their own businesses and to increase national recognition of the role played by female entrepreneurs. The event consists of a variety of developmental support actions, including industry speakers, information provision, exhibition of state supports for enterprise, facilitated business networking and one-to-one business mentoring. The 2014 National Women's Enterprise Day was hosted by the Local Enterprise Offices and co-financed by the European Social Fund with support from the Department of Justice and Equality. ⁵⁵
Student Entrepreneur Awards	EI/INI	The EI Student Entrepreneur Awards, co-sponsored by INI, Intel, Cruickshank Intellectual Property Attorneys and Grant Thornton, are an annual business planning competition for young people in the higher and further education sectors throughout NI and ROI. ⁵⁶

⁵² <http://www.enterpriseni.com/pages/33/business-boot-camp>

⁵³ <http://brightideani.com/wordpress/index.php/about-the-programme/>

⁵⁴ <http://generationinnovation.co/>

⁵⁵ <https://www.localenterprise.ie/Enable-Enterprise-Culture/National-Women-s-Enterprise-Day/>

⁵⁶ <http://studententrepreneurawards.com/about-the-awards/>

4.2 Business, environment and supports

Table 3: 'Business, environment and supports' measures in NI

Measure	Body	Detail
Social Entrepreneurship Programme (SEP)	INI	INI has operated SEP since 2006. The programme supports the development of new and existing social enterprises and maximise their economic impact in terms of jobs and wealth creation. ⁵⁷ Responsibility for the SEP will be transferred to the new councils from 01 April 2015. ⁵⁸
Social Enterprise Incubation Hubs Signature Programme	DETI and DSD	Eleven Social Enterprise Incubation Hubs across NI offer a range of business advice and practical support to social enterprise entrepreneurs. Business support in the form of training, hot desk facilities and test trading opportunities is provided. Hubs are currently operational in Belfast, Londonderry, Ballymena, Enniskillen, Strabane, Lurgan, Lisburn and Downpatrick. ⁵⁹
Propel Programme	INI	The Propel Programme provides training, mentoring and financial support to high growth potential start-up businesses that are innovative and capable of selling in international markets. Entrepreneurs who are successful in getting on to Phase 2 of Propel are provided with a hot desk facility and shared working space with the other Propel participants. ⁶⁰
Regional Start Initiative (RSI)	INI	The RSI programme, which has operated since October 2012, is designed to support locally focused entrepreneurs with the key output being a commercial business plan that the entrepreneur can use to attract funds to the business.

⁵⁷ Invest NI Social Entrepreneurship Programme http://www.ncb.org.uk/media/1135089/invest_ni_-_social_entrepreneurship_programme.pdf

⁵⁸ Department of Agriculture and Rural Development *Rural White Paper: Action Plan: Annual Progress Report 2014* (June 2014) p.27 <http://www.dardni.gov.uk/annual-progress-report-2014-final.pdf>

⁵⁹ Assembly Question AQW 37587/11-15 (16 October 2014)

⁶⁰ <http://www.investni.com/propel-programme.html>

Table 4: 'Business, environment and supports' measures in ROI

Measure	Body	Detail
EnterpriseSTART Workshops	EI	These workshops deliver training and business advice to potential entrepreneurs to assist them in developing their business idea into a tangible business plan. It also provides detail on financial support available from EI and the LEOs.
EnterpriseSTART2	EI	Targeted at potential entrepreneurs who wish to develop a business idea which could become a HPSU, the programme involves two half-day group workshops and two one-to-one mentoring sessions from experienced business consultants. EnterpriseSTART 2 is delivered by EI in partnership with the four regional BICs. ⁶¹
HPSU Feasibility Study Grant	EI	The aim of the HPSU Feasibility Grant is to assist a new start-up company or individual entrepreneur to investigate the viability of a new export orientated business or proposition. The objective of the study is to examine the project's viability and set out investor-ready plans and financials associated with developing and commercialising the product or service on international markets. ⁶²
New Frontiers Entrepreneur Development Programme	EI	A national entrepreneur development programme delivered at a local level by Institutes of Technology and funded by EI. It is a three-phased programme, based in 14 campus incubation centres across ROI, and delivered by business practitioners and successful entrepreneurs. It offers participants a package of supports to help accelerate their business development and to equip them with the skills to successfully start and grow a company. ⁶³
Start Your Own Business Programme	LEO	This programme focuses on people with a business idea who are unsure as to how to develop it into a business plan. It is designed to equip these individuals with the necessary skills and knowledge to assess the marketing and financial viability of their business idea. ⁶⁴
Accelerate Management Development Programme	LEO	This integrated learning and mentor programme is designed to provide entrepreneurs with the necessary management, leadership and business skills and knowledge to achieve sustainability and growth in their business. ⁶⁵
Food Works	EI, Bord Bia and Teagasc	A business development and training programme designed for food and drink start-ups. Piloted by EI, Bord Bia and Teagasc in 2012, it continues to be delivered as a structured, year-long programme focused on entrepreneurial development in the food sector. The programme aims to help young companies achieve scale and become international businesses. ⁶⁶
Start-up Entrepreneur Programme	Irish Naturalisation and Immigration Service	The purpose of this programme is to enable non-EEA nationals and their families who commit to a HPSU in ROI to acquire a secure residency status in ROI. The programme was established in April 2012 to stimulate productive investment in ROI and to offer residency with its associated advantages to dynamic business professionals with a proven record of success. ⁶⁷

⁶¹ <http://dublinbic.ie/2015/01/enterprise-start-2-programme-2015/>

⁶² <http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/HPSU-Feasibility-Study-Grant-.html>

⁶³ <http://www.newfrontiers.ie/about>

⁶⁴ <https://www.localenterprise.ie/Discover-Business-Supports/Training-Programmes/Start-Your-Own-Business-Programme/>

⁶⁵ <https://www.localenterprise.ie/Discover-Business-Supports/Training-Programmes/Accelerate-Management-Development-Programme/>

⁶⁶ <http://www.foodworksireland.ie/>

⁶⁷ Irish Naturalisation and Immigration Service *Start-Up Entrepreneur Programme: Guidelines* (2012) <http://www.inis.gov.ie/en/INIS/Guidelines%20for%20Start-up%20Entrepreneur%20Programme.pdf/Files/Guidelines%20for%20Start-up%20Entrepreneur%20Programme.pdf>

4.3 Innovation

Table 5: Innovation measures in NI

Measure	Body	Detail
Growth Acceleration Programme	INI	INI assists HPSUs that have an ambition to achieve £1m revenue in 3 to 4 years to commercialize Intellectual Property that can compete in global markets. The Growth Acceleration Programme, together with the Project Definition R&D Grant, assists the company with the development and commercialization of the product. ⁶⁸
INVENT Competition	Northern Ireland Science Park (NISP)	The INVENT competition is a commercial educational opportunity designed to encourage entrepreneurs in NI to act on their talents, ideas and energy. The programme is a proof-of-concept stage competition that displays the best new ideas in NI by helping innovators to test and develop their ideas commercially. ⁶⁹

Table6: Innovation measures in ROI

Measure	Body	Detail
Innovation Partnership Programme (IPP)	EI	This programme encourages ROI-based companies to work with Irish research institutes. The IPP provides grants of up to 80 per cent towards eligible costs of the research project. However, grant funding is capped at €100,000 for pre-HPSU and start-up companies. ⁷⁰

⁶⁸ Assembly Question AQW 39854/11-15 (05 December 2014)

⁶⁹ <http://www.invent2015.co/>

⁷⁰ http://www.enterprise-ireland.com/EI_Corporate/en/Research-Innovation/Companies/IPP-Brochure.pdf

4.4 Access to finance

Table 7: Access to finance measures in NI

Measure	Body	Detail
Northern Ireland Spin Out Funds (NISPO)	INI	The NISPO Funds completed its investment period on 31 March 2014, having invested £8.3m in 45 equity deals. ⁷¹ Invest NI has provided all of the money invested through the Funds, and over the life of the Funds this will amount to £14m. ⁷² The Funds have a ten-year life and E-Synergy will continue to manage the NISPO Funds until 2019 - this will enable follow on investments to be made and investments to be realised.
Techstart NI	INI	Techstart NI is an integrated suite of funds and support established to provide assistance to entrepreneurs, seed and early stage businesses and university spin-outs. By October 2014, the fund manager had made its first two investments in local SMEs, offered eleven Proof of Concept grants and held a number of entrepreneur workshops and events. ⁷³
Jobs Fund	INI	Jobs Fund provides financial assistance to incentivise new business start-up activity by individuals who reside in Neighbourhood Renewal Areas (NRA) and by young people aged 16 to 24 who are Not in Education, Employment or Training (NEET). Through this fund, Invest NI provides employment grant support to investment projects which will create new sustainable jobs.

⁷¹ Assembly Question AQO 6832/11-15

⁷² Assembly Question AQW 28586/11-15 (November 2013)

⁷³ <http://www.techstartni.com/>

Table 8: Access to finance measures in Rol

Measure	Body	Detail
Competitive Start Fund (CSF)	EI	The CSF assists start-ups by enabling them to test the market for their products and services, and progress their business plans for the global marketplace. Two separate CSFs solely for female entrepreneurs have been launched. EI is committed to rolling out the CSF on a regular basis, with a mix of ICT/industrial, female entrepreneurs and sector-specific calls planned. ⁷⁴
Competitive Feasibility Fund	EI	Competitive Feasibility Funds are designed to assist start-ups and individual entrepreneurs to investigate the viability of a growth-orientated business proposition that has the ability to become a HPSU. Competitions run throughout the year in specific regions and sectors. For example, the Competitive Feasibility Fund for the South-East Region was announced recently. In order to apply, businesses had to be located in counties Carlow, Kilkenny, Waterford or Wexford. ⁷⁵
Innovative HPSU Programme	EI	EI offers equity investment to HPSU clients, on a co-funded basis, to support the implementation of company business plans. Any EI investment requires match funding by investment by the promoters and/or other investors. ⁷⁶
HPSU Feasibility Grant	EI	The aim of the HPSU Feasibility Grant is to assist a new start-up company or individual entrepreneur to investigate the viability of a new export orientated business or proposition. The objective of the study is to examine the project's viability and set out investor-ready plans and financials associated with developing and commercialising the product or service on international markets. The maximum grant funding available for a HPSU feasibility study is 50 per cent of eligible expenditures. The maximum level of grant funding currently available is €15,000. ⁷⁷
Fund for International Start-Ups	EI	EI has ring-fenced a €10m fund to attract entrepreneurs to relocate to Ireland and establish their start-ups here. The fund, launched in 2011 for international start-ups, offers equity funding to innovative start-ups, led by strong teams and focused on international markets. ⁷⁸

⁷⁴ Department of Jobs, Enterprise and Innovation *Action Plan for Jobs 2014* (2014) p.24 <http://www.djei.ie/publications/2014APJ.pdf>

⁷⁵ http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/Competitive-Feasibility-Fund-South-East-Region.html?utm_source=Newsweaver&utm_medium=email&utm_term=www.enterprise-ireland.com%2Fsef&utm_content=&utm_campaign=Issue+23+-+December+2014

⁷⁶ <http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/Innovative-HPSU-fund.html>

⁷⁷ <http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/HPSU-Feasibility-Study-Grant-.html>

⁷⁸ <http://www.enterprise-ireland.com/en/Start-a-Business-in-Ireland/Startups-from-Outside-Ireland/Funding-and-Supports-for-Start-Ups-In-Ireland/%E2%82%AC10-Million-Fund-for-International-Start-Ups.html>

4.5 Entrepreneurial networks and mentoring

Table 9: Entrepreneurial networks and mentoring measures in NI

Measure	Body	Detail
Northern Ireland Spin Out Funds (NISPO) Investment Readiness Programme	INI	The NISPO Investment Readiness Programme, managed by E-Synergy, provides support through 'accelerator' and 'incubator' initiatives. The programme aims to provide entrepreneurs with an understanding of the investment process; how to prepare for investment; and how to utilise investment funds to best effect. They also provide support to start-ups in the form of coaching, networking and workshops. ⁷⁹
PLATO East Border Region (EBR)	Local Authorities	PLATO EBR is an 18 month leadership and business development programme targeted at SMEs and based on the principle of peer-group learning. The programme offers a business support forum where entrepreneurs can network and discuss business ideas with established 'parent' companies in the region. ⁸⁰ The PLATO EBR Programme is a partnership between the ten Council areas of Newry and Mourne, Down and Banbridge District Councils, Armagh City and District Council, Craigavon, Ards and North Down Borough Councils in NI and Louth, Monaghan and Meath Councils and Louth and Monaghan County Enterprise Boards in the ROI. It is part-financed by the European Union's INTERREG IVA Cross Border Programme managed by the Special EU Programmes Body. ⁸¹
Northern Ireland Science Park (NISP) CONNECT	Northern Ireland Science Park (NISP)	NISP CONNECT is an entrepreneurship acceleration programme, based at the Northern Ireland Science Park, which supports the development of early-stage companies through a series of educational seminars, mentorship programmes and capital competitions. NISP CONNECT links prospective entrepreneurs with a network of highly experienced business people in NI and further afield so that they can access the resources and knowledge required to bring their products to market. It offers a number of programmes including 'Springboard' ⁸² , 'Frameworks' ⁸³ and 'Generation Innovation' ⁸⁴ .

⁷⁹ <http://www.nispofunds.com/investmentreadinessprogramme.html>

⁸⁰ http://www.platoebr.com/pages/index.asp?title=About_PLATO_EBR_Cross_Border_Business_Development_Programme

⁸¹ http://www.platoebr.com/pages/index.asp?title=About_PLATO_EBR_Our_Programme_Partners

⁸² <http://www.nisp.co.uk/nisp-connect/springboard/>

⁸³ <http://www.nisp.co.uk/frameworks/>

⁸⁴ <http://www.generationinnovation.co.uk/>

Table 10: Entrepreneurial networks and mentoring measures in ROI

Measure	Body	Detail
Enterprise Ireland Mentor Network	EI	The EI Mentor Network helps companies identify and overcome obstacles to growth. Mentors are senior executives, drawn from the private sector, with a proven record of accomplishment in business. They can provide tailored advice, guidance and support to help a start-up accelerate growth and build management capability. ⁸⁵
Mentor Panels for HPSUs	EI	EI organises monthly Mentor Panels where companies in the early stages of development can present their business plan or investment proposal. The Mentor Panel is composed to suit the needs, sector and required expertise of the attending companies.
'Entrepreneurs in Residence' Program (Proposed)	EI	The <i>National Policy Statement</i> made a brief reference to a pilot of this campus-based programme to encourage and mentor aspiring entrepreneurs. ⁸⁶
IdeaGen	EI	IdeaGen is an initiative designed to inform and connect the brightest innovators and entrepreneurs in ROI. By bringing together researchers, sectoral experts and entrepreneurs, IdeaGen aims to stimulate the next wave of research collaborations and market-led business innovations. Structured networking, on the spot brainstorming and insights into successful commercialisation strategies, complements presentations by industry experts. ⁸⁷
Dublin BIC Entrepreneurship Series	Dublin Business Innovation Centre (DBIC)	This is a seminar style forum for identifying and discussing business issues and trends with high profile entrepreneurs. ⁸⁸

⁸⁵ <http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/Mentor-Grant.html>

⁸⁶ Department of Jobs, Enterprise and Innovation *National Policy Statement on Entrepreneurship in Ireland* (2014) p.64
<http://www.enterprise.gov.ie/en/Publications/National%20Policy%20Statement%20on%20Entrepreneurship%20in%20Ireland.pdf>

⁸⁷ <http://www.enterprise-ireland.com/en/Events/OurEvents/IdeaGen/Overview.html>

⁸⁸ <http://dublinbic.ie/our-services/training-events/>

4.6 Access to markets

Table 11: Access to markets measures NI

Measure	Body	Detail
Export Starts/Global Starts	INI	Dedicated programmes for entrepreneurs who are starting an export-focused business or have an established business and are seeking to enter export markets for the first time. Businesses are typically supported in areas of job creation, marketing, ICT, skills and strategy and R&D. ⁸⁹

Table 12: Access to markets measures RoI

Measure	Body	Detail
First Flight Programme	EI	First Flight is a mentoring and training process designed to assist HPSUs approach new export markets. ⁹⁰

⁸⁹ Assembly Question AQW 39854/11-15 (05 December 2014)

⁹⁰ <http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/First-Flight-Initiative.html>

5 Tax incentives

The following section looks at tax incentives available to entrepreneurs in both jurisdictions.

5.1 Tax incentives in NI

Entrepreneurs in NI are eligible for the UK-wide Entrepreneurs' Relief which means that Capital Gains Tax (CGT) is paid at a lower rate of 10% on qualifying assets (instead of the normal rate of 18% or 28%).⁹¹

5.2 Tax incentives in RoI

The ROI *Action Plan for Jobs 2014* notes that:

The right conditions for entrepreneurship include the adoption of responsive public policies such as fiscal policy where both tax rates and targeted tax reliefs can support entrepreneurship, investment and influence business decisions.

However, the *National Policy Statement* considers the tax environment for entrepreneurs and investors in ROI to be particularly challenging, especially when compared with the UK's tax rates.⁹² A range of tax incentives are currently available to entrepreneurs in RoI:

- **Start-up company relief** provides relief from corporation tax for new start-ups for the first three years of trading in respect of profits from a new trade and chargeable gains on the disposal of assets used in the trade. Such relief applies if the total corporation tax payable for an accounting period does not exceed €40,000. Marginal relief is available if the total corporation tax payable is between €40,000 and €60,000.⁹³

An extension of the existing three year relief for start-up companies was announced in Budget 2015. The relief is being extended to new business start-ups until the end of 2015 and a review of the operation of this measure will take place in 2015.⁹⁴

- **The Start Your Own Business (SYOB)** scheme provides relief from income tax for people who were long-term unemployed (unemployed for 12 months or more and in receipt of social welfare support or training) immediately before starting a business.

⁹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/323651/hs275.pdf;
http://www.att.org.uk/Resources/CIOT/ATT%20and%20CIOT%20Shared%20Resources/Entrepreneurs_%20Relief.pdf

⁹² Department of Jobs, Enterprise and Innovation *National Policy Statement on Entrepreneurship in Ireland* (2014) p.26
<http://www.enterprise.gov.ie/en/Publications/National%20Policy%20Statement%20on%20Entrepreneurship%20in%20Ireland.pdf>

⁹³ Office of the Revenue Commissioners *Tax Relief for New Start-up Companies* (2014)
<http://www.revenue.ie/en/about/foi/s16/income-tax-capital-gains-tax-corporation-tax/part-15/15-03-03.pdf>

⁹⁴ Department of Finance *Summary of 2015 Budget Measures: Policy Changes* (2014)
<http://www.budget.gov.ie/Budgets/2015/Documents/2%20Summary%20of%202015%20Budget%20Measures%2014%20Oct%2009.pdf>

SYOB provides an exemption from income tax up to a maximum of €40,000 per annum for a period of two years for qualifying individuals. The relief is available in respect of unincorporated businesses set up between 25 October 2013 and 31 December 2016.⁹⁵

- The **Seed Capital Scheme** (SCS) is a tax relief incentive scheme aimed at people in PAYE employment who want to start up their own business. The scheme allows those who invest in their new company to claim up to 41 per cent of their investment back from PAYE they have paid over the previous 6 years.

SCS has not been used extensively which indicates that reforms may be required to improve the promotion and uptake of this scheme.⁹⁶ It was announced in Budget 2015 that the scheme will be rebranded as 'Start-Up Relief for Entrepreneurs (SURE)' and will be extended to individuals who have been unemployed up to 2 years.⁹⁷

- **Capital Gains Tax (CGT) Entrepreneurial Relief:** Following a number of CGT rate increases in recent years, the ROI CGT rate has increased to a relatively high 33%. These increases coincide with a period when many other countries enhanced their competitiveness as a location for entrepreneurial activity by significantly improving their tax treatment of capital gains.⁹⁸

CGT Entrepreneurial Relief, announced in Budget 2014, is an incentive to encourage entrepreneurs to invest and re-invest in assets used in new productive trading activities.⁹⁹

The relief applies from 01 January 2014 to individual entrepreneurs who:¹⁰⁰

- Have made disposals of assets since 01 January 2010 on which they have paid capital gains tax;
- Invest at least €10,000, in the period from 01 January 2014 to 31 December 2018, in acquiring chargeable business assets that will be used in a new business; and
- Subsequently (after a minimum period of 3 years) dispose of those chargeable business assets at a gain, giving rise to a capital gains tax liability.

⁹⁵ Office of the Revenue Commissioners *Supporting Job Creation and Other Enterprise Supports: Tax Relief, Deductions and Exemptions* (2014) <http://www.revenue.ie/en/about/publications/supporting-job-creation.pdf>

⁹⁶ Department of Jobs, Enterprise and Innovation *National Policy Statement on Entrepreneurship in Ireland* (2014) p.27 <http://www.enterprise.gov.ie/en/Publications/National%20Policy%20Statement%20on%20Entrepreneurship%20in%20Ireland.pdf>

⁹⁷ Department of Finance *Summary of 2015 Budget Measures: Policy Changes* (2014) <http://budget.gov.ie/Budgets/2015/Documents/2%20Summary%20of%202015%20Budget%20Measures%2014%20Oct%2000.09.pdf>

⁹⁸ Department of Jobs, Enterprise and Innovation *National Policy Statement on Entrepreneurship in Ireland* (2014) p.27 <http://www.enterprise.gov.ie/en/Publications/National%20Policy%20Statement%20on%20Entrepreneurship%20in%20Ireland.pdf>

⁹⁹ Department of Finance *Summary of 2014 Budget Measures: Policy Changes* (2013) <http://www.budget.gov.ie/Budgets/2014/Documents/Summary%20of%20Budget%202014%20Taxation%20Measures.pdf>

¹⁰⁰ Revenue *Operational Manual: Capital Gains Tax Entrepreneur Relief [19.06.02A]* (2015) <http://www.revenue.ie/en/about/foi/s16/income-tax-capital-gains-tax-corporation-tax/part-19/19-06-02a.pdf>

Section 45 of *Finance (No 2) Act 2013* originally introduced Entrepreneur Relief.¹⁰¹ However, the *Finance Act 2014*¹⁰² revised the scheme in order to satisfy the EU Commission's General Block Exemption Regulations and obviate the need for formal EU approval of the relief from a State-aid perspective.¹⁰³ These changes include:¹⁰⁴

- Targeting the relief at individuals involved in newly created enterprises or enterprises created within the last 7 years;
- Placing a cap of €15 million on the total risk finance investment made in each such enterprise; and
- Ensuring that risk finance investment is at the commencement of the new business.

Other changes made to Entrepreneurial Relief ensured it was compatible with the commercial reality of conducting business on the ground.

6 Support for High-potential start-ups

This section outlines the support for high-potential start-ups in the two jurisdictions.

6.1 Northern Ireland

In the 2014 *Innovation Strategy*, the NI Executive committed to supporting 'businesses with high growth and export potential'. in the following ways:¹⁰⁵

- Encouraging entrepreneurs to commercialise their innovations and give them the tools to start and grow their businesses to a global level;
- Challenging entrepreneurs to focus as much on the processes of building their businesses as developing their technologies;
- Working with those businesses that succeed and wish to continue to grow rapidly to help accelerate their growth and scaling; and
- Funding a Business Accelerator to foster the growth of early stage high tech start-ups.

In terms of the support currently available to HPSUs, DETI has stated that NI offers a similar range of assistance to that provided in ROI, noting that:¹⁰⁶

¹⁰¹ *Finance (No.2) Act 2013* Section 45 <http://www.irishstatutebook.ie/2013/en/act/pub/0041/sec0045.html#sec45>

¹⁰² *Finance Act 2014* Section 52 <http://www.irishstatutebook.ie/2014/en/act/pub/0037/sec0052.html#sec52>

¹⁰³ Written Question 44357/14 (03 December 2014) <http://oireachtasdebates.oireachtas.ie/debates%20authoring/debateswebpack.nsf/takes/dail2014120300068?opendocument#WRA02450>

¹⁰⁴ Written Question 44357/14 (03 December 2014) <http://oireachtasdebates.oireachtas.ie/debates%20authoring/debateswebpack.nsf/takes/dail2014120300068?opendocument#WRA02450>

¹⁰⁵ Northern Ireland Executive *Innovation Strategy for Northern Ireland 2014-2025* (2014) p.50 http://www.detini.gov.uk/innovation-strategy-2014-2025_2.pdf

¹⁰⁶ Department of Enterprise, Trade and Investment *National Policy Statement on Entrepreneurship in Ireland: Departmental Response* (22 January 2015)

Compared to many regions, NI has an excellent offering to assist HPSU companies along with the growing start up ecosystem.

The Propel Programme, launched in August 2009, is INI's bespoke programme of support aimed at entrepreneurs with high value and high growth knowledge-based ideas with significant export market potential.¹⁰⁷ It is an intensive 12 month programme, providing participants with:¹⁰⁸

- A series of business development workshops;
- Specialist advice from local and international business experts;
- Introductions to potential investors
- Strategic business planning support; and
- One-to-one bespoke guidance through mentorship work.

In addition to the Propel Programme, INI recently announced (15 May 2015) the launch of a Northern Ireland Accelerator Programme to support technology based HPSUs to access early stage venture capital/angel investment. SOSventures are delivering the programme, which received £2.6m in funding from INI.¹⁰⁹

The private sector also offers specially tailored programmes aimed at developing entrepreneurial capacity among HPSUs. For example, NISP CONNECT offers the Springboard programme to companies with high potential growth to assist them in the development and delivery of a successful commercialisation strategy.¹¹⁰

6.2 Republic of Ireland

In the most recent *Action Plan for Jobs*, a number of targets focused specifically on HPSUs, including:¹¹¹

- Provide business development and financial supports to 185 HPSUs;
- Develop an action programme of support for pre-investment HPSUs;
- Develop an action programme of support for scaling post-investment HPSUs;
- Drive the establishment of 15 spin-out companies that are of Enterprise Ireland HPSU quality; and
- Implement a structured programme to support new HPSUs to access new overseas markets and customers.

Enterprise Ireland is responsible for supporting HPSU companies in ROI and provides a range of financial assistance packages including:¹¹²

¹⁰⁷ Invest NI *Propel Programme: Interim Valuation – Final* (2012) p.ii <http://secure.investni.com/static/library/invest-ni/documents/propel-programme-interim-evaluation-report-27-march-2012.pdf>

¹⁰⁸ <http://www.investni.com/propel-programme.html>

¹⁰⁹ Invest NI, Launch of Accelerator Support for High Potential Start-ups (15 May 2015) <https://www.investni.com/news/launch-of-accelerator-support-for-high-potential-start-ups.html>

¹¹⁰ <http://www.nisp.co.uk/nisp-connect/springboard/>

¹¹¹ Department of Jobs, Enterprise and Innovation *Action Plan for Jobs 2015* (2015) pp.86-90 <http://www.djei.ie/publications/2015APJ.pdf>

- HPSU Feasibility Study Grant;
- Innovative HPSU Fund;
- Competitive Feasibility Fund; and
- Competitive Start Fund.

Enterprise Ireland also delivers soft supports to HPSUs in the form of tailored advice, guidance and support through the New Frontiers Entrepreneur Development Programme and the Enterprise Ireland Mentor Network.

¹¹² <http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/>

In 2014, Enterprise Ireland invested in over 102 HPSU companies and supported 81 early stage businesses (with international potential) under the CSF programme. Enterprise Ireland *The High Potential Start-Up Class of 2014* (2015) <http://www.enterprise-ireland.com/en/news/pressreleases/2015-press-releases/ei-hpsu-class-of-2014.pdf>

Annex 1: 2015 Action Plan – actions by theme¹¹³

Culture, Human Capital and Education
Broaden and deepen work to support entrepreneurship in schools. (DES)
Examine the Entrepreneurship in the Schools activity in each LEO area and develop strategies to increase participation and impact. (EI, LEOs, DJEI)
Continue to support female entrepreneurship via promotional and support programmes.(EI)
Ireland's Best Young Entrepreneur: Building on the successful launch and in response to the IBYE (Ireland's Best Young Entrepreneur) Programme during 2014, assess the impact and outcomes, and develop an appropriate 2015 Programme. (EI/LEOs)
Student Enterprise Award: Building on the successful 3 rd Level Student Enterprise Award Programme target a greater number of student participants (Target 500) and enhance the quality of the applications contributing to a greater Entrepreneurial spirit in this student cohort.(EI)
Support entrepreneurship by training more scientists in SFI supported research teams to launch their own businesses and supporting translation of research to commercial opportunities. (SFI)
Develop a new, disruptive, societal impact scheme including public consultation on topics to be funded. (SFI)
Map relevant entrepreneurship activities in higher education institutions as part of the overall strategy for higher education engagement with enterprise and embed entrepreneurship support within the HEI System Performance Framework. (DES, HEA)
Develop an enterprise engagement strategy for higher education to include entrepreneurial education as an important part of the national framework for enterprise engagement. (HEA)
Set out performance indicators and measures to benchmark entrepreneurial activity in Irish higher education. (DES, HEA)
Work with the Department of Social Protection to promote the Back to Work Enterprise Allowance, and support these start-ups with appropriate interventions e.g. mentoring, microloans. (EI, EOs, DSP)
Business Environments and Supports
Support 130 new Entrepreneurs via the New Frontiers programme. (EI)
Provide business development and financial supports to 185 High potential and early stage Start-ups.(EI)
Each LEO will identify how it can facilitate hubs where start-ups can be established in a supportive network before moving on to accommodate for the next cohort of emerging enterprises. A key approach will be to build on the 100+ Community Enterprise Centres across the country by implementing local protocols to ensure the LEOs are fully integrated into the enterprise development plans of each county. (EI, LEOs)
The Centre of Excellence in Enterprise Ireland will develop a competitive fund to promote innovation within and across LEO's to enhance the support environment for start-ups, with a particular emphasis on regions that have struggled to achieve employment growth. Enterprise

¹¹³ Department of Jobs, Enterprise and Innovation *Action Plan for Jobs 2015* (2015) pp.86-90 <http://www.djei.ie/publications/2015APJ.pdf>

Ireland will also publish a report each year on the start-up environment across the LEOs network, identifying areas of excellence and areas for improvement and innovation. (EI, LEOs)
Under the new pilot Entrepreneur Partnering Programme, match founders and start-ups with leading enterprises in a region, which will act as hosts and mentors for up to one year to bring budding businesses to the next level of success. (EI, LEOs, IDA, DJEI)
Support a further cohort of new food entrepreneurs under Food Works 3 and promote market outlets for food start-up companies. (Bord Bia, EI, Teagasc)
Develop a joint strategy for the positioning of Ireland to take advantage of new opportunities in the Electronic Payments sector, so as to support innovation, entrepreneurship and attract mobile investment.(EI/IDA)
Examine the Advisory Group on Small Business (AGSB) recommendations from December 2014 and report back to the Group. (DJEI)
Innovation
Continue to promote the Immigrant Investor Programme (IIP) and Start-up Entrepreneur Programme (STEP) to leverage the potential of migrant entrepreneurs and investors. (D/Justice and Equality and others)
Develop an action programme of support for pre-investment HPSUs. (EI)
Develop an action programme of support for scaling post-investment HPSUs.(EI)
Promote Ireland internationally as a start-up location and attract 15 new overseas start-ups to establish their business here. (EI)
Drive the establishment of 15 research spin-out companies that are of EI HPSU quality.(EI)
Devise an implementation plan following recommendations from the evaluation of European Space Agency Membership. Target 5 new high performance entrant companies for European Space Agency (ESA) engagement. (EI)
In collaboration with the European Space Agency manage the initialisation of the European Space Agency (ESA) Incubator.(EI)
Initiate scoping study for development of a Coastal Resource Hub & Marine Innovation Park at Páirc na Mara, Cill Chiaráin, Co. Galway. (ÚnaG)
Develop advanced property solutions for innovative companies seeking to move from the incubator phase to market. Units will be suitable for specific sectors, including Life Sciences & Food as well as further property solutions for Business Support Services and Creative Enterprises. (ÚnaG)
Access to finance
Increase the usage of Equity financing by SMEs (DJEI, D/Finance, Revenue, EI, LEOs)
As announced in Budget 2015, extend the existing 3-year tax relief for new start-up companies until end-2015. (D/Finance)
Launch 6 Competitive Start Funds to support 85 Start-ups. (EI)
Build on the success achieved to date on the Competitive Feasibility Funds and launch 4 targeted funds during the year in the West, Midlands, Mideast, and one sectoral fund. (EI)
Competitive Start Fund (CSF) for the Agri-Sector: Following the launch of the Competitive Feasibility for the Agri-Sector in September 2014, explore launching a Competitive Start Fund to further support potential start-up businesses in this sector. (EI)

Networks and Mentoring
Increase the level of start-up support in Ireland by supporting commercially managed accelerators.(EI)
A Working Group will implement reforms in mentoring. (DJEI)
Access to Markets
Continue the successful Food Academy initiative (which is run in conjunction with retail outlets) to nurture start-up food businesses through workshop style training and assistance with routes to market. (Bord Bia)
Implement a structured programme to support new HPSUs to access new overseas markets and customers. (EI)