

SME Test for the LEO Policy Statement 2024 – 2030

The Local Enterprise Office (LEO) Policy Statement captures the current level of activity of LEOs nationwide and outlines how their work will adapt to contribute to the implementation of five of the priorities of the White Paper on Enterprise – decarbonisation, digitalisation, increasing exporters, enabling the locally traded sector to thrive, and stepping up enterprise innovation.

The Policy Statement outlines how, through a variety of programmes and campaigns, LEOs foster a strong entrepreneurial culture and promote enterprise nationally. Above all, there is an emphasis on a consistency of approach across the LEO network and a clear intention to show that LEOs are, and remain, the first stop shop for all businesses regardless of sector.

The LEO Policy Statement presents an agreed approach for their continued development to ensure they can contribute to the delivery of the White Paper on Enterprise. By outlining these policy changes and by clearly articulating the scope of LEO supports, the Policy Statement will aim to allay concerns and assertions that there are gaps in the system of provision of enterprise supports to all business. The Policy Statement also outlines the quantum of businesses that are eligible for some form of support, guidance, and advice from the LEOs. There are approximately 370,000 businesses eligible for LEO support – that is, businesses with up to 50 employees across all sectors, minus those which are currently served by one of the enterprise agencies.

Furthermore, through extensive engagement with Enterprise Ireland, the Policy Statement outlines the clear pathway of progression from LEOs to EI.

(1) Consultation of SME stakeholders:

The Entrepreneurship and Small Business Unit (ESBU) has led the development of the LEO Policy Statement, under the guidance and oversight of the LEO Steering Group, including DETE (Chair), DHLGH, EI, the County Council Managers Association (CCMA), LEO Heads of Enterprise and the LGMA. Two working groups were convened in Q3 2023 which provided a baseline of current activities of the LEOs based on the four quadrants covered in the Service Level Agreement between EI and the Local Authorities.

The Working Groups concluded their input in January 2024. Following this, the document was subsequently considered by the Management Board of the Department of Enterprise, Trade and Employment, who provided feedback on its content, direction and approval process.

Thereafter, ESBU presented the draft to the Enterprise Ireland Executive Committee, the County and City Management Association Business Committee, Enterprise, Tourism, Innovation and Urban/Town Economic Renewal Committee, and the LEO Network, made up of all 31 LEO Heads of Enterprise. The Policy Statement was subsequently approved by the Board of EI and the full CCMA.

The Policy Statement was also circulated to the SME and Entrepreneurship Taskforce and the LEO Steering Group for consultation. In addition, the Policy Statement was also sent to the following Departments for their initial observations: D/Taoiseach, D/RCD, D/HLGH, D/ECC, and D/TCAGSM.

Creation of the Policy Statement involved extensive consultation with both internal and external stakeholders at every stage of the process and has resulted in a document which is positively received by all relevant stakeholders.

(2) Identification of affected businesses:

Central Statistics Office Business Demography data was used to determine the number of small businesses in Ireland that may be eligible for LEO supports, and when accounting for businesses that are already clients of another enterprise agency, this figure was 370,000 businesses with fewer than 50 employees that may be eligible for LEO support.

The LEO Policy Statement communicates the schemes, programmes and grants that are available through the LEO network and will be used to clarify the future strategic direction of these programmes. In particular, the Policy Statement emphasises the intent to make consultancy in the areas of Lean, Green and Digital available to a broader range of locally traded businesses.

Furthermore, this Policy Statement clarifies the availability of training and mentoring programmes to all businesses regardless of size or sector. This will have a positive impact on the number of businesses utilising the offering of the Local Enterprise Offices and ensuring that businesses are confident that engaging with their Local Enterprise Office will be a worthwhile step in building and growing their business.

(3) Measurement of the impact on SMEs:

The Local Enterprise Office Policy Statement will have a positive impact on SMEs. The actions contained in the policy statement are business-centred and the needs of the client are central to the future strategic direction of the LEOs.

Examples of this include building the capacity of the LEO Network through a new Client Relationship Management System (CRMS) to ensure LEO staff can focus on client-facing, relationship building direct work with business, as well as the launch of the National Enterprise Hub to assist LEOs in delivering on their objectives in the most efficient way.

The Policy Statement also sets out principles for future design of schemes and communication campaigns, which will involve rationalising the LEO offering and making eligibility criteria consistent, and using business-friendly language in the promotion of LEO activities and grants. The emphasis on clarity of communication is a central tenet of the Policy Statement and will benefit all SMEs who will now be able to easily understand the role of the LEO and how it may benefit their business.

This is especially true for locally traded businesses, on whom there is an emphasis placed in the Policy Statement. There is a focus on making programmes designed to improve productivity, enhance competitiveness and implement lean practices, encourage innovation and digitalisation, and reducing energy and carbon emissions more available to these locally traded businesses, in all sectors up to 50 employees. This will be of great benefit to that sector.

(4) Assessment of alternative mechanisms and mitigating measures.

LEOs were established in 2014 within the 31 Local Authorities to carry out enterprise development functions on behalf of Enterprise Ireland. Over the last 10 years, and in particular since 2020, LEOs have developed new services to support their traditional clients in the manufacturing and internationally traded services sectors as well as broadening their engagement with the small locally traded, non-exporting sectors of the economy, to grow the overall productivity of the economy and meet the challenges and opportunities of a digital, low carbon economy. These developments, together with the need to contribute to the implementation of Government's White Paper on Enterprise has given rise to a need to clarify and communicate the role of LEOs to wider stakeholders and set out a pathway to 2030.

The alternative to this Policy Statement is a continued perceived confusion in the landscape of business supports, and a perception that many businesses are not eligible for support from their Local Enterprise Office. This results in businesses not being able to avail of support that can assist in taking their business to the next level, as well as leaving businesses unsupported in addressing challenges of doing business in the modern day, such as increased costs as well as the imperative of the twin transitions of sustainability and digitalisation.

As well as this, there has not previously been a central document that codifies LEO Policy. Due to LEO placement and the functions they provide, oversight of the LEOs and their staff is a collaboration between a number of organisations, namely DETE, DHLGH, Enterprise Ireland, the EI LEO Centre of Excellence, and the LGMA and CCMA. Having one document to communicate the centralised, agreed position of all of these organisations is crucial to ensuring the continuation of proper procedures and governance, as well as clarifying this position to the wider public so individuals and businesses are equipped with an understanding of the LEOs that allows them to be confident in approaching their local office.